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**Comprehensive
Annual
Financial
Report**

City of Minot, North Dakota
For the Fiscal Year Ended December 31, 2010

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, 2010**

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City of Minot

Finance Department

April 15, 2011

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, 2010. The City Finance Department prepares this set of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

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

complete and reliable in all material respects.

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2010 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report has been included as the first component of the financial section of this report.

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

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

Profile of the City of Minot

The City, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 18.78 square miles and serves a population of 40,888. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2009 was approximately \$474 million. During 2009, the Minot Air Force Base had nearly \$134.4 million in

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★ The Magic City ★

The Honorable Mayor, City Council and City Manager

construction, services and other expenditures. Minot Air Force Base serves as the home for over 11,878 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2010, the property valuations for building permits increased by \$34.06 million compared to 2009; however, the City has had a healthy level of growth in property values, which has continued to enable the City to reduce the number of mills levied.

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

The City provides a full range of services contemplated by statute or charter. This includes police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation, planning and community development, water and sewer, cemetery, airport, and general administrative services necessary to serve the citizens of the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies submit requests for appropriations to the city manager in June of each year for the ensuing year's budget, which begins January 1. Budget-to-actual comparisons are

provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented on pages 24 through 28 as part of the basic financial statements for the governmental funds. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 73.

Factors Affecting Financial Condition

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

Local Economy. Minot's centralized location in North America and its high-quality transportation make it an 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>	
2006	\$ 11,920,592	2006	\$ 9,443,018
2007	13,242,768	2007	10,132,780
2008	14,574,340	2008	10,329,502
2009	14,845,915	2009	10,895,992
2010	17,200,391	2010	11,453,689

The financial position of the City remains sound with management continuing to administer the financial policies established by the City Council in a prudent and effective manner as shown in the table on pages V and VI. A continuation of that cooperative effort will assure the citizens a healthy future.

<u>Assets, Liabilities and Net Assets Per Capita</u>				
	<u>Population</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Net Assets</u>
2006	36,567	\$ 5,313	\$ 854	\$ 4,459
2007	36,567	5,867	1,064	4,803
2008	36,567	6,684	1,379	5,305
2009	36,567	6,942	1,331	5,610
2010	40,888	6,470	1,071	5,398

The Honorable Mayor, City Council and City Manager

Expenses and Program Revenues Per Capita						
	Population	Charges for Expenses	Operating Grants and Services	Capital Grants and Contributions	Change in Net Assets	
2006	36,567	\$ 1,024	\$ 468	\$ 19	\$ 397	\$ 597
2007	36,567	1,209	462	28	443	571
2008	36,567	1,425	592	38	424	502
2009	36,567	1,499	607	88	250	305
2010	40,888	1,274	575	66	168	381

Ratio of Net Assets to Expenses		
	Governmental Activities	Business-Type Activities
2006	4.17	4.69
2007	3.73	4.49
2008	3.70	3.78
2009	3.66	3.92
2010	4.29	4.13

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 will extend to Northwest North Dakota by 2014.

The City has completed several major highway projects in recent years with additional projects planned for 2011. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with debt, thereby increasing the per capita debt. The per capita debt is deceiving in that not all the debt service payments will be paid through general property taxes but rather with dedicated revenue sources to fund portions of each of these projects.

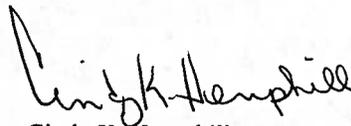
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its' Comprehensive Annual Financial Report for the fiscal year ended December 31, 2009. This was the 31th consecutive 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, specifically the Comptroller and the Internal Auditor. I would also like to thank the Mayor and City Council for their unfailing support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Cindy K. Hemphill
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Minot
North Dakota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

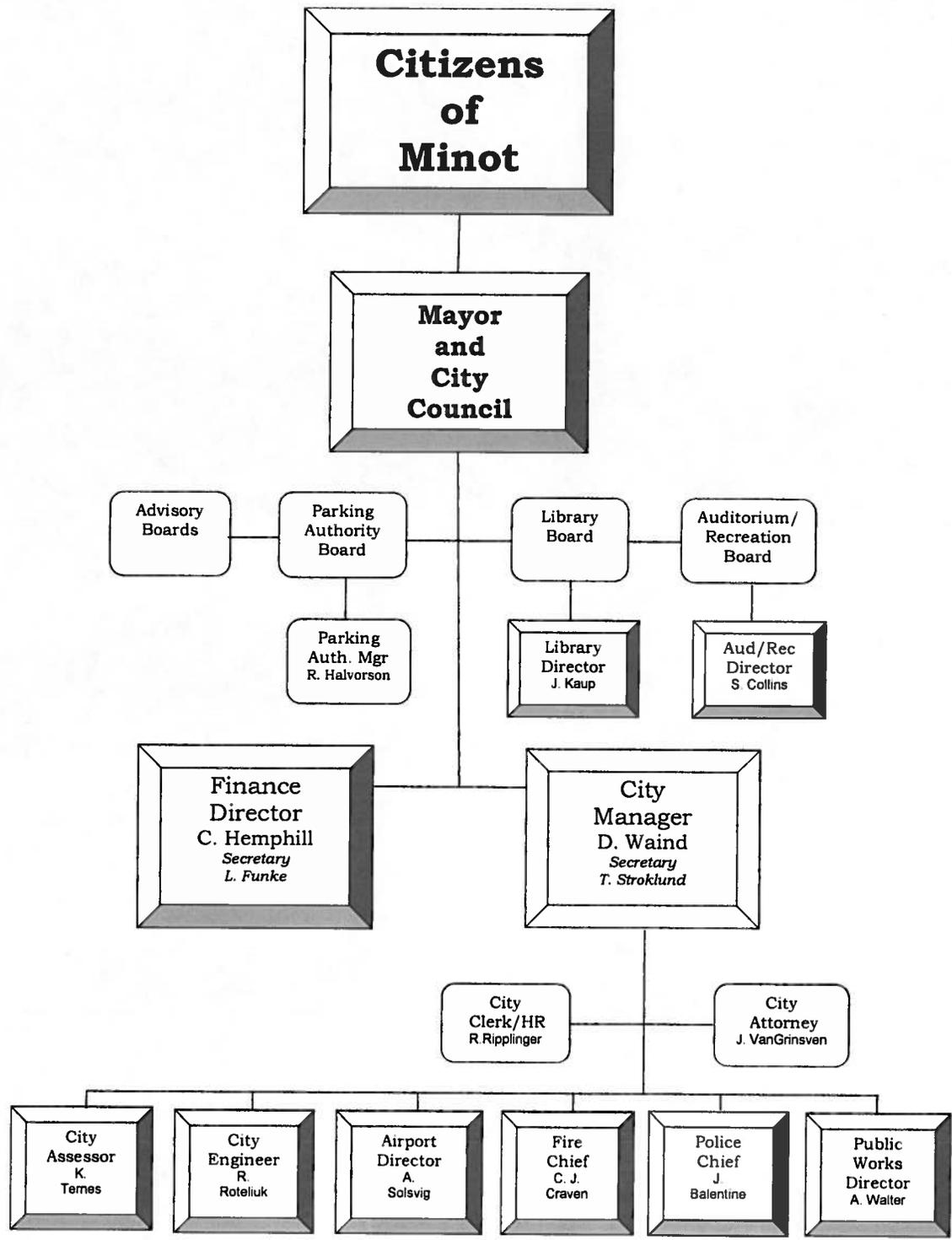
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

City of Minot
Organizational Chart



Elected and Appointed Officials

City of Minot, North Dakota

Mayor.....Curt Zimbelman

Members of the City Council

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

Ward 2:.....Bob Miller
Hardy D. Lieberg

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

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

Ward 5:.....Tom Seymour
Scott Knudsvig - Vice President

Ward 6:.....Mark Jantzer
Blake Krabseth

Ward 7:.....Ron Boen
Lisa Olson



Independent Auditor's Report

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

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, 2010, 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 2009 financial statements and, in our report dated April 15, 2011; we expressed an unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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, 2010, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund, the Sales Tax Economic Development Fund, the Sales Tax-NW Area Water Fund, and the Sales Tax Capital Improvements Fund, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 15, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual 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
April 15, 2011

Management's
Discussion
and
Analysis

**City of Minot
Comprehensive Annual Financial Report
December 31, 2010**

Management's Discussion and Analysis

As management of the City of Minot, we are pleased to offer readers of the City of Minot's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2010, with comparative data for the fiscal year ended December 31, 2009. 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 over \$15.58 million or 7.6%. The majority of the increase is due to capital projects totaling nearly \$9.97 million like 20th Avenue reconstruction (\$4.2 million), 3rd Avenue Viaduct (\$1.0 million), Energy Park Phase II (\$1.0 million), US 83 Bypass Shared Path (\$1.3 million), and others. In addition, donated assets increased capital assets by over \$4.71 million. Net assets of governmental activities increased by nearly \$14.35 million or 10.57% and net assets of business type activities increased by over \$1.23 million or 1.78%.
- Total revenues from all sources were \$67.69 million. This is an increase of over \$1.74 million from 2009. Revenues increased due to a net decrease in program revenues of nearly \$1.47 million and a net increase in general revenues of \$3.21 million. Taxes increased by nearly \$3.76 million primarily due to sales tax collections increasing over \$2.35 million.
- Total cost of all programs was \$52.11 million. This is a decrease of over \$2.69 million from 2009. The majority of the decrease was due to NAWS expenditures being \$5.11 million less in 2010 than they were in 2009 and public safety and highway and streets expenditures increasing by over \$2.67 million. Public safety was up due to increased costs and grants while the highway and streets were up due to the 3rd Street Viaduct repairs of nearly \$1 million.
- The unassigned fund balance for the General Fund was nearly \$7.27 million or 38.39% of the total general fund

expenditures. This is an increase from 2009 of \$0.3 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

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

Management's Discussion and Analysis

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

The government-wide financial statements begin on page 14.

Fund Financial Statements

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

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

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

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the

information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements. The City maintains 24 individual governmental funds. The City presents separate information in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: sales tax economic development, sales tax capital improvements, sales tax NAWS fund, special assessment debt service fund, and highway reserve fund. Data from the 18 other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these nonmajor governmental funds, which begin on page 62.

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

The governmental fund financial statements begin on page 16.

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

**City of Minot
Comprehensive Annual Financial Report
December 31, 2010**

Management's Discussion and Analysis

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The City combines both internal service funds in a single, aggregate presentation in the proprietary fund financial statements. The City provides individual fund data for the nonmajor proprietary funds in the form of combining statements, which begin on page 94. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 98. The basic proprietary fund statements begin on page 30.

Fiduciary Funds. Fiduciary funds account for resources held for the benefit of parties outside the government. The City is a trustee for its employees' pension and other post employment benefit plans. It is also responsible for other assets held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City reports fiduciary activities in separate Statements of Fiduciary Net 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 similar to proprietary funds. The basic fiduciary fund statements begin on page 36.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 39-58 of this report.

The City presents combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 62-110 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, 2010, with comparative data for the fiscal year ended December 31, 2009. Assets exceeded liabilities by \$220,727,772 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net assets (64.75 %) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related debt used to acquire those assets that 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 reports investment in capital assets net of related debt, the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities.

A portion of the City's net assets (20.03%) represents resources subject to external restrictions on how they may be used. Restricted net assets include amounts restricted for debt service \$4,469,362, for highway projects \$1,448,511, for economic development projects

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 72,047,680	\$ 65,325,548	\$ 11,714,912	\$ 10,463,818	\$ 83,762,592	\$ 75,789,366
Capital assets	97,708,568	92,335,876	83,063,916	85,704,809	180,772,484	178,040,685
Total assets	169,756,248	157,661,424	94,778,828	96,168,627	264,535,076	253,830,051
Long-term debt outstanding	14,403,057	16,041,087	20,647,508	23,116,943	35,050,565	39,158,030
Other liabilities	5,286,833	5,904,849	3,469,906	3,624,497	8,756,739	9,529,346
Total liabilities	19,689,890	21,945,936	24,117,414	26,741,440	43,807,304	48,687,376
Net assets						
Invested in capital assets, net of related debt	82,821,937	76,811,701	60,096,339	61,496,412	142,918,276	138,308,113
Restricted net assets	40,513,104	39,388,120	3,705,660	4,340,967	44,218,764	43,729,087
Unrestricted net assets	26,731,317	19,515,667	6,859,415	3,589,808	33,590,732	23,105,475
Total net assets	\$ 150,066,358	\$ 135,715,488	\$ 70,661,414	\$ 69,427,187	\$ 220,727,772	\$ 205,142,675

**City of Minot
Comprehensive Annual Financial Report
December 31, 2010**

Management's Discussion and Analysis

\$1,688,435, for flood control \$2,202,085, for the NAWS project \$34,204,624, and for other purposes \$205,747. The unrestricted net assets of \$33,590,732 are to meet the government's ongoing obligations to citizens and creditors.

At the end of 2010, 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 \$15,585,097 during 2010. 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 over \$2.73 million during 2010. New capital assets contributed \$14.29 million with over \$4.71 million of the new assets coming from donated assets to the City. Current year depreciation of \$11.06 million and sales and trade-ins contributed a \$5.50 million decrease to the capital assets

during 2010.

Governmental Activities. Governmental program revenues increased by over \$2.95 million due to capital grants and contributions increasing by over \$2.44 million. Governmental program expenses decreased due to decreased expenditures for general government during the year which were due primarily to a reduction in NAWS expenditures during 2010 of \$5.11 million. Investment earnings decreased due to declining interest rates during 2010.

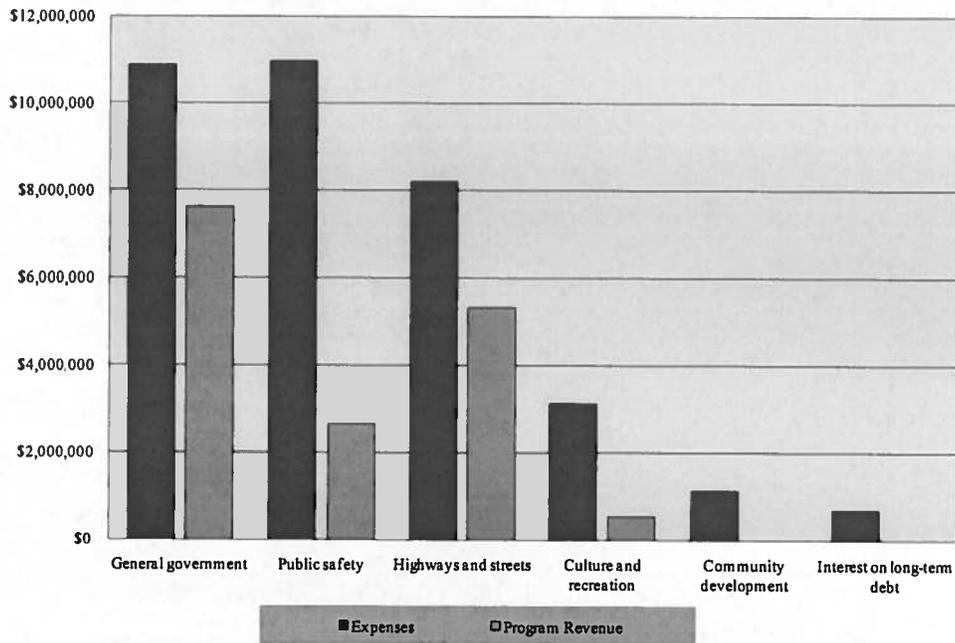
Business-Type Activities. Business-type program revenues decreased by nearly \$4.42 million during 2010 due to decreases in capital grants and contributions of over \$4.73 million, an increase in operating grants and contributions of \$87,157 and an increase in charges for services of \$227,758. Business-type program expenses decreased in 2010 due to decreases in capital projects at the Airport.

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program revenues						
Charges for services	\$ 8,356,759	\$ 7,263,867	\$ 15,155,011	\$ 14,927,253	\$ 23,511,770	\$ 22,191,120
Operating grants and contributions	2,373,244	2,960,706	328,837	241,680	2,702,081	3,202,386
Capital grants and contributions	5,438,311	2,992,059	1,417,253	6,150,014	6,855,564	9,142,073
General revenues						
Taxes	32,242,185	28,531,998	393,707	346,610	32,635,892	28,878,608
Investment earnings	474,228	961,136	98,049	215,446	572,277	1,176,582
Miscellaneous	1,106,373	1,282,593	307,387	72,223	1,413,760	1,354,816
Total revenues	49,991,100	43,992,359	17,700,244	21,953,226	67,691,344	65,945,585
Expenses						
General government	10,877,394	15,791,433	-	-	10,877,394	15,791,433
Public safety	10,983,251	9,621,297	-	-	10,983,251	9,621,297
Highways and streets	8,197,388	6,884,847	-	-	8,197,388	6,884,847
Culture and recreation	3,122,273	2,927,935	-	-	3,122,273	2,927,935
Economic development	1,122,808	932,000	-	-	1,122,808	932,000
Interest on long-term debt	684,342	952,970	-	-	684,342	952,970
Airport	-	-	3,046,398	3,747,615	3,046,398	3,747,615
Cemetery	-	-	305,368	245,719	305,368	245,719
Parking authority	-	-	123,727	121,475	123,727	121,475
Sanitation	-	-	2,529,736	2,327,461	2,529,736	2,327,461
Water and sewer	-	-	11,113,562	11,249,918	11,113,562	11,249,918
Total expenses	34,987,456	37,110,482	17,118,791	17,692,188	52,106,247	54,802,670
Excess (deficiency) before transfers	15,003,644	6,881,877	581,453	4,261,038	15,585,097	11,142,914
Transfers	(652,774)	(3,425,624)	652,774	3,425,624	-	-
Change in net assets	14,350,870	3,456,253	1,234,227	7,686,662	15,585,097	11,142,915
Net assets, January 1	135,715,488	132,259,235	69,427,187	61,740,525	205,142,675	193,999,760
Net assets, December 31	\$ 150,066,358	\$ 135,715,488	\$ 70,661,414	\$ 69,427,187	\$ 220,727,772	\$ 205,142,675

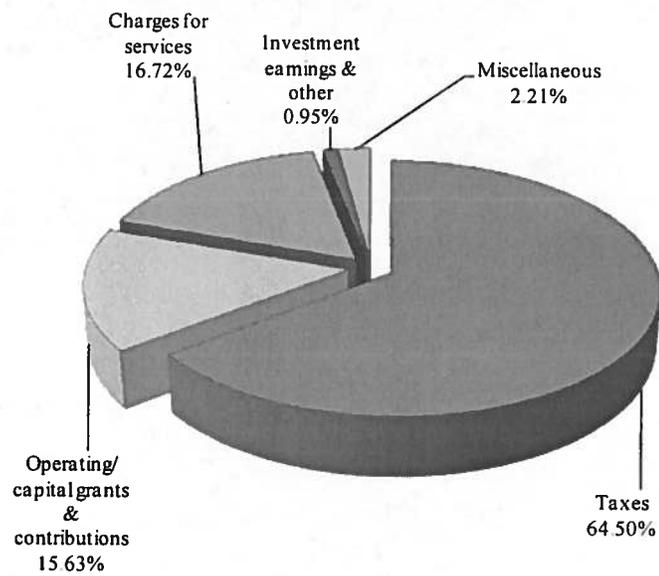
Management's Discussion and Analysis

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

**Expenses & Program Revenues
Governmental Activities**

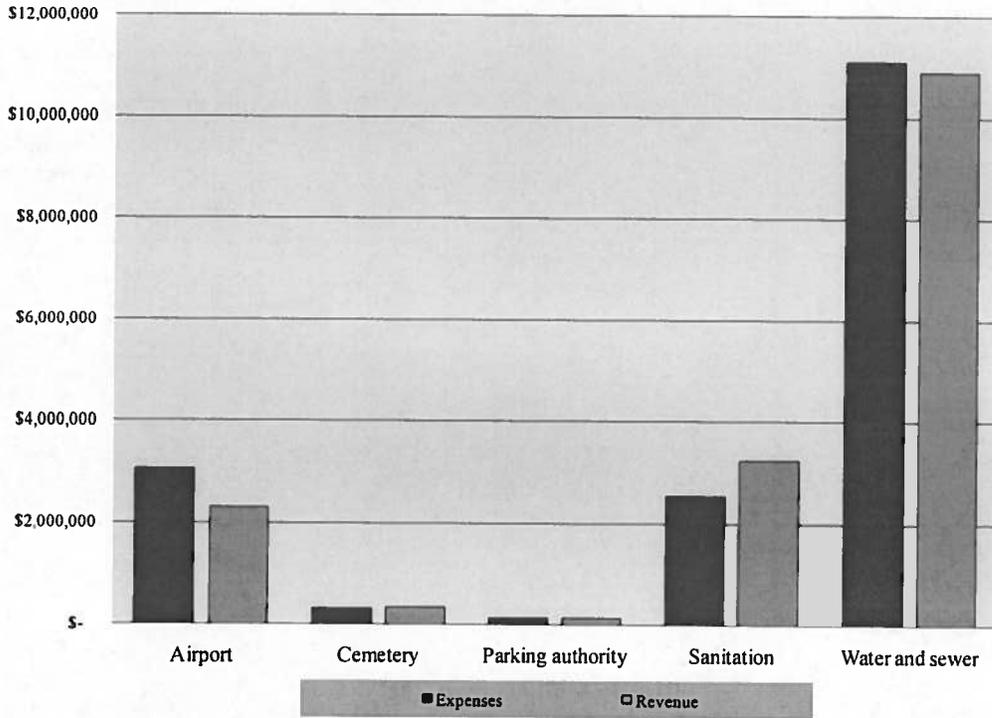


**Revenues by Source
Governmental Activities**

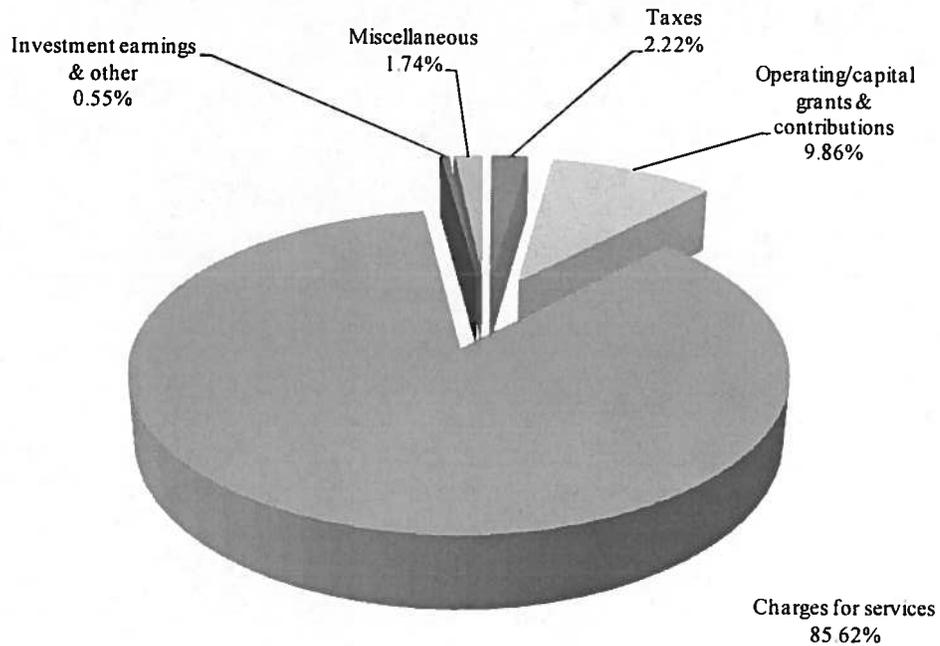


Management's Discussion and Analysis

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



**Revenues by Source
 Business-Type Activities**



Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As of the end of 2010, the City's governmental funds reported combined ending fund balances of over \$64 million, an increase of nearly \$7.57 million in comparison with 2009. Revenues for the period increased by over \$3.06 million due to an increase of over \$1.41 million intergovernmental revenues and an increase in sales tax collections of \$2.35 million while expenditures increased by \$340,974. The City also issued nearly \$1.37 million in General Obligation Bonds in 2010 to fund expenditures for capital outlays for paving projects. The governmental funds nonspendable fund balance is \$1,969,020, restricted fund balance \$40,513,104, committed fund balance \$1,703,945, assigned fund balance \$12,903,800, and unassigned fund balance \$6,916,182.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$7,269,575. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents 38.39% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$81,461 during the current fiscal year. The main reason for this change was an increase in sale of City property during the year.

The **Sales Tax Economic Development Fund** had an increase of over \$1.43 million in fund balance due to an increase in sales tax collections.

The **Sales Tax Capital Improvement Fund** had an increase of \$712,883 in fund balance due to an increase in sales tax collections.

The **Sales Tax NAWS Fund** had an increase in fund balance of \$5.8 million due to a decrease in construction costs over sale tax collections during 2010.

The **Special Assessment Debt Fund** decreased its fund balance by \$565,141 due to a reduction of special assessment prepayments.

The **Highway Reserve Fund** had an increase of \$743,446 in fund balance due to decreases in general obligation bonds (\$630,000) and change in transfers out of \$1.6 million from 2009. Expenditures also declined by \$201,037.

Propriety 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 \$6,209,067, of which Airport accounted for \$2,055,443, Sanitation \$1,703,453, Water and Sewer \$2,450,171 and the nonmajor funds accounted for \$321,106. Restricted net assets were \$3,705,660 for bond covenants and other purposes.

The change in net assets for these funds were \$1,217,469. The increase is due to capital contributions of \$539,013 and a net difference of \$652,774 in transfers into the fund from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget was an increase in revenues of \$803,140 and an increase in expenditure appropriations of \$672,427. The fire and police grants not anticipated at budget time contributed to the largest portion of the

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Management's Discussion and Analysis

change in revenues and expenditures, \$518,323 and \$447,768, respectively.

Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$627,639 more than budgeted. The total general government expenditures were \$469,107 more than budgeted due primarily to street department expenditures being \$268,093 higher than expected due to above normal snowfall and a 100 year rain event. Public safety expenditures were more than budgeted by \$50,164. This resulted in total excess of revenues over expenditures being \$158,532 more than budgeted.

These budget appropriations were funded with available fund balances and any positive change in net assets will remain in the appropriate fund.

**CAPITAL ASSET AND DEBT
ADMINISTRATION**

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2010, is \$180,772,484 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books.

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

- 20th Ave SE Reconstruction
- US 83 Bypass Shared Path
- 3rd Street Viaduct Repair
- Energy Park Phase II
- A variety of other street construction projects

Additional information on the City of Minot's capital assets can be found in Note 4. D on pages 47-48 of this report.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 6,542,184	\$ 6,844,919	\$ 3,490,186	\$ 3,429,078	\$ 10,032,370	\$ 10,273,997
Construction in progress	1,500,798	1,888,071	1,150,660	953,910	2,651,458	2,841,981
Buildings	7,581,326	7,001,465	4,038,403	3,685,394	11,619,729	10,686,859
Equipment	7,143,683	5,989,601	3,900,577	3,706,679	11,044,260	9,696,280
Infrastructure	73,673,930	69,459,309	70,484,090	73,929,748	144,158,020	143,389,057
Intangible assets	477,100	190,203	-	-	477,100	190,203
Books	789,547	962,308	-	-	789,547	962,308
Total capital assets	\$ 97,708,568	\$ 92,335,876	\$ 83,063,916	\$ 85,704,809	\$ 180,772,484	\$ 178,040,685

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

Long-Term Debt. At year-end, the City had total debt of \$40,514,893, a decrease of \$3,620,809 over the prior year. Note 4. H on pages 50-52 of this report describes the City's long-term debt in detail.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation bonds	\$ 11,480,000	\$ 11,440,000	\$ -	\$ -	\$ 11,480,000	\$ 11,440,000
Special assessment bonds	5,160,000	6,555,000	-	-	5,160,000	6,555,000
Revenue bonds	-	-	21,110,000	23,675,000	21,110,000	23,675,000
Unamortized premium	30,215	34,835	41,072	47,122	71,287	81,957
Unamortized discount	(45,207)	(46,945)	(65,943)	(72,653)	(111,150)	(119,598)
Notes payable	-	-	1,496,921	1,562,795	1,496,921	1,562,795
Loans payable	-	-	-	74,567	-	74,567
Capital leases	9,748	-	360,656	-	370,404	-
Compensated absences	742,722	677,054	194,709	188,927	937,431	865,981
Total outstanding debt	\$ 17,377,478	\$ 18,659,944	\$ 23,137,415	\$ 25,475,758	\$ 40,514,893	\$ 44,135,702

The City issued new debt for General Obligation Highway Bonds of \$1,375,000. The City received a rating of Aa2 from Moody's.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$102,539,865. The City's legal debt margin is \$91,357,296. The net bonded debt per capita is \$273.49.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Projects in 2010, which boosted the economy in Minot included, KCR Investments – four apartment buildings \$8.8 million; Sunrise Investments LLP – one 36-plex and four 24-plex apartment buildings \$7.6 million; ND State Fair Association grandstand \$6.8 million; Halliburton \$6.1 million; Minot State University Development – 33 apartments \$3.6 million; MainStay Hotel \$2.9 million; Candlewood Suites \$2.7 million; Feist Construction Inc – 2 18-plex apartment buildings \$2.48 million; Winfield Solutions – office warehouse \$2.2 million and several other condos, apartment buildings, restaurants and business remodels.

During 2011, the City anticipates the oil industry will continue to boost the economy primarily due to the Bakken Formation.

The 2011 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

\$105,935 to \$117,300 per mill. The mill levy for the City of Minot's 2011 budget is 108.59 mills – compared to 109.61 mills in 2010, a decrease of 1.02 mills.

Total appropriations for operations for 2011 increased nearly \$1.6 million dollars from 2010. This 2.4% increase is due primarily to increases in general fund salary and benefit expenditures (over \$1.57 million increase); an increase in Airport due to the reconstruction of Taxiway "C" (\$2.5 million); decreases in debt retirement (over \$1 million); and a decrease in Sales Tax due to NAWS expenditures going into cash reserves (nearly \$3.2 million). Due to rate increases and growth around the City of Minot, the water, sewer, and sanitation budgets increased by nearly \$1.6 million in order to provide water and sewer to 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 or PO Box 5006, Minot, ND 58702 or visit us online at www.minotnd.org.

**Basic
Financial
Statements**

City of Minot, North Dakota
Statement of Net Assets
December 31, 2010
With Comparative Totals for December 31, 2009

	Governmental Activities	Business-Type Activities	Total 2010	Total 2009
ASSETS				
Cash and investments	\$ 25,493,711	\$ 6,154,318	\$ 31,648,029	\$ 27,275,587
Investments	26,964	-	26,964	25,329
Receivables				
Taxes receivable delinquent	235,831	7,653	243,484	292,026
Special assessments deferred	3,620,844	3,412	3,624,256	4,146,235
Special assessments delinquent	17,180	-	17,180	37,208
Accounts receivable	336,881	1,424,268	1,761,149	1,475,389
Loans receivable, net of allowance	478,086	-	478,086	380,690
Intergovernmental receivable	2,644,762	233,412	2,878,174	3,602,372
Accrued interest receivable	26,482	-	26,482	46,672
Inventory	319,112	-	319,112	422,960
Prepaid	90,164	9,109	99,273	14,869
Deferred charges	170,331	177,080	347,411	391,662
Net pension obligation asset	756,128	-	756,128	351,834
Restricted cash and cash equivalents	37,831,204	3,705,660	41,536,864	37,326,533
Capital assets not being depreciated				
Land	6,542,184	3,490,186	10,032,370	10,273,997
Construction in progress	1,500,798	1,150,660	2,651,458	2,841,981
Capital assets net of accumulated depreciation				
Buildings	7,581,326	4,038,403	11,619,729	10,686,859
Equipment	7,143,683	3,900,577	11,044,260	9,696,280
Infrastructure	73,673,930	70,484,090	144,158,020	143,389,057
Intangible assets	477,100	-	477,100	190,203
Books	789,547	-	789,547	962,308
Total assets	<u>\$ 169,756,248</u>	<u>\$ 94,778,828</u>	<u>\$ 264,535,076</u>	<u>\$ 253,830,051</u>
LIABILITIES				
Accounts payable	\$ 1,091,557	\$ 422,510	\$ 1,514,067	\$ 2,386,405
Retainage payable	115,801	34,241	150,042	186,563
Internal balances	381,175	(381,175)	-	-
Accrued salaries payable	486,955	120,618	607,573	508,008
Insurance claims payable	79,038	-	79,038	143,245
Accrued interest payable	148,856	222,221	371,077	411,685
Customer deposits	9,030	97,468	106,498	105,746
Deferred revenue	-	45,459	45,459	48,534
Current debt - due within one year				
Special assessment debt with governmental commitment	8,438	-	8,438	18,846
Compensated absences	259,953	68,148	328,101	326,956
Capital leases payable	3,426	73,118	76,544	-
All other debt	2,213,513	2,353,199	4,566,712	5,270,555
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	42,051	-	42,051	66,216
Compensated absences	482,769	126,561	609,330	562,888
Capital leases payable	6,322	287,538	293,860	-
All other debt	14,361,006	20,253,722	34,614,728	38,141,707
Accrued MSWLF postclosure care costs	-	393,786	393,786	510,022
Total liabilities	<u>19,689,890</u>	<u>24,117,414</u>	<u>43,807,304</u>	<u>48,687,376</u>
NET ASSETS				
Invested in capital assets, net of related debt	82,821,937	60,096,339	142,918,276	138,308,113
Restricted for:				
Debt service	812,051	3,657,311	4,469,362	6,944,074
Highway projects	1,448,511	-	1,448,511	2,833,320
Economic development	1,688,435	-	1,688,435	2,837,842
Flood control	2,202,085	-	2,202,085	2,202,085
NAWS	34,204,624	-	34,204,624	284,040,171
Other purposes	157,398	48,349	205,747	507,595
Unrestricted	26,731,317	6,859,415	33,590,732	23,105,475
Total net assets	<u>\$ 150,066,358</u>	<u>\$ 70,661,414</u>	<u>\$ 220,727,772</u>	<u>\$ 205,142,675</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, 2010
With Comparative Totals for December 31, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total 2010	Total 2009
Governmental Activities								
General government	\$ 10,877,394	\$ 6,440,278	\$ 1,066,608	\$ 120,720	\$ (3,249,788)	\$ -	\$ (3,249,788)	\$ (6,241,959)
Public safety	10,983,251	1,382,128	676,006	604,476	(8,320,641)	-	(8,320,641)	(8,374,783)
Highways and streets	8,197,388	-	630,630	4,713,115	(2,853,643)	-	(2,853,643)	(4,464,204)
Culture and recreation	3,122,273	534,353	-	-	(2,587,920)	-	(2,587,920)	(2,927,935)
Community development	1,122,808	-	-	-	(1,122,808)	-	(1,122,808)	(932,000)
Interest on long-term debt	684,342	-	-	-	(684,342)	-	(684,342)	(952,970)
Total governmental activities	34,987,456	8,356,759	2,373,244	5,438,311	(18,819,142)	-	(18,819,142)	(23,893,851)
Business-Type Activities								
Airport	3,046,398	1,114,890	328,837	857,936	-	(744,735)	(744,735)	(193,466)
Cemetery	305,368	291,230	-	61,853	-	47,715	47,715	499
Parking authority	123,727	126,065	-	-	-	2,338	2,338	68,064
Sanitation	2,529,736	3,229,834	-	2,197	-	702,295	702,295	853,430
Water and sewer	11,113,562	10,392,992	-	495,267	-	(225,303)	(225,303)	2,898,233
Total business-type activities	17,118,791	15,155,011	328,837	1,417,253	-	(217,690)	(217,690)	3,626,760
Total government	\$ 52,106,247	\$ 23,511,770	\$ 2,702,081	\$ 6,855,564	(18,819,142)	(217,690)	(19,036,832)	(20,267,091)
General Revenues								
Taxes								
Property taxes, levied for general purposes					8,750,586	305,389	9,055,975	8,428,646
Property taxes, levied for debt service					749,233	-	749,233	1,064,857
Sales tax					17,200,391	-	17,200,391	14,845,915
Municipal highway tax					2,478,437	-	2,478,437	1,894,613
State aid distribution-unrestricted					2,120,108	-	2,120,108	1,802,746
Franchise taxes					517,894	-	517,894	483,377
Other taxes					425,536	88,318	513,854	358,454
Investment earnings					474,228	98,049	572,277	1,176,582
Miscellaneous					1,106,373	307,387	1,413,760	1,354,816
Transfers					(652,774)	652,774	-	-
Total general revenues and transfers					33,170,012	1,451,917	34,621,929	31,410,006
Change in net assets					14,350,870	1,234,227	15,585,097	11,142,915
Net assets, January 1					135,715,488	69,427,187	205,142,675	193,999,760
Net assets, December 31					\$ 150,066,358	\$ 70,661,414	\$ 220,727,772	\$ 205,142,675

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, 2010
With Comparative Totals for December 31, 2009

	Special Revenue Funds				Debt Service Fund
	General Fund	Sales Tax Economic Development	Sales Tax Capital Improvements	Sales Tax NAWS	Special Assessment Debt
ASSETS					
Current assets					
Cash and investments	\$ 6,727,135	\$ 5,493,561	\$ 2,015,380	\$ -	\$ 512,870
Restricted cash and investments	-	1,688,435	-	33,940,684	-
Investments	-	26,964	-	-	-
Taxes receivable delinquent	135,816	-	-	-	642
Special assessments receivable delinquent	940	-	-	-	16,240
Accounts receivable	225,778	551	-	-	-
Loans receivable	-	189,089	-	-	-
Allowance for loans receivable	-	(119,522)	-	-	-
Due from other funds	25,329	-	-	-	-
Intergovernmental receivable	1,068,157	265,569	331,962	663,922	-
Accrued interest receivable	23,277	-	-	3,205	-
Inventory	-	-	-	-	-
Prepaid	26,691	-	-	-	-
Total current assets	<u>8,233,123</u>	<u>7,544,647</u>	<u>2,347,342</u>	<u>34,607,811</u>	<u>529,752</u>
Noncurrent assets					
Special assessments receivable deferred	7,307	-	-	-	3,602,871
Loans receivable	-	408,519	-	-	-
Advance to other funds	-	-	36,367	-	1,123,977
Total noncurrent assets	<u>7,307</u>	<u>408,519</u>	<u>36,367</u>	<u>-</u>	<u>4,726,848</u>
Total assets	<u>\$ 8,240,430</u>	<u>\$ 7,953,166</u>	<u>\$ 2,383,709</u>	<u>\$ 34,607,811</u>	<u>\$ 5,256,600</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 292,672	\$ 5,961	\$ -	\$ 403,187	\$ 150
Retainage payable	-	16,817	-	-	-
Due to other funds	-	-	-	-	-
Accrued salaries payable	431,522	-	-	-	-
Total current liabilities	<u>724,194</u>	<u>22,778</u>	<u>-</u>	<u>403,187</u>	<u>150</u>
Noncurrent liabilities					
Customer deposits	9,030	-	-	-	-
Advance from other funds	-	-	-	-	-
Deferred revenue	158,947	-	-	-	3,619,650
Total noncurrent liabilities	<u>167,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,619,650</u>
Total liabilities	<u>892,171</u>	<u>22,778</u>	<u>-</u>	<u>403,187</u>	<u>3,619,800</u>
FUND BALANCE					
Nonspendable	26,691	408,519	-	-	-
Restricted	50,077	1,688,435	-	34,204,624	512,823
Committed	-	-	495,369	-	-
Assigned	1,916	5,833,434	1,888,340	-	1,123,977
Unassigned	7,269,575	-	-	-	-
Total fund balance	<u>7,348,259</u>	<u>7,930,388</u>	<u>2,383,709</u>	<u>34,204,624</u>	<u>1,636,800</u>
Total liabilities and fund balance	<u>\$ 8,240,430</u>	<u>\$ 7,953,166</u>	<u>\$ 2,383,709</u>	<u>\$ 34,607,811</u>	<u>\$ 5,256,600</u>

City of Minot, North Dakota
Balance Sheet
Governmental Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Capital Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>	<u>Total Governmental</u>
	<u>Highway Reserve</u>	<u>Funds</u>	<u>Funds 2010</u>	<u>Funds 2009</u>
ASSETS				
Current assets				
Cash and investments	\$ 4,610,829	\$ 4,883,101	\$ 24,242,876	\$ 22,064,107
Restricted cash and investments	-	2,202,085	37,831,204	32,985,566
Investments	-	-	26,964	25,329
Taxes receivable delinquent	-	99,373	235,831	285,828
Special assessments receivable delinquent	-	-	17,180	37,208
Accounts receivable	-	103,996	330,325	231,851
Loans receivable	-	-	189,089	254,596
Allowance for loans receivable	-	-	(119,522)	(95,173)
Due from other funds	-	353,380	378,709	565,877
Intergovernmental receivable	131,240	183,912	2,644,762	3,006,649
Accrued interest receivable	-	-	26,482	46,672
Inventory	-	10,456	10,456	9,148
Prepaid	-	542	27,233	12,396
Total current assets	<u>4,742,069</u>	<u>7,836,845</u>	<u>65,841,589</u>	<u>59,430,054</u>
Noncurrent assets				
Special assessments receivable deferred	-	10,666	3,620,844	4,146,235
Loans receivable	-	-	408,519	221,267
Advance to other funds	-	362,468	1,522,812	1,510,363
Total noncurrent assets	<u>-</u>	<u>373,134</u>	<u>5,552,175</u>	<u>5,877,865</u>
Total assets	<u>\$ 4,742,069</u>	<u>\$ 8,209,979</u>	<u>\$ 71,393,764</u>	<u>\$ 65,307,919</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 193,021	\$ 45,575	\$ 940,566	\$ 1,404,617
Retainage payable	70,632	28,352	115,801	52,969
Due to other funds	-	353,380	353,380	551,205
Accrued salaries payable	-	55,433	486,955	427,430
Total current liabilities	<u>263,653</u>	<u>482,740</u>	<u>1,896,702</u>	<u>2,436,221</u>
Noncurrent liabilities				
Customer deposits	-	-	9,030	8,241
Advance from other funds	619,136	980,938	1,600,074	1,934,546
Deferred revenue	-	103,310	3,881,907	4,493,537
Total noncurrent liabilities	<u>619,136</u>	<u>1,084,248</u>	<u>5,491,011</u>	<u>6,436,324</u>
Total liabilities	<u>882,789</u>	<u>1,566,988</u>	<u>7,387,713</u>	<u>8,872,545</u>
FUND BALANCE				
Nonspendable	-	10,998	446,208	1,753,174
Restricted	1,448,511	2,608,634	40,513,104	37,821,812
Committed	393,112	815,234	1,703,715	2,536,138
Assigned	2,017,657	3,561,518	14,426,842	7,990,404
Unassigned	-	(353,393)	6,916,182	6,333,846
Total fund balance	<u>3,859,280</u>	<u>6,642,991</u>	<u>64,006,051</u>	<u>56,435,374</u>
Total liabilities and fund balance	<u>\$ 4,742,069</u>	<u>\$ 8,209,979</u>	<u>\$ 71,393,764</u>	<u>\$ 65,307,919</u>

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

City of Minot



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City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
December 31, 2010

Total fund balances for governmental funds	\$64,006,051
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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	\$ 6,542,184	
Construction work in process	1,500,798	
Buildings, net of accumulated depreciation (\$6,451,415)	7,581,326	
Equipment, net of accumulated depreciation (\$7,039,210)	7,143,683	
Infrastructure, net of accumulated depreciation (33,235,428)	73,673,930	
Intangible assets, net of accumulated depreciation (\$45,716)	477,100	
Books, net of accumulated depreciation (\$3,601,124)	789,547	
Total capital assets (Note 4. D)	97,708,568	

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.	756,128
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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.	1,069,707
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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.	3,881,907
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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)	(\$17,356,003)
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Total net assets of governmental activities	\$150,066,358
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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, 2010
With Comparative Totals for December 31, 2009

	General Fund	Special Revenue Fund			Debt Service Fund
		Sales Tax Economic Development	Sales Tax Capital Improvement	Sales Tax NAWS	Special Assessment Debt
REVENUES					
Property tax collections	\$ 5,112,201	\$ -	\$ -	\$ -	\$ 22,880
Special assessment collections	11,240	-	-	-	827,009
Sales tax collections	-	3,440,078	4,300,098	8,600,195	-
Licenses and permits	836,065	-	-	-	-
Intergovernmental	7,272,676	-	-	-	-
Charges for services	4,278,686	-	-	-	-
Fines and forfeits	659,823	-	-	-	-
Interest income	70,153	40,819	9,812	185,870	57,184
Miscellaneous	316,821	107,710	-	-	75
Total revenues	<u>18,557,665</u>	<u>3,588,607</u>	<u>4,309,910</u>	<u>8,786,065</u>	<u>907,148</u>
EXPENDITURES					
Current					
General government	6,441,176	-	-	2,935,612	473
Public safety	10,045,515	-	-	-	-
Highways and streets	2,450,515	-	-	-	-
Culture and recreation	-	-	75,834	-	-
Economic development	-	1,122,458	-	-	-
Capital outlay					
Contracted work	-	895,832	6,502	-	-
Equipment	-	-	2,814	-	-
Legal	-	-	-	-	-
Other	-	-	-	-	-
Acquisitions	-	-	-	-	-
Engineering	-	69,674	-	-	-
Debt service					
Principal retirement	-	-	-	-	1,395,000
Interest and fiscal charges	-	-	-	-	271,094
Total expenditures	<u>18,937,206</u>	<u>2,087,964</u>	<u>85,150</u>	<u>2,935,612</u>	<u>1,666,567</u>
Excess (deficiency) of revenues over (under) expenditures	(379,541)	1,500,643	4,224,760	5,850,453	(759,419)
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	-	-	-	-	-
Premium on general obligation bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Capital leases	15,392	-	-	-	-
Sale of City property	246,853	-	-	-	-
Transfers in	638,668	-	20,000	-	234,096
Transfers out	(439,911)	(64,318)	(3,531,877)	(50,000)	(39,818)
Total other financing sources (uses)	<u>461,002</u>	<u>(64,318)</u>	<u>(3,511,877)</u>	<u>(50,000)</u>	<u>194,278</u>
Net change in fund balance	81,461	1,436,325	712,883	5,800,453	(565,141)
Fund balance, January 1	7,266,798	6,494,063	1,670,826	28,404,171	2,201,941
Fund balance, December 31	<u>\$ 7,348,259</u>	<u>\$ 7,930,388</u>	<u>\$ 2,383,709</u>	<u>\$ 34,204,624</u>	<u>\$ 1,636,800</u>

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Capital Project Fund Highway Reserve	Other Governmental Funds	Total Governmental Funds 2010	Total Governmental Funds 2009
REVENUES				
Property tax collections	\$ 2,587	\$ 4,186,915	\$ 9,324,583	\$ 9,123,666
Special assessment collections	-	7,010	845,259	1,216,553
Sales tax collections	-	860,020	17,200,391	14,845,915
Licenses and permits	-	-	836,065	701,740
Intergovernmental	630,630	1,635,732	9,539,038	8,123,997
Charges for services	-	589,333	4,868,019	5,018,590
Fines and forfeits	-	-	659,823	490,864
Interest income	21,542	68,820	454,200	961,136
Miscellaneous	-	681,767	1,106,373	1,282,593
Total revenues	<u>654,759</u>	<u>8,029,597</u>	<u>44,833,751</u>	<u>41,765,054</u>
EXPENDITURES				
Current				
General government	-	867,796	10,245,057	14,714,972
Public safety	-	-	10,045,515	8,736,792
Highways and streets	653,300	1,097,666	4,201,481	3,342,302
Culture and recreation	-	2,566,465	2,642,299	2,493,537
Economic development	-	350	1,122,808	932,000
Capital outlay				
Contracted work	1,137,175	1,409,516	3,449,025	1,959,088
Equipment	-	2,053,340	2,056,154	1,022,139
Legal	4,017	-	4,017	6,500
Other	22,809	48,009	70,818	110,001
Acquisitions	-	1,501	1,501	368,814
Engineering	561,664	406,137	1,037,475	1,054,853
Debt service				
Principal retirement	-	1,335,000	2,730,000	2,420,000
Interest and fiscal charges	29,149	400,363	700,606	787,850
Total Expenditures	<u>2,408,114</u>	<u>10,186,143</u>	<u>38,306,756</u>	<u>37,948,848</u>
Excess (deficiency) of revenues over (under) expenditures	(1,753,355)	(2,156,546)	6,526,995	3,816,206
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	1,375,000	-	1,375,000	2,005,000
Premium on general obligation bonds	-	-	-	6,180
Discount on general obligation bonds	(6,875)	-	(6,875)	-
Capital leases	-	-	15,392	-
Sale of City property	-	66,086	312,939	20,053
Transfers in	1,181,550	3,628,378	5,702,692	5,494,389
Transfers out	(52,874)	(2,176,668)	(6,355,466)	(8,920,013)
Total other financing sources (uses)	<u>2,496,801</u>	<u>1,517,796</u>	<u>1,043,682</u>	<u>(1,394,391)</u>
Net change in fund balance	743,446	(638,750)	7,570,677	2,421,815
Fund balance, January 1	3,115,834	7,281,741	56,435,374	54,013,559
Fund balance, December 31	<u>\$ 3,859,280</u>	<u>\$ 6,642,991</u>	<u>\$ 64,006,051</u>	<u>\$ 56,435,374</u>

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



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City of Minot, North Dakota
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Fiscal Year Ended December 31, 2010

Net change in fund balances-total governmental funds \$ 7,570,677

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B) 5,672,982

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. (300,290)

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)

Debt issued			
General obligation highway bonds	\$ (1,375,000)		
Discount on debt issuance	6,875		
Repayments of bond principal	2,730,000		
Annual amortization of premium, discount, and issuance costs	<u>(4,237)</u>		
Net adjustment			1,357,638

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. 404,294

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

Accrued interest payable	(16,264)
Compensated absences	65,668

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

New special assessment districts to be billed and collected annually	120,720	
Special assessment write-offs, foreclosures, and interest	199,148	
Amount shown as revenue in governmental funds	<u>(845,259)</u>	
Net change		(525,391)

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. 121,556

Change in net assets of governmental activities \$ 14,350,870

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, 2010
With Comparative Totals for December 31, 2009

	Budgeted Amounts		2010 Actual Amounts	Variance With Final Budget	2009 Actual Amounts
	Original	Final			
REVENUES					
Property tax collections	\$ 5,244,462	\$ 5,244,462	\$ 5,112,201	\$ 132,261	\$ 5,040,346
Special assessment collections	10,144	10,144	11,240	(1,096)	6,283
Licenses	194,368	194,368	223,093	(28,725)	216,673
Permits	450,985	450,985	612,972	(161,987)	485,067
Intergovernmental federal					
Drug task force	-	37,358	16,917	20,441	37,056
Security for schools	-	-	3,928	(3,928)	2,285
JAG recovery act grant	-	201,036	171,538	29,498	44,928
Bullet proof vest grant	-	6,854	3,733	3,121	7,446
Traffic signal DOE	-	24,840	-	24,840	-
FEMA	-	-	22,688	(22,688)	1,703
Intergovernmental state					
Highway fund	1,885,938	1,885,938	2,120,108	(234,170)	1,894,613
State aid distribution	1,918,483	1,918,483	2,478,437	(559,954)	1,802,746
Financial institution tax	-	-	133,516	(133,516)	-
Drug task force	53,596	53,596	35,948	17,648	-
Cigarette tax	110,326	110,326	106,018	4,308	107,022
Estate tax	9,235	9,235	-	9,235	4,282
Gas and oil production tax	37,081	37,081	25,012	12,069	22,155
Telecommunications tax	132,092	132,092	132,092	-	132,092
Senior citizen property tax credit	111,999	111,999	121,290	(9,291)	41,367
Fire insurance refund	123,246	123,246	116,543	6,703	116,052
Gambling tax revenue	22,786	22,786	28,898	(6,112)	27,294
Law enforcement grants	-	425,898	362,102	63,796	121,427
Fire grants	-	92,425	68,515	23,910	81,288
2009 snow removal	-	-	-	-	63,523
Bomb squad	-	-	3,647	(3,647)	2,888
Other state revenues	-	9,639	12,664	(3,025)	82,518
Intergovernmental county					
Drug task force	-	-	9,678	(9,678)	9,977
Road and bridge	3,880	3,880	5,032	(1,152)	4,570
Joint communications	699,371	699,371	662,230	37,141	155,808
Telephone fee	-	-	-	-	165,231
Information services	65,733	65,733	66,022	(289)	75,431
PSAP manager	-	-	-	-	49,586
Intergovernmental other					
Housing authority	33,481	33,481	43,586	(10,105)	37,571
Parking authority	5,328	5,328	5,328	-	5,328
Cable TV franchise fees	442,420	442,420	517,894	(75,474)	483,377
Damage claims	-	-	(688)	688	23,879
Policing-Central Campus	2,002	2,002	-	2,002	950
Total intergovernmental	5,656,997	6,455,047	7,272,676	(817,629)	5,604,393
Charges for services					
Engineering & administrative	165,840	165,840	159,581	6,259	423,536
Utility & special funds	2,522,621	2,522,621	2,522,621	-	2,522,756
Agency funds	1,582,880	1,582,880	1,544,499	38,381	1,433,356
Fleet labor	55,200	55,200	51,985	3,215	58,536
Total charges for services	4,326,541	4,326,541	4,278,686	47,855	4,438,184
Fines and forfeitures					
Parking tickets	67,917	67,917	57,060	10,857	64,905
Police court	443,999	443,999	602,763	(158,764)	425,959
Total fines and forfeitures	511,916	511,916	659,823	(147,907)	490,864
Interest income	450,000	450,000	70,153	379,847	28,034
Miscellaneous income					
Work for others	149,876	112,784	64,817	47,967	47,448
Single family mortgage payoffs	-	-	1,757	(1,757)	18,619
Miscellaneous	119,891	162,073	225,692	(63,619)	388,833

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, 2010
With Comparative Totals for December 31, 2009

	<u>Budgeted Amounts</u>		2010	Variance	2009
	<u>Original</u>	<u>Final</u>	<u>Actual</u> Amounts	<u>With</u> Final Budget	<u>Actual</u> Amounts
Towing fees	\$ 11,706	\$ 11,706	\$ 24,555	\$ (12,849)	\$ 22,825
Total miscellaneous income	281,473	286,563	316,821	(30,258)	477,725
Total revenues	17,126,886	17,930,026	18,557,665	(627,639)	16,787,569
EXPENDITURES					
General government					
Mayor and city council	215,794	227,694	189,014	38,680	156,824
City manager	206,839	206,839	203,497	3,342	190,595
City clerk	218,076	218,076	229,817	(11,741)	185,442
City attorney	164,572	164,572	152,014	12,558	141,990
Administrative and general	773,697	813,080	1,130,906	(317,826)	813,871
Finance	507,459	507,459	506,551	908	469,022
Information technology	408,696	408,696	393,954	14,742	377,687
Property assessment	334,006	334,006	340,469	(6,463)	324,057
Building inspection	394,591	394,591	404,002	(9,411)	374,236
Traffic	904,028	928,868	820,064	108,804	786,010
Engineering and planning	765,462	765,462	764,307	1,155	653,954
Vehicle maintenance	540,467	541,986	537,297	4,689	489,103
Property maintenance	360,996	387,996	387,154	842	312,593
Public works administration	375,612	375,612	382,130	(6,518)	344,308
Total general government	6,170,295	6,274,937	6,441,176	(166,239)	5,619,692
Public safety					
Police administration	906,113	912,404	890,508	21,896	733,712
Police patrol	3,289,943	3,642,707	3,626,518	16,189	3,045,988
Criminal investigation	806,118	810,443	770,932	39,511	747,294
Narcotics task force	101,072	101,072	74,654	26,418	57,325
Telecommunications division	699,371	699,371	694,702	4,669	589,129
Municipal judge	160,199	160,199	308,080	(147,881)	173,141
Fire administration	481,737	493,623	473,558	20,065	431,265
Fire control	3,103,030	3,175,532	3,206,563	(31,031)	2,958,938
Total public safety	9,547,583	9,995,351	10,045,515	(50,164)	8,736,792
Street & storm sewer maintenance	2,062,405	2,182,422	2,450,515	(268,093)	2,453,470
Total expenditures	17,780,283	18,452,710	18,937,206	(484,496)	16,809,954
Excess (deficiency) of revenues over (under) expenditures	(653,397)	(522,684)	(379,541)	(143,143)	(22,385)
OTHER FINANCING SOURCES (USES)					
Capital leases	-	-	15,392	(15,392)	-
Sale of property	-	-	246,853	(246,853)	10,075
Transfers in	398,049	398,049	638,668	(240,619)	852,306
Transfers out	-	-	(439,911)	439,911	(7,788)
Total other financing sources (uses)	398,049	398,049	461,002	(62,953)	854,593
Net change in fund balance	\$ (255,348)	\$ (124,635)	81,461	\$ (206,096)	832,208
Fund balance, January 1			7,266,798		6,434,590
Fund balance, December 31			<u>\$ 7,348,259</u>		<u>\$ 7,266,798</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, Budget and Actual
Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Sales Tax Economic Development</u>			
	Original and Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES				
Sales tax collections	\$ 2,944,017	\$3,440,078	\$ (496,061)	\$2,969,183
Interest income	52,500	40,819	11,681	89,442
Miscellaneous	-	107,710	(107,710)	78,014
Total revenues	<u>2,996,517</u>	<u>3,588,607</u>	<u>(592,090)</u>	<u>3,136,639</u>
EXPENDITURES				
Current				
Economic development	2,946,517	1,122,458	1,824,059	928,319
Capital outlay				
Contracted work	-	895,832	(895,832)	-
Engineering	-	69,674	(69,674)	-
Total expenditures	<u>2,946,517</u>	<u>2,087,964</u>	<u>858,553</u>	<u>928,319</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	1,500,643	(1,450,643)	2,208,320
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(64,318)	14,318	(550,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(64,318)</u>	<u>14,318</u>	<u>(550,000)</u>
Net change in fund balance	<u>\$ -</u>	1,436,325	<u>\$(1,436,325)</u>	1,658,320
Fund balance (deficit), January 1		6,494,063		4,835,743
Fund balance (deficit), December 31		<u>\$7,930,388</u>		<u>\$6,494,063</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, 2010
With Comparative Totals for December 31, 2009

	<u>Sales Tax Capital Improvement</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2010 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2009 Actual Amounts</u>
REVENUES					
Sales tax collections	\$3,680,021	\$3,680,021	\$4,300,098	\$ (620,077)	\$3,711,479
Interest income	-	-	9,812	(9,812)	21,556
Total revenues	<u>3,680,021</u>	<u>3,680,021</u>	<u>4,309,910</u>	<u>(629,889)</u>	<u>3,733,035</u>
EXPENDITURES					
General government	-	200,000	-	200,000	57,000
Highway and street	-	-	-	-	11,446
Culture and recreation	20,000	20,000	75,834	(55,834)	53,164
Capital outlay					
Contracted work	-	-	6,502	(6,502)	21,859
Equipment	-	-	2,814	(2,814)	39,918
Total expenditures	<u>20,000</u>	<u>220,000</u>	<u>85,150</u>	<u>134,850</u>	<u>183,387</u>
Excess (deficiency) of revenues over (under) expenditures	3,660,021	3,460,021	4,224,760	(764,739)	3,549,648
OTHER FINANCING SOURCES (USES)					
Transfers in	23,586	23,586	20,000	3,586	60,000
Transfers out	<u>(3,683,607)</u>	<u>(3,483,607)</u>	<u>(3,531,877)</u>	48,270	<u>(4,461,410)</u>
Total other financing sources (uses)	<u>(3,660,021)</u>	<u>(3,460,021)</u>	<u>(3,511,877)</u>	51,856	<u>(4,401,410)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	712,883	<u>\$ (712,883)</u>	(851,762)
Fund balance (deficit), January 1			1,670,826		2,522,588
Fund balance (deficit), December 31			<u>\$2,383,709</u>		<u>\$1,670,826</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, 2010
With Comparative Totals for December 31, 2009

	Sales Tax NAWS			
	Original and Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES				
Sales tax collections	\$7,360,042	\$ 8,600,195	\$(1,240,153)	\$ 7,422,957
Interest income	339,934	185,870	154,064	463,368
Total revenues	<u>7,699,976</u>	<u>8,786,065</u>	<u>(1,086,089)</u>	<u>7,886,325</u>
EXPENDITURES				
General government	8,300,000	2,935,612	5,364,388	8,048,072
Total expenditures	<u>8,300,000</u>	<u>2,935,612</u>	<u>5,364,388</u>	<u>8,048,072</u>
Excess (deficiency) of revenues over (under) expenditures	(600,024)	5,850,453	(6,450,477)	(161,747)
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	-	(50,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$ (650,024)</u>	5,800,453	<u>\$(6,450,477)</u>	(211,747)
Fund balance (deficit), January 1		28,404,171		28,615,918
Fund balance (deficit), December 31		<u>\$ 34,204,624</u>		<u>\$ 28,404,171</u>

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

City of Minnetonka

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City of Minot, North Dakota
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010
With Comparative Totals for December 31, 2009

ASSETS	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
Current assets				
Cash and cash equivalents	\$ 2,182,734	\$ 1,964,437	\$ 1,662,539	\$ 344,608
Restricted cash and cash equivalents	327,784	-	2,247,636	48,349
Taxes receivable delinquent	7,515	-	-	138
Accounts receivable	28,593	214,087	1,171,288	10,300
Intergovernmental receivable	233,411	-	-	1
Inventory	-	-	-	-
Prepaid	7,744	246	1,099	20
Deferred charges	1,686	-	19,959	-
Total current assets	2,789,467	2,178,770	5,102,521	403,416
Noncurrent assets				
Restricted cash and cash equivalents	30,000	-	1,051,891	-
Advance from other funds	-	-	807,772	-
Special assessment receivable deferred	-	-	3,412	-
Deferred charges	-	-	155,435	-
Capital assets				
Land	1,109,583	367,335	1,697,367	315,901
Buildings	7,386,430	359,791	6,848,486	194,057
Equipment	3,012,559	1,922,380	6,041,804	445,294
Infrastructure	37,367,382	3,029,264	91,738,522	160,156
Intangible assets	-	-	345,144	-
Construction in progress	538,049	-	612,611	-
Total capital assets	49,414,003	5,678,770	107,283,934	1,115,408
Less-accumulated depreciation	(21,849,518)	(2,701,860)	(55,230,440)	(646,381)
Net capital assets	27,564,485	2,976,910	52,053,494	469,027
Total noncurrent assets	27,594,485	2,976,910	54,072,004	469,027
Total assets	\$ 30,383,952	\$ 5,155,680	\$ 59,174,525	\$ 872,443
LIABILITIES				
Current liabilities				
Accounts payable	\$ 251,636	\$ 2,600	\$ 151,571	\$ 16,703
Retainage payable	24,589	-	9,652	-
Due to other funds	25,329	-	-	-
Accrued vacation payable	14,680	16,563	33,665	3,239
Accrued salaries payable	21,107	31,607	60,500	7,404
Insurance claims payable	-	-	-	-
Bonds payable	320,000	-	1,965,000	-
Notes payable	-	-	68,199	-
Loans payable	-	-	-	-
Capital leases payable	-	73,118	-	-
Accrued interest payable	7,784	-	214,437	-
Deferred revenue	975	-	9,462	-
Total current liabilities	666,100	123,888	2,512,486	27,346
Long-term liabilities				
Customer deposits	5,309	-	91,559	600
Compensated absences	27,264	30,761	62,522	6,015
Bonds payable	340,000	-	18,485,000	-
Notes payable	-	-	1,428,722	-
Capital leases payable	-	287,538	-	-
Advance to other funds	27,567	-	702,943	-
Accrued MSWLF closure and postclosure care costs	-	393,786	-	-
Deferred revenue	-	-	35,022	-
Total long-term liabilities	400,140	712,085	20,805,768	6,615
Total liabilities	1,066,240	835,973	23,318,254	33,961
NET ASSETS				
Invested in capital assets, net of related debt	26,904,485	2,616,254	30,106,573	469,027
Restricted for bond covenants	357,784	-	3,299,527	-
Restricted for perpetual care	-	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	-	10,099
Unrestricted	2,055,443	1,703,453	2,450,171	321,106
Total net assets	\$ 29,317,712	\$ 4,319,707	\$ 35,856,271	\$ 838,482

City of Minot, North Dakota
Statement of Fund Net Assets
Proprietary Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Governmental Activities			
	Total Enterprise Funds	Internal Service Funds	Total 2010	Total 2009
ASSETS				
Current assets				
Cash and cash equivalents	\$ 6,154,318	\$ 1,250,835	\$ 7,405,153	\$ 5,211,480
Restricted cash and cash equivalents	2,623,769	-	2,623,769	2,992,670
Taxes receivable delinquent	7,653	-	7,653	6,198
Accounts receivable	1,424,268	6,556	1,430,824	1,243,538
Intergovernmental receivable	233,412	-	233,412	595,723
Inventory	-	308,656	308,656	413,812
Prepaid	9,109	62,931	72,040	2,473
Deferred charges	21,645	-	21,645	6,711
Total current assets	<u>10,474,174</u>	<u>1,628,978</u>	<u>12,103,152</u>	<u>10,472,605</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,081,891	-	1,081,891	1,348,297
Advance from other funds	807,772	-	807,772	903,772
Special assessment receivable deferred	3,412	-	3,412	-
Deferred charges	155,435	-	155,435	207,099
Capital assets				
Land	3,490,186	-	3,490,186	3,429,078
Buildings	14,788,764	-	14,788,764	14,027,701
Equipment	11,422,037	-	11,422,037	10,847,368
Infrastructure	132,295,324	-	132,295,324	131,435,998
Intangible assets	345,144	-	345,144	345,144
Construction in progress	1,150,660	-	1,150,660	953,910
Total capital assets	<u>163,492,115</u>	<u>-</u>	<u>163,492,115</u>	<u>161,039,199</u>
Less-accumulated depreciation	<u>(80,428,199)</u>	<u>-</u>	<u>(80,428,199)</u>	<u>(75,334,390)</u>
Net capital assets	<u>83,063,916</u>	<u>-</u>	<u>83,063,916</u>	<u>85,704,809</u>
Total noncurrent assets	<u>85,112,426</u>	<u>-</u>	<u>85,109,014</u>	<u>88,163,977</u>
Total assets	<u>\$ 95,586,600</u>	<u>\$ 1,628,978</u>	<u>\$ 97,212,166</u>	<u>\$ 98,636,582</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 422,510	\$ 150,991	\$ 573,501	\$ 981,787
Retainage payable	34,241	-	34,241	133,594
Due to other funds	25,329	-	25,329	14,672
Accrued vacation payable	68,148	-	68,148	66,124
Accrued salaries payable	120,618	-	120,618	104,441
Insurance claims payable	-	79,038	79,038	143,245
Bonds payable	2,285,000	-	2,285,000	2,565,000
Notes payable	68,199	-	68,199	65,874
Loans payable	-	-	-	74,567
Capital leases payable	73,118	-	73,118	-
Accrued interest payable	222,221	-	222,221	246,565
Deferred revenue	10,437	-	10,437	7,462
Total current liabilities	<u>3,329,821</u>	<u>230,029</u>	<u>3,559,850</u>	<u>4,403,331</u>
Long-term liabilities				
Customer deposits	97,468	-	97,468	97,505
Compensated absences	126,561	-	126,561	122,803
Bonds payable	18,825,000	-	18,825,000	21,110,000
Notes payable	1,428,722	-	1,428,722	1,496,921
Capital leases payable	287,538	-	287,538	-
Advance to other funds	730,510	-	730,510	479,589
Accrued MSWLF closure and postclosure care costs	393,786	-	393,786	510,022
Deferred revenue	35,022	-	35,022	41,072
Total long-term liabilities	<u>21,924,607</u>	<u>-</u>	<u>21,924,607</u>	<u>23,857,912</u>
Total liabilities	<u>25,254,428</u>	<u>230,029</u>	<u>25,484,457</u>	<u>28,261,243</u>
NET ASSETS				
Invested in capital assets, net of related debt	60,096,339	-	60,096,339	60,417,978
Restricted for bond covenants	3,657,311	-	3,657,311	4,300,303
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for chapel/veteran's memorial	10,099	-	10,099	2,414
Unrestricted	6,530,173	1,398,949	7,929,122	5,616,393
Total net assets	<u>70,332,172</u>	<u>\$ 1,398,949</u>	<u>71,731,121</u>	<u>70,375,338</u>
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service fund assets and liabilities are included				
	<u>329,242</u>		<u>329,242</u>	<u>312,484</u>
	<u>\$ 70,661,414</u>		<u>\$ 72,060,363</u>	<u>\$ 70,687,822</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
OPERATING REVENUES				
Sales	\$ 11,313	\$ -	\$ -	\$ -
Cost of goods sold	(654)	-	-	-
Gross margin	10,659	-	-	-
Charges for services	1,102,635	3,224,338	10,355,791	416,815
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	-	-	27,362	-
Total operating revenues	<u>1,113,294</u>	<u>3,224,338</u>	<u>10,383,153</u>	<u>416,815</u>
OPERATING EXPENSES				
Salaries	482,247	788,246	1,632,193	212,098
Employee benefits	121,088	243,460	453,547	41,789
Professional services	133,923	12,745	95,541	30
Property services	331,752	374,048	1,010,006	52,712
Purchased services	83,185	24,005	141,032	11,616
Supplies	202,795	262,125	1,765,086	39,035
Capital purchases	-	-	-	-
Sundry	95,959	617,345	1,501,119	39,325
Insurance claims	-	-	-	-
Bad debt expense	-	-	-	-
Amortization	7,985	-	28,745	-
MSWLF closure & postclosure care	-	(116,236)	-	-
Depreciation	1,544,605	323,998	3,509,224	22,997
Total operating expenses	<u>3,003,539</u>	<u>2,529,736</u>	<u>10,136,493</u>	<u>419,602</u>
Operating income (loss)	(1,890,245)	694,602	246,660	(2,787)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	298,424	-	-	6,965
Intergovernmental revenues	851,041	1,997	17,440	744
Interest income	16,263	8,831	70,568	2,387
Miscellaneous income (expense)	3,701	21,829	276,518	5,339
Passenger facility charge income	328,837	-	-	-
Interest and fiscal charges	(42,205)	-	(977,069)	-
Total non-operating revenues (expenses)	<u>1,456,061</u>	<u>32,657</u>	<u>(612,543)</u>	<u>15,435</u>
Income (loss) before contributions and transfers	(434,184)	727,259	(365,883)	12,648
Capital contributions	437	-	477,467	61,109
Gain (loss) on sale of City property	94,775	200	360	(9,493)
Transfers in	124,984	230,627	914,567	-
Transfers out	(80,448)	(234,749)	(299,820)	(2,387)
Total contributions and transfers	<u>139,748</u>	<u>(3,922)</u>	<u>1,092,574</u>	<u>49,229</u>
Change in net assets	(294,436)	723,337	726,691	61,877
Net assets, January 1	29,612,148	3,596,370	35,129,580	776,605
Net assets, December 31	<u>\$ 29,317,712</u>	<u>\$ 4,319,707</u>	<u>\$ 35,856,271</u>	<u>\$ 838,482</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, 2010
With Comparative Totals for December 31, 2009

	Total Enterprise Funds	Governmental Activities		Total 2010	Total 2009
		Internal Service Funds			
OPERATING REVENUES					
Sales	\$ 11,313	\$ 881,127		\$ 892,440	\$ 1,935,644
Cost of goods sold	(654)	(816,002)		(816,656)	(1,503,150)
Gross margin	10,659	65,125		75,784	432,494
Charges for services	15,099,579	-		15,099,579	13,666,976
Employer	-	1,487,599		1,487,599	1,280,901
Employee	-	805,485		805,485	657,736
Miscellaneous	27,362	-		27,362	29,795
Total operating revenues	15,137,600	2,358,209		17,495,809	16,067,902
OPERATING EXPENSES					
Salaries	3,114,784	-		3,114,784	2,952,468
Employee benefits	859,884	-		859,884	749,067
Professional services	242,239	-		242,239	108,132
Property services	1,768,518	-		1,768,518	1,298,128
Purchased services	259,838	-		259,838	802,787
Supplies	2,269,041	59,716		2,328,757	2,359,316
Capital purchases	-	-		-	8,318
Sundry	2,253,748	-		2,253,748	2,278,365
Insurance claims	-	2,071,661		2,071,661	2,198,581
Bad debt expense	-	-		-	25,695
Amortization	36,730	-		36,730	43,773
MSWLF closure & postclosure care	(116,236)	-		(116,236)	106,573
Depreciation	5,400,824	-		5,400,824	5,094,641
Total operating expenses	16,089,370	2,131,377		18,220,747	18,025,844
Operating income (loss)	(951,770)	226,832		(724,938)	(1,957,942)
NON-OPERATING REVENUES (EXPENSES)					
Property tax collections	305,389	-		305,389	281,001
Intergovernmental revenues	871,222	-		871,222	1,260,896
Interest income	98,049	7,547		105,596	247,433
Miscellaneous income (expense)	307,387	(96,065)		211,322	9,107
Passenger facility charge income	328,837	-		328,837	241,680
Interest and fiscal charges	(1,019,274)	-		(1,019,274)	(1,055,273)
Total non-operating revenues (expenses)	891,610	(88,518)		803,092	984,844
Income (loss) before contributions and transfers	(60,160)	138,314		78,154	(973,098)
Capital contributions	539,013	-		539,013	4,900,596
Gain (loss) on sale of City property	85,842	-		85,842	54,131
Transfers in	1,270,178	-		1,270,178	4,697,947
Transfers out	(617,404)	-		(617,404)	(1,272,323)
Total contributions and transfers	1,277,629	-		1,277,629	8,380,351
Change in net assets	1,217,469	138,314			
Net assets, January 1	69,114,703	1,260,635			
Net assets, December 31	<u>\$ 70,332,172</u>	<u>\$ 1,398,949</u>			
Change in net assets enterprise funds only				1,217,469	7,693,541
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds				16,758	(6,879)
Change in net assets of business-type activities				<u>\$ 1,234,227</u>	<u>\$ 7,686,662</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, 2010
With Comparative Totals for December 31, 2009

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,272,384	\$ 3,234,395	\$ 10,141,314	\$ 416,483
Payments to suppliers	(1,308,627)	(1,293,842)	(4,584,751)	(129,526)
Payments to employees	(593,647)	(1,023,450)	(2,082,415)	(253,197)
Due from (to) other agencies	358,643	-	3,664	4
Net cash provided (used) by operating activities	<u>(271,247)</u>	<u>917,103</u>	<u>3,477,812</u>	<u>33,764</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	1,153,166	23,826	293,958	13,048
Transfers in	124,984	230,627	914,567	-
Transfers out	(80,448)	(234,749)	(299,820)	(2,387)
Internal activity - payments from (to) other funds	(2,373)	-	359,951	-
Net cash provided (used) by noncapital financing activities	<u>1,195,329</u>	<u>19,704</u>	<u>1,268,656</u>	<u>10,661</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	437	-	3,015	61,109
Passenger facility charges	328,837	-	-	-
Acquisition and construction of capital assets	(437,367)	(138,595)	(891,531)	(84,383)
Disposal of capital assets	(153,938)	(14,343)	(56,720)	(9,493)
Capital lease payment	-	(89,344)	-	-
Principal paid on capital debt	(305,000)	-	(2,400,441)	-
Interest paid on capital debt	(42,205)	-	(977,069)	-
Net cash provided (used) by capital and related financing activities	<u>(609,236)</u>	<u>(242,282)</u>	<u>(4,322,746)</u>	<u>(32,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	16,263	8,831	70,568	2,387
Net cash provided by investing activities	<u>16,263</u>	<u>8,831</u>	<u>70,568</u>	<u>2,387</u>
Net increase (decrease) in cash and cash equivalents	331,109	703,356	494,290	14,045
Cash and cash equivalents, January 1	2,209,409	1,261,081	4,467,776	378,912
Cash and cash equivalents, December 31	<u>\$ 2,540,518</u>	<u>\$ 1,964,437</u>	<u>\$ 4,962,066</u>	<u>\$ 392,957</u>
Cash and cash equivalents are comprised of the following				
Cash and cash equivalents	\$ 2,182,734	\$ 1,964,437	\$ 1,662,539	\$ 344,608
Restricted cash and cash equivalents - current	327,784	-	2,247,636	48,349
Restricted cash and cash equivalents - noncurrent	30,000	-	1,051,891	-
Total cash and cash equivalents on the Statement of Net Assets	<u>\$ 2,540,518</u>	<u>\$ 1,964,437</u>	<u>\$ 4,962,066</u>	<u>\$ 392,957</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,890,245)	\$ 694,602	\$ 246,660	\$ (2,787)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	1,544,605	323,998	3,509,224	22,997
Amortization expense	7,985	-	28,745	-
MSWLF closure and post closure care cost adjustment	-	(116,236)	-	-
Change in assets and liabilities				
Taxes receivable	(1,564)	-	-	109
Receivables, net	69,698	10,268	(265,602)	(425)
Inventory	90,231	-	-	-
Prepaid	(7,477)	(211)	1,068	(16)
Accounts payable	(398,206)	(3,574)	(10,386)	13,192
Retainage payable	(58,483)	-	(40,870)	-
Intergovernmental receivables	358,643	-	3,664	4
Accrued vacation payable	7,862	1,407	(3,549)	62
Accrued salaries payable	1,826	6,849	6,874	628
Insurance claims payable	-	-	-	-
Accrued interest payable	(3,670)	-	(20,674)	-
Customer deposits	-	-	(37)	-
Special assessment receivable deferred	-	-	(3,412)	-
Deferred revenue (charge)	7,548	-	26,107	-
Net cash provided (used) by operating activities	<u>\$ (271,247)</u>	<u>\$ 917,103</u>	<u>\$ 3,477,812</u>	<u>\$ 33,764</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ -	\$ 450,000	\$ -	\$ -
Construction of capital assets from developers	-	-	474,452	-
Transfer fully depreciated capital assets to general fund	29,669	-	-	9,493

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Governmental		Total 2010	Total 2009
	Total Enterprise Funds	Internal Service Funds		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 15,064,576	\$ 3,187,913	\$ 18,252,489	\$ 17,355,609
Payments to suppliers	(7,316,746)	(3,083,829)	(10,400,575)	(10,035,014)
Payments to employees	(3,952,709)	-	(3,952,709)	(3,699,791)
Due from (to) other agencies	362,311	-	362,311	(550,296)
Net cash provided (used) by operating activities	<u>4,157,432</u>	<u>104,084</u>	<u>4,261,516</u>	<u>3,070,508</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	1,483,998	-	1,483,998	1,614,120
Transfers in	1,270,178	-	1,270,178	4,697,947
Transfers out	(617,404)	-	(617,404)	(1,272,323)
Internal activity - payments from (to) other funds	357,578	(96,065)	261,513	(1,745,294)
Net cash provided (used) by noncapital financing activities	<u>2,494,350</u>	<u>(96,065)</u>	<u>2,398,285</u>	<u>3,294,450</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	64,561	-	64,561	2,786,607
Passenger facility charges	328,837	-	328,837	241,680
Acquisition and construction of capital assets	(1,551,876)	-	(1,551,876)	(7,228,763)
Disposal of capital assets	(234,494)	-	(234,494)	(93,574)
Capital lease payment	(89,344)	-	(89,344)	-
Principal paid on capital debt	(2,705,441)	-	(2,705,441)	(2,078,204)
Interest paid on capital debt	(1,019,274)	-	(1,019,274)	(1,055,273)
Net cash provided (used) by capital and related financing activities	<u>(5,207,031)</u>	<u>-</u>	<u>(5,207,031)</u>	<u>(7,427,527)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	98,049	7,547	105,596	247,433
Net cash provided by investing activities	<u>98,049</u>	<u>7,547</u>	<u>105,596</u>	<u>247,433</u>
Net increase (decrease) in cash and cash equivalents	1,542,800	15,566	1,558,366	(815,136)
Cash and cash equivalents, January 1	8,317,178	1,235,269	9,552,447	10,367,583
Cash and cash equivalents, December 31	<u>\$ 9,859,978</u>	<u>\$ 1,250,835</u>	<u>\$ 11,110,813</u>	<u>\$ 9,552,447</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 6,154,318	\$ 1,250,835	\$ 7,405,153	\$ 5,211,480
Restricted cash and cash equivalents - current	2,623,769	-	2,623,769	2,992,670
Restricted cash and cash equivalents - noncurrent	1,081,891	-	1,081,891	1,348,297
Total cash and cash equivalents on the Statement of Net Assets	<u>\$ 9,859,978</u>	<u>\$ 1,250,835</u>	<u>\$ 11,110,813</u>	<u>\$ 9,552,447</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (951,770)	\$ 226,832	\$ (724,938)	\$ (1,957,942)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	5,400,824	-	5,400,824	5,094,641
Amortization expense	36,730	-	36,730	43,773
MSWLF closure and post closure care cost adjustment	(116,236)	-	(116,236)	106,573
Change in assets and liabilities				
Taxes receivable	(1,455)	-	(1,455)	(4,067)
Receivables, net	(186,061)	(1,223)	(187,284)	(213,211)
Inventory	90,231	14,925	105,156	(57,941)
Prepaid	(6,636)	(62,931)	(69,567)	21,616
Accounts payable	(398,974)	(9,312)	(408,286)	743,049
Retainage payable	(99,353)	-	(99,353)	(255,115)
Intergovernmental receivables	362,311	-	362,311	(550,296)
Accrued vacation payable	5,782	-	5,782	(12,251)
Accrued salaries payable	16,177	-	16,177	13,995
Insurance claims payable	-	(64,207)	(64,207)	27,764
Accrued interest payable	(24,344)	-	(24,344)	31,830
Customer deposits	(37)	-	(37)	(70)
Special assessment receivable deferred	(3,412)	-	(3,412)	-
Deferred revenue (charge)	33,655	-	33,655	38,160
Net cash provided (used) by operating activities	<u>\$ 4,157,432</u>	<u>\$ 104,084</u>	<u>\$ 4,261,516</u>	<u>\$ 3,070,508</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ 450,000	\$ -	\$ 450,000	\$ -
Construction of capital assets from developers	474,452	-	474,452	2,113,989
Transfer fully depreciated capital assets to general fund	39,162	-	39,162	-

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, 2010

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 89,390	\$ -	\$ 83,444
Investments			
Money market	276,060	8,478	
Equity/stocks	24,052,820	194,709	
Fixed income-tax exempt	689,564	-	
Fixed income-taxable	24,729,775	191,236	
Total investments	49,748,219	394,423	
Taxes receivable delinquent	36,365	10,803	2,388
Accounts receivable	162,813	-	37,476
Intergovernmental receivable	377	-	2,991
Total assets	<u>\$ 50,048,847</u>	<u>\$ 405,226</u>	<u>\$ 126,299</u>
LIABILITIES			
Accounts payable	\$ 162,813	\$ -	\$ 126,299
Due to other funds	-	118,390	-
Total liabilities	<u>199,555</u>	<u>118,390</u>	<u>\$ 126,299</u>
NET ASSETS			
Assets held in trust for pension benefits	49,849,292	-	
Assets held in trust for OPEB benefits	-	286,836	
Total net assets	<u>\$ 49,849,292</u>	<u>\$ 286,836</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, 2010
With Comparative Totals for December 31, 2009

	Pension Trust Fund	OPEB Trust Fund	2010 Total	2009 Total
ADDITIONS				
Contributions				
Employer	\$ 2,518,191	\$ 199,872	\$ 2,718,063	\$ 2,101,769
Employee	2,073,481	447,899	2,521,380	2,327,995
Total contributions	<u>4,591,672</u>	<u>647,771</u>	<u>5,239,443</u>	<u>4,429,764</u>
Investment income				
Interest and dividends	1,590,515	8,133	1,598,648	1,573,054
Net increase (decrease) in the fair value of investments	4,012,800	29,111	4,041,911	4,951,385
Total investment income	<u>5,603,315</u>	<u>37,244</u>	<u>5,640,559</u>	<u>6,524,439</u>
Less investment expense	106,170	359	106,529	96,598
Net investment income	<u>5,497,145</u>	<u>36,885</u>	<u>5,534,030</u>	<u>6,427,841</u>
Total additions	<u>10,088,817</u>	<u>684,656</u>	<u>10,773,473</u>	<u>10,857,605</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	5,364,544	-	5,364,544	5,098,539
Refunds paid to plan member and beneficiaries	322,265	-	322,265	306,749
Retiree claims	-	324,383	324,383	355,213
Third party premiums	-	234,420	234,420	130,989
Administrative expenses	297,772	880	298,652	303,036
Total deductions	<u>5,984,581</u>	<u>559,683</u>	<u>6,544,264</u>	<u>6,194,526</u>
Change in net assets	4,104,236	124,973	4,229,209	4,663,079
Net assets - January 1	45,745,056	161,863	45,906,919	51,540,078
Net assets - December 31	<u>\$ 49,849,292</u>	<u>\$ 286,836</u>	<u>\$ 50,136,128</u>	<u>\$ 56,203,157</u>

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



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Notes to Financial Statements

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

C. BASIC FINANCIAL STATEMENTS (GASB 34)

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

Government-Wide Financial Statements

The government-wide financial statements, consisting of the Statement of Net 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. The City eliminates indirect expense allocations from the statement of financial activities. Program revenues include: 1) fines, fees, and charges for services to customers that benefit from the services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. The City reports taxes and other items not properly included among program revenues as general revenues.

Fund Financial Statements

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

D. FINANCIAL STATEMENT PRESENTATION

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

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

The City reports the following major governmental funds:

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Notes to Financial Statements

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 Economic Development Fund** accounts for 40% of the collection of a one percent City sales tax. The fund is dedicated to economic development in and around the Minot area.

The **Sales Tax Capital Improvements Fund** accounts for 50% of the collection of a one percent City sales tax. The fund is dedicated to capital improvements in and around the Minot area.

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

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

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

Additionally, the government reports the following fund types:

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

The **Fiduciary Trust Funds** account for the

activities of the City Employee Pension Plan, which accumulates resources for pension, benefit payments to qualified employees, and the City Other Post Employment Benefits, which accumulate resources for OPEB payments to qualified employees.

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

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Notes to Financial Statements

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

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

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

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2009, from which the summarized information was derived.

F. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash

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

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

Investments

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

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

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

Receivables and Payables

Transactions between funds 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."

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Notes to Financial Statements

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

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

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

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

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

Net 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 balances are classified as nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the City Council through an ordinance or resolution.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Notes to Financial Statements

Assigned fund balance represents amounts constrained by the government's intent to be used for specific purposes, but neither restricted nor committed.

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

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

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

Compensated Absences

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

Sick leave is accrued at a rate of eight hours per month

of continuous service. Accumulation of sick leave is unlimited; however, liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave.

Self Insurance

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

Deferred Revenue

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

Long-Term Obligations

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

G. REVENUES

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.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2010**

Notes to Financial Statements

**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 (\$17,356,003) difference are as follows:

Bonds payable	\$ 16,640,000
Unamortized discounts/premiums	(14,992)
Issue costs	(170,331)
Accrued interest payable	148,856
Capital lease payable	9,748
Compensated absences	<u>742,722</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net assets-governmental activities	<u>\$ 17,356,003</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 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 (\$5,672,982) difference are as follows:

Donated capital assets	\$ 4,713,115
Capital outlay	6,618,990
Depreciation	<u>(5,659,123)</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ 5,672,982</u>

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

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

Annual budgets are adopted on a basis consistent with GAAP for the General Fund, Special Revenue Funds

with the exception of Sales Tax - Flood Control and Demolitions. The Fire Equipment and Equipment Purchases funds are the only two Capital Project Funds budgeted. All appropriations lapse at year-end.

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

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

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

The City incurred material violations of finance-related legal and contractual provisions in four funds. The general fund was over appropriations by \$484,496 due to an underestimate of the costs; however, the revenues collected were higher than budgeted which offset the expenditures. The street department overage was due to greater than normal snow and rain, so reserves were used to offset the expenditures.

The emergency fund, street improvement fund and fire equipment fund expenditures exceeded appropriations by \$250,266, \$952,800, and \$232,642 respectively; however, the City Council approved transfers and the use of reserves to fund these appropriations.

C. NET ASSETS/FUND BALANCE DEFICITS

Four nonmajor funds had deficit fund balances as of December 31, 2010. The \$107,422 deficit in Emergency Fund will be reimbursed with future tax levy and use of general fund reserves. The \$5,718 deficit in Sidewalk Improvements will be reimbursed with future tax levy. The \$223,686 deficit in Special Assessment Capital will be reimbursed with future special assessments. The \$16,567 in Capital-Library Construction will be reimbursed by pledged donations toward the construction of the library addition.

**CITY OF MINOT, NORTH DAKOTA
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DECEMBER 31, 2010**

Notes to Financial Statements

NOTE 4-DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

Government and Business-Type Funds

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

Allowable deposits and investments:

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

Custodial credit risk – deposits: This is the risk in the event of bank failure, the government's deposits may not be returned to it. As of December 31, 2010, the City is fully insured by FDIC and has pledged collateral in the amount of 110% of its investments.

Custodial credit risk - investment: This is the risk, in the event of the failure of the counterparty; the

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

Interest rate risk: The City minimizes interest rate risk, which is the risk the market value of securities in the portfolio will fall due to changes in market interest rates, by: 1) structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity; and 2) investing operating funds primarily in shorter-term securities, money market funds, or similar investments and limiting the average maturity of the portfolio in accordance with this policy. As of December 31, 2010, the City has invested in Cash and Money Markets \$55,268,113 and Certificates of Deposit \$18,000,000, which have no credit ratings. All investments will mature in less than one year.

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

B. INTERGOVERNMENTAL RECEIVABLES

A total of \$2,878,174 is due from intergovernmental receivables. This includes \$2,516,238 due from the State of North Dakota, \$1,327,845 for city sales taxes, \$705,868 for State Aid Distribution, \$254,147 for Municipal Highway tax, \$114,994 from the NDDOT for various projects, \$34,402 for Fire Department Homeland Security Grants, \$30,424 from State Aeronautics, \$21,691 for State Aid Public Transit. The remaining \$26,867 due from the State is for reimbursements or regular payments due the City. It also includes \$302,063 due from the Federal Government, \$177,580 from the FAA, \$76,767 from Section 18-5311 grant, \$25,329 from TSA, \$16,246 from FEMA, and \$6,141 from JAG grants, and \$59,873 due from the County.

The only receivables not expected to be collected within one year are \$3,304,535 of special assessments deferred and the loans receivables as noted above.

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

General fund	\$ 158,947
Assessment debt	3,619,650
Nonmajor governmental funds	<u>103,310</u>
Total deferred revenue	<u>\$ 3,881,907</u>

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	\$ 189,089
Due after one year	408,519
Less: allowance for uncollectible	<u>(119,522)</u>
Total loans receivable	<u>\$ 478,086</u>

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

	Taxes	Specials	Specials	Accounts		Intergovt'l	Gross	Less: Allow	Total Net
	Delinquent	Deferred	Delinquent	Receivable	Loans	Receivable	Receivables	for	Receivables
								Uncollectible	
General	\$ 135,816	\$ 7,307	\$ 940	\$ 225,778	\$ -	\$ 1,068,157	\$ 1,437,998	\$ -	\$ 1,437,998
Sales Tax Economic Dev	-	-	-	551	597,608	265,569	863,728	(119,522)	744,206
Sales Tax Capital Imp	-	-	-	-	-	331,962	331,962	-	331,962
Sales Tax NAWS	-	-	-	-	-	663,922	663,922	-	663,922
Assessment debt	642	3,602,871	16,240	-	-	-	3,619,753	-	3,619,753
Highway reserve	-	-	-	-	-	131,240	131,240	-	131,240
Nonmajor governmental	99,373	10,666	-	103,996	-	183,912	397,947	-	397,947
Airport	7,515	-	-	28,593	-	233,411	269,519	-	269,519
Sanitation	-	-	-	214,087	-	-	214,087	-	214,087
Water and sewer	-	3,412	-	1,171,288	-	-	1,174,700	-	1,174,700
Nonmajor enterprise	138	-	-	10,300	-	1	10,439	-	10,439
Internal service	-	-	-	6,556	-	-	6,556	-	6,556
Total net receivables	<u>\$ 243,484</u>	<u>\$ 3,624,256</u>	<u>\$ 17,180</u>	<u>\$ 1,761,149</u>	<u>\$ 597,608</u>	<u>\$ 2,878,174</u>	<u>\$ 9,121,851</u>	<u>\$ (119,522)</u>	<u>\$ 9,002,329</u>

**CITY OF MINOT, NORTH DAKOTA
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Notes to Financial Statements

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2010 was as follows:

Governmental Activities	Balance	Additions	Deletions	Transfers	Balance
Land	\$ 6,844,919	\$ -	\$ 241,627	\$ (61,108)	\$ 6,542,184
Construction in progress	1,888,071	3,420,708	3,807,981	-	1,500,798
Depreciable assets					
Buildings	13,143,700	889,041	-	-	14,032,741
Equipment	12,235,206	2,124,882	216,357	39,162	14,182,893
Infrastructure	98,535,474	8,388,101	12,296	-	106,911,279
Intangible assets	210,886	311,930	-	-	522,816
Books	4,326,561	64,110	-	-	4,390,671
Totals at historical cost	137,184,817	15,198,772	4,278,261	(21,946)	148,083,382
Accumulated depreciation					
Buildings	(6,142,235)	(309,180)	-	-	(6,451,415)
Equipment	(6,245,605)	(926,855)	162,919	(29,669)	(7,039,210)
Infrastructure	(29,076,165)	(4,161,184)	-	-	(33,237,349)
Intangible assets	(20,683)	(25,033)	-	-	(45,716)
Books	(3,364,253)	(236,871)	-	-	(3,601,124)
Total accumulated depreciation	(44,848,941)	(5,659,123)	162,919	(29,669)	(50,374,814)
Governmental activities capital assets, net	\$ 92,335,876	\$ 9,539,649	\$ 4,115,342	\$ (51,615)	\$ 97,708,568
Business-Type Activities	Balance	Additions	Deletions	Transfers	Balance
Land	\$ 3,429,078	\$ -	\$ -	\$ 61,108	\$ 3,490,186
Construction in progress	953,910	1,139,671	942,921	-	1,150,660
Depreciable assets					
Buildings	14,027,701	761,063	-	-	14,788,764
Equipment	10,847,368	891,778	277,947	(39,162)	11,422,037
Infrastructure	131,435,998	859,326	-	-	132,295,324
Intangible assets	345,144	-	-	-	345,144
Totals at historical cost	161,039,199	3,651,838	1,220,868	21,946	163,492,115
Accumulated depreciation					
Buildings	(10,342,307)	(408,054)	-	-	(10,750,361)
Equipment	(7,140,689)	(687,786)	277,346	29,669	(7,521,460)
Infrastructure	(57,506,250)	(4,304,984)	-	-	(61,811,234)
Intangible assets	(345,144)	-	-	-	(345,144)
Total accumulated depreciation	(75,334,390)	(5,400,824)	277,346	29,669	(80,428,199)
Business-type activities capital assets, net	85,704,809	(1,748,986)	943,522	51,615	83,063,916
Total capital assets, net	\$ 178,040,685	\$ 7,790,663	\$ 5,058,864	\$ -	\$ 180,772,484

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

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

Governmental Activities	
General government	\$ 771,557
Public safety	547,050
Highways and streets	3,927,158
Culture and recreation	413,358
Total depreciation expense - governmental activities	<u>\$ 5,659,123</u>

Business -Type Activities	
Airport	\$ 1,544,605
Cemetery	16,529
Parking authority	6,468
Sanitation	323,998
Water and sewer	3,509,224
Total depreciation expense - business-type activities	<u>\$ 5,400,824</u>

<u>Governmental funds</u>	<u>General Fund</u>	<u>Nonmajor Gov't</u>	<u>Total Due From</u>
Nonmajor governmental	\$ -	\$ 353,380	\$ 353,380 (3)
 <u>Business-type funds</u>			
Airport	25,329	-	25,329 (1)
Total due to	<u>\$ 25,329</u>	<u>\$ 353,380</u>	<u>\$ 378,709</u>

The composition of interfund balances at December 31, 2010 was:

- (1) The purpose of this interfund receivable is to provide operating funds.
- (2) Outstanding special assessments paid in annual installments for storm sewer development.
- (3) The purpose of this interfund receivable is to maintain a positive fund balance as of the end of the year.

E. COMMITMENTS

Construction commitments as of December 31, 2010 were approximately \$2,519,663. The City is also committed to approximately \$72.55 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 \$27.55 million. The City has approximately \$45 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

<u>Governmental funds</u>	<u>Nonmajor Gov't</u>	<u>Highway Reserve</u>	<u>Airport</u>	<u>Water & Sewer</u>	<u>Total Advance From</u>
Special Assessment Debt	\$ 609,670	\$ -	\$ -	\$ 514,307	\$ 1,123,977 (2)
Sales Tax Capital Imp	8,800	-	27,567	-	36,367 (1)
Nonmajor Gov't'l	362,468	-	-	-	362,468 (2)
 <u>Business-type funds</u>					
Water & Sewer	-	619,136	-	188,636	807,772 (2)
Total advance to	<u>\$ 980,938</u>	<u>\$ 619,136</u>	<u>\$ 27,567</u>	<u>\$ 702,943</u>	<u>\$ 2,330,584</u>

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

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

Transfers Out	General Fund	Economic Development	Sales Tax		Special Assessment Debt	Highway Reserve	Nonmajor Governmental Funds			Water & Sewer	Nonmajor Enterprise Funds	Total Transfers In
			Capital Improvements	Sales Tax NAWS			Airport	Sanitation				
General fund	\$ -	\$ 64,318	\$ 128,884	\$ 50,000	\$ 7,359	\$ -	\$ 95,636	\$ 78,952	\$ 178,916	\$ 32,216	\$ 2,387	\$ 638,668
Sales tax capital improvements	-	-	-	-	-	-	20,000	-	-	-	-	20,000
Assessment debt	-	-	200,000	-	10,693	-	-	-	-	23,403	-	234,096
Highway reserve	164,085	-	380,825	-	-	-	636,640	-	-	-	-	1,181,550
Nonmajor governmental funds	275,826	-	1,638,280	-	21,766	52,874	1,424,392	-	55,833	159,407	-	3,628,378
Airport	-	-	123,488	-	-	-	-	1,496	-	-	-	124,984
Sanitation	-	-	145,833	-	-	-	-	-	-	84,794	-	230,627
Water and sewer	-	-	914,567	-	-	-	-	-	-	-	-	914,567
Total transfers out	\$ 439,911	\$ 64,318	\$ 3,531,877	\$ 50,000	\$ 39,818	\$ 52,874	\$ 2,176,668	\$ 80,448	\$ 234,749	\$ 299,820	\$ 2,387	\$ 6,972,870

Transfers in/out consisted of the following:

\$ 262,244	Interest Distribution transfers to General Fund.
275,518	General fund transfer to emergency fund
62,988	Airport budgeted transfers to General Fund for TSA
160,000	Sanitation (Garbage \$20,000 and Landfill \$140,000) budgeted equipment transfer to Equipment Purchase Fund.
170,085	Sanitation budgeted transfers to General Fund.
23,403	Water and sewer budgeted transfers to Special Assessment Debt Fund for debt payments.
75,000	Water and Sewer budgeted equipment transfer (Water Treatment \$55,000 and Sewer \$20,000) to Equipment Purchase Fund.
110,626	Water and Sewer transfer to capital projects.
736,004	Property Tax Relief budgeted transfers to Highway Debt.
50,000	Magic Fund administration budgeted transfers to General Fund for administration.
150,000	Sales Tax Capital Improvements budgeted transfers to Airport for debt payments.
15,599	Sales Tax Capital Improvements transfer to Airport for door repairs.
914,567	Sales Tax Capital Improvements budgeted transfers to Water and Sewer Fund for infrastructure.
250,000	Sales Tax Capital Improvements major project transfer to Sanitation for Sanitation Truck Building
85,000	Sales Tax Capital Improvements budgeted transfers to Special revenue fund for maintenance.
216,649	Sales Tax Capital Improvements budgeted transfers to Highway Debt for debt payments.
380,000	Sales Tax Capital Improvements budgeted transfers to Highway Reserve for highway projects.
730,000	Sales Tax Capital Improvements budgeted transfers to Fire Equipment Purchase Fund.
1,488,403	Sales Tax Capital Improvements budgeted transfers to Capital projects.
200,000	Street Improvement budgeted transfer to Special Assessment Debt.
52,874	Highway Reserves transfer to Special Assessment Debt
108,910	Sales Tax Capital Project transfers to Sanitation
405,000	Sales Tax Capital Project transfer to Recreation
50,000	NAWS administration budgeted transfers to General Fund for administration.
<u>\$ 6,972,870</u>	Total transfers in/out

**CITY OF MINOT, NORTH DAKOTA
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Notes to Financial Statements

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 \$216,146 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows:

Year Ended December 31	Amounts
2011	\$ 620,125
2012	110,125
2013	110,125
2014	110,125
Total minimum payments	<u>\$ 950,500</u>

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

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Proprietary Activities
Equipment	\$ 15,392	\$ 450,000
Less: Accumulated depreciation	(5,900)	(45,000)
Total	<u>\$ 9,492</u>	<u>\$ 405,000</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2010, were as follows:

Year Ending, December 31	Governmental Activities	Proprietary Activities
2011	\$ 3,426	\$ 89,344
2012	3,426	89,344
2013	3,426	89,344
2014	286	89,344
2015	-	50,000
Total minimum lease payments	10,564	407,376
Less: Amount representing interest	(815)	(46,720)
Present value of minimum lease payments	<u>\$ 9,748</u>	<u>\$ 360,656</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 .75% to 5.0%. During the year, the City issued \$1,375,000 of general obligation highway bonds for paving of Highway 2 & 52 & 13th St SE Intersection and 21st & 6th St realignment.

General obligation bonds currently outstanding are as follows:

Year	Original Amount	Balance Outstanding 12/31/2010	Interest Rate	Matures
2002	1,835,000	420,000	3.50%	10/01/2012
2003	2,675,000	1,945,000	3-5%	10/01/2023
2005	2,355,000	1,265,000	3.3-3.75%	10/01/2015
2006	2,810,000	1,795,000	3.6-3.7%	10/01/2016
2007	1,785,000	1,340,000	3.4-3.7%	10/01/2017
2008	1,720,000	1,435,000	3.5-4.6%	10/01/2018
2009	2,005,000	1,845,000	2-3.1%	10/01/2019
2010	1,375,000	1,375,000	.75-2.7%	10/01/2020
	<u>\$ 17,010,000</u>	<u>\$ 11,480,000</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 \$5,160,000 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 5.0%.

Special assessment bonds currently outstanding are as follows:

Year	Original Amount	Balance Outstanding 12/31/2010	Interest Rate	Matures
2003	2,205,000	660,000	2.75-3.7%	10/01/2013
2006	910,000	540,000	4.00%	10/01/2016
2007A	2,255,000	1,920,000	4-4.5%	10/01/2022
2007D	460,000	345,000	3.4-3.875%	10/01/2017
2008	1,905,000	1,590,000	3.75-5.0%	10/01/2018
	<u>\$ 8,300,000</u>	<u>\$ 5,160,000</u>		

**CITY OF MINOT, NORTH DAKOTA
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Business-type activities include the following type of long-term debt:

Notes outstanding as of December 31, 2010 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,496,921 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.

Revenue Bonds. The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Interest rates on the outstanding bonds range from 2.5% to 5.375%. The following are outstanding revenue bonds:

Airport

Year	Original Amount	Balance	Interest Rate	Matures
		Outstanding 12/31/2010		
1998	\$ 1,500,000	\$ 280,000	4.9-5.1%	10/01/2012
2001	400,000	45,000	4-4.5%	10/01/2011
2002	800,000	335,000	4-4.5%	10/01/2012
	<u>\$ 2,700,000</u>	<u>\$ 660,000</u>		

Water & Sewer

Year	Original Amount	Balance	Interest Rate	Matures
		Outstanding 12/31/2010		
1993	\$ 665,000	\$ 120,000	2.50%	10/01/2013
2003	2,000,000	675,000	3-3.75%	10/01/2013
2004	2,650,000	2,350,000	3.25-4.4%	10/01/2024
2006	3,095,000	1,985,000	3.75-4%	10/01/2016
2007	5,490,000	4,115,000	3.75%	10/01/2017
2008A	1,835,000	1,390,000	3.45-3.9%	10/01/2017
2008D	10,380,000	9,815,000	3.5-5.375%	10/01/2023
	<u>\$ 26,115,000</u>	<u>\$ 20,450,000</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
2011	\$ 1,510,000	\$ 379,482	\$ 715,000	\$ 215,476
2012	1,525,000	337,393	720,000	188,946
2013	1,355,000	289,613	685,000	161,274
2014	1,395,000	246,993	480,000	134,319
2015	1,445,000	202,012	490,000	114,663
2016-2020	3,695,000	445,428	1,685,000	275,737
2021-2023	555,000	56,500	385,000	26,100
Total governmental activities	<u>\$ 11,480,000</u>	<u>\$ 1,957,421</u>	<u>\$ 5,160,000</u>	<u>\$ 1,116,515</u>

CITY OF MINOT, NORTH DAKOTA
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Business-Type Activities	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2011	\$ 2,285,000	\$ 889,262	\$ 68,199	\$ 52,974
2012	2,375,000	816,055	70,607	50,607
2013	2,120,000	737,704	73,100	48,157
2014	1,920,000	654,365	75,681	45,621
2015	1,995,000	575,954	78,353	42,995
2016-2020	6,825,000	1,754,464	435,265	172,219
2021-2025	3,590,000	432,053	521,119	91,057
2026-2027	-	-	174,597	10,178
Total business-type activities	\$ 21,110,000	\$ 5,859,857	\$ 1,496,921	\$ 513,808

Changes in Long Term Liabilities. The following is a summary of the activity for long-term liabilities for the year ended December 31, 2010.

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
General obligation	\$ 11,440,000	\$ 1,375,000	\$(1,335,000)	\$ 11,480,000	\$ 1,510,000
Special assessment	6,555,000	-	(1,395,000)	5,160,000	715,000
Total bonds payable	17,995,000	1,375,000	(2,730,000)	16,640,000	2,225,000
Unamortized premium	34,835	-	(4,620)	30,215	4,620
Unamortized discount	(46,945)	8,613	(6,875)	(45,207)	(7,669)
Capital leases	-	15,392	(5,644)	9,748	2,901
Compensated absences	677,054	643,234	(577,566)	742,722	259,953
Governmental activity long-term liabilities	\$ 18,659,944	\$ 2,042,239	\$(3,324,705)	\$ 17,377,478	\$ 2,484,805

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 23,675,000	\$ -	\$(2,565,000)	\$ 21,110,000	\$ 2,285,000
Unamortized premium	47,122	-	(6,050)	41,072	6,050
Unamortized discount	(72,653)	6,710	-	(65,943)	(5,073)
Notes payable	1,562,795	-	(65,874)	1,496,921	68,199
Loans payable	74,567	-	(74,567)	-	-
Capital leases	-	450,000	(89,344)	360,656	73,118
Compensated absences	188,927	142,511	(136,729)	194,709	68,148
Business-type activity long-term liabilities	\$ 25,475,758	\$ 599,221	\$(2,937,564)	\$ 23,137,415	\$ 2,495,442

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

**CITY OF MINOT, NORTH DAKOTA
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bonds are not reported as liabilities in the accompanying financial statements.

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.

As of December 31, 2010, the aggregate principal amount payable for the nine outstanding conduit debt series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$41,500,000.

The City's debt limit is \$102,539,865 and the legal debt margin is \$91,357,296.

I. FUND BALANCE

	Major Special Revenue Funds				Major Debt Service	Major Capital Projects Fund	Nonmajor Other Governmental Funds	Total
	General Fund	Sales Tax Economic Development	Sales Tax Capital Improvements	Sales Tax NWAWS	Special Assessment Debt	Highway Reserve		
Fund balances								
Nonspendable								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	10,456	\$ 10,456
Loans receivable	-	408,519	-	-	-	-	-	408,519
Prepays	26,691	-	-	-	-	-	542	27,233
Total Nonspendable	26,691	408,519	-	-	-	-	10,998	446,208
Restricted								
Highways	-	-	-	-	-	1,448,511	-	1,448,511
Debt service reserve	-	-	-	-	512,823	-	299,228	812,051
Law enforcement	50,077	-	-	-	-	-	-	50,077
Economic development	-	1,688,435	-	-	-	-	103,879	1,792,314
Library	-	-	-	-	-	-	3,069	3,069
Culture & recreation	-	-	-	-	-	-	373	373
Flood control	-	-	-	-	-	-	2,202,085	2,202,085
NAWS	-	-	-	34,204,624	-	-	-	34,204,624
Total Restricted	50,077	1,688,435	-	34,204,624	512,823	1,448,511	2,608,634	40,513,104
Committed								
Street Improvements	-	-	-	-	-	367,022	-	367,022
Culture and recreation	-	-	495,369	-	-	-	-	495,369
Capital projects	-	-	-	-	-	26,090	276,831	302,921
Equipment	-	-	-	-	-	-	538,403	538,403
Total Committed	-	-	495,369	-	-	393,112	815,234	1,703,715
Assigned								
Public transportation	-	-	-	-	-	-	297,405	297,405
Library	-	-	-	-	-	-	115,920	115,920
Culture and recreation	-	-	-	-	-	-	724,819	724,819
Economic development	-	5,833,434	-	-	-	-	-	5,833,434
Highways	-	-	-	-	-	2,017,657	786,397	2,804,054
Equipment purchases	-	-	-	-	-	-	33,276	33,276
Debt service	-	-	-	-	1,123,977	-	362,468	1,486,445
Capital projects	-	-	1,888,340	-	-	-	-	1,888,340
Law enforcement	1,686	-	-	-	-	-	9,950	11,636
Sales tax property relief	-	-	-	-	-	-	663,930	663,930
Storm sewer development	-	-	-	-	-	-	540,103	540,103
Other purposes	230	-	-	-	-	-	27,250	27,480
Total Assigned	1,916	5,833,434	1,888,340	-	1,123,977	2,017,657	3,561,518	14,426,842
Unassigned	7,269,575	-	-	-	-	-	(353,393)	6,916,182
Total fund balance	\$ 7,348,259	\$ 7,930,388	\$ 2,383,709	\$ 34,204,624	\$ 1,636,800	\$ 3,859,280	\$ 6,642,991	\$ 64,006,051

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5-OTHER INFORMATION

A. RISK MANAGEMENT

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (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 26.03% 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, 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 \$1,816,299.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$79,038. 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
2008	\$ 64,218	\$ 1,610,512	\$ 1,559,249	\$ 115,481
2009	115,481	1,535,982	1,508,218	143,245
2010	143,245	1,378,652	1,442,859	79,038

B. TERMINATION BENEFITS

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

As of December 31, 2010, the City had one COBRA participants for dental and none for health. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is not reasonably estimated. The City expects to have former employees on COBRA on an ongoing basis.

C. CONTINGENT LIABILITIES

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

D. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

The City of Minot administers a defined benefit pension and an Other Post Employment Benefit (OPEB) plan covering all full-time employees. Each plan is included in the City's financial reports as Pension and OPEB Trust Funds. The City of Minot Finance Department, 515 2nd Ave SW, Minot, North Dakota 58701 has separate actuarial reports for each plan. Separate financial statements are not issued. *Plan Description.* The City Employee Pension Plan is a cost sharing, multiple employer public employee

**CITY OF MINOT, NORTH DAKOTA
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Notes to Financial Statements

retirement system. City ordinances #2553, #2893, #3846, #4131, and #4247 provide all employees of the City of Minot (excluding the Library, Parking Authority, Judge and Tennis Pro) or the Minot Park District shall become a member of the pension plan at the time they begin employment. There are no provisions or policies with respect to automatic and ad hoc post retirement benefit increases.

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

Employees who retire under the City of Minot Employee's Pension Plan after December 31, 2004 and employees hired before July 6, 2010 receive a monthly healthcare supplement equal to \$7.50 per year of service. Employees hired after July 5, 2010 do not receive any retiree healthcare supplement. These supplements are accounted for in the pension plan valuation because they are not effectively restricted to the payment of health insurance.

The benefit provisions, amendments, and all requirements are established by City ordinance. City civil service employees who were hired before July 6, 2010, who retire at or after the age of 60 with 60 months of service and civil service employees who were hired on or after July 6, 2010, who retire at or after the age of 60 with 120 months of service are eligible for a monthly pension benefit and OPEB benefits. The average monthly earnings are considered the average of the highest 36 months earnings within the last 120 months (need not be consecutive). After December 31, 2003, members satisfying the Rule of 85 are also eligible for a monthly pension benefit and OPEB benefits. After July 6, 2010, members satisfying the Rule of 90 and who have attained age 55 are eligible for a monthly pension benefit and OPEB benefits. Also, the average monthly earnings is calculated using the highest 48 months earnings within the last 120 months. The Rule of 85/90 is satisfied

when the member's age plus the member's total period of service equals 85/90 years and the employee is at least 55 years old.

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

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

	Pension
Retirees and beneficiaries receiving benefits	211
Terminated employees	
Vested	26
Non-vested	6
Total terminated employees	<u>32</u>
Active employees	
Vested	200
Non-vested	116
Total active employees	<u>316</u>
Date of annual valuation	01/01/11
	OPEB
Retirees with coverage	55
Terminated employees	
With coverage	23
Waived coverage	4
Total terminated employees	<u>27</u>
Active employees	
With coverage	240
Waived coverage	49
Total active employees	<u>289</u>
Date of annual valuation	01/01/11

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

Summary of Significant Accounting Policies and Plan Asset Matters.

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

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

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

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

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

Pension		
Valuation date	January 1, 2011	
Actuarial cost method	Entry age normal	
Amortization method	Level percentage of pay	
Remaining amortization period	30 year open period	
Asset valuation method	Fair market value	
Actuarial assumptions:		
Investment rate of return	7.75%	
Projected salary increases	0-5	6.0%
	5-13	4.5%
	13+	3.5%
Includes inflation at	3.0%	
Post retirement cost of living	1% after age 65	
OPEB		
Valuation date	January 1, 2011	
Benefits valued	Pre-65 medical & prescription drug coverage	
Actuarial cost method	Entry age normal	
Amortization method	Level percentage of pay	
Remaining amortization period	30 year closed period	
Asset valuation method	Fair market value	
Actuarial assumptions:		
Investment rate of return	7.75%	
Projected salary increases	0-5	6.0%
	5-13	4.5%
	13+	3.5%
Includes inflation at	3.0%	
Marriage rate	80%	
Spouse age differential	males 3 years older than female spouses	
Health insurance elections	80% City employees elect medical coverage	
	60% City employees elect coverage for spouse	

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

Fiscal Year	January 1, 2009	January 1, 2011
Beginning	Valuation	Valuation
2009	9.50%	N/A
2010	9.00%	N/A
2011	8.50%	9.50%
2012	8.00%	9.00%
2013	7.50%	8.50%
2014	7.00%	8.00%
2015	6.50%	7.50%
2016	6.00%	7.00%
2017	5.50%	6.50%
2018	5.00%	6.00%
2019	5.00%	5.50%
2020+	5.00%	5.00%

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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The City's annual pension cost and net pension obligation for 2010 and the past two years are as follows:

	Pension		
	2010	2009	2008
Annual required contribution (ARC)	\$ 2,109,607	\$ 2,010,737	\$ 1,793,941
Interest on net pension obligation (asset)	(27,267)	(35,854)	(40,145)
Adjustment to ARC - beginning of year	31,557		
NPO amortized over 15 years	-	41,495	46,460
Annual pension cost	2,113,897	2,016,378	1,800,256
Contributions made	(2,518,191)	(1,905,577)	(1,744,902)
Increase (decrease) in NPO (asset)	(404,294)	110,801	55,354
Net pension obligation (asset) January 1	(351,834)	(462,635)	(517,989)
Net pension obligation (asset) December 31	\$ (756,128)	\$ (351,834)	\$ (462,635)

The City's annual OPEB cost and net pension obligation for 2010 is as follows:

	OPEB		
	2010	2009	2008
Annual required contribution (ARC)	\$ 199,872	\$ 196,192	\$ 143,021
Interest on net OPEB obligation (asset)	-	-	-
Adjustment to ARC - beginning of year	-	-	-
Annual OPEB cost	199,872	196,192	143,021
Employer contributions	(199,872)	(196,192)	(143,021)
Increase (decrease) in net OPEB obligation	-	-	-
Net OPEB obligation (asset) January 1	-	-	-
Net OPEB obligation (asset) December 31	\$ -	\$ -	\$ -

Contributions Required and Contributions Made. The actuary does not determine the pension contribution rates, rather by employer recommendations within the limits established by state statute. Both the employees and employer contribute 14.74% of gross earnings. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on an actuarial valuation contributions are providing for an amortization of 40 years respectively on the unfunded liability at January 1, 2011.

The annual pension cost exceeds the annual required contribution (ARC) in 2008 and 2009. Due to a net pension obligation (NPO) asset in the trust, the deficit in the remaining years has been covered by it. The NPO asset of \$756,128 is shown on the government-wide statement of net assets. The OPEB was 100% funded in 2010.

Pension Schedule of Employer Contributions

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

OPEB Schedule of Employer Contributions

	Annual		
	Required Contribution	Contributions Made	Percentage Contributed
2008	143,021	143,021	100.00%
2009	196,192	196,192	100.00%
2010	199,872	199,872	100.00%

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

CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2010

Notes to Financial Statements

Pension Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
January 1, 2002	\$ 40,684,669	\$ 55,244,369	\$ 14,559,700	73.64%	\$ 10,277,361	141.67%
January 1, 2003	42,742,199	53,720,068	10,977,869	79.56%	10,807,681	101.57%
January 1, 2004	44,436,923	69,980,362	25,543,439	63.50%	11,206,799	227.93%
January 1, 2005	46,196,524	77,847,350	31,650,826	59.34%	11,596,314	272.94%
January 1, 2006	47,954,223	79,503,912	31,549,689	60.32%	11,523,110	273.79%
January 1, 2007	48,554,265	79,750,774	31,196,509	60.88%	11,174,989	279.16%
January 1, 2008	51,540,078	83,482,716	31,942,638	61.74%	11,826,269	270.10%
January 1, 2009	49,501,736	87,467,115	37,965,379	56.59%	12,515,578	303.34%
January 1, 2010	50,493,598	91,922,237	41,428,639	54.93%	13,264,828	312.32%
January 1, 2011	51,098,589	95,577,436	44,478,847	53.46%	13,762,691	323.18%

OPEB Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
January 1, 2008	-	1,485,924	1,485,924	0.00%	11,826,279	12.56%
January 1, 2009	(7,607)	1,881,683	1,889,290	-0.40%	11,492,751	16.44%
January 1, 2010	161,863	2,003,167	1,841,304	8.08%	11,837,534	15.55%
January 1, 2011	286,836	2,524,963	2,238,127	11.36%	13,300,000	16.83%

E. MUNICIPAL SOLID WASTE LANDFILL

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$393,786 reported as MSWLF closure and post-closure care liability at December 31, 2010, represents the cumulative amount reported to date based on the use of 29.30% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$1.1 million as the remaining estimated capacity is filled. These amounts

are based on what it would cost to perform all closure and post-closure care in 2010. The City expects the landfill will be operated for another 40 years with closure anticipated in the year 2050. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

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

**Supplementary
Information**

City of Minot, North Dakota
Statement of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Debt Service Fund
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Special Assessment Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$ 62,699	\$ 62,699	\$ 22,880	\$ (39,819)	\$ 19,922
Special assessment collections	738,270	738,270	827,009	88,739	1,210,270
Interest income	-	-	57,184	57,184	66,434
Miscellaneous	440,684	440,684	75	(440,609)	243
Total revenues	<u>1,241,653</u>	<u>1,241,653</u>	<u>907,148</u>	<u>(334,505)</u>	<u>1,296,869</u>
EXPENDITURES					
Current					
General government	-	-	473	(473)	-
Debt service					
Principal retirement	1,297,500	1,135,000	1,395,000	(260,000)	1,180,000
Interest and fiscal charges	333,861	258,946	271,094	(12,148)	300,076
Total expenditures	<u>1,631,361</u>	<u>1,393,946</u>	<u>1,666,567</u>	<u>(272,621)</u>	<u>1,480,076</u>
Excess (deficiency) of revenues over (under) expenditures	(389,708)	(152,293)	(759,419)	(607,126)	(183,207)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	-	4,000
Transfers in	389,708	393,548	234,096	(159,452)	1,014,722
Transfers out	-	-	(39,818)	(39,818)	(31,501)
Total other financing sources (uses)	<u>389,708</u>	<u>393,548</u>	<u>194,278</u>	<u>(199,270)</u>	<u>987,221</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 241,255</u>	<u>(565,141)</u>	<u>\$ (806,396)</u>	<u>804,014</u>
Fund balance (deficit), January 1			<u>2,201,941</u>		<u>1,397,927</u>
Fund balance (deficit), December 31			<u>\$ 1,636,800</u>		<u>\$ 2,201,941</u>

City of Minnetonka

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City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2010	Total Nonmajor Governmental Funds 2009
ASSETS					
Current assets					
Cash and investments	\$ 2,337,322	\$ 297,431	\$ 2,248,348	\$ 4,883,101	\$ 6,032,200
Restricted cash and investments	2,202,085	-	-	2,202,085	2,202,085
Taxes receivable delinquent	79,188	20,185	-	99,373	132,119
Special assessments receivable delinquent	-	-	-	-	6,897
Accounts receivable	87,859	-	16,137	103,996	24,837
Due from other funds	113,127	-	240,253	353,380	551,205
Intergovernmental receivable	168,649	211	15,052	183,912	378,887
Inventory	10,456	-	-	10,456	9,148
Prepaid	542	-	-	542	7,650
Total current assets	<u>4,999,228</u>	<u>317,827</u>	<u>2,519,790</u>	<u>7,836,845</u>	<u>9,345,028</u>
Noncurrent assets					
Special assessments receivable deferred	10,666	-	-	10,666	1,800
Advance to other funds	-	362,468	-	362,468	-
Total noncurrent assets	<u>10,666</u>	<u>362,468</u>	<u>-</u>	<u>373,134</u>	<u>1,800</u>
Total assets	<u>\$ 5,009,894</u>	<u>\$ 680,295</u>	<u>\$ 2,519,790</u>	<u>\$ 8,209,979</u>	<u>\$ 9,346,828</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 23,967	\$ -	\$ 21,608	\$ 45,575	\$ 143,084
Retainage payable	13,550	-	14,802	28,352	-
Due to other funds	113,127	-	240,253	353,380	551,205
Accrued salaries payable	55,433	-	-	55,433	45,817
Total current liabilities	<u>206,077</u>	<u>-</u>	<u>276,663</u>	<u>482,740</u>	<u>740,106</u>
Noncurrent liabilities					
Advance from other funds	-	-	980,938	980,938	1,195,660
Deferred revenue	84,711	18,599	-	103,310	129,321
Total noncurrent liabilities	<u>84,711</u>	<u>18,599</u>	<u>980,938</u>	<u>1,084,248</u>	<u>1,324,981</u>
Total liabilities	<u>290,788</u>	<u>18,599</u>	<u>1,257,601</u>	<u>1,566,988</u>	<u>2,065,087</u>
FUND BALANCE					
Nonspendable	10,998	-	-	10,998	16,798
Restricted	2,205,527	299,228	103,879	2,608,634	3,704,947
Committed	-	-	815,234	815,234	2,042,691
Assigned	2,615,721	362,468	583,329	3,561,518	2,140,270
Unassigned	(113,140)	-	(240,253)	(353,393)	(622,965)
Total fund balance	<u>4,719,106</u>	<u>661,696</u>	<u>1,262,189</u>	<u>6,642,991</u>	<u>7,281,741</u>
Total liabilities and fund balance	<u>\$ 5,009,894</u>	<u>\$ 680,295</u>	<u>\$ 2,519,790</u>	<u>\$ 8,209,979</u>	<u>\$ 9,346,828</u>

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, 2010
With Comparative Totals for December 31, 2009

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2010	Total Nonmajor Governmental Funds 2009
REVENUES					
Property tax collections	\$ 3,218,830	\$ 726,353	\$ 241,732	\$ 4,186,915	\$ 4,060,079
Special assessment collections	7,010	-	-	7,010	-
Sales tax collections	860,020	-	-	860,020	742,296
Intergovernmental	1,031,256	-	604,476	1,635,732	1,971,619
Charges for services	589,333	-	-	589,333	580,406
Interest income	39,900	12,161	16,759	68,820	218,797
Miscellaneous	194,034	-	487,733	681,767	723,511
Total revenues	<u>5,940,383</u>	<u>738,514</u>	<u>1,350,700</u>	<u>8,029,597</u>	<u>8,296,708</u>
EXPENDITURES					
Current					
General government	814,346	-	53,450	867,796	990,208
Highways and streets	1,097,626	-	40	1,097,666	650,462
Culture and recreation	2,435,819	-	130,646	2,566,465	2,440,373
Economic Development	-	-	350	350	3,681
Capital outlay					
Contracted work	561,578	-	847,938	1,409,516	871,748
Equipment	739,837	-	1,313,503	2,053,340	982,221
Other	46,941	-	1,068	48,009	54,850
Acquisitions	-	-	1,501	1,501	3,423
Engineering	375,811	-	30,326	406,137	197,919
Debt service					
Principal retirement	-	1,335,000	-	1,335,000	1,240,000
Interest and fiscal charges	-	400,363	-	400,363	455,004
Total expenditures	<u>6,071,958</u>	<u>1,735,363</u>	<u>2,378,822</u>	<u>10,186,143</u>	<u>7,889,889</u>
Excess (deficiency) of revenues over (under) expenditures	(131,575)	(996,849)	(1,028,122)	(2,156,546)	406,819
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	66,086	66,086	5,978
Transfers in	986,717	952,653	1,689,008	3,628,378	2,306,855
Transfers out	(972,166)	(648,589)	(555,913)	(2,176,668)	(2,004,590)
Total other financing sources (uses)	<u>14,551</u>	<u>304,064</u>	<u>1,199,181</u>	<u>1,517,796</u>	<u>308,243</u>
Net change in fund balance	(117,024)	(692,785)	171,059	(638,750)	715,062
Fund balance, January 1	4,836,130	1,354,481	1,091,130	7,281,741	6,566,679
Fund balance, December 31	<u>\$ 4,719,106</u>	<u>\$ 661,696</u>	<u>\$ 1,262,189</u>	<u>\$ 6,642,991</u>	<u>\$ 7,281,741</u>



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City of Minot, North Dakota
Nonmajor Special Revenue Funds

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

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

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

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

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

Sales Tax – To receive and disburse monies dedicated to the following: property tax relief and flood control.

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

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

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

City of Minot



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City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
With Comparative Totals for December 31, 2009

ASSETS	Public Transportation	Library	Recreation Auditorium	Emergency Levy
Current assets				
Cash and investments	\$ 209,699	\$ 147,569	\$ 748,475	\$ -
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	4,696	24,889	26,641	2,056
Special assessments delinquent	-	-	-	-
Accounts receivable	-	-	9,629	-
Due from other funds	-	-	-	-
Intergovernmental receivable	101,484	259	276	21
Inventory	-	-	10,456	-
Prepaid	-	247	295	-
Total current assets	<u>315,879</u>	<u>172,964</u>	<u>795,772</u>	<u>2,077</u>
Noncurrent assets				
Special assessments receivable deferred	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 315,879</u>	<u>\$ 172,964</u>	<u>\$ 795,772</u>	<u>\$ 2,077</u>
LIABILITIES				
Accounts payable	\$ 6,126	\$ 8,441	\$ 9,060	\$ -
Retainage payable	-	-	-	-
Due to other funds	-	-	-	107,627
Accrued salaries payable	8,052	22,431	24,950	-
Deferred revenue	4,296	22,856	25,819	1,872
Total liabilities	<u>18,474</u>	<u>53,728</u>	<u>59,829</u>	<u>109,499</u>
FUND BALANCE				
Nonspendable	-	247	10,751	-
Restricted	-	3,069	373	-
Committed	-	-	-	-
Assigned	297,405	115,920	724,819	-
Unassigned	-	-	-	(107,422)
Total fund balance	<u>297,405</u>	<u>119,236</u>	<u>735,943</u>	<u>(107,422)</u>
Total liabilities and fund balance	<u>\$ 315,879</u>	<u>\$ 172,964</u>	<u>\$ 795,772</u>	<u>\$ 2,077</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
With Comparative Totals for December 31, 2009

ASSETS	Sales Tax Property Tax Relief	Sales Tax Flood Control	Sidewalk Improvements
Current assets			
Cash and investments	\$ 484,411	\$ -	\$ -
Restricted cash and investments	-	2,202,085	-
Taxes receivable delinquent	-	-	1,217
Special assessments delinquent	-	-	-
Accounts receivable	-	-	-
Due from other funds	113,127	-	-
Intergovernmental receivable	66,392	-	12
Inventory	-	-	-
Prepaid	-	-	-
Total current assets	<u>663,930</u>	<u>2,202,085</u>	<u>1,229</u>
Noncurrent assets			
Special assessments receivable deferred	-	-	9,766
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>9,766</u>
Total assets	<u>\$ 663,930</u>	<u>\$ 2,202,085</u>	<u>\$ 10,995</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 340
Retainage payable	-	-	-
Due to other funds	-	-	5,500
Accrued salaries payable	-	-	-
Deferred revenue	-	-	10,873
Total liabilities	<u>-</u>	<u>-</u>	<u>16,713</u>
FUND BALANCE			
Nonspendable	-	-	-
Restricted	-	2,202,085	-
Committed	-	-	-
Assigned	663,930	-	-
Unassigned	-	-	(5,718)
Total fund balance	<u>663,930</u>	<u>2,202,085</u>	<u>(5,718)</u>
Total liabilities and fund balance	<u>\$ 663,930</u>	<u>\$ 2,202,085</u>	<u>\$ 10,995</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010
With Comparative Totals for December 31, 2009

ASSETS	Street		Total	Total
	Improvements	Demolitions	2010	2009
Current assets				
Cash and investments	\$ 719,918	\$ 27,250	\$ 2,337,322	\$ 2,600,997
Restricted cash and investments	-	-	2,202,085	2,202,085
Taxes receivable delinquent	19,689	-	79,188	89,889
Special assessments delinquent	-	-	-	6,897
Accounts receivable	78,230	-	87,859	11,843
Due from other funds	-	-	113,127	226,652
Intergovernmental receivable	205	-	168,649	152,067
Inventory	-	-	10,456	9,148
Prepaid	-	-	542	7,650
Total current assets	818,042	27,250	4,999,228	5,307,228
Noncurrent assets				
Special assessments receivable deferred	-	900	10,666	1,800
Total noncurrent assets	-	900	10,666	1,800
Total assets	\$ 818,042	\$ 28,150	\$ 5,009,894	\$ 5,309,028
LIABILITIES				
Accounts payable	-	-	23,967	109,015
Retainage payable	13,550	-	13,550	-
Due to other funds	-	-	113,127	226,652
Accrued salaries payable	-	-	55,433	45,817
Deferred revenue	18,095	900	84,711	91,414
Total liabilities	31,645	900	290,788	472,898
FUND BALANCE				
Nonspendable	-	-	10,998	16,798
Restricted	-	-	2,205,527	2,212,172
Committed	-	-	-	970,248
Assigned	786,397	27,250	2,615,721	1,935,308
Unassigned	-	-	(113,140)	(298,396)
Total fund balance	786,397	27,250	4,719,106	4,836,130
Total liabilities and fund balance	\$ 818,042	\$ 28,150	\$ 5,009,894	\$ 5,309,028

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, 2010
With Comparative Totals for December 31, 2009

REVENUES	Public Transportation	Library	Recreation Auditorium	Emergency Levy
Property tax collections	\$ 205,546	\$ 981,610	\$ 1,105,119	\$ 100,171
Special assessment collections	-	-	-	-
Sales tax collections	-	-	-	-
Intergovernmental	942,142	89,114	-	-
Charges for services	94,017	21,506	473,810	-
Interest income	1,489	3,327	4,070	21
Miscellaneous	17,109	30,864	65,387	-
Total revenues	<u>1,260,303</u>	<u>1,126,421</u>	<u>1,648,386</u>	<u>100,192</u>
EXPENDITURES				
Current				
General government	559,968	-	-	250,266
Highways and streets	-	-	-	-
Culture and recreation	-	1,117,829	1,317,990	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	703,256	-	36,581	-
Other	-	-	-	-
Engineering	-	-	-	-
Total expenditures	<u>1,263,224</u>	<u>1,117,829</u>	<u>1,354,571</u>	<u>250,266</u>
Excess (deficiency) of revenues over (under) expenditures	(2,921)	8,592	293,815	(150,074)
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	-	-
Transfers in	-	-	407,283	275,518
Transfers out	(1,440)	(1,101)	(3,832)	-
Total other financing sources (uses)	<u>(1,440)</u>	<u>(1,101)</u>	<u>403,451</u>	<u>275,518</u>
Net change in fund balance	(4,361)	7,491	697,266	125,444
Fund balance (deficit), January 1	301,766	111,745	38,677	(232,866)
Fund balance (deficit), December 31	<u>\$ 297,405</u>	<u>\$ 119,236</u>	<u>\$ 735,943</u>	<u>\$ (107,422)</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, 2010
With Comparative Totals for December 31, 2009

REVENUES	Sales Tax Property Tax Relief	Sales Tax Flood Control	Sidewalk Improvements
Property tax collections	\$ -	\$ -	\$ 60,830
Special assessment collections	-	-	2,877
Sales tax collections	860,020	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	3,122	13,742	12
Miscellaneous	-	-	-
Total revenues	863,142	13,742	63,719
EXPENDITURES			
Current			
General government	-	-	4,112
Highways and streets	-	-	-
Culture and recreation	-	-	-
Capital outlay			
Contracted work	-	-	-
Equipment	-	-	-
Other	-	-	-
Engineering	-	-	-
Total expenditures	-	-	4,112
Excess (deficiency) of revenues over (under) expenditures	863,142	13,742	59,607
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	205
Transfers out	(739,127)	(13,742)	-
Total other financing sources (uses)	(739,127)	(13,742)	205
Net change in fund balance	124,015	-	59,812
Fund balance (deficit), January 1	539,915	2,202,085	(65,530)
Fund balance (deficit), December 31	\$ 663,930	\$ 2,202,085	\$ (5,718)

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, 2010
With Comparative Totals for December 31, 2009

REVENUES	Street Improvements	Demolitions	Total 2010	Total 2009
Property tax collections	\$ 765,498	\$ 56	\$ 3,218,830	\$ 2,746,476
Special assessment collections	-	4,133	7,010	-
Sales tax collections	-	-	860,020	742,296
Intergovernmental	-	-	1,031,256	1,469,922
Charges for services	-	-	589,333	580,406
Interest income	12,984	1,133	39,900	121,495
Miscellaneous	80,674	-	194,034	86,538
Total revenues	<u>859,156</u>	<u>5,322</u>	<u>5,940,383</u>	<u>5,747,133</u>
EXPENDITURES				
Current				
General government	-	-	814,346	987,754
Highways and streets	1,097,626	-	1,097,626	650,050
Culture and recreation	-	-	2,435,819	2,341,073
Capital outlay				
Contracted work	561,578	-	561,578	-
Equipment	-	-	739,837	-
Other	46,941	-	46,941	-
Engineering	375,811	-	375,811	-
Total expenditures	<u>2,081,956</u>	<u>-</u>	<u>6,071,958</u>	<u>3,978,877</u>
Excess (deficiency) of revenues over (under) expenditures	(1,222,800)	5,322	(131,575)	1,768,256
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	-	5,000
Transfers in	303,711	-	986,717	213,300
Transfers out	(212,779)	(145)	(972,166)	(1,116,914)
Total other financing sources (uses)	<u>90,932</u>	<u>(145)</u>	<u>14,551</u>	<u>(898,614)</u>
Net change in fund balance	(1,131,868)	5,177	(117,024)	869,642
Fund balance (deficit), January 1	1,918,265	22,073	4,836,130	3,966,488
Fund balance (deficit), December 31	<u>\$ 786,397</u>	<u>\$ 27,250</u>	<u>\$ 4,719,106</u>	<u>\$ 4,836,130</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Public Transportation				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$ 211,151	\$ 211,151	\$ 205,546	\$ 5,605	\$ 121,940
Intergovernmental	497,820	1,030,564	942,142	88,422	324,414
Charges for services	77,820	77,820	94,017	(16,197)	101,312
Interest income	-	-	1,489	(1,489)	5,768
Miscellaneous	13,479	13,479	17,109	(3,630)	15,892
Total revenues	<u>800,270</u>	<u>1,333,014</u>	<u>1,260,303</u>	<u>72,711</u>	<u>569,326</u>
EXPENDITURES					
Current					
General government	562,286	563,030	559,968	3,062	527,272
Capital outlay					
Equipment	345,984	877,984	703,256	174,728	-
Total expenditures	<u>908,270</u>	<u>1,441,014</u>	<u>1,263,224</u>	<u>177,790</u>	<u>527,272</u>
Excess (deficiency) of revenues over (under) expenditures	(108,000)	(108,000)	(2,921)	(105,079)	42,054
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	6,033
Transfers out	-	-	(1,440)	1,440	(4,556)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,440)</u>	<u>1,440</u>	<u>1,477</u>
Net change in fund balance	<u>\$ (108,000)</u>	<u>\$ (108,000)</u>	(4,361)	<u>\$ (103,639)</u>	43,531
Fund balance (deficit), January 1			301,766		258,235
Fund balance (deficit), December 31			<u>\$ 297,405</u>		<u>\$ 301,766</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Library				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$1,005,375	\$1,005,375	\$ 981,610	\$ 23,765	\$ 968,893
Intergovernmental	84,750	89,750	89,114	636	81,681
Charges for services	27,600	20,000	21,506	(1,506)	20,164
Interest income	7,500	7,500	3,327	4,173	14,120
Miscellaneous	11,522	19,122	30,864	(11,742)	52,695
Total revenues	<u>1,136,747</u>	<u>1,141,747</u>	<u>1,126,421</u>	<u>15,326</u>	<u>1,137,553</u>
EXPENDITURES					
Current					
Culture and recreation	1,123,030	1,130,164	1,117,829	12,335	1,127,264
Capital outlay					
Equipment	7,840	2,241	-	2,241	-
Total expenditures	<u>1,130,870</u>	<u>1,132,405</u>	<u>1,117,829</u>	<u>14,576</u>	<u>1,127,264</u>
Excess (deficiency) of revenues over (under) expenditures	5,877	9,342	8,592	750	10,289
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	2,001
Transfers out	-	-	(1,101)	(1,101)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,101)</u>	<u>(1,101)</u>	<u>2,001</u>
Net change in fund balance	<u>\$ 5,877</u>	<u>\$ 9,342</u>	7,491	<u>\$ (351)</u>	12,290
Fund balance (deficit), January 1			111,745		99,455
Fund balance (deficit), December 31			<u>\$ 119,236</u>		<u>\$ 111,745</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Recreation/Auditorium				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$1,140,063	\$1,140,063	\$ 1,105,119	\$ 34,944	\$ 833,356
Charges for services	410,000	410,000	473,810	(63,810)	458,930
Interest income	-	-	4,070	(4,070)	10,363
Miscellaneous	5,000	5,000	65,387	(60,387)	17,951
Total revenues	<u>1,555,063</u>	<u>1,555,063</u>	<u>1,648,386</u>	<u>(93,323)</u>	<u>1,320,600</u>
EXPENDITURES					
Current					
Culture and recreation	1,341,412	1,340,458	1,317,990	22,468	1,213,809
Capital outlay					
Equipment	18,500	37,954	36,581	1,373	-
Total expenditures	<u>1,359,912</u>	<u>1,378,412</u>	<u>1,354,571</u>	<u>23,841</u>	<u>1,213,809</u>
Excess (deficiency) of revenues over (under) expenditures	195,151	176,651	293,815	(117,164)	106,791
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	-	5,000
Transfers in	-	-	407,283	(407,283)	-
Transfers out	-	-	(3,832)	3,832	(5,470)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>403,451</u>	<u>(403,451)</u>	<u>(470)</u>
Net change in fund balance	<u>\$ 195,151</u>	<u>\$ 176,651</u>	697,266	<u>\$(520,615)</u>	106,321
Fund balance (deficit), January 1			38,677		(67,644)
Fund balance (deficit), December 31			<u>\$ 735,943</u>		<u>\$ 38,677</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Emergency Levy</u>			
	Original and Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES				
Property tax collections	\$ 104,500	\$ 100,171	\$ 4,329	\$ 14,903
Intergovernmental	-	-	-	115,652
Interest income	-	21	(21)	243
Total revenues	<u>104,500</u>	<u>100,192</u>	<u>4,308</u>	<u>130,798</u>
EXPENDITURES				
Current				
General government	-	250,266	(250,266)	437,841
Total expenditures	<u>-</u>	<u>250,266</u>	<u>(250,266)</u>	<u>437,841</u>
Excess (deficiency) of revenues over (under) expenditures	104,500	(150,074)	254,574	(307,043)
OTHER FINANCING SOURCES (USES)				
Transfers in	274,856	275,518	(662)	4,303
Total other financing sources (uses)	<u>274,856</u>	<u>275,518</u>	<u>(662)</u>	<u>4,303</u>
Net change in fund balance	<u>\$ 379,356</u>	125,444	<u>\$ 253,912</u>	(302,740)
Fund balance (deficit), January 1		(232,866)		69,874
Fund balance (deficit), December 31		<u>\$(107,422)</u>		<u>\$(232,866)</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Sales Tax Property Relief</u>			
	Original and Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES				
Sales tax collections	\$ 736,004	\$ 860,020	\$(124,016)	\$ 742,296
Interest income	-	3,122	(3,122)	8,057
Total revenues	<u>736,004</u>	<u>863,142</u>	<u>(127,138)</u>	<u>750,353</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(736,004)</u>	<u>(739,127)</u>	3,123	<u>(680,128)</u>
Total other financing sources (uses)	<u>(736,004)</u>	<u>(739,127)</u>	3,123	<u>(680,128)</u>
Net change in fund balance	<u>\$ -</u>	124,015	<u>\$(124,015)</u>	70,225
Fund balance (deficit), January 1		<u>539,915</u>		<u>469,690</u>
Fund balance (deficit), December 31		<u>\$ 663,930</u>		<u>\$ 539,915</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Sidewalk</u>			
	<u>Original and Final Budgeted Amounts</u>	<u>2010 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2009 Actual Amounts</u>
REVENUES				
Property tax collections	\$ 24,677	\$ 60,830	\$ (36,153)	\$ -
Special assessment collections	-	2,877	(2,877)	-
Interest income	-	12	(12)	-
Total revenues	<u>24,677</u>	<u>63,719</u>	<u>(39,042)</u>	<u>-</u>
EXPENDITURES				
General government	24,677	4,112	20,565	22,641
Total expenditures	<u>24,677</u>	<u>4,112</u>	<u>20,565</u>	<u>22,641</u>
Excess (deficiency) of revenues over (under) expenditures	-	59,607	(59,607)	(22,641)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	205	(205)	963
Total other financing sources (uses)	<u>-</u>	<u>205</u>	<u>(205)</u>	<u>963</u>
Net change in fund balance	<u>\$ -</u>	59,812	<u>\$ (59,812)</u>	(21,678)
Fund balance (deficit), January 1		(65,530)		(43,852)
Fund balance (deficit), December 31		<u>\$ (5,718)</u>		<u>\$ (65,530)</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Street Improvement</u>			
	Original and Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES				
Property tax collections	\$ 780,000	\$ 765,498	\$ 14,502	\$ 807,310
Intergovernmental	-	-	-	948,175
Interest income	-	12,984	(12,984)	40,598
Miscellaneous income	-	80,674	(80,674)	-
Total revenues	<u>780,000</u>	<u>859,156</u>	<u>(79,156)</u>	<u>1,796,083</u>
EXPENDITURES				
Highways and streets	1,050,000	1,097,626	(47,626)	650,050
Capital outlay				
Contracted outlay	-	561,578	(561,578)	-
Other	-	46,941	(46,941)	-
Engineering	-	375,811	(375,811)	-
Total expenditures	<u>1,050,000</u>	<u>2,081,956</u>	<u>(1,031,956)</u>	<u>650,050</u>
Excess (deficiency) of revenues over (under) expenditures	(270,000)	(1,222,800)	952,800	1,146,033
OTHER FINANCING SOURCES (USES)				
Transfer in	270,000	303,711	(33,711)	200,000
Transfers out	-	(212,779)	212,779	(384,526)
Total other financing sources (uses)	<u>270,000</u>	<u>90,932</u>	<u>179,068</u>	<u>(184,526)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,131,868)</u>	<u>\$ 1,131,868</u>	961,507
Fund balance (deficit), January 1		1,918,265		956,758
Fund balance (deficit), December 31		<u>\$ 786,397</u>		<u>\$1,918,265</u>

City of Minot

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

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

City of Minot, North Dakota
Balance Sheet
Nonmajor Debt Service Fund
December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Highway Debt 2010</u>	<u>Highway Debt 2009</u>
ASSETS		
Cash and investments	\$ 297,431	\$1,350,573
Taxes receivable delinquent	20,185	34,878
Intergovernmental receivable	211	412
Advance to other funds	362,468	-
Total assets	<u>\$ 680,295</u>	<u>\$1,385,863</u>
LIABILITIES		
Deferred revenue	\$ 18,599	\$ 31,382
Total liabilities	<u>18,599</u>	<u>31,382</u>
FUND BALANCE		
Restricted	299,228	1,354,481
Assigned	362,468	-
Total fund balance	<u>661,696</u>	<u>1,354,481</u>
Total liabilities and fund balance	<u>\$ 680,295</u>	<u>\$1,385,863</u>

City of Minot, North Dakota
Statement of Revenue, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Highway Debt 2010	Highway Debt 2009
REVENUES		
Property tax collections	\$ 726,353	\$1,044,935
Interest income	12,161	42,209
Total revenues	738,514	1,087,144
EXPENDITURES		
Debt service		
Principal retirement	1,335,000	1,240,000
Interest and fiscal charges	400,363	392,621
Total expenditures	1,735,363	1,632,621
Excess (deficiency) of revenues over (under) expenditures	(996,849)	(545,477)
OTHER FINANCING SOURCES (USES)		
Transfers in	952,653	887,841
Transfers out	(648,589)	(34,936)
Total other financing sources (uses)	304,064	852,905
Net change in fund balance	(692,785)	307,428
Fund balance, January 1	1,354,481	1,047,053
Fund balance, December 31	\$ 661,696	\$1,354,481

City of Minot, North Dakota
Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual
Nonmajor Debt Service Fund
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Highway Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$ 732,462	\$ 732,462	\$ 726,353	\$ 6,109	\$ 1,044,935
Interest income	-	-	12,161	(12,161)	42,209
Total revenues	732,462	732,462	738,514	(6,052)	1,087,144
EXPENDITURES					
Debt service					
Principal retirement	1,367,500	1,352,500	1,335,000	17,500	1,240,000
Interest and fiscal charges	436,625	391,893	400,363	(8,470)	392,621
Total expenditures	1,804,125	1,744,393	1,735,363	9,030	1,632,621
Excess (deficiency) of revenues over (under) expenditures	(1,071,663)	(1,011,931)	(996,849)	(15,082)	(545,477)
OTHER FINANCING SOURCES (USES)					
Transfers in	952,653	952,653	952,653	-	887,841
Transfers out	-	-	(648,589)	648,589	(34,936)
Total other financing sources (uses)	952,653	952,653	304,064	648,589	852,905
Net change in fund balance	<u>\$ (119,010)</u>	<u>\$ (59,278)</u>	(692,785)	<u>\$ 633,507</u>	307,428
Fund balance (deficit), January 1			1,354,481		1,047,053
Fund balance (deficit), December 31			<u>\$ 661,696</u>		<u>\$ 1,354,481</u>

City of Minot, North Dakota
Nonmajor Capital Project Funds

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

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

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

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

Sales Tax Capital - To account for the resources used in the purchase of capital assets deemed 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 and Economic Development Agency – To account for resources used toward the intermodal park. Funding is provided by the Community Development Block Grants and the Economic Development Agency.

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

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Special				
	Sports Complex	Assessment Capital	Fire Equipment	Sales Tax Capital	Library Construction
ASSETS					
Cash and investments	\$ 79,899	\$ -	\$ 328,315	\$ 9,950	\$ -
Taxes receivable delinquent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	223,686	-	-	-	-
Intergovernmental receivable	-	-	15,052	-	-
Total assets	\$ 303,585	\$ -	\$ 343,367	\$ 9,950	\$ -
LIABILITIES					
Current liabilities					
Accounts payable	\$ 11,952	\$ -	\$ 9,656	\$ -	\$ -
Retainage payable	14,802	-	-	-	-
Due to other funds	-	223,686	-	-	16,567
Deferred revenue	-	-	-	-	-
Total liabilities	26,754	223,686	9,656	-	16,567
Noncurrent liabilities					
Advance from other funds	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	26,754	223,686	9,656	-	16,567
FUND BALANCE					
Restricted	-	-	-	-	-
Committed	276,831	-	333,711	-	-
Assigned	-	-	-	9,950	-
Unassigned	-	(223,686)	-	-	(16,567)
Total fund balance	276,831	(223,686)	333,711	9,950	(16,567)
Total liabilities and fund balance	\$ 303,585	\$ -	\$ 343,367	\$ 9,950	\$ -

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	CDBG			Total 2010	Total 2009
	Storm Sewer Development	and EDA	Equipment Purchase		
ASSETS					
Cash and investments	\$ 1,479,537	\$ 103,879	\$ 246,768	\$ 2,248,348	\$ 2,080,630
Taxes receivable delinquent	-	-	-	-	7,352
Accounts receivable	16,137	-	-	16,137	12,994
Due from other funds	16,567	-	-	240,253	324,553
Intergovernmental receivable	-	-	-	15,052	226,408
Total assets	\$ 1,512,241	\$ 103,879	\$ 246,768	\$ 2,519,790	\$ 2,651,937
LIABILITIES					
Current liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 21,608	\$ 34,069
Retainage payable	-	-	-	14,802	-
Due to other funds	-	-	-	240,253	324,553
Deferred revenue	-	-	-	-	6,525
Total liabilities	-	-	-	276,663	365,147
Noncurrent liabilities					
Advance from other funds	972,138	-	8,800	980,938	1,195,660
Total noncurrent liabilities	972,138	-	8,800	980,938	1,195,660
Total liabilities	972,138	-	8,800	1,257,601	1,560,807
FUND BALANCE					
Restricted	-	103,879	-	103,879	138,294
Committed	-	-	204,692	815,234	1,072,443
Assigned	540,103	-	33,276	583,329	204,962
Unassigned	-	-	-	(240,253)	(324,569)
Total fund balance	540,103	103,879	237,968	1,262,189	1,091,130
Total liabilities and fund balance	\$ 1,512,241	\$ 103,879	\$ 246,768	\$ 2,519,790	\$ 2,651,937

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, 2010
With Comparative Totals for December 31, 2009

REVENUES	Sertoma Sports Complex	Special Assessment Capital	Fire Equipment	Sales Tax Capital	Library
Property tax collections	\$ -	\$ -	\$ 1,621	\$ -	\$ -
Intergovernmental	-	-	299,534	-	-
Interest income	2,348	-	3,828	1,517	-
Miscellaneous	9,131	193	-	-	10,000
Total revenues	<u>11,479</u>	<u>193</u>	<u>304,983</u>	<u>1,517</u>	<u>10,000</u>
EXPENDITURES					
Current					
General government	-	1,691	-	-	103
Highways and streets	-	40	-	-	-
Culture and recreation	130,646	-	-	-	-
Economic development	-	-	-	350	-
Capital outlay					
Contracted work	339,357	-	474,166	-	-
Equipment	7,500	-	597,848	-	-
Other	-	-	68	-	-
Acquisitions	-	-	1,501	-	-
Engineering	3,843	-	26,483	-	-
Debt retirement					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>481,346</u>	<u>1,731</u>	<u>1,100,066</u>	<u>350</u>	<u>103</u>
Excess (deficiency) of revenues over (under) expenditures	(469,867)	(1,538)	(795,083)	1,167	9,897
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	-	-
Transfers in	391,024	75,854	429,114	447,287	103
Transfers out	(2,348)	-	(6,815)	(510,684)	-
Total other financing sources (uses)	<u>388,676</u>	<u>75,854</u>	<u>422,299</u>	<u>(63,397)</u>	<u>103</u>
Net change in fund balance	(81,191)	74,316	(372,784)	(62,230)	10,000
Fund balance (deficit), January 1	358,022	(298,002)	706,495	72,180	(26,567)
Fund balance (deficit), December 31	<u>\$ 276,831</u>	<u>\$ (223,686)</u>	<u>\$ 333,711</u>	<u>\$ 9,950</u>	<u>\$ (16,567)</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, 2010
With Comparative Totals for December 31, 2009

REVENUES	CDBG			Total 2010	Total 2009
	Storm Sewer Development	and EDA	Equipment Purchase		
Property tax collections	\$ -	\$ -	\$ 240,111	\$ 241,732	\$ 268,668
Intergovernmental	-	-	304,942	604,476	501,697
Interest income	8,607	-	459	16,759	55,093
Miscellaneous	465,329	1,000	2,080	487,733	636,973
Total revenues	473,936	1,000	547,592	1,350,700	1,462,431
EXPENDITURES					
Current					
General government	50,758	-	898	53,450	2,454
Highways and streets	-	-	-	40	412
Culture and recreation	-	-	-	130,646	99,300
Economic development	-	-	-	350	3,681
Capital outlay					
Contracted work	-	34,415	-	847,938	871,748
Equipment	-	-	708,155	1,313,503	982,221
Other	-	1,000	-	1,068	54,850
Acquisitions	-	-	-	1,501	3,423
Engineering	-	-	-	30,326	197,919
Debt retirement					
Interest and fiscal charges	-	-	-	-	62,383
Total expenditures	50,758	35,415	709,053	2,378,822	2,278,391
Excess (deficiency) of revenues over (under) expenditures	423,178	(34,415)	(161,461)	(1,028,122)	(815,960)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	66,086	66,086	978
Transfers in	-	-	345,626	1,689,008	1,205,714
Transfers out	(8,607)	-	(27,459)	(555,913)	(852,740)
Total other financing sources (uses)	(8,607)	-	384,253	1,199,181	353,952
Net change in fund balance	414,571	(34,415)	222,792	171,059	(462,008)
Fund balance (deficit), January 1	125,532	138,294	15,176	1,091,130	1,553,138
Fund balance (deficit), December 31	\$ 540,103	\$ 103,879	\$ 237,968	\$ 1,262,189	\$ 1,091,130

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Funds
For the Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Fire Equipment				
	Original Budgeted Amounts	Final Budgeted Amounts	2010 Actual Amounts	Variance with Final Budget	2009 Actual Amounts
REVENUES					
Property tax collections	\$ -	\$ -	\$ 1,621	\$ (1,621)	\$ 41,274
Intergovernmental	540,000	611,007	299,534	311,473	200,000
Interest income	-	-	3,828	(3,828)	11,248
Total revenues	540,000	611,007	304,983	306,024	252,522
EXPENDITURES					
Capital outlay					
Contracted work	-	-	474,166	(474,166)	22,986
Equipment	575,000	867,424	597,848	269,576	200,000
Other	-	-	68	(68)	1,908
Acquisitions	-	-	1,501	(1,501)	-
Engineering	-	-	26,483	(26,483)	-
Total expenditures	575,000	867,424	1,100,066	(232,642)	224,894
Excess (deficiency) of revenues over (under) expenditures	(35,000)	(256,417)	(795,083)	538,666	27,628
OTHER FINANCING SOURCES (USES)					
Transfers in	-	425,000	429,114	(4,114)	250,000
Transfers out	-	-	(6,815)	6,815	(10,856)
Total other financing sources (uses)	-	425,000	422,299	2,701	239,144
Net change in fund balance	<u>\$ (35,000)</u>	<u>\$ 168,583</u>	(372,784)	<u>\$ 541,367</u>	266,772
Fund balance (deficit), January 1			706,495		439,723
Fund balance (deficit), December, 31			<u>\$ 333,711</u>		<u>\$ 706,495</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Funds
For the Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Equipment Purchase</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2010 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2009 Actual Amounts</u>
REVENUES					
Property tax collections	\$ 250,010	\$ 250,010	\$ 240,111	\$ 9,899	\$ 227,394
Intergovernmental	-	325,438	304,942	20,496	301,697
Interest income	-	-	459	(459)	3,421
Miscellaneous	-	-	2,080	(2,080)	-
Total revenues	<u>250,010</u>	<u>575,448</u>	<u>547,592</u>	<u>27,856</u>	<u>532,512</u>
EXPENDITURES					
Current					
General government	-	-	898	(898)	6,184
Capital outlay					
Equipment	485,010	900,378	708,155	192,223	763,153
Total expenditures	<u>485,010</u>	<u>900,378</u>	<u>709,053</u>	<u>191,325</u>	<u>769,337</u>
Excess (deficiency) of revenues over (under) expenditures	(235,000)	(324,930)	(161,461)	(163,469)	(236,825)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	66,086	(66,086)	978
Transfers in	235,000	235,000	345,626	(110,626)	255,976
Transfers out	-	-	(27,459)	27,459	(108,830)
Total other financing sources (uses)	<u>235,000</u>	<u>235,000</u>	<u>384,253</u>	<u>(149,253)</u>	<u>148,124</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (89,930)</u>	222,792	<u>\$(312,722)</u>	(88,701)
Fund balance (deficit), January 1			15,176		103,877
Fund balance (deficit), December, 31			<u>\$ 237,968</u>		<u>\$ 15,176</u>

City of Minot



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City of Minot, North Dakota
Nonmajor Enterprise Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	<u>Nonmajor Business-Type Activities</u>		<u>Total Nonmajor Proprietary Funds 2010</u>	<u>Total Nonmajor Proprietary Funds 2009</u>
	<u>Cemetery</u>	<u>Parking Authority</u>		
ASSETS				
Current				
Cash and cash equivalents	\$ 99,803	\$ 244,805	\$ 344,608	\$ 338,248
Restricted cash and cash equivalents	48,349	-	48,349	40,664
Taxes receivable delinquent	138	-	138	247
Accounts receivable	10,300	-	10,300	9,875
Intergovernmental receivable	1	-	1	5
Prepaid	20	-	20	4
Total current assets	<u>158,611</u>	<u>244,805</u>	<u>403,416</u>	<u>389,043</u>
Noncurrent assets				
Capital assets				
Land	179,504	136,397	315,901	254,793
Buildings	150,885	43,172	194,057	194,057
Equipment	147,367	297,927	445,294	445,429
Infrastructure	34,197	125,959	160,156	160,156
Total capital assets	<u>511,953</u>	<u>603,455</u>	<u>1,115,408</u>	<u>1,054,435</u>
Less-accumulated depreciation	<u>(249,475)</u>	<u>(396,906)</u>	<u>(646,381)</u>	<u>(646,794)</u>
Net capital assets	<u>262,478</u>	<u>206,549</u>	<u>469,027</u>	<u>407,641</u>
Total assets	<u>\$ 421,089</u>	<u>\$ 451,354</u>	<u>\$ 872,443</u>	<u>\$ 796,684</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 462	\$ 16,241	\$ 16,703	\$ 3,511
Accrued vacation payable	3,239	-	3,239	3,217
Accrued salaries payable	5,198	2,206	7,404	6,776
Total current liabilities	<u>8,899</u>	<u>18,447</u>	<u>27,346</u>	<u>13,504</u>
Long-term liabilities				
Compensated absences	6,015	-	6,015	5,975
Customer deposits	-	600	600	600
Total long-term liabilities	<u>6,015</u>	<u>600</u>	<u>6,615</u>	<u>6,575</u>
Total liabilities	<u>14,914</u>	<u>19,047</u>	<u>33,961</u>	<u>20,079</u>
NET ASSETS				
Invested in capital assets, net of related debt	262,478	206,549	469,027	407,641
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for fountain, entrance, memorials	10,099	-	10,099	2,414
Assigned	95,348	225,758	321,106	328,300
Total net assets	<u>\$ 406,175</u>	<u>\$ 432,307</u>	<u>\$ 838,482</u>	<u>\$ 776,605</u>

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, 2010
With Comparative Totals for December 31, 2009

	<u>Nonmajor Business-Type Activities</u>		<u>Total Nonmajor Proprietary Funds 2010</u>	<u>Total Nonmajor Proprietary Funds 2009</u>
	<u>Cemetery</u>	<u>Parking Authority</u>		
OPERATING REVENUES				
Charges for services	\$ 290,750	\$ 126,065	\$ 416,815	\$ 387,933
Total operating revenues	<u>290,750</u>	<u>126,065</u>	<u>416,815</u>	<u>387,933</u>
OPERATING EXPENSES				
Salaries	160,592	51,506	212,098	196,684
Employee benefits	37,008	4,781	41,789	36,659
Professional services	30	-	30	139
Property services	11,360	41,352	52,712	40,896
Purchased services	7,941	3,675	11,616	8,883
Supplies	32,933	6,102	39,035	25,737
Sundry	29,482	9,843	39,325	38,171
Depreciation	16,529	6,468	22,997	20,025
Total operating expenses	<u>295,875</u>	<u>123,727</u>	<u>419,602</u>	<u>367,194</u>
Operating income (loss)	(5,125)	2,338	(2,787)	20,739
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	6,965	-	6,965	22
Intergovernmental revenues	744	-	744	-
Interest income	935	1,452	2,387	5,456
Miscellaneous income	3,779	1,560	5,339	3,636
Total non-operating revenues (expenses)	<u>12,423</u>	<u>3,012</u>	<u>15,435</u>	<u>9,114</u>
Income (loss) before contributions and transfers	7,298	5,350	12,648	29,853
Capital contributions	61,109	-	61,109	(5,080)
Sale of City property	(9,493)	-	(9,493)	52,921
Transfers out	(935)	(1,452)	(2,387)	(5,330)
Total contributions and transfers	<u>50,681</u>	<u>(1,452)</u>	<u>49,229</u>	<u>42,511</u>
Change in net assets	57,979	3,898	61,877	72,364
Net assets, January 1	348,196	428,409	776,605	704,241
Net assets, December 31	<u>\$ 406,175</u>	<u>\$ 432,307</u>	<u>\$ 838,482</u>	<u>\$ 776,605</u>

City of Minot, North Dakota
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2010	Total Nonmajor Proprietary Funds 2009
	Cemetery	Parking Authority		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 290,418	\$ 126,065	\$ 416,483	\$ 392,727
Payments to suppliers	(83,009)	(46,517)	(129,526)	(122,046)
Payments to employees	(197,131)	(56,066)	(253,197)	(232,964)
Due from (to) other agencies	4	-	4	8
Net cash provided (used) by operating activities	<u>10,282</u>	<u>23,482</u>	<u>33,764</u>	<u>37,725</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	11,488	1,560	13,048	3,658
Transfers out	(935)	(1,452)	(2,387)	(5,330)
Net cash provided (used) by noncapital financing activities	<u>10,553</u>	<u>108</u>	<u>10,661</u>	<u>(1,672)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	61,109	-	61,109	(5,080)
Acquisition and construction of capital assets	(64,516)	(19,867)	(84,383)	(20,108)
Disposal of capital asset	(9,493)	-	(9,493)	72,850
Net cash provided (used) by capital and related financing activities	<u>(12,900)</u>	<u>(19,867)</u>	<u>(32,767)</u>	<u>47,662</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	935	1,452	2,387	5,456
Net cash provided by investing activities	<u>935</u>	<u>1,452</u>	<u>2,387</u>	<u>5,456</u>
Net increase (decrease) in cash and cash equivalents	8,870	5,175	14,045	89,171
Cash and investments, January 1	139,282	239,630	378,912	289,741
Cash and investments, December 31	<u>\$ 148,152</u>	<u>\$ 244,805</u>	<u>\$ 392,957</u>	<u>\$ 378,912</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 99,803	\$ 244,805	\$ 344,608	\$ 338,248
Restricted cash and cash equivalents	48,349	-	48,349	40,664
Total cash and equivalents on the Statement of Net Assets	<u>\$ 148,152</u>	<u>\$ 244,805</u>	<u>\$ 392,957</u>	<u>\$ 378,912</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (5,125)	\$ 2,338	\$ (2,787)	\$ 20,739
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	16,529	6,468	22,997	20,025
Change in assets and liabilities:				
Taxes receivable delinquent	109	-	109	449
Receivables, net	(425)	-	(425)	3,845
Intergovernmental receivable	4	-	4	8
Prepaid	(16)	-	(16)	500
Accounts payable	(1,263)	14,455	13,192	(8,220)
Accrued vacation payable	62	-	62	114
Accrued salaries payable	407	221	628	265
Net cash provided (used) by operating activities	<u>\$ 10,282</u>	<u>\$ 23,482</u>	<u>\$ 33,764</u>	<u>\$ 37,725</u>

City of Minot, North Dakota
Internal Service Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Assets
Internal Service Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Central Garage	Self Insurance	Total Internal Service Funds 2010	Total Internal Service Funds 2009
ASSETS				
Cash and investments	\$ 129,462	\$1,121,373	\$1,250,835	\$1,235,269
Accounts receivable	6,556	-	6,556	5,333
Inventory	308,656	-	308,656	323,581
Prepaid	-	62,931	62,931	-
Total assets	<u>\$ 444,674</u>	<u>\$1,184,304</u>	<u>\$1,628,978</u>	<u>\$1,564,183</u>
LIABILITIES				
Accounts payable	\$ 21,694	\$ 129,297	\$ 150,991	\$ 160,303
Insurance claims payable	-	79,038	79,038	143,245
Total liabilities	<u>21,694</u>	<u>208,335</u>	<u>230,029</u>	<u>303,548</u>
NET ASSETS				
Unrestricted	422,980	975,969	1,398,949	1,260,635
Total net assets	<u>\$ 422,980</u>	<u>\$ 975,969</u>	<u>\$1,398,949</u>	<u>\$1,260,635</u>

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, 2010
With Comparative Totals for December 31, 2009

	Central Garage	Self Insurance	Total Internal Service Funds 2010	Total Internal Service Funds 2009
OPERATING REVENUES				
Sales	\$ 881,127	\$ -	\$ 881,127	\$ 698,283
Cost of goods sold	(816,002)	-	(816,002)	(654,356)
Gross margin	65,125	-	65,125	43,927
Charges for services				
Employer	-	1,487,599	1,487,599	1,280,901
Employee	-	805,485	805,485	657,736
Total operating revenues	65,125	2,293,084	2,358,209	1,982,564
OPERATING EXPENSES				
Professional and technical	-	-	-	61
Supplies	59,716	-	59,716	39,081
Insurance claims	-	2,071,661	2,071,661	2,198,581
Total operating expenses	59,716	2,071,661	2,131,377	2,237,723
Operating income (loss)	5,409	221,423	226,832	(255,159)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	605	6,942	7,547	31,987
Miscellaneous income (expense)	25,414	(121,479)	(96,065)	(63,116)
Total non-operating revenues (expenses)	26,019	(114,537)	(88,518)	(31,129)
Change in net assets	31,428	106,886	138,314	(286,288)
Net assets, January 1	391,552	869,083	1,260,635	1,546,923
Net assets, December 31	\$ 422,980	\$ 975,969	\$ 1,398,949	\$ 1,260,635

City of Minot, North Dakota
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Central Garage	Self Insurance	Total Internal Service Funds 2010	Total Internal Service Funds 2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 894,829	\$2,293,084	\$3,187,913	\$2,607,430
Payments to suppliers	(946,108)	(2,137,721)	(3,083,829)	(2,756,170)
Net cash provided (used) by operating activities	(51,279)	155,363	104,084	(148,740)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Internal activity - payments from (to) other funds	25,414	(121,479)	(96,065)	(63,116)
Net cash provided (used) by noncapital financing activities	25,414	(121,479)	(96,065)	(63,116)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	605	6,942	7,547	31,987
Net cash provided by investing activities	605	6,942	7,547	31,987
Net increase in cash and cash equivalents	(25,260)	40,826	15,566	(179,869)
Cash and investments, January 1	154,722	1,080,547	1,235,269	1,415,138
Cash and investments, December 31	\$ 129,462	\$1,121,373	\$1,250,835	\$1,235,269
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 5,409	\$ 221,423	\$ 226,832	\$ (255,159)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	(1,223)	-	(1,223)	(1,401)
Inventory	14,925	-	14,925	(28,089)
Prepaid	-	(62,931)	(62,931)	-
Accounts payable	(70,390)	61,078	(9,312)	108,145
Insurance claims payable	-	(64,207)	(64,207)	27,764
Net cash provided (used) by operating activities	\$ (51,279)	\$ 155,363	\$ 104,084	\$ (148,740)

City of Minot, North Dakota Trust and Agency Funds

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

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

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

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

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

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

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

City of Minot, North Dakota
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2010	Total Fiduciary Funds 2009
ASSETS				
Cash and cash equivalents	\$ 89,390	\$ -	\$ 89,390	\$ 72,567
Investments				
Money market	276,060	8,478	284,538	162,740
Equity/stocks	24,052,820	194,709	24,247,529	21,200,027
Fixed income-tax exempt	689,564	-	689,564	620,832
Fixed income-taxable	24,729,775	191,236	24,921,011	23,912,245
Total investments	49,748,219	394,423	50,142,642	45,895,844
Taxes receivable delinquent	36,365	10,803	47,168	42,253
Accounts receivable	162,813	-	162,813	176,497
Due from other funds	11,683	-	11,683	32,700
Intergovernmental receivable	377	-	377	504
Total assets	<u>\$50,048,847</u>	<u>\$ 405,226</u>	<u>\$50,454,073</u>	<u>\$46,220,365</u>
LIABILITIES				
Accounts payable	\$ 162,813	\$ -	\$ 162,813	\$ 230,761
Due to other funds	-	118,390	118,390	32,700
Deferred revenue	36,742	-	36,742	49,985
Total liabilities	<u>199,555</u>	<u>118,390</u>	<u>317,945</u>	<u>313,446</u>
NET ASSETS				
Assets held in trust for pension benefits	49,849,292	-	49,849,292	45,745,056
Assets held in trust for OPEB benefits	-	286,836	286,836	161,863
Total net assets	<u>\$49,849,292</u>	<u>\$ 286,836</u>	<u>\$50,136,128</u>	<u>\$45,906,919</u>

City of Minot, North Dakota
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2010	Total Fiduciary Funds 2009
ADDITIONS				
Contributions				
Employer	\$ 2,518,191	\$ 199,872	\$ 2,718,063	\$ 2,101,769
Employee	2,073,481	447,899	2,521,380	2,327,995
Total contributions	<u>4,591,672</u>	<u>647,771</u>	<u>5,239,443</u>	<u>4,429,764</u>
Investment income				
Interest and dividends	1,590,515	8,133	1,598,648	1,573,054
Net increase (decrease) in the fair value of investments	4,012,800	29,111	4,041,911	4,951,385
Total investment income	<u>5,603,315</u>	<u>37,244</u>	<u>5,640,559</u>	<u>6,524,439</u>
Less investment expense	106,170	359	106,529	96,598
Net investment income	<u>5,497,145</u>	<u>36,885</u>	<u>5,534,030</u>	<u>6,427,841</u>
Total additions	<u>10,088,817</u>	<u>684,656</u>	<u>10,773,473</u>	<u>10,857,605</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	5,364,544	-	5,364,544	5,098,539
Refunds paid to plan member and beneficiaries	322,265	-	322,265	306,749
Retiree claims	-	324,383	324,383	355,213
Third party premiums	-	234,420	234,420	130,989
Administrative expenses	297,772	880	298,652	303,036
Total deductions	<u>5,984,581</u>	<u>559,683</u>	<u>6,544,264</u>	<u>6,194,526</u>
Change in net assets	4,104,236	124,973	4,229,209	4,663,079
Net assets, January 1	45,745,056	161,863	45,906,919	41,243,840
Net assets, December 31	<u>\$49,849,292</u>	<u>\$ 286,836</u>	<u>\$50,136,128</u>	<u>\$45,906,919</u>

City of Minot, North Dakota
Combining Statement of Net Assets
Agency Funds
December 31, 2010
With Comparative Totals for December 31, 2009

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	Total Agency Funds 2010	Total Agency Funds 2009
ASSETS					
Cash and investments	\$ 12,275	\$ -	\$ 71,169	\$ 83,444	\$ 80,908
Taxes receivable delinquent	-	2,388	-	2,388	2,836
Accounts receivable	835	-	36,641	37,476	15,910
Intergovernmental receivable	-	24	2,967	2,991	1,384
Total assets	<u>\$ 13,110</u>	<u>\$ 2,412</u>	<u>\$ 110,777</u>	<u>\$ 126,299</u>	<u>\$ 101,038</u>
LIABILITIES					
Accounts payable	<u>\$ 13,110</u>	<u>\$ 2,412</u>	<u>\$ 110,777</u>	<u>\$ 126,299</u>	<u>\$ 101,038</u>
Total liabilities	<u>\$ 13,110</u>	<u>\$ 2,412</u>	<u>\$ 110,777</u>	<u>\$ 126,299</u>	<u>\$ 101,038</u>

City of Minot, North Dakota
Agency Funds Combining Statements of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2010
With Comparative Totals for December 31, 2009

	Beginning	Additions	Deletions	Ending
PAYROLL DEDUCTIONS				
Assets				
Cash and investments	\$ 23,150	\$ 3,053,018	\$ 3,063,893	\$ 12,275
Accounts receivable	8,218	1,785	9,168	835
Total assets	<u>\$ 31,368</u>	<u>\$ 3,054,803</u>	<u>\$ 3,073,061</u>	<u>\$ 13,110</u>
Liabilities				
Accounts payable	\$ 31,368	\$ 403,942	\$ 385,684	\$ 13,110
Total liabilities	<u>\$ 31,368</u>	<u>\$ 403,942</u>	<u>\$ 385,684</u>	<u>\$ 13,110</u>
EMPLOYER SOCIAL SECURITY				
Assets				
Cash and investments	\$ -	\$ 95,190	\$ 95,190	\$ -
Taxes receivable delinquent	3,093	1,521	2,226	2,388
Intergovernmental receivable	38	51	65	24
Total assets	<u>\$ 3,131</u>	<u>\$ 96,762</u>	<u>\$ 97,481</u>	<u>\$ 2,412</u>
Liabilities				
Accounts payable	\$ 3,131	\$ 95,829	\$ 95,110	\$ 2,412
Total liabilities	<u>\$ 3,131</u>	<u>\$ 95,829</u>	<u>\$ 95,110</u>	<u>\$ 2,412</u>
HOTEL/MOTEL TAX				
Assets				
Cash and investments	\$ 48,870	\$ 1,000,570	\$ 978,271	\$ 71,169
Accounts receivable	-	325,222	288,581	36,641
Intergovernmental receivable	-	5,669	2,702	2,967
Total assets	<u>\$ 48,870</u>	<u>\$ 1,331,461</u>	<u>\$ 1,269,554</u>	<u>\$ 110,777</u>
Liabilities				
Accounts payable	\$ 48,870	\$ 979,447	\$ 1,041,354	\$ 110,777
Total liabilities	<u>\$ 48,870</u>	<u>\$ 979,447</u>	<u>\$ 1,041,354</u>	<u>\$ 110,777</u>
TOTAL 2010				
Assets				
Cash and investments	\$ 72,020	\$ 4,148,778	\$ 4,137,354	\$ 83,444
Taxes receivable delinquent	3,093	1,521	2,226	2,388
Accounts receivable	8,218	327,007	297,749	37,476
Intergovernmental receivable	38	5,720	2,767	2,991
Total assets	<u>\$ 83,369</u>	<u>\$ 4,483,026</u>	<u>\$ 4,440,096</u>	<u>\$ 126,299</u>
Liabilities				
Accounts payable	\$ 83,369	\$ 1,479,218	\$ 1,522,148	\$ 126,299
Total liabilities	<u>\$ 83,369</u>	<u>\$ 1,479,218</u>	<u>\$ 1,522,148</u>	<u>\$ 126,299</u>
TOTAL 2009				
Assets				
Cash and investments	\$ 68,419	\$ 3,852,616	\$ 3,840,127	\$ 80,908
Taxes receivable delinquent	3,093	1,777	2,034	2,836
Accounts receivable	-	15,910	-	15,910
Intergovernmental receivable	38	1,405	59	1,384
Total assets	<u>\$ 71,550</u>	<u>\$ 3,871,708</u>	<u>\$ 3,842,220</u>	<u>\$ 101,038</u>
Liabilities				
Accounts payable	\$ 71,550	\$ 2,517,748	\$ 2,547,236	\$ 101,038
Total liabilities	<u>\$ 71,550</u>	<u>\$ 2,517,748</u>	<u>\$ 2,547,236</u>	<u>\$ 101,038</u>

City of Minnetonka

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City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source December 31, 2010 and 2009

GOVERNMENTAL FUNDS CAPITAL ASSETS

	2010	2009
Land	\$ 6,542,184	\$ 6,844,919
Buildings	14,032,741	13,143,700
Equipment	14,182,893	12,235,206
Infrastructure	106,911,279	98,535,474
Intangible assets	522,816	210,886
Books	4,390,671	4,326,561
Construction in progress	1,500,798	1,888,071
Total governmental funds capital assets	<u>\$148,083,382</u>	<u>\$137,184,817</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE

Capital project funds		
General obligation bonds and levies	\$ 11,530,483	\$ 9,816,627
Revenue bonds	190,916	190,916
Sales tax	11,874,824	9,681,891
Federal grants	56,549,394	52,737,830
State grants	3,244,844	2,251,318
County grants	1,216,423	1,216,423
Contributions from others	22,166,570	22,397,684
General fund	22,396,070	20,782,218
Special revenue	16,794,472	15,990,524
Urban renewal	465,739	465,739
Enterprise fund	1,653,647	1,653,647
Total governmental funds capital assets	<u>\$148,083,382</u>	<u>\$137,184,817</u>

City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2010
With Comparative Totals for December 31, 2009

FUNCTION OR ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction in Process	2010	2009
General Government									
Civic center/property maintenance	\$ 49,374	\$ 3,429,528	\$ 67,793	\$ 305,527	\$ -	\$ -	\$ -	\$ 3,852,212	\$ 3,843,215
Finance	-	-	26,888	-	-	-	-	26,888	19,230
Information technology	-	-	10,051	-	178,386	-	-	188,437	188,437
Assessor	-	-	76,361	-	32,500	-	-	108,861	114,477
Engineering	-	421,334	249,845	-	-	-	-	671,179	663,906
Inspection	-	-	165,393	-	-	-	-	165,393	135,724
Traffic control	-	-	471,912	-	-	-	-	6,073,354	6,083,971
Public works	-	1,432,856	59,764	5,601,442	-	-	-	1,492,620	1,506,003
General	5,307,659	119,425	1,108,935	2,897,330	-	-	48,968	9,482,317	8,805,922
Total general government	5,357,033	5,403,143	2,236,932	8,804,299	210,886	-	48,968	22,061,261	21,360,885
Public Safety									
Police	-	161,536	3,205,297	339,344	-	-	-	3,706,177	3,278,315
Fire	243,861	3,041,105	3,114,658	-	-	-	-	6,399,624	5,281,931
Total public safety	243,861	3,202,641	6,319,955	339,344	-	-	-	10,105,801	8,560,246
Street	511,289	374,626	2,216,806	96,586,771	311,930	-	1,451,830	101,453,252	94,038,991
Shop	-	-	181,511	-	-	-	-	181,511	98,312
Library	7,624	3,128,995	18,717	-	-	4,390,671	-	7,546,007	7,490,371
Public transportation	-	853,027	2,176,523	-	-	-	-	3,029,550	2,326,294
Recreation	422,377	1,070,309	1,032,449	1,180,865	-	-	-	3,706,000	3,309,718
Total governmental funds	\$ 6,542,184	\$ 14,032,741	\$ 14,182,893	\$ 106,911,279	\$ 522,816	\$ 4,390,671	\$ 1,500,798	\$ 148,083,382	\$ 137,184,817

City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function Activity
December 31, 2010

FUNCTION/ACTIVITY	Governmental Fund				Governmental Fund	
	Capital Assets January 1	Additions	Deletions	Transfers	Construction in Process	Capital Assets December 31
GENERAL GOVERNMENT						
Civic center/property maintenance	\$ 3,843,215	\$ 17,997	\$ -	\$ (9,000)	\$ -	\$ 3,852,212
Finance	19,230	-	-	7,658	-	26,888
Information technology	188,437	-	-	-	-	188,437
Assessor	114,477	-	18,999	13,383	-	108,861
Engineering	663,906	30,392	23,119	-	-	671,179
Inspection	135,724	-	-	29,669	-	165,393
Traffic control	6,083,971	7,044	17,661	-	-	6,073,354
Public works	1,506,003	-	-	(13,383)	-	1,492,620
General	8,805,922	1,069,561	381,026	(61,108)	48,968	9,482,317
Total general government	21,360,885	1,124,994	440,805	(32,781)	48,968	22,061,261
PUBLIC SAFETY						
Police	3,278,315	534,539	60,558	(46,118)	-	3,706,178
Fire	5,281,931	1,124,961	45,728	38,460	-	6,399,624
Total public safety	8,560,246	1,659,500	106,286	(7,658)	-	10,105,802
Street	94,038,991	7,730,954	1,778,017	9,493	1,451,830	101,453,251
Shop	98,312	83,199	-	-	-	181,511
Library	7,490,371	64,110	8,474	-	-	7,546,007
Public transportation	2,326,294	703,256	-	-	-	3,029,550
Recreation	3,309,718	412,051	24,769	9,000	-	3,706,000
Total governmental funds	\$ 137,184,817	\$ 11,778,064	\$ 2,358,351	\$ (21,946)	\$ 1,500,798	\$ 148,083,382

City of Minot, North Dakota
Capital Assets Used in the Operations of Governmental Funds
Comparative Schedule of Changes in Governmental Capital Assets by Source
December 31, 2010
With Comparative Totals for December 31, 2009

	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction In Process	2010	2009
GOVERNMENTAL FUNDS CAPITAL ASSETS JANUARY 1,	\$ 6,844,919	\$ 13,143,700	\$ 12,235,206	\$ 98,535,474	\$ 210,886	\$ 4,326,561	\$ 1,888,071	\$ 137,184,817	\$ 131,106,533
ADDITIONS									
General fund	-	527,112	1,385,045	8,374,561	311,930	-	3,420,708	14,019,356	9,066,805
Special revenue	-	361,929	739,837	13,540	-	64,110	-	1,179,416	459,336
Transferred from enterprise	-	-	39,162	-	-	-	-	39,162	113,017
Special revenue transfers	-	-	9,000	-	-	-	-	9,000	-
General fund transfers	-	-	78,731	-	-	-	-	78,731	237,237
Total additions	-	889,041	2,251,775	8,388,101	311,930	64,110	3,420,708	15,325,665	9,876,395
Total balance & additions	6,844,919	14,032,741	14,486,981	106,923,575	522,816	4,390,671	5,308,779	152,510,482	140,982,928
DEDUCTIONS									
Capital assets traded	-	-	77,704	-	-	-	-	77,704	110,258
Capital assets sold	241,627	-	130,179	-	-	-	-	371,806	161,018
Capitalized	-	-	-	-	-	-	3,783,981	3,783,981	811,483
Expenditure	-	-	8,474	12,296	-	-	24,000	44,770	127,763
Transferred to enterprise	61,108	-	-	-	-	-	-	61,108	2,350,352
General fund transfers	-	-	87,731	-	-	-	-	87,731	237,237
Total deductions	302,735	-	304,088	12,296	-	-	3,807,981	4,427,100	3,798,111
GENERAL CAPITAL ASSETS DECEMBER 31,	\$ 6,542,184	\$ 14,032,741	\$ 14,182,893	\$ 106,911,279	\$ 522,816	\$ 4,390,671	\$ 1,500,798	\$ 148,083,382	\$ 137,184,817

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.

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

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

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

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

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

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

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

Sources: Unless otherwise noted, the information in the schedules is from the Comprehensive Annual Financial Reports of the City of Minot for the current year and prior years as presented. If less than 10 years of information is presented the schedule will provide an explanation. The City of Minot implemented GASB 34 for the fiscal year ended December 31, 2001. With the 2009 CAFR the City of Minot implemented GASB #54.



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

	2001**	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities						Restated				
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	\$ 66,709,351	\$ 76,811,701	\$ 82,821,937
Restricted for:										
Debt service	136,142	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579	2,025,734	2,643,771	812,051
Capital projects	6,286,203	8,403,858	11,116,994	11,118,792	15,999,116	20,310,497	24,733,175	4,240,289	2,833,320	1,448,511
Highway projects	-	-	-	-	-	-	-	1,997,969	2,837,842	1,688,435
Economic development	-	-	-	-	-	-	-	2,207,545	2,202,085	2,202,085
Flood control	-	-	-	-	-	-	-	27,989,367	28,404,171	34,204,624
NAWS	-	-	-	-	-	-	-	14,186,277	466,931	157,398
Other purposes	-	-	-	-	-	735,412	715,775	19,515,667	-	-
Unrestricted	16,068,448	9,415,049	19,164,126	11,114,418	15,107,715	14,336,538	24,515,171	12,902,703	19,515,667	26,731,317
Total governmental activities net assets	\$ 18,358,087	\$ 46,458,914	\$ 62,964,378	\$ 75,136,163	\$ 77,883,243	\$ 88,007,072	\$ 112,283,507	\$ 132,259,235	\$ 135,715,488	\$ 150,066,358
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	\$ 51,274,183	\$ 61,496,412	\$ 60,096,339
Restricted for:										
Debt service	5,482,401	5,050,928	6,282,767	4,525,305	4,479,980	4,645,085	5,601,055	4,101,853	4,300,303	3,657,311
Other purposes	39,605	40,182	42,580	41,792	42,163	43,474	43,874	44,714	40,664	48,349
Unrestricted	43,455,060	55,360,415	59,563,079	56,424,956	63,301,551	63,098,887	63,308,090	61,740,525	69,427,187	70,661,414
Total business-type activities net assets	\$ 43,455,060	\$ 55,360,415	\$ 59,563,079	\$ 56,424,956	\$ 63,301,551	\$ 63,098,887	\$ 63,308,090	\$ 61,740,525	\$ 69,427,187	\$ 70,661,414
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	\$ 117,983,534	\$ 138,308,113	\$ 142,918,276
Restricted	6,461,950	9,465,227	12,533,500	12,104,948	16,484,024	22,264,931	28,110,403	56,793,748	43,729,087	44,218,764
Unrestricted	21,550,849	14,465,977	25,446,893	15,639,723	19,587,695	23,331,348	30,116,225	19,222,478	23,105,475	33,590,732
Total government net assets	\$ 61,852,752	\$ 101,859,511	\$ 122,570,037	\$ 131,602,911	\$ 141,226,957	\$ 154,763,746	\$ 175,635,471	\$ 193,999,760	\$ 205,142,675	\$ 220,727,772

* This report is new with the 2004 CAFR, and these line items have only been available since the City 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	2008	2009	2010
EXPENSES										
Governmental activities										
General government	\$ 6,703,291	\$ 8,994,383	\$ 7,504,143	\$ 11,754,173	\$ 7,604,240	\$ 8,428,173	\$ 10,581,242	\$ 12,610,950	\$ 15,791,433	\$ 10,877,394
Public safety	6,349,105	6,614,253	7,046,392	7,596,040	7,672,804	7,903,316	8,585,950	8,784,220	9,621,297	10,983,251
Highways and streets	2,431,141	3,771,929	2,500,445	3,942,303	4,060,526	3,875,190	4,525,555	5,943,486	6,884,847	8,197,388
Culture and recreation	1,937,281	1,757,139	2,067,089	2,440,820	1,952,237	1,952,705	3,709,916	3,603,029	2,927,935	3,122,273
Community development	2,717,852	35,641	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808
Interest on long-term debt	900,023	934,073	899,139	779,285	559,525	727,521	806,265	939,131	952,970	684,342
Total governmental activities expenses	21,038,693	22,107,418	20,605,128	27,157,997	22,400,539	23,294,913	30,926,082	35,763,678	37,110,482	34,987,456
Business-type activities										
Airport	1,889,375	1,763,660	1,893,121	2,307,295	2,359,727	2,675,382	2,765,722	4,213,797	3,747,615	3,046,398
Cemetery	214,164	222,538	213,527	225,415	228,538	222,159	213,392	226,999	245,719	305,368
Parking authority	174,108	170,617	182,440	176,985	165,161	178,147	115,667	113,232	121,475	123,727
Sanitation	1,649,318	1,633,854	1,823,056	2,397,135	1,898,475	1,924,082	1,841,238	2,021,582	2,327,461	2,529,736
Water and sewer	6,017,143	6,146,502	6,560,712	7,283,610	7,500,357	8,464,880	9,179,295	9,760,782	11,249,918	11,113,562
Total business-type activities expenses	9,944,108	9,937,171	10,672,856	12,390,440	12,152,258	13,464,650	14,115,314	16,336,392	17,692,188	17,118,791
Total government expenses	30,982,801	32,044,589	31,277,984	39,548,437	34,552,797	36,759,563	45,041,397	52,100,070	54,802,670	52,106,247
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	5,599,611	6,053,336	6,440,278
Public safety	559,843	547,670	877,607	820,566	835,844	917,002	907,811	1,166,387	1,147,007	1,382,128
Highways and streets	5,696	10,196	39,946	43,046	38,913	-	-	467,716	63,523	-
Culture and recreation	11,792	11,652	45,652	49,195	44,472	54,016	474,985	442,346	-	534,353
Operating grants and contributions										
General government	1,534,042	289,859	937,622	816,833	414,555	299,813	675,890	1,051,271	2,313,214	1,066,608
Public safety	136,276	144,039	86,394	95,886	70,360	103,032	70,435	78,953	99,507	676,006
Highways and streets	-	-	-	2,619,461	-	-	-	-	547,985	630,630
Capital grants and contributions										
General government	1,478,747	1,379,845	1,327,028	533,831	126,655	55,949	726,303	2,635,216	1,182,924	120,720
Public safety	-	-	-	-	-	-	-	1,136,547	-	604,476
Highways and streets	-	-	8,139,850	4,425,385	-	3,539,693	11,784,624	8,600,269	1,809,135	4,713,115
Culture and recreation	-	-	-	-	-	-	-	4,737	-	-
Community development	-	-	-	-	-	-	-	555,519	-	-
Total governmental activities program revenues	6,655,992	5,914,427	15,321,603	13,971,697	6,431,976	10,032,707	18,822,133	21,738,572	13,216,632	16,168,314
Business-type activities										
Charges for services										
Airport	870,528	934,580	972,965	892,093	952,201	998,941	1,142,638	2,447,799	2,083,123	1,114,890
Cemetery	148,694	172,217	155,278	152,580	172,847	225,234	200,333	235,546	251,298	291,230
Parking authority	193,422	187,177	174,441	174,464	160,299	123,237	136,713	145,125	136,618	126,065
Sanitation	1,992,773	1,849,448	1,984,815	1,830,479	1,958,064	2,099,706	2,148,607	2,706,534	3,179,491	3,229,834
Water and sewer	6,082,779	6,120,192	6,416,265	6,849,133	7,192,105	7,635,599	7,686,895	8,448,601	9,276,724	10,392,992
Operating grants and contributions										
Airport	167,182	283,684	283,152	293,426	295,190	282,857	263,381	262,539	241,680	328,837

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	2008	2009	2010
Capital grants and contributions										
Airport	\$ 4,899,936	\$ 5,229,442	\$ 1,992,422	\$ 150,557	\$ 1,326,349	\$ 683,772	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936
Cemetery	-	606	2,880	250	99	309	-	-	(5,080)	61,853
Parking authority	-	-	54,600	-	-	-	-	-	52,921	-
Sanitation	-	-	-	-	-	-	10,165	248,926	1,400	2,197
Water and sewer	-	129,097	2,990,415	628,482	519,377	1,294,055	1,965,477	1,805,074	4,871,427	495,267
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	16,802,408	21,318,947	16,901,100
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	38,540,980	34,535,579	33,069,415
Net revenue (expense)										
Governmental activities	(14,382,701)	(16,192,991)	(5,283,525)	(13,186,300)	(15,968,563)	(5,015,283)	(12,103,949)	(14,025,106)	(23,893,850)	(18,819,142)
Business-type activities	4,413,207	4,971,274	4,356,380	(1,416,972)	426,278	(120,940)	1,135,230	466,016	3,626,759	(217,690)
Total government net expense	(9,969,494)	(11,221,717)	(927,145)	(14,603,272)	(15,542,285)	(5,136,223)	(10,968,718)	(13,559,090)	(20,267,091)	(19,036,832)
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	7,787,046	8,147,645	8,750,586
Property taxes, levied for debt service	953,223	853,386	954,337	1,042,433	1,065,170	998,952	1,142,353	1,152,519	1,064,857	749,233
Sales taxes	8,993,959	9,668,627	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768	14,639,441	14,845,915	17,200,391
Municipal highway tax	1,443,352	1,490,695	1,454,460	1,483,320	1,622,132	1,683,303	1,769,430	1,862,605	1,802,746	2,478,437
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	1,985,198	1,894,613	2,120,108
Franchise taxes	259,244	269,602	299,824	348,130	348,019	370,158	400,264	442,420	483,377	517,894
Other taxes	280,398	656,423	326,351	301,605	321,245	309,801	287,113	298,025	292,845	425,556
Grants and contributions not restricted to specific programs										
Investment earnings	848,083	876,509	627,567	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	474,228
Miscellaneous	957,633	1,050,349	713,914	1,992,462	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,106,373
Transfers	172,516	434,927	478,130	2,096,332	(5,208,299)	675,813	1,458,649	2,353,460	(3,425,624)	(652,774)
Total governmental activities	20,882,820	22,490,363	21,788,989	25,358,085	18,715,643	27,056,297	32,766,069	34,000,834	27,350,103	33,170,012
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	130,384	78,317	82,585	21,221	39,515	47,185	34,608	73,047	281,001	305,389
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	78,526	65,609	88,318
Investment earnings	278,405	189,444	119,508	102,814	144,680	91,364	226,834	139,967	215,446	98,049
Miscellaneous	23,652	25,300	20,739	49,183	877,341	134,667	106,857	(15,535)	72,223	307,387
Transfers	(172,516)	(434,927)	(478,130)	(2,096,332)	5,208,299	(675,813)	(1,458,649)	(2,353,460)	3,425,624	652,774
Total business-type activities	510,740	60,671	(149,315)	(1,719,935)	6,452,693	(80,413)	(925,626)	(2,077,455)	4,059,903	1,451,917
Total government	21,393,560	22,551,034	21,639,674	23,638,150	25,168,336	26,975,884	31,840,443	31,923,379	31,410,006	34,621,929
Change in net assets										
Governmental activities	6,500,119	6,297,372	16,505,464	12,171,785	2,747,080	13,738,142	20,662,120	19,975,728	3,456,253	14,350,870
Business-type activities	4,921,946	5,029,943	4,205,062	(3,138,911)	6,876,966	(201,353)	209,606	(1,611,439)	7,686,662	1,234,227
Total government ¹	\$ 11,422,065	\$ 11,327,315	\$ 20,710,526	\$ 9,032,874	\$ 9,624,046	\$ 13,536,789	\$ 20,871,725	\$ 18,364,289	\$ 11,142,915	\$ 15,585,097

* This report is new with the 2004 CAFR, and these line items have only been available since the City 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

	2001	2002	2003	2004	2005	2006	2007	2008	2009*	2010
General fund										
Reserved	\$ 27,481	\$ 29,902	\$ 25,417	\$ 5,021	\$ 6,734	\$ -	\$ 66,542	\$ -	\$ -	\$ -
Unreserved	3,033,506	2,965,453	2,624,002	2,167,158	2,260,512	3,643,208	4,978,325	-	-	-
Nonspendable	-	-	-	-	-	-	-	39,225	4,746	26,691
Restricted	-	-	-	-	-	-	-	-	41,532	50,077
Committed	-	-	-	-	-	-	-	-	4,667	-
Assigned	-	-	-	-	-	-	-	21,453	259,042	1,916
Unassigned	-	-	-	-	-	-	-	6,373,912	6,956,811	7,269,575
Total general fund	\$ 3,060,987	\$ 2,995,355	\$ 2,649,419	\$ 2,172,179	\$ 2,267,246	\$ 3,643,208	\$ 5,044,867	\$ 6,434,590	\$ 7,266,798	\$ 7,348,259
All other governmental funds										
Reserved	\$ 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	(2,983,225)	(2,583,340)	(3,033,771)	3,180,398	4,823,207	7,797,181	8,493,078	-	-	-
Debt service funds	136,142	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579	-	-	-
Capital project funds	395,947	(351,234)	520,760	(1,238,231)	2,515,273	2,908,277	2,503,510	-	-	-
Nonspendable	-	-	-	-	-	-	-	3,322,160	1,748,428	419,517
Restricted	-	-	-	-	-	-	-	30,645,782	37,780,280	40,463,027
Committed	-	-	-	-	-	-	-	8,318,890	2,531,471	1,703,715
Assigned	-	-	-	-	-	-	-	5,403,633	7,731,362	14,424,926
Unassigned	-	-	-	-	-	-	-	(111,496)	(622,965)	(353,393)
Total all other governmental funds	\$ 9,374,915	\$ 10,639,025	\$ 14,144,687	\$ 16,280,060	\$ 25,293,254	\$ 33,742,795	\$ 40,900,054	\$ 47,578,969	\$ 49,168,576	\$ 56,657,792

* implemented GASB #54 with 2009 CAFR

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

	2001*	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Property taxes	\$ 6,775,332	\$ 6,912,390	\$ 7,221,351	\$ 7,393,732	\$ 7,331,800	\$ 7,995,420	\$ 8,730,892	\$ 8,855,449	\$ 9,123,666	\$ 9,324,583
Special assessment collections	644,304	826,078	916,817	833,144	884,137	702,392	669,155	779,292	1,216,553	845,259
Sales tax collections	8,993,959	9,668,627	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768	14,639,441	14,845,915	17,200,391
Licenses and permits	344,806	345,873	413,553	502,408	607,474	647,390	607,708	744,303	701,740	836,065
Intergovernmental	5,123,131	4,296,948	13,510,969	7,379,165	4,612,249	4,695,404	5,348,836	6,716,698	8,123,997	9,539,038
Charges for services	2,295,849	2,889,849	2,983,946	3,558,377	3,788,077	4,281,728	3,821,965	4,540,984	5,018,590	4,868,019
Fines and forfeits	444,103	431,493	573,961	493,287	520,615	524,050	540,046	471,653	490,864	659,823
Interest income	848,083	876,509	604,167	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	454,200
Miscellaneous	957,633	1,050,349	713,914	1,992,462	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,106,373
Total revenues	26,427,200	27,298,116	36,476,332	32,609,277	30,663,121	33,374,299	38,139,972	40,227,940	41,765,054	44,833,751
EXPENDITURES										
General government	6,526,829	8,672,981	7,341,323	11,496,187	6,962,816	8,001,249	8,709,351	11,048,600	14,714,972	10,245,057
Public safety	6,084,587	6,349,779	6,758,687	7,231,044	7,311,855	7,501,383	7,828,236	8,191,065	8,736,792	10,045,515
Highways and streets	2,322,209	2,587,407	2,385,232	2,525,080	2,450,835	2,210,048	2,069,635	2,777,822	3,342,302	4,201,481
Culture and recreation	1,901,854	1,614,088	1,789,177	2,147,590	1,858,446	1,859,266	3,292,295	3,377,216	2,493,537	2,642,299
Economic development	2,717,852	35,641	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808
Capital outlay	4,495,259	4,354,636	16,471,332	5,602,326	2,321,872	4,854,425	7,898,663	5,517,661	4,521,395	6,618,990
Debt retirement	-	-	-	-	-	-	-	-	-	-
Principal	2,510,000	4,870,800	2,435,000	2,620,000	2,395,000	2,415,000	2,520,000	2,655,000	2,420,000	2,730,000
Interest and fiscal charges	760,948	917,496	929,669	796,546	583,438	707,286	627,917	773,958	787,850	700,606
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Total expenditures	27,319,538	29,402,828	38,698,340	33,064,149	24,435,469	27,956,665	35,663,252	38,224,184	37,948,848	38,306,756
Excess (deficiency) of revenues over (under) expenditures	(892,338)	(2,104,712)	(2,222,008)	(454,872)	6,227,652	5,417,634	2,476,720	2,003,756	3,816,206	6,526,995
OTHER FINANCING SOURCES (USES)										
General obligation bonds issued	1,530,000	2,850,000	2,675,000	-	2,355,000	2,810,000	1,785,000	1,720,000	2,005,000	1,375,000
Proceeds from loan issue	-	-	-	-	-	-	-	-	-	-
Special assessment bonds issued	1,740,000	-	2,205,000	-	-	910,000	2,715,000	1,905,000	-	-
Premium (discount) on debt issued	-	(4,759)	205	-	-	(15,658)	100	10,265	6,180	(6,875)
Capital leases	-	-	-	-	-	-	-	-	-	15,392
Principal retirement on current refunding	(1,725,000)	-	-	-	-	-	17,540	-	-	-
Sale of City Property	-	-	-	-	-	-	27,043	33,617	20,053	312,939
Transfers in	3,940,832	6,409,948	3,751,138	10,739,674	6,105,360	5,191,192	5,834,714	5,999,009	5,494,389	5,702,692
Transfers Out	(3,766,827)	(5,951,999)	(3,249,609)	(8,626,669)	(5,579,751)	(4,487,665)	(4,297,199)	(3,603,009)	(8,920,013)	(6,355,466)
Total other financing sources (uses)	1,719,005	3,303,190	5,381,734	2,113,005	2,880,609	4,407,869	6,082,198	6,064,882	(1,394,391)	1,043,682
Net change in fund balances	\$ 826,667	\$ 1,198,478	\$ 3,159,726	\$ 1,658,133	\$ 9,108,261	\$ 9,825,503	\$ 8,558,918	\$ 8,068,638	\$ 2,421,815	\$ 7,570,677
Debt service as a percentage of noncapital expenditures	14.33%	23.11%	15.14%	12.44%	13.47%	13.52%	11.34%	10.48%	9.60%	10.83%

*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
2001	\$ 5,890,594	\$ 953,223	\$ 8,993,959	\$ 1,443,352	\$ 1,083,818	\$ 259,244	\$ 280,398	\$ 18,904,588	36,567
2002	6,121,577	853,386	9,668,627	1,490,695	1,068,268	269,602	656,423	20,128,578	36,567
2003	6,333,804	954,337	9,537,654	1,454,460	1,062,948	299,824	326,351	19,969,378	36,567
2004	6,412,849	1,042,433	10,127,486	1,483,320	1,224,252	348,130	301,605	20,940,075	36,567
2005	6,327,110	1,065,170	11,021,415	1,622,132	1,321,497	348,019	321,245	22,026,588	36,567
2006	7,065,705	998,952	11,920,592	1,683,303	1,424,650	370,158	309,801	23,773,161	36,567
2007	7,665,997	1,142,353	13,242,768	1,769,430	1,620,893	400,264	287,113	26,128,818	36,567
2008	7,787,046	1,152,519	14,639,441	1,862,605	1,985,198	442,420	298,025	28,167,254	36,567
2009	8,147,645	1,064,857	14,845,915	1,802,746	1,894,613	483,377	292,845	28,531,998	36,567
2010	8,750,586	749,233	17,200,391	2,478,437	2,120,108	517,894	425,536	32,242,185	40,888 **

* 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. The original 1% sales tax will expire June 30, 2014, unless extended by a vote of the citizens.

In 1999, we began collecting the additional 1% for the Northwest Area Water Supply project.

** 2010 Census data provided by the US Census Bureau

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

Year	Population	City Direct Sales Tax Rate	(1) Taxable Sales & Purchases	Sales Tax remitted by State of ND to the City					Total Sales Tax Collections	Percentage of Taxable Sales & Purchases top ten permit holders
				Property Tax Relief 10%	Original 1% Economic Development 40%	Capital Improvements 50%	1% dedicated Northwest Area Water Supply 100%	\$		
2001	36,567	2%	\$ 537,932,451	\$ 453,548	\$ 1,814,193	\$ 2,267,741	\$ 4,458,477	\$ 8,993,959	na	
2002	36,567	2%	545,039,536	475,242	1,900,969	2,376,211	4,916,205	9,668,627	na	
2003	36,567	2%	562,646,219	476,882	1,907,531	2,384,414	4,768,827	9,537,654	34.16%	
2004	36,567	2%	607,684,297	506,374	2,025,497	2,531,872	5,063,743	10,127,486	34.02%	
2005	36,567	2%	632,611,203	551,071	2,204,283	2,755,354	5,510,707	11,021,415	33.51%	
2006	36,567	2%	673,620,128	596,030	2,384,118	2,980,148	5,960,296	11,920,592	33.16%	
2007	36,567	2%	741,745,928	662,138	2,648,554	3,310,692	6,621,384	13,242,768	33.51%	
2008	36,567	2%	839,876,644	728,717	2,914,868	3,643,585	7,287,170	14,574,340	32.92%	
2009	36,567	2%	906,784,178	742,296	2,969,183	3,711,479	7,422,957	14,845,915	31.10%	
2010	40,888	2%	1,012,098,994	860,020	3,440,078	4,300,098	8,600,195	17,200,391	32.30%	

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

- (1) Taxable Sales and Purchases figure are from the State of ND Sales Tax Department Sales and Use Tax Statistical Annual Report.
- (2) This table is new with the 2009 CAFR, this information had not previously been requested by the City to the State and the State did not keep this percentage information from prior years.

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

Industry	2006	2007	2008	2009	2010
Construction	\$ 19,501,477	\$ 20,771,513	\$ 24,281,951	\$ 28,164,170	\$ 26,203,104
Manufacturing	26,302,204	26,747,454	30,885,053	31,867,746	31,694,324
Wholesale trade	71,115,002	84,416,178	102,051,071	131,555,267	180,417,164
Retail trade	407,725,973	446,711,074	502,811,606	512,271,955	575,395,068
Transportation & warehousing	3,932,535	4,996,441	5,573,468	12,428,865	36,440,379
Information industries	3,232,367	3,333,475	3,376,973	3,916,838	3,882,824
Fin. ins. real estate, rental & leasing	9,133,815	11,213,308	12,972,766	14,286,085	19,157,346
Professional, scientific, tech., & mgmt serv.	8,988,399	9,279,587	9,845,218	10,770,836	11,333,361
Educational, health care, & soc. services	3,184,550	3,002,059	2,772,035	3,069,870	3,088,652
Arts, entertainment & recreation	3,319,163	3,595,895	3,863,158	3,832,661	3,750,517
Accommodation & food services	89,727,364	99,568,279	114,272,513	119,962,840	136,428,915
Other services	21,582,457	21,041,752	20,765,032	22,544,992	26,373,761
Miscellaneous	5,874,822	7,068,913	6,405,800	12,659,014	16,499,272
Total Taxable Sales and Purchases	\$ 673,620,128	\$ 741,745,928	\$ 839,876,644	\$ 907,331,139	\$ 1,070,664,687

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

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

Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
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	616,720,533	7,982,740	967,173,373	1,934,346,747	50.00%	113.70
2008	364,312,900	658,155,100	7,921,785	1,030,389,785	2,060,779,570	50.00%	113.25
2009	399,824,050	727,791,050	8,697,477	1,136,312,577	2,272,625,153	50.00%	108.12
2010	451,055,991	820,974,530	9,717,790	1,281,748,311	2,563,496,622	50.00%	107.33

(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					
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
2008	51.11	38.82	23.32	113.25	32.80	204.65	74.45	425.15
2009	50.19	41.09	16.84	108.12	30.68	133.40	77.43	349.63
2010	51.91	41.24	14.18	107.33	29.83	129.75	72.66	339.57

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
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	9,754,043	94.43%	188,150	9,942,193	96.25%	385,933	369,554	3.58%
2008	10,895,992	10,322,163	94.73%	201,647	10,523,810	96.58%	404,619	337,117	3.09%
2009	11,453,689	10,852,906	94.75%	257,025	11,109,931	97.00%	398,636	282,239	2.46%
2010	12,737,097	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, 2010
 unaudited

TAXPAYER	2010			2001		
	(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)	\$ 3,889,410	1	0.30%	\$ 2,461,230	1	4.00%
Investor's Real Estate Trust (IRET)	3,463,940	2	0.27%	1,239,490	2	2.02%
Wal-Mart Real Estate	818,055	3	0.06%	304,110	6	0.49%
Riverside Inc. (Holiday Inn)	812,310	4	0.06%	204,350	13	0.33%
Kadima Medial Properties (Former Unimed Clinic)	673,785	5	0.05%			
Menard's Inc.	624,545	6	0.05%	348,160	5	0.57%
International Inn	557,075	7	0.04%	295,140	7	0.48%
Cambridge Capital Management	508,355	8	0.04%			
Glacial Holdings	498,460	9	0.04%			
Reliastar (ING)	493,025	10	0.04%			
Philadelphia Macaroni	399,070	11	0.03%			
Cenex	377,540	12	0.03%			
Map Dakota (Wellington)	348,555	13	0.03%			
Elk Pointe Apartments, LLC	345,145	14	0.03%			
BRE/SW Brentmoor, LLC	339,390	15	0.03%			
Dakota Upreit (Metro Mall)	335,045	16	0.03%			
Farmers Union Oil	334,900	17	0.03%			
Dayton-Hudson Corporation (Target)	324,350	18	0.03%	252,330	9	0.41%
Westlie's	313,282	19	0.02%			
Somerset Court	299,915	20	0.02%			
Bremer				264,360	8	0.43%
Dakota Square Inn (Comfort Inn)						
Dakota Square Motor Inn Inc (Comfort Inn)				179,460	17	0.29%
First International Bank & Trust				162,920	18	0.25%
Gould Dakota Venture (K-Mart)				201,640	15	0.33%
Health Care Property Investors(Medical Arts Clinic)				565,430	3	0.92%
James & Mary Ommen				398,240	4	0.65%
Johannesson's Property (Marketplace)				230,270	12	0.37%
Krebsbach Realty Co (Bdwy Miracle Mart)				150,390	19	0.23%
Magic City Financial Group (Medical Arts)				235,070	11	0.38%
Minot Town & Country Investors				203,390	14	0.33%
Oakland Communities of Minot				140,200	20	0.22%
Sports World (Chad Yale)				188,160	16	0.31%
Wells Fargo Bank ND				238,670	10	0.39%
All Others	1,265,992,159		98.77%	53,221,234		86.56%
Total Taxable Value	<u>\$1,281,748,311</u>		<u>100.00%</u>	<u>\$61,484,244</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	(3) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Grants Payable	Loans Payable	Revenue Bonds	Notes Payable	Loans Payable			
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
2008	10,675,000	7,735,000	-	-	25,620,000	1,627,479	144,146	45,801,625	15.58%	1,252.54
2009	11,440,000	6,555,000	-	-	23,675,000	1,562,795	74,567	43,307,362	14.01%	1,184.33
2010	11,480,000	5,160,000	-	-	21,110,000	1,496,921	-	39,246,921	12.06%	959.86

(1) Obtained the per capita personal income (\$32,532 for 2010) from www.jobsnd.com.

(2) This is a new table with our 2004 CAFR per GASB #44- prior year's data was unavailable.

(3) 40,888 - U.S. Census Bureau 2010 , prior years 36,567 (2000 Census)

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

Year	Population	(1) Assessed Value	(2) Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2008	36,567	1,030,389,785	10,675,000	1,043,314	9,631,686	0.93%	263.40
2009	36,567	1,136,312,577	11,440,000	1,350,573	10,089,427	0.89%	275.92
2010	40,888	1,281,748,311	11,480,000	297,431	11,182,569	0.87%	273.49

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

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

City of Minot, North Dakota
Computation of Direct and Overlapping Debt
For the Year Ended December 31, 2010
 unaudited

Governmental Unit	(1) Outstanding Debt	Sinking Funds	Net Debt	Ratio	City's Share of Debt
Minot School District	\$ 7,680,000	\$ -	\$ 7,680,000	92.97%	\$7,139,803
Minot Park District	-	-	-	100.00%	-
Ward County	-	-	-	65.20%	-
Overlapping Debt					7,139,803
City of Minot (Direct Debt)			11,182,569	100.00%	<u>11,182,569</u>
Total Direct and Overlapping Debt					<u><u>\$18,322,372</u></u>

Ratios Used	(2) 2010 Assessed Value	2010 City's Assessed Value	Percentage
Minot School District	\$ 1,378,725,268	\$ 1,281,748,311	92.97%
Minot Park District	1,281,748,311	1,281,748,311	100.00%
Ward County	1,965,867,423	1,281,748,311	65.20%

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

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

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

City of Minot, North Dakota
Computation of Legal Debt Margin
December 31, 2010
unaudited

True and full value of taxable property - 2010	\$ 2,563,496,622
Debt limit - 8% of 50% of true and full value	102,539,865
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 11,480,000
Special Assessment bonds with Government Commitment	24,254
Less: cash in debt service sinking funds	<u>297,431</u>
	<u>11,182,569</u>
Legal debt margin	<u><u>\$ 91,357,296</u></u>

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 52,443,648	\$ 52,908,272	\$ 54,920,223	\$ 57,533,248	\$ 63,960,233	\$ 70,399,141	\$ 77,884,795	\$ 82,431,183	\$ 90,905,006	\$ 102,539,865
Less total net debt applicable to limit	5,765,912	6,511,639	8,128,385	6,908,162	8,414,944	9,849,234	9,408,451	9,631,686	10,089,427	11,182,569
Legal debt margin	\$ 46,677,736	\$ 46,396,633	\$ 46,791,838	\$ 50,625,086	\$ 55,545,289	\$ 60,549,907	\$ 68,476,344	\$ 72,799,497	\$ 80,815,579	\$ 91,357,296

Total net debt applicable to the limit as a percentage of debt limit	10.99%	12.31%	14.80%	12.01%	13.16%	13.99%	12.08%	11.68%	11.10%	10.91%
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City of Minot, North Dakota
Revenue Bond Coverage
Airport Bonds
Last Ten Fiscal Years
 unaudited

Year	Gross Revenue	State & Federal Collected Taxes	Tax Levy	(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
2001	\$ 870,528	\$ 245,318	\$ 91,247	\$ 958,699	\$ 150,000	\$ 398,394	\$ 105,000	\$ 86,755	\$ 191,755	2.08
2002	933,039	197,040	39,941	868,897	150,000	451,123	135,000	95,744	230,744	1.96
2003	972,965	100,486	63,013	983,439	150,000	303,025	140,000	126,360	266,360	1.14
2004	892,093	174,943	484	1,002,936	150,000	214,584	245,000	114,031	359,031	0.60
2005	952,201	135,161	181	980,822	150,000	256,721	255,000	103,911	358,911	0.72
2006	973,986	322,184	107	993,225	150,000	453,052	255,000	93,190	348,190	1.30
2007	1,143,245	1,764,185	94	1,066,534	150,000	1,990,990	275,000	81,890	356,890	5.58
2008	1,148,227	562,050	71,847	1,177,910	150,000	754,214	280,000	69,474	349,474	2.16
2009	1,237,245	1,248,678	280,979	1,189,502	150,000	1,727,400	295,000	56,287	351,287	4.92
2010	1,113,294	851,041	298,424	1,458,934	150,000	953,825	305,000	42,205	347,205	2.75

(1) Excludes depreciation

(2) Permanent financing only

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

Year	Gross Revenue	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					(2) Principal	Interest & Fiscal Charges	Total	
2001	\$ 6,067,731	\$ 4,055,897	\$ 315,000	\$ 2,326,834	\$ 750,000	\$ 425,118	\$ 1,175,118	1.98
2002	6,117,762	4,001,686	63,000	2,179,076	805,000	363,414	1,168,414	1.86
2003	6,365,265	4,351,564	75,000	2,088,701	825,000	325,874	1,150,874	1.81
2004	6,843,818	4,761,095	100,000	2,182,723	825,000	357,012	1,182,012	1.85
2005	7,199,190	5,013,167	100,000	2,286,023	840,000	364,387	1,204,387	1.90
2006	7,597,350	5,963,549	100,000	1,733,801	840,000	349,127	1,189,127	1.46
2007	7,695,089	6,319,567	550,000	1,925,522	1,125,000	457,548	1,582,548	1.22
2008	8,362,319	6,312,316	350,000	2,400,003	1,470,000	710,515	2,180,515	1.10
2009	9,291,021	6,940,378	350,000	2,700,643	1,650,000	998,986	2,648,986	1.02
2010	10,383,153	6,627,269	817,667	4,573,551	2,225,000	977,069	3,202,069	1.43

(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
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%
2008	36,567	1,075,325,769	29,407	35.0	13.16	7,100	2.9%
2009	36,567	1,130,541,939	30,917	35.0	13.16	7,233	2.9%
2010	40,888	1,330,168,416	32,532	35.0	13.16	7,503	2.9%

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

(1) U.S. Census Bureau

(2) Job Services, North Dakota

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

Principal Employers
Current Year and Nine Years Ago
 unaudited

Employer	2010			2001		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	11,878	1	37.46%	5,900	1	21.27%
Trinity Health	2,855	2	9.00%	1,800	2	6.49%
Minot Public Schools	1,547	3	4.88%	1,500	3	5.41%
ING Minot Service Center	934	4	2.95%	575	6	2.07%
Minot Vocational Adjustment Workshop	590	5	1.86%	520	7	1.87%
Minot State University	450	6	1.42%			
Miracle Mart	394	7	1.24%	400	9	1.44%
MLT Inc.	321	8	1.01%			
City of Minot	315	9	0.99%	305	10	1.10%
Ward County	220	10	0.69%			
SRT Communications	216	11	0.68%			
Dakota Boys & Girls Ranch	188	12	0.59%			
Choice Hotels International, Inc.	175	13	0.55%	480	8	1.73%
ManorCare Health Services	150	14	0.47%			
Burdick Job Corps Center	125	15	0.39%			
Westlie Motors	126	16	0.40%			
Dakota Square Mall				1,000	4	3.60%
Sykes, Inc.				500	7	1.80%
Unimed				950	5	3.42%
Total	20,484		64.61%	13,930		50.22%

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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	33	33	33	32	32	31	31	31	33	33
Public safety										
Police										
Officers	60	60	64	64	65	63	64	64	63	67
Civilians	19	19	20	20	20	20	20	20	20	20
Fire										
Firefighters and officers	49	49	49	49	49	49	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Engineering	9	9	9	9	9	9	9	9	9	9
Maintenance	36	36	36	36	36	35	36	36	36	36
Culture and recreation	22	22	22	24	24	24	25	25	24	24
Airport	11	11	13	13	13	13	13	13	13	11
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	19	20	20	20	22	22
Water and sewer	39	41	39	39	39	39	39	39	39	39
Total	303	305	310	311	311	308	311	311	313	315

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - 2010 Budget

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

FUNCTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Assessors										
Properties reviewed	1,546	1,835	1,021	1,510	1,390	1,575	1,203	775	1,600	1,500
Properties photographed	5,725	550	1,043	2,985	1,435	1,899	1,800	2,800	3,500	2,200
Building inspections										
Permits issued	399	415	486	474	690	600	502	540	486	447
City bus										
Bus ridership	151,027	156,189	160,025	153,036	146,047	151,594	152,314	151,169	131,062	123,139
Public safety										
Police										
Parking tickets issued	9,821	9,901	8,392	8,729	7,019	8,155	8,330	6,804	6,914	6,072
Criminal citations issued	4,752	4,416	5,226	5,607	5,421	5,454	5,695	5,605	5,697	6,035
Traffic citations issued	6,866	5,414	6,958	4,918	4,809	4,536	5,021	3,895	3,551	4,251
Alarms-patrol & parking division	722	649	658	620	647	671	675	693	716	839
Fire										
# of fire incidents	437	390	378	364	371	350	373	405	381	432
# of rescue incidents	1,530	1,713	1,767	1,658	1,781	1,907	2,003	1,924	1,867	1,957
Inspections made	2,003	1,775	1,373	1,742	1,792	1,640	1,645	1,593	1,393	1,514
Highways and streets										
Traffic										
Signs installed	1,683	1,702	1,034	1,783	862	1,194	1,112	1,503	1,430	1,419
Signs/posts repaired	1,080	1,055	664	1,523	851	817	1,302	2,118	2,138	2,005
Traffic light repairs	582	434	286	354	592	369	458	568	273	241
Street light repairs	158	259	164	214	199	174	243	301	253	186
Culture and recreation										
Auditorium										
Event days	2,034	2,234	2,109	2,010	1,833	1,551	1,895	1,996	1,539	1,362
Attendance	344,165	360,405	234,689	222,484	218,666	203,641	246,596	256,041	256,439	194,067
Library										
Registered borrowers	27,358	24,955	26,326	23,970	23,245	24,371	24,007	23,384	22,933	24,079
Circulation and activity	263,273	276,090	272,011	285,805	301,721	292,785	304,531	294,441	273,182	274,665
Airport										
Gallons airline fuel dispensed	1,187,110	1,195,553	958,048	943,337	985,647	815,120	748,825	870,578	1,078,256	1,714,587
Airline boarding's	74,212	75,382	73,323	79,257	79,654	78,854	74,921	75,972	72,219	96,599
Sanitation										
# of customers	9,862	9,917	9,966	10,069	10,210	10,279	10,392	10,497	10,769	10,884
Landfill tonnage	80,153	85,372	104,781	93,487	88,343	94,757	95,216	113,936	114,685	115,812
Water and Sewer										
# of consumers	11,443	11,492	11,545	11,704	11,801	11,858	11,970	12,142	12,472	13,640
Gallons pumped/treated	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	2,132,600,000	1,969,000,000	2,003,000,000

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	2008	2009	2010
General government									
Public works building	1	1	1	1	1	1	1	1	1
Public safety									
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol units	32	32	33	33	33	31	31	31	31
Speed trailer	-	1	1	1	1	1	1	1	1
Fire									
Stations	3	3	3	3	3	3	3	3	3
Highways and streets									
Streets (square miles)	14,860	14,900	15,029	15,047	16,170	16,395	16,73	17,31	18,78
Street lights	2,131	2,142	2,167	2,225	2,273	2,311	2,375	2,504	2,672
Traffic signals	43	44	43	43	44	50	50	50	51
Culture and recreation									
Parks	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16	16	16	16
Tennis courts	12	12	12	12	12	12	10	10	10
Indoor tennis center	-	-	1	1	1	1	1	1	1
Sanitation									
Collection trucks	7	7	8	7	7	8	8	8	8
Water									
Water treatment plant	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	160	160	160	160	160	210	210	210	245
Maximum daily capacity (millions of gallons)	12.30	12.10	11.80	11.90	13.13	12.91	11.96	10.56	9.93

*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, 2010. 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, 2010.

Internal Control over Compliance

The management of the City of Minot, North Dakota Airport is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program. In planning and performing our audit, we considered the City of Minot, North Dakota Airport's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

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

This report is intended solely for the information and use of the audit committee, management, and the Federal Aviation Administration and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

Bismarck, North Dakota
April 15, 2011



**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, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 15, 2011. 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weaknesses and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 10-1 to be a material weakness.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 10-2 to be a significant deficiency.

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 of Minot, North Dakota's responses and, accordingly, we express no opinion on it.

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



Bismarck, North Dakota
April 15, 2011



Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on 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 *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Minot, North Dakota's major federal programs for the year ended December 31, 2010. 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 could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010.

Internal Control over Compliance

Management of City of Minot, North Dakota is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Minot, North Dakota's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Minot, North Dakota's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 Saily LLP

Bismarck, North Dakota
April 15, 2011

City of Minot
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
U.S. Department of Justice			
Direct Programs			
Bullet Proof Vest Grant		16.607	\$ 3,734
Edward Byrne Memorial Justice Assistance Grant - (JAG) - ARRA		16.804	171,538
Edward Byrne Memorial Justice Assistance Grant		16.738	20,845
Passed through ND Attorney General's Office			
Edward Byrne Memorial Justice Assistance Grant	09-211	16.738	8,500
Total CFDA #16.738			<u>29,345</u>
Project Safe Neighborhoods	09-705	16.609	12,088
Passed through the State of North Dakota Highway Patrol			
Enforcing Underage Drinking Laws	2010-1	16.727	2,921
Total Department of Justice			<u>219,626</u>
U.S. Department of Transportation Direct Programs			
Airport Projects			
#635		20.106	113,150
#636		20.106	561
#637		20.106	34,367
#638		20.106	25,930
#639		20.106	279,293
#640		20.106	156,999
Total CFDA #20.106			<u>610,300</u>
Passed-Through North Dakota Department of Transportation			
Formula Grants for Other Than Urbanized Areas			
Section 5311 (2009-2010) City Operating	38-037-0809	20.509	118,273
Section 5311 (2010-2011) City Operating	38-126-0710	20.509	144,882
Section 5311/5309 (2009-2010)	38-037-0809	20.509	5,188
Section 5311/5309 (2010-2011)	38-126-0710	20.509	2,977
Section 5311/5309 (2009-2010 Amendment)	38-037-0809	20.509	26,755
Section 5311/5309 (2009-2010 Amendment)	38-037-0809	20.509	531,738
Total CFDA #20.509			<u>829,813</u>

City of Minot
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2010

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
Passed-Through North Dakota Department of Transportation			
Highway Safety Cluster			
Mayor's Council for Traffic Safety - Safe Communities	09-724-1109	20.600	43,590
Safety Incentive for Seatbelts	PHSP4021105-04-36	20.600	4,045
Radar Equipment	PHSP4021007-02-30	20.600	1,500
Incentive Program	PHSP4021002-04-03	20.600	1,977
Alcohol Enforcement/Impaired Driving		20.601	8,604
Total Highway Safety Cluster			<u>59,716</u>
Highway Planning & Construction Projects			
Safe Routes to School	SRU-4-989	20.205	2,792
Amtrak Depot	STM-TEU-4-989	20.205	469,460
Chip Seal - ARRA	STM-SU-4-989	20.205	28,083
Mill and Overlay - ARRA	STM-SU-4-989	20.205	108,233
Shared Use Paths	TEU-4-989	20.205	4,659
Total CFDA #20.205			<u>613,227</u>
Passed-Through North Dakota Department of Emergency Services			
Interagency Hazardous Materials Public Sector Training and Planning	A0771-001-2010HMEPT	20.703	6,818
Total Department of Transportation			<u>2,119,874</u>
Federal Emergency Management Agency			
Passed-Through North Dakota Department of Emergency Services			
Disaster Grants - Public Assistance	FEMA-DR-1907-ND	97.036	25,311
U.S. Department of Homeland Security			
Direct Programs			
Transportation Security Administration		97.090	88,317
Passed-Through North Dakota Department of Emergency Services			
Homeland Security Grant Program	A0771-HQRR	97.067	934,708
Interoperation Emergency Communications	A0771-001-2009-IECP	97.001	14,946
Total Department of Homeland Security			<u>1,037,971</u>
U.S. Department of Housing and Urban Development			
Passed Through ND Division of Community Services			
Community Development Block Grant	2227-CD0307SL-ED	14.228	35,415
Total Expenditures of Federal Awards			<u>\$ 3,438,197</u>

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.

Note 3 – Subrecipients

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

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Subrecipient</u>
Domestic Violence Crisis Center	16.738	\$ 8,500

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

None

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the financial statements of the City of Minot.
2. Two significant deficiencies disclosed during the audit of the financial statements were reported in the 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*. We consider significant deficiency 10-1 to be a material weakness.
3. No instances of noncompliance material to the financial statements of the City of Minot, which would be required to be reported in accordance with *Government Auditing Standards* 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 a major programs are the Highway Planning and Construction Grants – ARRA #20.205, Formula Grants for Other Than Urbanized Areas - #20.509, and Edward Byrne Memorial Justice Assistance Grant (JAG) Program – ARRA - #16.804
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

10-1 Recording of Transactions

Condition – We identified two misstatements in the City's financial statements causing us to propose a material audit adjustment to the Sanitation Fund and a significant audit adjustment to the government-wide statements. Contributed capital in the governmental activities capital assets was understated and a capital lease payable was not recorded in the Sanitation fund.

Criteria – The City's system of internal accounting control should include controls over the contributed capital and capital leases payable to ensure balances are properly recorded.

Cause – The contributed capital was misstated due to an error in communication, a change order was omitted by the City engineering department when the schedule of donated capital was submitted for inclusion in the fixed asset subsidiary and for inclusion in the CAFR. The capital lease payable was misstated due to an error in the application of the accounting for a capital lease transaction in a proprietary fund, it was mistakenly recorded the way a capital lease in a governmental fund would be recorded.

Effect - The governmental activities capital assets were understated and the Sanitation Fund's capital leases payable was understated and capital contributions were overstated. The misstatements did not involve the use of any federal funds.

Recommendation – We recommend the City review the internal control processes related to the recording of contributed capital and capital leases payable and generally accepted accounting principles applicable to the transactions to ensure transactions are properly recorded.

Management's Response –The internal control process for contributed capital will include a detailed review of documentation for donated assets by developers. The capital lease procedures have been modified to properly record the transactions in the financial statements per generally accepted accounting principles.

10-2 Inspection Department Controls over Cash

Condition – The City has a lack of internal controls related to the cash receiving process in the Inspection Department. The department provides customers with manual receipts when payments are received and the manual receipts are not used to reconcile the cash collected and remitted to the City's Finance Department.

Criteria – The City's system of internal controls should include controls over all City departments and should include an adequate paper trail and reconciling of cash receipts to mitigate abuse or fraud.

Cause - The department has accounting software with the capability to receipt payments as they are received and provide customers with a computer generated receipt but they are not utilizing that function. Instead of providing computer generated receipts, they are providing manual receipts to customers and receipting the payments in the accounting software at a later time.

Effect – This could lead to receipts not being entered into the computer system and provides the potential for abuse or fraud to occur since the use of the manual receipts affects the City's ability to detect errors or fraud.

Recommendation – We recommend the Inspection Department utilize the accounting software to provide receipts to customers and we recommend the City review their procedures over cash receipts in all departments to ensure an adequate system of internal controls is in place to create a sufficient audit trail.

Management's Response – The internal controls for cash receipts have been reviewed and modified. The procedures over cash receipts will include utilizing the accounting software for all receipts to ensure an adequate audit trail.

C. Findings - Major Federal Award Programs Audit

None