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**Comprehensive
Annual
Financial
Report**

City of Minot, North Dakota
For the Fiscal Year Ended December 31, 2011

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, 2011**

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City of Minot

Finance Department

April 16, 2012

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, 2011. 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, 2011 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 19.42 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 2011 was approximately \$493 million. During 2011, the Minot Air Force Base had over \$128 million in

IV

★ 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 12,852 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 2011, the property valuations for building permits increased by \$104.5 million compared to 2010. The majority of the increases were due to the following: new residential buildings increased by \$36.5 million while hotels and motels increased by \$25 million. Commercial and nonresidential remodels and additions increased by \$17 million and new industrial and manufacturing grew by \$15 million. The City has had a healthy level of growth in property values and the citizens voted to have the 2nd penny of sales tax collections reallocated from Northwest Area Water Supply (NAWS) to property tax relief in 2011, which has continued to enable the City to reduce the number of mills levied.

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

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

general administrative services necessary to serve the citizens of the City.

The annual budget serves as the foundation for the City’s financial planning and control. All departments and agencies submit requests for appropriations to the city manager in June of each year for the ensuing year’s budget, which begins January 1. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented on pages 24 through 29 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 attractive site for both businesses and manufacturers. A growing sales tax base, the booming oil industry, and record construction are all factors that build a solid foundation for business and industry to enjoy greater productivity and profitability.

<u>Sales Tax Collections</u>		<u>Property Tax Levied</u>	
2007	\$ 13,242,768	2007	\$ 10,132,780
2008	14,639,441	2008	10,329,502
2009	14,845,915	2009	10,895,992
2010	17,200,391	2010	11,453,689
2011	21,612,185	2011	12,736,802

During 2011, the City incurred the worst flooding in history. Despite the millions of dollars in damages, the financial position of the City remains sound with management continuing to administer the financial policies established by the City Council in a prudent and effective manner as shown in the table on pages V and VI. A continuation of that cooperative effort will assure the citizens a healthy future.

The Honorable Mayor, City Council and City Manager

Assets, Liabilities and Net Assets Per Capita				
	Population	Total Assets	Total Liabilities	Net Assets
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
2011	40,888	7,205	1,200	6,005

Expenses and Program Revenues Per Capita						
	Population	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Change in Net Assets
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
2011	40,888	1,553	743	187	171	607

Ratio of Net Assets to Expenses		
	Governmental Activities	Business-Type Activities
2007	3.73	4.49
2008	3.70	3.78
2009	3.66	3.92
2010	4.29	4.13
2011	3.97	3.67

Long-Term Financial Planning. The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves have been capped by the Finance Director effective 10/01/11 in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund that received a 1% dedicated sales tax. These cash reserves will allow continued funding of the NAWS project rather than issuing debt for the project. The NAWS project will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future. The project will extend to Northwest North Dakota by 2014. In June 2011, the voters opted to continue collecting the 1% sales tax, formerly for NAWS, and dedicate 30% to property tax relief, 40% to infrastructure projects and 30% to community facilities. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to the project.

The City has completed several major highway projects in recent years with additional projects planned for 2012. Other projects planned for the future include water and sewer, storm sewer, and

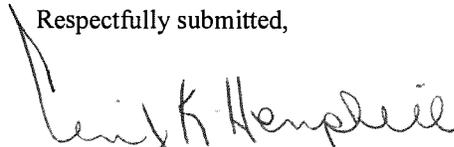
special assessment projects. These projects will be funded with debt, thereby increasing the per capita debt. The per capita debt is deceiving in that not all the debt service payments will be paid through general property taxes but rather with dedicated revenue sources to fund portions of each of these 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, 2010. This was the 32nd 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, 2010

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.



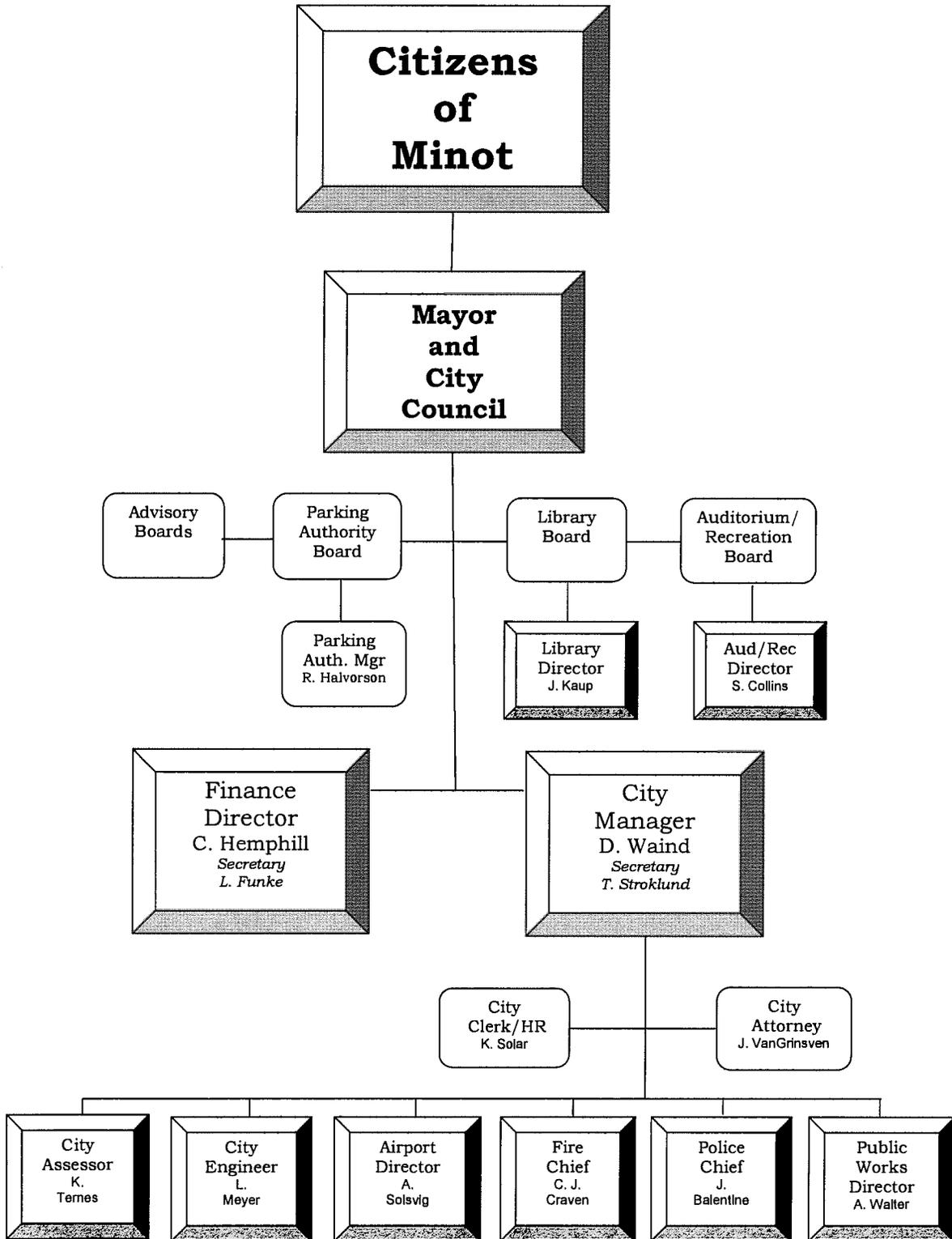
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

City of Minot
Organizational Chart



Elected and Appointed Officials
City of Minot, North Dakota

Mayor.....Curt Zimbelman

Members of the City Council

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

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

Ward 3:.....Jim Hatlelid
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:.....Kevin Connole
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, 2011, 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 2010 financial statements and, in our report dated April 16, 2012; 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, 2011, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund, the Emergency Levy Fund, the Sales Tax Economic Development Fund, the Sales Tax-NW Area Water Fund, and the Sales Tax Improvement 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 16, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. 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 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 also not a required part of the financial statements. The accompanying combining and individual non-major fund statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Bismarck, North Dakota
April 16, 2012

Management's
Discussion
and
Analysis

**City of Minot
Comprehensive Annual Financial Report
December 31, 2011**

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, 2011, with comparative data for the fiscal year ended December 31, 2010. We encourage readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- During 2011, the City incurred the worst flooding in history. Despite the millions of dollars in damages, the financial position of the City remains sound with Federal Emergency Management Agency (FEMA) contributing 90% to qualifying flood costs, the North Dakota Department of Emergency Services contributing 7%, and the City providing 3%.
- The net assets of the City increased by nearly \$24.82 million or 11.25%. This increase was due to several factors. Sales tax collections were higher than 2010 by \$4.41 million due to the great economic conditions in Minot and the sales tax funds did not spend all of the collections, thereby increasing the cash balance available by \$12.52 million. Intergovernmental receivables increased by \$6.05 million due to the flood event during 2011. New capital assets totaling nearly \$14.98 million increased capital assets of which donated assets made up \$2.46 million. Net assets of governmental activities increased by nearly \$15.96 million or 10.63% and net assets of business type activities increased by over \$8.86 million or 12.54%.
- Total revenues from all sources were \$88.31 million. This is an increase of \$20.62 million from 2010. Revenues increased due to a net increase in program revenues of nearly \$11.98 million in which charges for services made up the majority of the increase of \$6.87 million while operating grants and contributions made up \$4.96 million. General revenues increased by \$8.64 million, which was due primarily to taxes increasing by nearly \$6.37 million due to sales tax collections increasing over

\$4.41 million.

- Total cost of all programs was nearly \$63.49 million. This is an increase of over \$11.38 million from 2010. The majority of the increase was due to flood expenditures of about \$6.38 million. The balance of the difference was due to budget appropriated expenditures.
- The unassigned fund balance for the General Fund was \$10.50 million or 48.15% of the total general fund expenditures. This is an increase from 2010 of \$3.23 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

Management's Discussion and Analysis

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).

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 26 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: emergency levy, sales tax economic development, sales tax capital improvements, sales tax NAWS fund, special assessment debt service fund, and highway reserve fund. Data from the 19 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

**City of Minot
Comprehensive Annual Financial Report
December 31, 2011**

Management's Discussion and Analysis

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. 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 96. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 100. 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 39-59 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 62-107 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, 2011, with comparative data for the fiscal year ended December 31, 2010. Assets exceeded liabilities by \$245,550,640 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net assets (58.56%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 92,749,100	\$ 72,047,680	\$ 20,805,762	\$ 11,714,912	\$ 113,554,862	\$ 83,762,592
Capital assets	97,369,001	97,708,568	83,675,602	83,063,916	181,044,603	180,772,484
Total assets	190,118,101	169,756,248	104,481,364	94,778,828	294,599,465	264,535,076
Long-term debt outstanding	16,333,543	14,403,057	20,297,925	20,647,508	36,631,468	35,050,565
Other liabilities	7,758,682	5,286,833	4,658,675	3,469,906	12,417,357	8,756,739
Total liabilities	24,092,225	19,689,890	24,956,600	24,117,414	49,048,825	43,807,304
Net assets						
Invested in capital assets, net of related debt	81,010,769	82,821,937	62,782,830	60,096,339	143,793,599	142,918,276
Restricted net assets	44,046,706	40,513,104	3,913,974	3,705,660	47,960,680	44,218,764
Unrestricted net assets	40,968,401	26,731,317	12,827,960	6,859,415	53,796,361	33,590,732
Total net assets	\$ 166,025,876	\$ 150,066,358	\$ 79,524,764	\$ 70,661,414	\$ 245,550,640	\$ 220,727,772

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Management's Discussion and Analysis

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 (19.53%) represents resources subject to external restrictions on how they may be used. Restricted net assets include amounts restricted for debt service \$1,230,207, for highway projects \$1,417,563, for economic development projects \$2,126,312, for the NAWS project \$39,271,885, and for other purposes \$739. The unrestricted net assets of \$40,968,401 are to meet the government's ongoing obligations to citizens and creditors.

At the end of 2011, 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 \$24,822,868 during 2011. The majority of this increase was due to continued

growth in the local economy requiring an investment in infrastructure and other assets. Sales tax collections were \$4.41 million higher than collections in 2010. New capital assets contributed \$14.98 million with over \$2.46 million of the new assets coming from donated assets to the City. Current year depreciation of \$11.65 million and sales and trade-ins contributed a \$3.50 million decrease to the capital assets during 2011.

Governmental Activities. Governmental program revenues increased nearly \$4.08 million due to charges for services increasing \$3.15 million. Governmental program expenses increased by \$6.82 million due to flood expenditures.

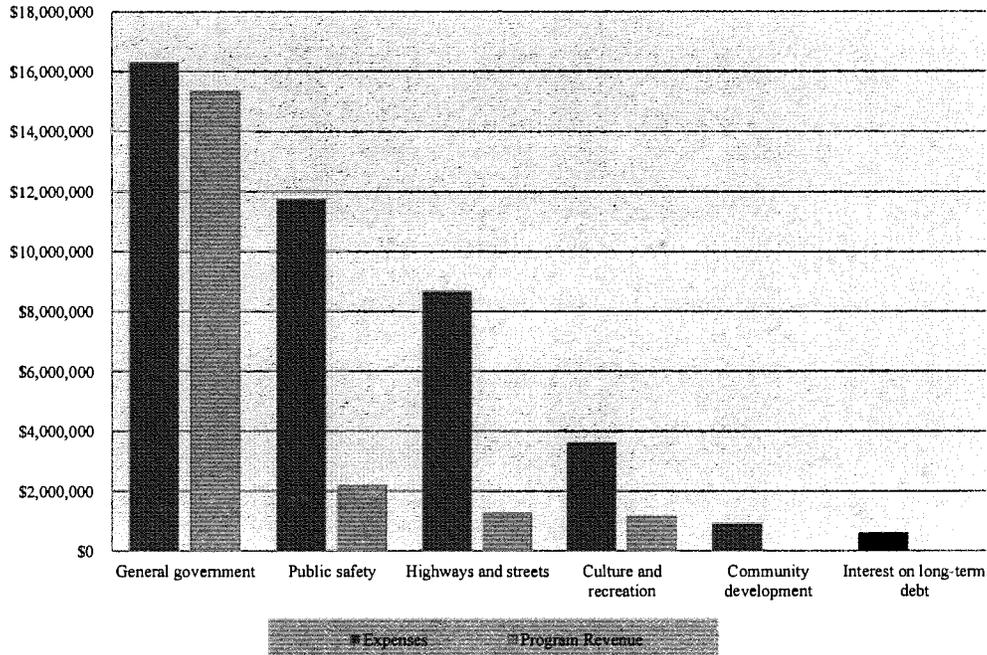
Business-Type Activities. Business-type program revenues increased by nearly \$8.23 million during 2011 due to increases in capital grants and contributions of over \$4.23 million and an increase in charges for services of \$3.72 million. Business-type program expenses increased in 2011 due to \$4.56 million of expenditures due to the flood.

	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues						
Charges for services	\$ 11,507,503	\$ 8,356,759	\$ 18,874,561	\$ 15,155,011	\$ 30,382,064	\$ 23,511,770
Operating grants and contributions	7,056,054	2,373,244	604,989	328,837	7,661,043	2,702,081
Capital grants and contributions	1,359,067	5,438,311	5,650,217	1,417,253	7,009,284	6,855,564
General revenues						
Taxes	38,419,541	32,242,185	589,579	393,707	39,009,120	32,635,892
Investment earnings	950,457	474,228	105,260	98,049	1,055,717	572,277
Miscellaneous	2,749,359	1,106,373	442,812	307,387	3,192,171	1,413,760
Total revenues	62,041,981	49,991,100	26,267,418	17,700,244	88,309,399	67,691,344
Expenses						
General government	16,286,125	10,877,394	-	-	16,286,125	10,877,394
Public safety	11,737,486	10,983,251	-	-	11,737,486	10,983,251
Highways and streets	8,673,395	8,197,388	-	-	8,673,395	8,197,388
Culture and recreation	3,605,205	3,122,273	-	-	3,605,205	3,122,273
Economic development	903,978	1,122,808	-	-	903,978	1,122,808
Interest on long-term debt	599,608	684,342	-	-	599,608	684,342
Airport	-	-	2,886,779	3,046,398	2,886,779	3,046,398
Cemetery	-	-	304,502	305,368	304,502	305,368
Parking authority	-	-	118,367	123,727	118,367	123,727
Sanitation	-	-	4,269,081	2,529,736	4,269,081	2,529,736
Water and sewer	-	-	14,102,005	11,113,562	14,102,005	11,113,562
Total expenses	41,805,797	34,987,456	21,680,734	17,118,791	63,486,531	52,106,247
Excess (deficiency) before transfers	20,236,184	15,003,644	4,586,684	581,453	24,822,868	15,585,096
Transfers	(4,276,666)	(652,774)	4,276,666	652,774	-	-
Change in net assets	15,959,518	14,350,870	8,863,350	1,234,227	24,822,868	15,585,097
Net assets, January 1	150,066,358	135,715,488	70,661,414	69,427,187	220,727,772	205,142,675
Net assets, December 31	\$ 166,025,876	\$ 150,066,358	\$ 79,524,764	\$ 70,661,414	\$ 245,550,640	\$ 220,727,772

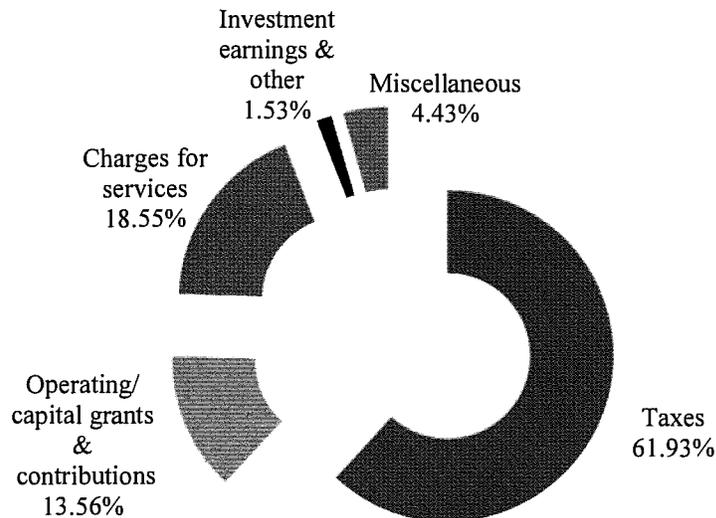
Management's Discussion and Analysis

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

**Expenses & Program Revenues
 Governmental Activities**

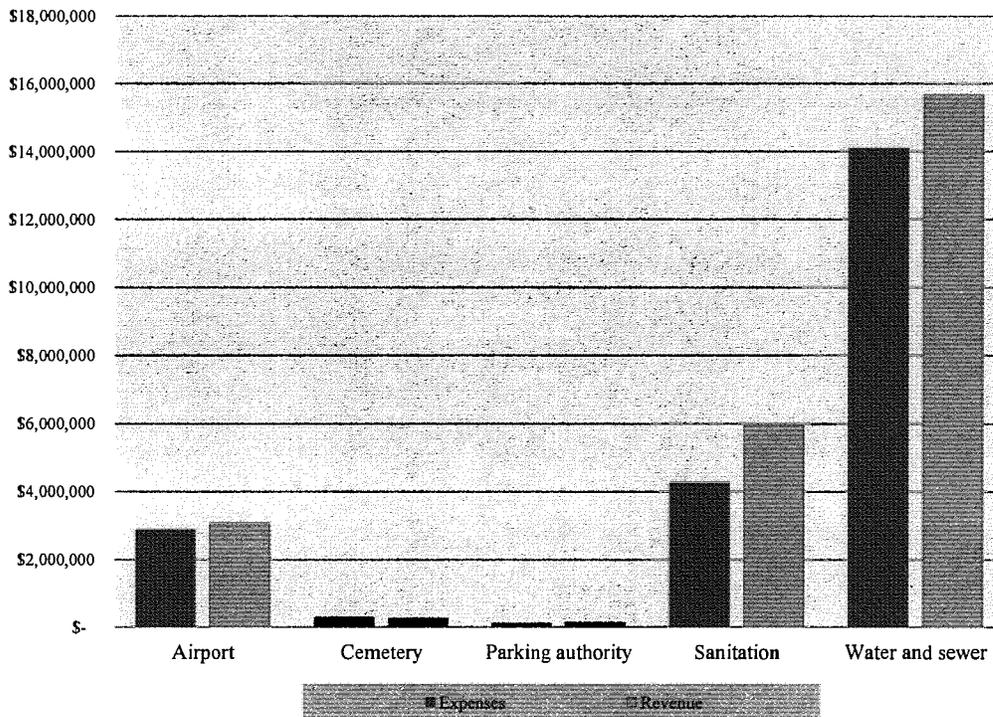


**Revenues by Source
 Governmental Activities**

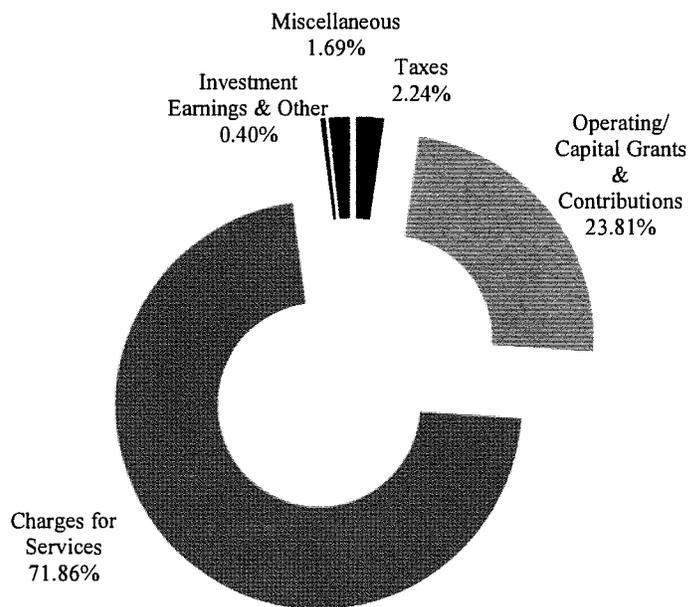


Management's Discussion and Analysis

**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 2011, the City's governmental funds reported combined ending fund balances of over \$82.05 million, an increase of nearly \$18.05 million in comparison with 2010. Revenues for the period increased by \$15.35 million due to an increase of \$5.30 million intergovernmental revenues and an increase in sales tax collections of \$4.41 million while expenditures increased by \$4.13 million. The City also issued nearly \$4.29 million in Special Assessment Bonds in 2011 to fund expenditures for storm sewer rehab, water and paving districts. The governmental funds nonspendable fund balance is \$223,719, restricted fund balance \$41,771,909, committed fund balance \$3,972,645, assigned fund balance \$26,310,329, and unassigned fund balance \$9,776,852.

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 \$10,502,936. 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 48.15% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$3,269,600 during the current fiscal year. The main reason for this change was an increase in intergovernmental revenue due to the flood.

The **Emergency Fund** had a decrease of \$0.6 million in fund balance due to the flood disaster expenditures exceeding the revenues.

The **Sales Tax Economic Development Fund** had an increase of over \$4.19 million in fund balance due to an increase in sales tax collections.

The **Sales Tax Improvement Fund** had an increase of \$1.33 million in fund balance due to an increase in sales tax collections.

The **Sales Tax NAWS Fund** had an increase in fund balance of \$5.07 million due to an increase in sales tax collections.

The **Special Assessment Debt Fund** increased its fund balance by \$108,372 due to revenues exceeding expenditures during 2011.

The **Highway Reserve Fund** had a decrease of \$1.18 million in fund balance due to capital project expenditures exceeding revenues.

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 \$12,139,649, of which Airport accounted for \$4,584,968, Sanitation \$3,648,498, Water and Sewer \$3,906,183 and the nonmajor funds accounted for \$304,753. Restricted net assets were \$3,859,697 for bond covenants and other purposes.

The change in net assets for these funds was \$8,843,977. This change was due to an increase in intergovernmental revenues of \$3.59 million and a net difference of \$4.37 million in contributions and transfers into the fund from other funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were an increase in revenues of \$3.46 million and an increase in expenditure appropriations of \$3.70 million. The

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flood revenue & expenditures accounted for the majority of the budget adjustments in 2011. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$2.36 million more than budgeted. The total general government expenditures were \$1.07 million less than budgeted due primarily to the 2011 flood event. This resulted in total excess of revenues over expenditures being \$3.43 million more than budgeted.

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

- Eastside water distribution
- Paving district #470
- Aeration pond blowers
- Donations of infrastructure
- A variety of other street construction projects

**CAPITAL ASSET AND DEBT
ADMINISTRATION**

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. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2011, is \$181,044,603 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 6,657,345	\$ 6,542,184	\$ 3,534,039	\$ 3,490,186	\$ 10,191,384	\$ 10,032,370
Construction in progress	4,567,351	1,500,798	2,989,214	1,150,660	7,556,565	2,651,458
Buildings	7,184,874	7,581,326	3,631,400	4,038,403	10,816,274	11,619,729
Equipment	6,854,917	7,143,683	4,321,619	3,900,577	11,176,536	11,044,260
Infrastructure	70,966,304	73,673,930	69,164,387	70,484,090	140,130,691	144,158,020
Intangible assets	464,238	477,100	34,943	-	499,181	477,100
Books	673,972	789,547	-	-	673,972	789,547
Total capital assets	<u>\$ 97,369,001</u>	<u>\$ 97,708,568</u>	<u>\$ 83,675,602</u>	<u>\$ 83,063,916</u>	<u>\$ 181,044,603</u>	<u>\$ 180,772,484</u>

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Long-Term Debt. At year-end, the City had total debt of \$42,880,009, an increase of \$2,365,116 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	
	2011	2010	2011	2010	2011	2010
General obligation bonds	\$ 9,970,000	\$ 11,480,000	\$ -	\$ -	\$ 9,970,000	\$ 11,480,000
Special assessment bonds	8,730,000	5,160,000	-	-	8,730,000	5,160,000
Revenue bonds	-	-	20,830,000	21,110,000	20,830,000	21,110,000
Unamortized premium	225,620	30,215	66,523	41,072	292,143	71,287
Unamortized discount	(37,538)	(45,207)	(60,870)	(65,943)	(98,408)	(111,150)
Notes payable	-	-	1,428,722	1,496,921	1,428,722	1,496,921
Loans payable	-	-	-	-	-	-
Capital leases	6,563	9,748	640,437	360,656	647,000	370,404
Compensated absences	847,794	742,722	232,758	194,709	1,080,552	937,431
Total outstanding debt	<u>\$ 19,742,439</u>	<u>\$ 17,377,478</u>	<u>\$ 23,137,570</u>	<u>\$ 23,137,415</u>	<u>\$ 42,880,009</u>	<u>\$ 40,514,893</u>

The City issued new debt for Special Assessment bonds of \$4,285,000 and water and sewer bonds of \$2,005,000. 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 \$105,862,032. The City's legal debt margin is \$96,240,371. The net bonded debt per capita is \$235.32.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Projects in 2011, which boosted the economy in Minot included, Baker Hughes Oilfield Ops Inc. new shop & warehouse \$11.75 million; new Hampton Inn \$8.09 million; Minot State University's new wellness center facility \$6.71 million; Souris Valley Suites Hotel \$4.50 million; Halliburton Energy Services addition to building \$4 million; Staybridge Hotel \$3.80 million; Microtel Hotel \$3.68 million; Bakken Hospitality LLP addition to hotel \$3.50 million; IRET Properties medical building \$3.50 million; Trinity Health remodel \$3.50 million; Border States Industries showroom \$3.04 million and several other condos, apartment buildings, restaurants and business remodels.

During 2012, the City anticipates the oil industry will continue to boost the economy primarily due to the Bakken Formation.

The 2012 budget for the City of Minot includes an increase in the sanitation, water and sewer rates. The value of a mill for the City increased from \$116,100 to \$117,300 per mill. The mill levy for the City of Minot's 2012 budget is 81.03 mills – compared to 108.59 mills in 2011, a decrease of 27.56 mills. The reduction in the mills is due to the second penny sales tax property tax relief of 30% voted on by the citizens in 2011.

Total appropriations for operations for 2012 increased nearly \$16.80 million dollars from 2011. This 24.45% increase is due primarily to increases in sales tax expenditures of \$13.42 million; increases of general fund salary and benefit expenditures (over \$1.96 million increase); and an increases in debt retirement (over \$1.5 million).

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives for the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 515 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, 2011
With Comparative Totals for December 31, 2010

	Governmental Activities	Business-Type Activities	Total 2011	Total 2010
ASSETS				
Cash and cash equivalents	\$ 33,211,322	\$ 11,109,716	\$ 44,321,038	\$ 31,648,029
Investments	28,899,225	-	28,899,225	26,964
Receivables				
Taxes receivable delinquent	233,402	11,014	244,416	243,484
Special assessments deferred	3,001,804	2,729	3,004,533	3,624,256
Special assessments delinquent	25,023	-	25,023	17,180
Accounts receivable	2,326,243	2,583,305	4,909,548	1,761,149
Loans receivable, net of allowance	226,775	-	226,775	478,086
Intergovernmental receivable	5,986,383	2,945,759	8,932,142	2,878,174
Accrued interest receivable	13,194	-	13,194	26,482
Inventory	365,905	-	365,905	319,112
Prepaid	117,358	19,386	136,744	99,273
Deferred charges	143,277	194,880	338,157	347,411
Net pension & OPEB obligation asset	1,537,412	-	1,537,412	756,128
Restricted cash and cash equivalents	16,661,777	3,938,973	20,600,750	41,536,864
Capital assets not being depreciated				
Land	6,657,345	3,534,039	10,191,384	10,032,370
Construction in progress	4,567,351	2,989,214	7,556,565	2,651,458
Capital assets net of accumulated depreciation				
Buildings	7,184,874	3,631,400	10,816,274	11,619,729
Equipment	6,854,917	4,321,619	11,176,536	11,044,260
Infrastructure	70,966,304	69,164,387	140,130,691	144,158,020
Intangible assets	464,238	34,943	499,181	477,100
Books	673,972	-	673,972	789,547
Total assets	<u>\$ 190,118,101</u>	<u>\$ 104,481,364</u>	<u>\$ 294,599,465</u>	<u>\$ 264,535,076</u>
LIABILITIES				
Accounts payable	\$ 2,786,598	\$ 1,070,476	\$ 3,857,074	\$ 1,514,067
Retainage payable	294,758	89,360	384,118	150,042
Internal balances	478,683	(478,683)	-	-
Accrued salaries payable	475,913	128,154	604,067	607,573
Insurance claims payable	144,988	-	144,988	79,038
Accrued interest payable	147,656	206,354	354,010	371,077
Customer deposits	12,987	98,302	111,289	106,498
Unearned revenue	8,203	70,910	79,113	45,459
Current debt - due within one year				
Special assessment debt with governmental commitment	19,049	-	19,049	8,438
Compensated absences	296,728	81,465	378,193	328,101
Capital leases payable	2,901	149,317	152,218	76,544
All other debt	2,535,490	2,600,607	5,136,097	4,566,712
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	64,430	-	64,430	42,051
Compensated absences	551,066	151,293	702,359	609,330
Capital leases payable	3,662	491,120	494,782	293,860
All other debt	16,269,113	19,658,115	35,927,228	34,614,728
Accrued MSWLF postclosure care costs	-	639,810	639,810	393,786
Total liabilities	<u>24,092,225</u>	<u>24,956,600</u>	<u>49,048,825</u>	<u>43,807,304</u>
NET ASSETS				
Invested in capital assets, net of related debt	81,010,769	62,782,830	143,793,599	142,918,276
Restricted for:				
Debt service	1,230,207	3,859,697	5,089,904	4,469,362
Highway projects	1,417,563	-	1,417,563	1,448,511
Economic development	2,126,312	-	2,126,312	1,688,435
Flood control	-	-	-	2,202,085
NAWS	39,271,885	-	39,271,885	34,204,624
Other purposes	739	54,277	55,016	205,747
Unrestricted	40,968,401	12,827,960	53,796,361	33,590,732
Total net assets	<u>\$ 166,025,876</u>	<u>\$ 79,524,764</u>	<u>\$ 245,550,640</u>	<u>\$ 220,727,772</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, 2011
With Comparative Totals for December 31, 2010

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 2011	Total 2010
Governmental Activities								
General government	\$ 16,286,125	\$ 8,635,786	\$ 6,686,784	\$ 5,354	\$ (958,201)	\$ -	\$ (958,201)	\$ (3,249,788)
Public safety	11,737,486	1,637,161	364,666	181,340	(9,554,319)	-	(9,554,319)	(8,320,641)
Highways and streets	8,673,395	84,164	4,604	1,165,700	(7,418,927)	-	(7,418,927)	(2,853,643)
Culture and recreation	3,605,205	1,150,392	-	6,673	(2,448,140)	-	(2,448,140)	(2,587,920)
Community development	903,978	-	-	-	(903,978)	-	(903,978)	(1,122,808)
Interest on long-term debt	599,608	-	-	-	(599,608)	-	(599,608)	(684,342)
Total governmental activities	41,805,797	11,507,503	7,056,054	1,359,067	(21,883,173)	-	(21,883,173)	(18,819,142)
Business-Type Activities								
Airport	2,886,779	1,815,968	604,989	649,789	-	183,967	183,967	(744,735)
Cemetery	304,502	261,460	-	10,964	-	(32,078)	(32,078)	47,715
Parking authority	118,367	143,438	-	-	-	25,071	25,071	2,338
Sanitation	4,269,081	5,555,689	-	407,443	-	1,694,051	1,694,051	702,295
Water and sewer	14,102,005	11,098,007	-	4,582,021	-	1,578,023	1,578,023	(225,303)
Total business-type activities	21,680,734	18,874,561	604,989	5,650,217	-	3,449,033	3,449,033	(217,690)
Total government	\$ 63,486,531	\$ 30,382,064	\$ 7,661,043	\$ 7,009,284	(21,883,173)	3,449,033	(18,434,140)	(19,036,832)
General Revenues								
Taxes								
Property taxes, levied for general purposes					9,556,958	480,909	10,037,867	9,055,975
Property taxes, levied for debt service					800,683	-	800,683	749,233
Sales tax					21,612,185	-	21,612,185	17,200,391
Municipal highway tax					3,055,454	-	3,055,454	2,478,437
State aid distribution-unrestricted					2,418,451	-	2,418,451	2,120,108
Franchise taxes					525,180	-	525,180	517,894
Other taxes					450,630	108,670	559,300	513,854
Investment earnings					950,457	105,260	1,055,717	572,277
Miscellaneous					2,749,359	442,812	3,192,171	1,413,760
Transfers					(4,276,666)	4,276,666	-	-
Total general revenues and transfers					37,842,691	5,414,317	43,257,008	34,621,929
Change in net assets					15,959,518	8,863,350	24,822,868	15,585,097
Net assets, January 1					150,066,358	70,661,414	220,727,772	205,142,675
Net assets, December 31					\$ 166,025,876	\$ 79,524,764	\$ 245,550,640	\$ 220,727,772

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, 2011
With Comparative Totals for December 31, 2010

	Special Revenue Funds				
	General Fund	Emergency Levy	Sales Tax		
			Economic Development	Sales Tax Improvements	Sales Tax NAWS
ASSETS					
Cash and investments	\$ 6,778,601	\$ 91,600	\$ 7,692,400	\$ 3,653,388	\$ -
Restricted cash and investments	-	-	2,126,312	-	12,933,356
Investments - certificates of deposit	2,000,000	-	18,825	-	4,000,000
Taxes receivable delinquent	136,912	4,545	-	-	-
Special assessments receivable delinquent	1,038	-	-	-	-
Accounts receivable	552,862	-	1,698,584	-	-
Loans receivable	-	-	283,468	-	-
Allowance for loans receivable	-	-	(56,693)	-	-
Due from other funds	-	-	-	-	-
Intergovernmental receivable	2,141,671	1,085,667	422,269	527,837	-
Accrued interest receivable	27	-	-	-	13,167
Inventory	-	-	-	-	-
Prepaid	114,184	-	-	-	-
Special assessments receivable deferred	1,488	-	-	-	-
Investments	-	-	-	-	22,880,400
Advance to other funds	-	-	-	14,040	-
Total assets	<u>\$ 11,726,783</u>	<u>\$ 1,181,812</u>	<u>\$12,185,165</u>	<u>\$ 4,195,265</u>	<u>\$ 39,826,923</u>
LIABILITIES					
Accounts payable	\$ 348,702	\$ 654,315	\$ 62,094	\$ 484,519	\$ 555,038
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued salaries payable	413,811	-	-	-	-
Customer deposits	12,987	-	-	-	-
Advance from other funds	-	1,250,000	-	-	-
Deferred revenue	333,424	3,581	-	-	-
Total liabilities	<u>1,108,924</u>	<u>1,907,896</u>	<u>62,094</u>	<u>484,519</u>	<u>555,038</u>
FUND BALANCE					
Nonspendable	114,184	-	-	-	-
Restricted	739	-	-	-	39,271,885
Committed	-	-	2,126,312	-	-
Assigned	-	-	9,996,759	3,710,746	-
Unassigned	10,502,936	(726,084)	-	-	-
Total fund balance	<u>10,617,859</u>	<u>(726,084)</u>	<u>12,123,071</u>	<u>3,710,746</u>	<u>39,271,885</u>
Total liabilities and fund balance	<u>\$ 11,726,783</u>	<u>\$ 1,181,812</u>	<u>\$12,185,165</u>	<u>\$ 4,195,265</u>	<u>\$ 39,826,923</u>

City of Minot, North Dakota
Balance Sheet
Governmental Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Debt Service Fund Special Assessment Debt	Capital Project Fund Highway Reserve	Other Governmental Funds	Total Governmental Funds 2011	Total Governmental Funds 2010
ASSETS					
Cash and investments	\$ -	\$ 3,287,416	\$ 10,240,968	\$ 31,744,373	\$ 24,242,876
Restricted cash and investments	881,867	-	720,242	16,661,777	37,831,204
Investments - certificates of deposit	-	-	-	6,018,825	26,964
Taxes receivable delinquent	618	-	91,327	233,402	235,831
Special assessments receivable delinquent	23,358	-	627	25,023	17,180
Accounts receivable	-	-	66,219	2,317,665	330,325
Loans receivable	-	-	-	283,468	597,608
Allowance for loans receivable	-	-	-	(56,693)	(119,522)
Due from other funds	-	-	-	-	378,709
Intergovernmental receivable	268	22,451	1,786,220	5,986,383	2,644,762
Accrued interest receivable	-	-	-	13,194	26,482
Inventory	-	-	6,361	6,361	10,456
Prepaid	-	-	3,174	117,358	27,233
Special assessments receivable deferred	2,988,782	-	11,534	3,001,804	3,620,844
Investments	-	-	-	22,880,400	-
Advance to other funds	858,138	-	1,573,527	2,445,705	1,522,812
Total assets	<u>\$ 4,753,031</u>	<u>\$ 3,309,867</u>	<u>\$ 14,500,199</u>	<u>\$ 91,679,045</u>	<u>\$ 71,393,764</u>
LIABILITIES					
Accounts payable	\$ -	\$ 87,383	\$ 576,663	\$ 2,768,714	\$ 940,566
Retainage payable	-	51,376	243,382	294,758	115,801
Due to other funds	-	-	-	-	353,380
Accrued salaries payable	-	-	62,102	475,913	486,955
Customer deposits	-	-	-	12,987	9,030
Advance from other funds	-	497,593	828,180	2,575,773	1,600,074
Deferred revenue	3,007,859	-	150,582	3,495,446	3,881,907
Total liabilities	<u>3,007,859</u>	<u>636,352</u>	<u>1,860,909</u>	<u>9,623,591</u>	<u>7,387,713</u>
FUND BALANCE					
Nonspendable	-	-	9,535	123,719	446,208
Restricted	881,867	1,269,078	348,340	41,771,909	40,513,104
Committed	-	148,485	1,697,848	3,972,645	1,703,715
Assigned	863,305	1,255,952	10,583,567	26,410,329	14,426,842
Unassigned	-	-	-	9,776,852	6,916,182
Total fund balance	<u>1,745,172</u>	<u>2,673,515</u>	<u>12,639,290</u>	<u>82,055,454</u>	<u>64,006,051</u>
Total liabilities and fund balance	<u>\$ 4,753,031</u>	<u>\$ 3,309,867</u>	<u>\$ 14,500,199</u>	<u>\$ 91,679,045</u>	<u>\$ 71,393,764</u>

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



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City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
December 31, 2011

Total fund balances for governmental funds	\$82,055,454
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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	\$	6,657,345	
Construction work in process		4,567,351	
Buildings, net of accumulated depreciation (\$6,850,826)		7,184,874	
Equipment, net of accumulated depreciation (\$7,823,587)		6,854,917	
Infrastructure, net of accumulated depreciation (\$37,720,018)		70,966,304	
Intangible assets, net of accumulated depreciation (\$82,850)		464,238	
Books, net of accumulated depreciation (\$3,742,935)		673,972	
Total capital assets (Note 4. D)			97,369,001

A negative net pension and OPEB 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 or OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund.

1,537,412

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.

1,323,584

Some of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds.

Deferred revenues taxes and special assessments	3,495,446		
Deferred revenues collected in 2011 for 2012		(8,203)	
Total taxes and specials not available			3,487,243

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)

(\$19,746,818)

Total net assets of governmental activities

\$166,025,876

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

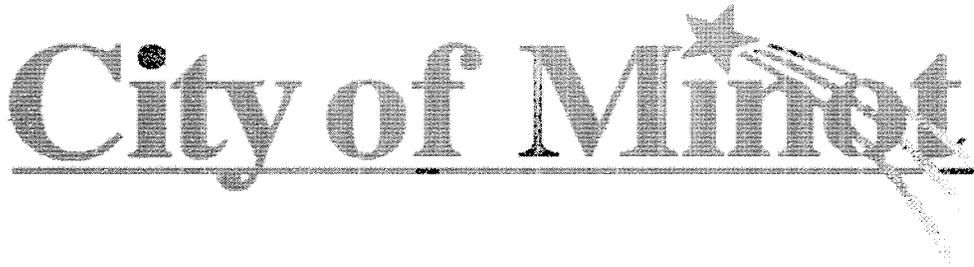
City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Special Revenue Fund				
	General Fund	Emergency Levy	Sales Tax Economic Development	Sales Tax Improvement	Sales Tax NAWS
REVENUES					
Property tax collections	\$ 5,905,821	\$ 219,775	\$ -	\$ -	\$ -
Special assessment collections	7,193	-	-	-	-
Sales tax collections	-	-	4,322,437	5,403,047	7,642,725
Licenses and permits	1,486,521	-	-	-	-
Intergovernmental	10,849,225	2,217,420	-	-	-
Charges for services	4,973,084	-	-	-	-
Fines and forfeits	852,821	-	-	-	-
Interest income	26,377	75	47,668	15,541	742,116
Contract revenue	-	-	1,698,584	-	-
Miscellaneous	482,693	-	376,025	-	-
Total revenues	24,583,735	2,437,270	6,444,714	5,418,588	8,384,841
EXPENDITURES					
Current					
General government	7,003,141	3,093,995	-	564,621	3,267,580
Public safety	10,619,643	-	-	-	-
Highways and streets	4,190,340	-	-	-	-
Culture and recreation	-	-	-	33,682	-
Economic development	-	-	903,978	-	-
Capital outlay					
Contracted work	-	-	69,221	-	-
Equipment	-	-	-	120	-
Legal	-	-	-	-	-
Other	-	-	-	-	-
Acquisitions	-	-	-	-	-
Engineering	-	-	7,842	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	21,813,124	3,093,995	981,041	598,423	3,267,580
Excess (deficiency) of revenues over (under) expenditures	2,770,611	(656,725)	5,463,673	4,820,165	5,117,261
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	-
Premium on special assessment bonds	-	-	-	-	-
Discount on general obligation bonds	-	-	-	-	-
Capital leases	-	-	-	-	-
Sale of City property	12,689	-	-	-	-
Transfers in	525,971	38,063	-	163,549	-
Transfers out	(39,671)	-	(1,270,990)	(3,656,677)	(50,000)
Total other financing sources (uses)	498,989	38,063	(1,270,990)	(3,493,128)	(50,000)
Net change in fund balance	3,269,600	(618,662)	4,192,683	1,327,037	5,067,261
Fund balance, January 1	7,348,259	(107,422)	7,930,388	2,383,709	34,204,624
Fund balance, December 31	\$ 10,617,859	\$ (726,084)	\$ 12,123,071	\$ 3,710,746	\$ 39,271,885

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Debt		Capital	Total Governmental Funds 2011	Total Governmental Funds 2010
	Service Fund	Project	Other		
	Special	Highway	Governmental		
	Assessment	Reserve	Funds		
REVENUES					
Property tax collections	\$ 23,546	\$ -	\$ 3,999,715	\$ 10,148,857	\$ 9,324,583
Special assessment collections	795,030	-	2,861	805,084	845,259
Sales tax collections	-	-	4,243,976	21,612,185	17,200,391
Licenses and permits	-	-	-	1,486,521	836,065
Intergovernmental	-	4,604	1,768,934	14,840,183	9,539,038
Charges for services	-	-	1,782,215	6,755,299	5,333,348
Fines and forfeits	-	-	-	852,821	659,823
Interest income	46,357	20,282	59,884	958,300	454,200
Contract revenue	-	-	-	1,698,584	-
Miscellaneous	-	-	168,589	1,027,307	641,044
Total revenues	<u>864,933</u>	<u>24,886</u>	<u>12,026,174</u>	<u>60,185,141</u>	<u>44,833,751</u>
EXPENDITURES					
Current					
General government	1,132	24,872	1,613,684	15,569,025	10,245,057
Public safety	-	-	-	10,619,643	10,045,515
Highways and streets	-	-	208,310	4,398,650	4,201,481
Culture and recreation	-	-	3,161,330	3,195,012	2,642,299
Economic development	-	-	-	903,978	1,122,808
Capital outlay					
Contracted work	-	349,703	2,206,931	2,625,855	3,449,025
Equipment	-	-	928,766	928,886	2,056,154
Legal	-	-	-	-	4,017
Other	-	1,703	463,250	464,953	70,818
Acquisitions	-	122,450	-	122,450	1,501
Engineering	-	456,429	315,317	779,588	1,037,475
Debt service					
Principal retirement	715,000	-	1,510,000	2,225,000	2,730,000
Interest and fiscal charges	215,476	-	385,332	600,808	700,606
Total Expenditures	<u>931,608</u>	<u>955,157</u>	<u>10,792,920</u>	<u>42,433,848</u>	<u>38,306,756</u>
Excess (deficiency) of revenues over (under) expenditures	(66,675)	(930,271)	1,233,254	17,751,293	6,526,995
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	-	-	-	-	1,375,000
Special assessment bonds issued	-	-	4,285,000	4,285,000	-
Premium on special assessment bonds	-	-	200,025	200,025	-
Discount on general obligation bonds	-	-	-	-	(6,875)
Capital leases	-	-	-	-	15,392
Sale of City property	-	-	77,062	89,751	312,939
Transfers in	181,238	320,023	2,903,542	4,132,386	5,702,692
Transfers out	(6,191)	(575,517)	(2,810,006)	(8,409,052)	(6,355,466)
Total other financing sources (uses)	<u>175,047</u>	<u>(255,494)</u>	<u>4,655,623</u>	<u>298,110</u>	<u>1,043,682</u>
Net change in fund balance	108,372	(1,185,765)	5,888,877	18,049,403	7,570,677
Fund balance, January 1	1,636,800	3,859,280	6,750,413	64,006,051	56,435,374
Fund balance, December 31	<u>\$ 1,745,172</u>	<u>\$ 2,673,515</u>	<u>\$ 12,639,290</u>	<u>\$ 82,055,454</u>	<u>\$ 64,006,051</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, 2011

Net change in fund balances-total governmental funds	\$ 18,049,403
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)	(79,015)
Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund; however, in the statement of activities only the gain or loss on the transaction is reported. (Note 2. B)	(260,552)
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	
Special assessment bonds issued	\$ (4,285,000)
Premium on special assessment bonds issued	(200,025)
Repayments of bond principal	2,225,000
Annual amortization of lease, premium, discount, and issuance costs	(10,286)
Net adjustment	(2,270,311)
A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net assets. Conversely, a negative net pension and OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund. The government-wide statement of net activities reports the change in the net pension and OPEB obligation asset from year to year.	781,284
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	(1,200)
Compensated absences	105,072
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	5,354
Special assessment write-offs, foreclosures, and interest	180,690
Amount shown as revenue in governmental funds	(805,084)
Net change	(619,040)
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.	253,877
Change in net assets of governmental activities	\$ 15,959,518

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, 2011
With Comparative Totals for December 31, 2010

	Budgeted Amounts		2011 Actual Amounts	Variance With Final Budget	2010 Actual Amounts
	Original	Amended			
REVENUES					
Property tax collections	\$ 6,088,718	\$ 6,105,294	\$ 5,905,821	\$ 199,473	\$ 5,112,201
Special assessment collections	9,878	9,878	7,193	2,685	11,240
Licenses & permits	680,435	1,058,308	1,486,521	(428,213)	836,065
Intergovernmental federal					
Law enforcement grants	33,958	217,169	207,880	9,289	196,116
FEMA	-	1,208,061	1,498,981	(290,920)	22,688
Intergovernmental state					
Highway fund	1,902,191	1,902,191	2,418,451	(516,260)	2,120,108
State aid distribution	1,886,445	1,886,445	3,055,454	(1,169,009)	2,478,437
Financial institution tax	133,516	133,516	162,225	(28,709)	133,516
Cigarette tax	110,233	110,233	115,527	(5,294)	106,018
Estate tax	1,500	1,500	-	1,500	-
Gas and oil production tax	31,017	31,017	14,890	16,127	25,012
Telecommunications tax	132,092	132,092	132,092	-	132,092
Homestead and disabled veterans tax credits	140,283	140,283	152,778	(12,495)	121,290
Fire insurance refund	116,545	116,545	122,554	(6,009)	116,543
Gambling tax revenue	25,000	25,000	25,896	(896)	28,898
Law enforcement grants	384,635	219,582	117,318	102,264	398,050
Fire grants	-	177,762	39,468	138,294	68,515
ND Department of Transportation - streets	-	841,433	841,433	-	-
ND Department of Emergency Services - snow/flood	-	516,686	522,557	(5,871)	-
Other state revenues	-	114,160	10,721	103,439	16,311
Intergovernmental county					
Narcotic task force	10,118	10,118	8,078	2,040	9,678
Road and bridge	4,000	4,000	5,637	(1,637)	5,032
Joint communications	741,518	741,518	735,325	6,193	662,230
Information services	89,533	89,533	82,605	6,928	66,022
Intergovernmental other					
Housing authority	36,544	36,544	46,118	(9,574)	43,586
Parking authority	4,251	4,251	4,251	-	5,328
Cable TV franchise fees	528,137	528,137	525,180	2,957	517,894
Damage claims	-	-	1,418	(1,418)	(688)
Policing-Central Campus	1,803	1,803	2,388	(585)	-
Total intergovernmental	6,313,319	9,189,579	10,849,225	(1,659,646)	7,272,676
Charges for services					
Engineering & administrative	183,035	183,035	533,055	(350,020)	159,581
Utility & special funds	2,467,772	2,467,772	2,638,702	(170,930)	2,522,621
Agency funds	1,777,095	1,777,095	1,718,523	58,572	1,544,499
Fleet labor	102,531	102,531	82,804	19,727	51,985
Total charges for services	4,530,433	4,530,433	4,973,084	(442,651)	4,278,686
Fines and forfeitures					
Parking tickets	66,000	66,000	66,032	(32)	57,060
Police court	538,740	728,779	786,789	(58,010)	602,763
Total fines and forfeitures	604,740	794,779	852,821	(58,042)	659,823
Interest income	221,514	221,514	26,377	195,137	70,153
Miscellaneous income					
Work for others	55,046	55,046	35,212	19,834	64,817
Single family mortgage payoffs	-	-	-	-	1,757
Miscellaneous	241,398	241,398	416,312	(174,914)	225,692
Towing fees	15,959	15,959	31,169	(15,210)	24,555
Total miscellaneous income	312,403	312,403	482,693	(170,290)	316,821
Total revenues	18,761,440	22,222,188	24,583,735	(2,361,547)	18,557,665

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, 2011
With Comparative Totals for December 31, 2010

	Budgeted Amounts		2011 Actual Amounts	Variance With Final Budget	2010 Actual Amounts
	Original	Amended			
EXPENDITURES					
General government					
Mayor and city council	\$ 160,836	\$ 160,836	\$ 148,730	\$ 12,106	\$ 189,014
City manager	217,717	221,217	218,459	2,758	203,497
City clerk	223,230	232,730	229,394	3,336	229,817
City attorney	166,862	188,862	174,945	13,917	152,014
Administrative and general	1,166,531	1,281,783	1,219,873	61,910	1,130,906
Finance	529,031	529,031	495,265	33,766	506,551
Information technology	436,929	444,688	411,807	32,881	393,954
Property assessment	351,598	351,598	340,731	10,867	340,469
Building inspection	412,000	789,873	782,233	7,640	404,002
Traffic	913,050	913,050	884,863	28,187	820,064
Engineering and planning	846,722	848,723	828,509	20,214	764,307
Vehicle maintenance	565,774	565,821	486,383	79,438	537,297
Property maintenance	341,432	386,296	386,098	198	387,154
Public works administration	395,885	407,477	395,851	11,626	382,130
Total general government	6,727,597	7,321,985	7,003,141	318,844	6,441,176
Public safety					
Police administration	977,390	980,615	802,304	178,311	890,508
Police patrol	3,623,105	4,092,783	3,958,160	134,623	3,626,518
Criminal investigation	776,396	776,557	751,376	25,181	770,932
Narcotics task force	57,818	78,259	52,712	25,547	74,654
Telecommunications division	741,518	741,518	735,325	6,193	694,702
Municipal judge	221,354	436,067	433,707	2,360	308,080
Fire administration	501,014	502,095	493,780	8,315	473,558
Fire control	3,227,745	3,563,749	3,392,279	171,470	3,206,563
Total public safety	10,126,340	11,171,643	10,619,643	552,000	10,045,515
Street & storm sewer maintenance	2,326,589	4,391,000	4,190,340	200,660	2,450,515
Total expenditures	19,180,526	22,884,628	21,813,124	1,071,504	18,937,206
Excess (deficiency) of revenues over (under) expenditures	(419,086)	(662,440)	2,770,611	(3,433,051)	(379,541)
OTHER FINANCING SOURCES (USES)					
Capital leases	-	-	-	-	15,392
Sale of property	-	-	12,689	(12,689)	246,853
Transfers in	419,086	419,086	525,971	(106,885)	638,668
Transfers out	-	-	(39,671)	39,671	(439,911)
Total other financing sources (uses)	419,086	419,086	498,989	(79,903)	461,002
Net change in fund balance	\$ -	\$ (243,354)	3,269,600	\$ (3,512,954)	81,461
Fund balance, January 1			7,348,259		7,266,798
Fund balance, December 31			<u>\$ 10,617,859</u>		<u>\$ 7,348,259</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	<u>Emergency Levy</u>			
	<u>Original & Final Budgeted Amounts</u>	<u>2011 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2010 Actual Amounts</u>
REVENUES				
Property tax collections	\$ 229,222	\$ 219,775	\$ 9,447	\$ 100,171
Intergovernmental	2,226,383	2,217,420	8,963	-
Interest income	-	75	(75)	21
Total revenues	<u>2,455,605</u>	<u>2,437,270</u>	<u>18,335</u>	<u>100,192</u>
EXPENDITURES				
Current				
General government	264,222	3,093,995	(2,829,773)	250,266
Total expenditures	<u>264,222</u>	<u>3,093,995</u>	<u>(2,829,773)</u>	<u>250,266</u>
Excess (deficiency) of revenues over (under) expenditures	2,191,383	(656,725)	2,848,108	(150,074)
OTHER FINANCING SOURCES (USES)				
Transfers in	35,000	38,063	(3,063)	275,518
Total other financing sources (uses)	<u>35,000</u>	<u>38,063</u>	<u>(3,063)</u>	<u>275,518</u>
Net change in fund balance	<u>\$2,226,383</u>	(618,662)	<u>\$ 2,845,045</u>	125,444
Fund balance (deficit), January 1		<u>(107,422)</u>		<u>(232,866)</u>
Fund balance (deficit), December 31		<u>\$ (726,084)</u>		<u>\$ (107,422)</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax Economic Development				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Sales tax collections	\$ 2,998,875	\$ 2,998,875	\$ 4,322,437	\$ (1,323,562)	\$ 3,440,078
Interest income	20,330	20,330	47,668	(27,338)	40,819
Contract revenue	-	-	1,698,584	(1,698,584)	-
Miscellaneous	-	-	376,025	(376,025)	107,710
Total revenues	<u>3,019,205</u>	<u>3,019,205</u>	<u>6,444,714</u>	<u>(3,425,509)</u>	<u>3,588,607</u>
EXPENDITURES					
Current					
Economic development	2,969,205	4,022,640	903,978	3,118,662	1,122,458
Capital outlay					
Contracted work	-	-	69,221	(69,221)	895,832
Engineering	-	-	7,842	(7,842)	69,674
Total expenditures	<u>2,969,205</u>	<u>4,022,640</u>	<u>981,041</u>	<u>3,041,599</u>	<u>2,087,964</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	(1,003,435)	5,463,673	(6,467,108)	1,500,643
OTHER FINANCING SOURCES (USES)					
Transfers out	(50,000)	(50,000)	(1,270,990)	1,220,990	(64,318)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(1,270,990)</u>	<u>1,220,990</u>	<u>(64,318)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,053,435)</u>	4,192,683	<u>\$ (5,246,118)</u>	1,436,325
Fund balance (deficit), January 1			7,930,388		6,494,063
Fund balance (deficit), December 31			<u>\$ 12,123,071</u>		<u>\$ 7,930,388</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax Improvement				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Sales tax collections	\$ 312,383	\$ 312,383	\$ 5,403,047	\$ (5,090,664)	\$ 4,300,098
Interest income	772	770	15,541	(14,771)	9,812
Total revenues	<u>313,154</u>	<u>313,153</u>	<u>5,418,588</u>	<u>(5,105,435)</u>	<u>4,309,910</u>
EXPENDITURES					
General government	-	-	564,621	(564,621)	-
Culture and recreation	12,280	54,095	33,682	20,413	75,834
Capital outlay					
Contracted work	-	-	-	-	6,502
Equipment	-	-	120	(120)	2,814
Total expenditures	<u>12,280</u>	<u>54,095</u>	<u>598,423</u>	<u>(544,328)</u>	<u>85,150</u>
Excess (deficiency) of revenues over (under) expenditures	300,875	259,057	4,820,165	(4,561,108)	4,224,760
OTHER FINANCING SOURCES (USES)					
Transfers in	1,194	1,194	163,549	(162,355)	20,000
Transfers out	(302,068)	(302,068)	(3,656,677)	3,354,609	(3,531,877)
Total other financing sources (uses)	<u>(300,875)</u>	<u>(300,875)</u>	<u>(3,493,128)</u>	<u>3,192,254</u>	<u>(3,511,877)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (41,817)</u>	1,327,037	<u>\$ (1,368,854)</u>	712,883
Fund balance (deficit), January 1			<u>2,383,709</u>		<u>1,670,826</u>
Fund balance (deficit), December 31			<u>\$ 3,710,746</u>		<u>\$ 2,383,709</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax NAWS			
	Original & Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES				
Sales tax collections	\$ 5,622,890	\$ 7,642,725	\$ (2,019,835)	\$ 8,600,195
Interest income	155,000	742,116	(587,116)	185,870
Total revenues	<u>5,777,890</u>	<u>8,384,841</u>	<u>(2,606,951)</u>	<u>8,786,065</u>
EXPENDITURES				
General government	4,700,000	3,267,580	1,432,420	2,935,612
Total expenditures	<u>4,700,000</u>	<u>3,267,580</u>	<u>1,432,420</u>	<u>2,935,612</u>
Excess (deficiency) of revenues over (under) expenditures	1,077,890	5,117,261	(4,039,371)	5,850,453
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>\$ 1,027,890</u>	5,067,261	<u>\$ (4,039,371)</u>	5,800,453
Fund balance (deficit), January 1		34,204,624		28,404,171
Fund balance (deficit), December 31		<u>\$ 39,271,885</u>		<u>\$ 34,204,624</u>

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

City of Minot, North Dakota
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water	
			& Sewer	Nonmajor
ASSETS				
Current assets				
Cash and cash equivalents	\$ 4,294,854	\$ 3,443,569	\$ 3,049,226	\$ 322,067
Restricted cash and cash equivalents	344,042	-	2,462,919	54,277
Taxes receivable delinquent	10,291	-	682	41
Accounts receivable	138,727	913,334	1,525,239	6,005
Intergovernmental receivable	383,022	398,403	2,163,994	340
Inventory	-	-	-	-
Prepaid	595	-	18,339	452
Deferred charges	-	-	21,951	-
Total current assets	<u>5,171,531</u>	<u>4,755,306</u>	<u>9,242,350</u>	<u>383,182</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	-	1,077,735	-
Advance to other funds	-	-	708,186	-
Special assessment receivable deferred	-	-	2,729	-
Deferred charges	-	-	172,929	-
Capital assets				
Land	1,109,583	367,335	1,741,220	315,901
Buildings	7,359,673	359,791	6,848,485	194,057
Equipment	3,015,181	2,588,866	6,465,903	487,484
Infrastructure	37,395,024	3,029,264	94,659,682	160,156
Intangible assets	-	-	380,679	-
Construction in progress	1,297,507	11,743	1,679,964	-
Total capital assets	<u>50,176,968</u>	<u>6,356,999</u>	<u>111,775,933</u>	<u>1,157,598</u>
Less-accumulated depreciation	<u>(23,317,660)</u>	<u>(3,156,447)</u>	<u>(58,642,273)</u>	<u>(675,516)</u>
Net capital assets	<u>26,859,308</u>	<u>3,200,552</u>	<u>53,133,660</u>	<u>482,082</u>
Total noncurrent assets	<u>26,859,308</u>	<u>3,200,552</u>	<u>55,095,239</u>	<u>482,082</u>
Total assets	<u>\$ 32,030,839</u>	<u>\$ 7,955,858</u>	<u>\$ 64,337,589</u>	<u>\$ 865,264</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 164,302	\$ 381,078	\$ 521,407	\$ 3,689
Retainage payable	11,943	-	77,417	-
Due to other funds	-	-	-	-
Accrued salaries payable	20,007	31,682	68,184	8,281
Compensated absences	16,416	18,983	42,012	4,054
Insurance claims payable	-	-	-	-
Bonds payable	340,000	-	2,190,000	-
Notes payable	-	-	70,607	-
Capital leases payable	-	149,317	-	-
Accrued interest payable	4,042	-	202,312	-
Unearned revenue	975	-	14,034	-
Total current liabilities	<u>557,685</u>	<u>581,060</u>	<u>3,185,973</u>	<u>16,024</u>
Long-term liabilities				
Customer deposits	5,309	-	92,393	600
Compensated absences	30,486	35,255	78,024	7,528
Bonds payable	-	-	18,300,000	-
Notes payable	-	-	1,358,115	-
Capital leases payable	-	491,120	-	-
Advance from other funds	14,040	-	564,078	-
Accrued MSWLF closure and postclosure care costs	-	639,810	-	-
Unearned revenue	-	-	55,901	-
Total long-term liabilities	<u>49,835</u>	<u>1,166,185</u>	<u>20,448,511</u>	<u>8,128</u>
Total liabilities	<u>607,520</u>	<u>1,747,245</u>	<u>23,634,484</u>	<u>24,152</u>
NET ASSETS				
Invested in capital assets, net of related debt	26,519,308	2,560,115	33,256,268	482,082
Restricted for bond covenants	319,043	-	3,540,654	-
Restricted for perpetual care	-	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	-	16,027
Unrestricted	4,584,968	3,648,498	3,906,183	304,753
Total net assets	<u>\$ 31,423,319</u>	<u>\$ 6,208,613</u>	<u>\$ 40,703,105</u>	<u>\$ 841,112</u>

City of Minot, North Dakota
Statement of Fund Net Assets
Proprietary Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Governmental Activities			Total 2010
	Total Enterprise Funds	Internal Service Funds	Total 2011	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 11,109,716	\$ 1,466,949	\$ 12,576,665	\$ 7,405,153
Restricted cash and cash equivalents	2,861,238	-	2,861,238	2,623,769
Taxes receivable delinquent	11,014	-	11,014	7,653
Accounts receivable	2,583,305	8,578	2,591,883	1,430,824
Intergovernmental receivable	2,945,759	-	2,945,759	233,412
Inventory	-	359,544	359,544	308,656
Prepaid	19,386	-	19,386	72,040
Deferred charges	21,951	-	21,951	21,645
Total current assets	<u>19,552,369</u>	<u>1,835,071</u>	<u>21,387,440</u>	<u>12,103,152</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,077,735	-	1,077,735	1,081,891
Advance to other funds	708,186	-	708,186	807,772
Special assessment receivable deferred	2,729	-	2,729	3,412
Deferred charges	172,929	-	172,929	155,435
Capital assets				
Land	3,534,039	-	3,534,039	3,490,186
Buildings	14,762,006	-	14,762,006	14,788,764
Equipment	12,557,434	-	12,557,434	11,422,037
Infrastructure	135,244,126	-	135,244,126	132,295,324
Intangible assets	380,679	-	380,679	345,144
Construction in progress	2,989,214	-	2,989,214	1,150,660
Total capital assets	<u>169,467,498</u>	<u>-</u>	<u>169,467,498</u>	<u>163,492,115</u>
Less-accumulated depreciation	<u>(85,791,896)</u>	<u>-</u>	<u>(85,791,896)</u>	<u>(80,428,199)</u>
Net capital assets	<u>83,675,602</u>	<u>-</u>	<u>83,675,602</u>	<u>83,063,916</u>
Total noncurrent assets	<u>85,637,181</u>	<u>-</u>	<u>85,634,452</u>	<u>85,112,426</u>
Total assets	<u>\$105,189,550</u>	<u>\$ 1,835,071</u>	<u>\$107,021,892</u>	<u>\$ 97,215,578</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 1,070,476	\$ 17,884	\$ 1,088,360	\$ 573,501
Retainage payable	89,360	-	89,360	34,241
Due to other funds	-	-	-	25,329
Accrued salaries payable	128,154	-	128,154	120,618
Compensated absences	81,465	-	81,465	68,148
Insurance claims payable	-	144,988	144,988	79,038
Bonds payable	2,530,000	-	2,530,000	2,285,000
Notes payable	70,607	-	70,607	68,199
Capital leases payable	149,317	-	149,317	73,118
Accrued interest payable	206,354	-	206,354	222,221
Unearned revenue	15,009	-	15,009	10,437
Total current liabilities	<u>4,340,742</u>	<u>162,872</u>	<u>4,503,614</u>	<u>3,559,850</u>
Long-term liabilities				
Customer deposits	98,302	-	98,302	97,468
Compensated absences	151,293	-	151,293	126,561
Bonds payable	18,300,000	-	18,300,000	18,825,000
Notes payable	1,358,115	-	1,358,115	1,428,722
Capital leases payable	491,120	-	491,120	287,538
Advance from other funds	578,118	-	578,118	730,510
Accrued MSWLF closure and postclosure care costs	639,810	-	639,810	393,786
Unearned revenue	55,901	-	55,901	35,022
Total long-term liabilities	<u>21,672,659</u>	<u>-</u>	<u>21,672,659</u>	<u>21,924,607</u>
Total liabilities	<u>26,013,401</u>	<u>162,872</u>	<u>26,176,273</u>	<u>25,484,457</u>
NET ASSETS				
Invested in capital assets, net of related debt	62,817,773	-	62,817,773	60,096,339
Restricted for bond covenants	3,859,697	-	3,859,697	3,657,311
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for chapel/veteran's memorial	16,027	-	16,027	10,099
Unrestricted	12,444,402	1,672,199	14,116,601	7,929,122
Total net assets	<u>79,176,149</u>	<u>\$ 1,672,199</u>	<u>80,848,348</u>	<u>71,731,121</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>348,615</u>		<u>348,615</u>	<u>329,242</u>
	<u>\$ 79,524,764</u>		<u>\$ 81,196,963</u>	<u>\$ 72,060,363</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, 2011
With Comparative Totals for December 31, 2010

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	1,808,507	5,576,680	10,999,411	397,988
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	2,300	-	81,203	5,325
Total operating revenues	1,810,807	5,576,680	11,080,614	403,313
OPERATING EXPENSES				
Salaries	532,590	842,426	1,895,817	227,036
Employee benefits	139,149	247,105	522,181	45,599
Professional services	13,781	831,680	84,572	567
Property services	232,042	689,095	3,431,426	39,587
Purchased services	119,663	22,489	149,535	8,779
Supplies	224,736	318,330	1,990,529	30,744
Sundry	89,541	617,345	1,604,119	41,422
Insurance claims	-	-	-	-
Amortization	1,686	-	20,290	-
MSWLF closure & postclosure care	-	246,024	-	-
Depreciation	1,506,196	454,587	3,505,615	29,135
Total operating expenses	2,859,384	4,269,081	13,204,084	422,869
Operating income (loss)	(1,048,577)	1,307,599	(2,123,470)	(19,556)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	480,907	-	-	2
Intergovernmental revenues	744,646	407,443	3,296,303	10,964
Interest income	23,051	13,645	65,906	2,658
Miscellaneous income (expense)	(28,743)	165,391	295,494	10,670
Gain (loss) on sale of City property	-	-	12,900	-
Passenger facility charge income	604,989	-	-	-
Interest and fiscal charges	(27,395)	(16,226)	(897,921)	-
Total non-operating revenues (expenses)	1,797,455	570,253	2,772,682	24,294
Income (loss) before contributions and transfers	748,878	1,877,852	649,212	4,738
Capital contributions	13,813	-	1,272,818	-
Transfers in	1,366,157	375,821	3,159,618	-
Transfers out	(23,241)	(364,767)	(234,814)	(2,108)
Total contributions and transfers	1,356,729	11,054	4,197,622	(2,108)
Change in net assets	2,105,607	1,888,906	4,846,834	2,630
Net assets, January 1	29,317,712	4,319,707	35,856,271	838,482
Net assets, December 31	\$ 31,423,319	\$ 6,208,613	\$ 40,703,105	\$ 841,112

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Total Enterprise Funds	Governmental Activities		
		Internal Service Funds	Total 2011	Total 2010
OPERATING REVENUES				
Sales	\$ -	\$ 1,210,032	\$ 1,210,032	\$ 892,440
Cost of goods sold	-	(1,120,265)	(1,120,265)	(816,656)
Gross margin	-	89,767	89,767	75,784
Charges for services	18,782,586	-	18,782,586	15,099,579
Employer	-	1,731,050	1,731,050	1,487,599
Employee	-	898,241	898,241	805,485
Miscellaneous	88,828	-	88,828	27,362
Total operating revenues	18,871,414	2,719,058	21,590,472	17,495,809
OPERATING EXPENSES				
Salaries	3,497,869	-	3,497,869	3,114,784
Employee benefits	954,034	-	954,034	859,884
Professional services	930,600	92	930,692	242,239
Property services	4,392,150	-	4,392,150	1,768,518
Purchased services	300,466	-	300,466	259,838
Supplies	2,564,339	90,276	2,654,615	2,328,757
Sundry	2,352,427	-	2,352,427	2,253,748
Insurance claims	-	2,234,996	2,234,996	2,071,661
Amortization	21,976	-	21,976	36,730
MSWLF closure & postclosure care	246,024	-	246,024	(116,236)
Depreciation	5,495,533	-	5,495,533	5,400,824
Total operating expenses	20,755,418	2,325,364	23,080,782	18,220,747
Operating income (loss)	(1,884,004)	393,694	(1,490,310)	(724,938)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	480,909	-	480,909	305,389
Intergovernmental revenues	4,459,356	1,628	4,460,984	871,222
Interest income	105,260	7,030	112,290	105,596
Miscellaneous income (expense)	442,812	(129,102)	313,710	211,322
Gain (loss) on sale of City property	12,900	-	12,900	85,842
Passenger facility charge income	604,989	-	604,989	328,837
Interest and fiscal charges	(941,542)	-	(941,542)	(1,019,274)
Total non-operating revenues (expenses)	5,164,684	(120,444)	5,044,240	888,934
Income (loss) before contributions and transfers	3,280,680	273,250	3,553,930	163,996
Capital contributions	1,286,631	-	1,286,631	539,013
Transfers in	4,901,596	-	4,901,596	1,270,178
Transfers out	(624,930)	-	(624,930)	(617,404)
Total contributions and transfers	5,563,297	-	5,563,297	1,191,787
Change in net assets	8,843,977	273,250		
Net assets, January 1	70,332,172	1,398,949		
Net assets, December 31	\$ 79,176,149	\$ 1,672,199		
Change in net assets enterprise funds only			8,843,977	1,217,469
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			19,373	16,758
Change in net assets of business-type activities			\$ 8,863,350	\$ 1,234,227

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, 2011
With Comparative Totals for December 31, 2010

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,706,732	\$ 4,877,679	\$ 10,715,389	\$ 407,273
Payments to suppliers	(783,485)	(2,100,461)	(6,833,871)	(134,113)
Payments to employees	(684,297)	(1,101,525)	(2,428,477)	(269,430)
Due from (to) other agencies	(149,611)	(398,403)	(2,163,994)	(339)
Net cash provided (used) by operating activities	<u>89,339</u>	<u>1,277,290</u>	<u>(710,953)</u>	<u>3,391</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	1,196,810	572,834	3,591,797	21,636
Transfers in	1,366,157	375,821	3,159,618	-
Transfers out	(23,241)	(364,767)	(234,814)	(2,108)
Internal activity - payments from (to) other funds	(38,856)	-	(39,279)	-
Net cash provided (used) by noncapital financing activities	<u>2,500,870</u>	<u>583,888</u>	<u>6,477,322</u>	<u>19,528</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	13,813	-	(29,360)	-
Passenger facility charges	604,989	-	-	-
Acquisition and construction of capital assets	(762,965)	(251,279)	(3,189,821)	(42,190)
Proceeds from bonds	-	-	2,005,000	-
Disposal of capital assets	(39,740)	-	(101,172)	-
Capital lease payment	-	(147,169)	-	-
Principal paid on capital debt	(320,000)	-	(2,033,199)	-
Interest paid on capital debt	(27,395)	(16,226)	(897,921)	-
Net cash provided (used) by capital and related financing activities	<u>(531,298)</u>	<u>(414,674)</u>	<u>(4,246,473)</u>	<u>(42,190)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	23,051	13,645	65,906	2,658
Net cash provided by investing activities	<u>23,051</u>	<u>13,645</u>	<u>65,906</u>	<u>2,658</u>
Net increase (decrease) in cash and cash equivalents	2,081,962	1,460,149	1,585,802	(16,613)
Cash and cash equivalents, January 1	2,540,518	1,964,437	4,962,066	392,957
Cash and cash equivalents, December 31	<u>\$ 4,622,480</u>	<u>\$ 3,424,586</u>	<u>\$ 6,547,868</u>	<u>\$ 376,344</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 4,294,854	\$ 3,443,569	\$ 3,049,226	\$ 322,067
Restricted cash and cash equivalents - current	344,042	-	2,462,919	54,277
Restricted cash and cash equivalents - noncurrent	-	-	1,077,735	-
Total cash and cash equivalents on the Statement of Net Assets	<u>\$ 4,638,896</u>	<u>\$ 3,443,569</u>	<u>\$ 6,589,880</u>	<u>\$ 376,344</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,048,577)	\$ 1,307,599	\$ (2,123,470)	\$ (19,556)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	1,506,196	454,587	3,505,615	29,135
Amortization expense	1,686	-	20,290	-
MSWLF closure and post closure care cost adjustment	-	246,024	-	-
Change in assets and liabilities				
Taxes receivable	(2,776)	-	(682)	97
Receivables, net	(110,134)	(699,247)	(353,951)	4,295
Inventory	-	-	-	-
Prepaid	7,149	246	(17,240)	(432)
Accounts payable	(87,334)	378,478	369,836	(13,014)
Retainage payable	(12,646)	-	67,765	-
Intergovernmental receivables	(149,611)	(398,403)	(2,163,994)	(339)
Accrued salaries payable	(12,558)	(11,994)	(10,479)	3,205
Insurance claims payable	-	-	-	-
Accrued interest payable	(3,742)	-	(12,125)	-
Customer deposits	-	-	834	-
Special assessment receivable	-	-	683	-
Deferred revenue (charge)	1,686	-	5,965	-
Net cash provided (used) by operating activities	<u>\$ 89,339</u>	<u>\$ 1,277,290</u>	<u>\$ (710,953)</u>	<u>\$ 3,391</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ -	\$ 426,950	\$ -	\$ -
Construction of capital assets from developers	-	-	1,302,178	-
Transfer fully depreciated capital assets to general fund	21,163	-	14,113	-

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Total Enterprise Funds	Governmental Activities		Total 2011	Total 2010
		Internal Service Funds			
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 17,707,073	\$ 3,786,413	\$ 21,493,486	\$ 18,252,489	
Payments to suppliers	(9,851,930)	(3,449,855)	(13,301,785)	(10,400,575)	
Payments to employees	(4,483,729)	-	(4,483,729)	(3,952,709)	
Due from (to) other agencies	(2,712,347)	-	(2,712,347)	362,311	
Net cash provided (used) by operating activities	659,067	336,558	995,625	4,261,516	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Taxes received	5,383,077	1,628	5,384,705	1,483,998	
Transfers in	4,901,596	11,319	4,912,915	1,270,178	
Transfers out	(624,930)	(299,280)	(924,210)	(617,404)	
Internal activity - payments from (to) other funds	(78,135)	158,859	80,724	261,513	
Net cash provided (used) by noncapital financing activities	9,581,608	(127,474)	9,454,134	2,398,285	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	(15,547)	-	(15,547)	64,561	
Passenger facility charges	604,989	-	604,989	328,837	
Acquisition and construction of capital assets	(4,246,255)	-	(4,246,255)	(1,551,876)	
Proceeds from bonds	2,005,000	-	2,005,000	-	
Disposal of capital assets	(140,912)	-	(140,912)	(234,494)	
Capital lease payment	(147,169)	-	(147,169)	(89,344)	
Principal paid on capital debt	(2,353,199)	-	(2,353,199)	(2,705,441)	
Interest paid on capital debt	(941,542)	-	(941,542)	(1,019,274)	
Net cash provided (used) by capital and related financing activities	(5,234,635)	-	(5,234,635)	(5,207,031)	
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	105,260	7,030	112,290	105,596	
Net cash provided by investing activities	105,260	7,030	112,290	105,596	
Net increase (decrease) in cash and cash equivalents	5,111,300	216,114	5,327,414	1,558,366	
Cash and cash equivalents, January 1	9,859,978	1,250,835	11,110,813	9,552,447	
Cash and cash equivalents, December 31	\$ 14,971,278	\$ 1,466,949	\$ 16,438,227	\$ 11,110,813	
Cash and cash equivalents are comprised of the following:					
Cash and cash equivalents	\$ 11,109,716	\$ 1,466,949	\$ 12,576,665	\$ 7,405,153	
Restricted cash and cash equivalents - current	2,861,238	-	2,861,238	2,623,769	
Restricted cash and cash equivalents - noncurrent	1,077,735	-	1,077,735	1,081,891	
Total cash and cash equivalents on the Statement of Net Assets	\$ 15,048,689	\$ 1,466,949	\$ 16,515,638	\$ 11,110,813	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (1,884,004)	\$ 393,694	\$ (1,490,310)	\$ (724,938)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation expense	5,495,533	-	5,495,533	5,400,824	
Amortization expense	21,976	-	21,976	36,730	
MSWLF closure and post closure care cost adjustment	246,024	-	246,024	(116,236)	
Change in assets and liabilities					
Taxes receivable	(3,361)	-	(3,361)	(1,455)	
Receivables, net	(1,159,037)	(2,022)	(1,161,059)	(187,284)	
Inventory	-	(50,888)	(50,888)	105,156	
Prepaid	(10,277)	62,931	52,654	(69,567)	
Accounts payable	647,966	(133,107)	514,859	(408,286)	
Retainage payable	55,119	-	55,119	(99,353)	
Intergovernmental receivables	(2,712,347)	-	(2,712,347)	362,311	
Accrued salaries payable	(31,826)	-	(31,826)	21,959	
Insurance claims payable	-	65,950	65,950	(64,207)	
Accrued interest payable	(15,867)	-	(15,867)	(24,344)	
Customer deposits	834	-	834	(37)	
Special assessment receivable	683	-	683	(3,412)	
Deferred revenue (charge)	7,651	-	7,651	33,655	
Net cash provided (used) by operating activities	\$ 659,067	\$ 336,558	\$ 995,625	\$ 4,261,516	
NONCASH CAPITAL ACTIVITY					
Borrowing under capital lease	\$ 426,950	\$ -	\$ 426,950	\$ 450,000	
Construction of capital assets from developers	1,302,178	-	1,302,178	474,452	
Transfer fully depreciated capital assets to general fund	35,276	-	35,276	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, 2011

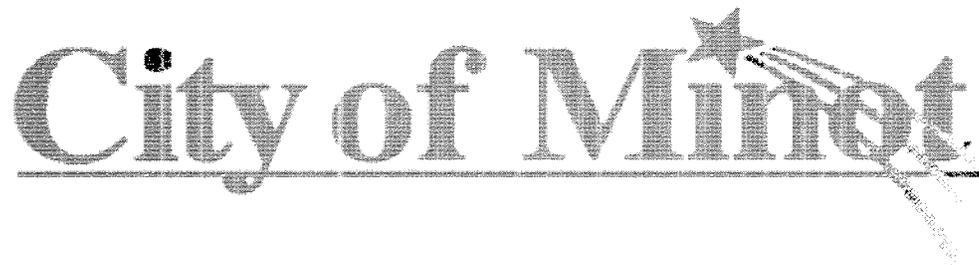
	Pension Trust Fund	OPEB Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 79,084	\$ -	\$ 211,764
Investments			
Money market	71,437	12,117	
Equity/stocks	19,177,410	238,833	
Fixed income	30,002,838	368,756	
Alternative	1,674,858	12,127	
Total investments	<u>50,926,543</u>	<u>631,833</u>	
Taxes receivable delinquent	37,232	-	2,318
Accounts receivable	-	-	<u>25,412</u>
Total assets	<u>\$ 51,042,859</u>	<u>\$ 631,833</u>	<u>\$ 242,236</u>
LIABILITIES			
Accounts payable	\$ 5,796	\$ -	\$ 242,236
Due to other funds	-	121,320	-
Deferred revenue	37,232	-	-
Total liabilities	<u>43,028</u>	<u>121,320</u>	<u>\$ 242,236</u>
NET ASSETS			
Assets held in trust for pension benefits	50,999,831	-	
Assets held in trust for OPEB benefits	-	510,513	
Total net assets	<u>\$ 50,999,831</u>	<u>\$ 510,513</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, 2011
With Comparative Totals for December 31, 2010

	Pension Trust Fund	OPEB Trust Fund	2011 Total	2010 Total
ADDITIONS				
Contributions				
Employer	\$ 3,034,945	\$ 254,085	\$ 3,289,030	\$ 2,718,063
Employee	2,348,218	496,994	2,845,212	2,521,380
Total contributions	<u>5,383,163</u>	<u>751,079</u>	<u>6,134,242</u>	<u>5,239,443</u>
Investment income				
Interest and dividends	1,765,683	12,981	1,778,664	1,598,648
Net increase (decrease) in the fair value of investments	780,429	5,920	786,349	4,041,911
Total investment income	<u>2,546,112</u>	<u>18,901</u>	<u>2,565,013</u>	<u>5,640,559</u>
Less investment expense	112,418	587	113,005	106,529
Net investment income	<u>2,433,694</u>	<u>18,314</u>	<u>2,452,008</u>	<u>5,534,030</u>
Total additions	<u>7,816,857</u>	<u>769,393</u>	<u>8,586,250</u>	<u>10,773,473</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	5,721,427	-	5,721,427	5,364,544
Refunds paid to plan member and beneficiaries	655,385	-	655,385	322,265
Retiree claims	-	392,530	392,530	324,383
Third party premiums	-	153,186	153,186	234,420
Administrative expenses	289,506	-	289,506	298,652
Total deductions	<u>6,666,318</u>	<u>545,716</u>	<u>7,212,034</u>	<u>6,544,264</u>
Change in net assets	1,150,539	223,677	1,374,216	4,229,209
Net assets, January 1	49,849,292	286,836	50,136,128	45,906,919
Net assets, December 31	<u>\$ 50,999,831</u>	<u>\$ 510,513</u>	<u>\$ 51,510,344</u>	<u>\$ 50,136,128</u>

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



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**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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, 2011

Notes to Financial Statements

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

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

The **Sales Tax Economic Development Fund** accounts for 40% of the collection of the first penny City sales tax. The fund is dedicated to economic development in and around the Minot area.

The **Sales Tax Improvements Fund** accounts for 50% of the collection of the first penny City sales tax. The fund is dedicated to improvements in and around the Minot area.

The **Sales Tax NAWS Fund** accounts for the collection of a one percent City sales tax. The collection on this tax was stopped by the Finance Director effective 10/01/11 due to sufficient funds available 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's Other Post-Employment Benefits, which accumulate resources for OPEB payments to qualified employees.

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

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Notes to Financial Statements

period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, municipal highway taxes, 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, 2010, 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 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."

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Notes to Financial Statements

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

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

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

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

Inventories and Prepaid Items

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

Restricted Assets

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

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

Capital Assets

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

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

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

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

Net 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.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Notes to Financial Statements

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.

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 utilize the restricted before unrestricted fund balance when both are available. Committed funds will be considered spent first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used like assigned or unassigned. In order to minimize the long term effect of such use, the excess shall be appropriated to fund one time expenditures or expenses which do not result in recurring operating costs, or other onetime costs including the establishment of or increase in legitimate restriction or commitment of fund balance/retained earnings in other funds.

The emergency levy fund is established and updated through the annual budget process with the budget ordinance approval by the City Council. The fund objective is to keep the cash balance around the value of one mill levy. The funds may be spent for overtime

along with associated benefits or operation expenditures not predictable in the budget.

Compensated Absences

Employees accrue vacation leave at a rate of eight hours per month for the first five years of continuous service. The accrual rate is increased to ten hours per month after five years, twelve hours per month after ten years, and fourteen hours per month after fifteen years of service. A maximum of 240 vacation hours may be carried over from year to year; however, in 2011 the City Council decided to not enforce a cap due to the flood which eliminated a number of planned vacations. 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

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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.

**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 (\$19,746,818) difference are as follows:

Bonds payable	\$ 18,700,000
Unamortized discounts/premiums	188,082
Issue costs	(143,277)
Accrued interest payable	147,656
Capital lease payable	6,563
Compensated absences	<u>847,794</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net assets-governmental activities	<u>\$ 19,746,818</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 these

differences are as follows:

Donated capital assets	\$ 1,172,373
Capital outlay	4,905,573
Depreciation	<u>(6,156,961)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ (79,015)</u>
Proceeds from capital asset sales	\$ (89,751)
Gain/(loss) on capital asset sales	(170,801)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net assets of governmental funds	<u>\$ (260,552)</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. In June 2011 the public voted to continue the second penny sales tax and reallocate it from NAWS to sales tax property tax relief, community facilities, and capital infrastructure projects. These Special Revenue Funds were not originally budgeted for in 2011, but the Finance Director, with the City Council approval decided that as of October 1, 2011, there were enough funds to allocate toward the NAWS project and reallocated the funds to the three new funds. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to NAWS.

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

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

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

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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 the emergency fund due to the flood event in 2011. The City will be reimbursed by FEMA and NDDDES for the majority of these funds. The fund will be replenished by the tax levy during the 2013 budget cycle.

C. NET ASSETS/FUND BALANCE DEFICITS

One major fund had a deficit fund balance as of December 31, 2011. The \$726,084 deficit in Emergency Levy fund will be reimbursed with future tax levy and use of general fund reserves.

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, 2011, 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, 2011, the City has invested in cash and money markets \$64,921,788 and certificates of deposit \$6,000,000, which have no credit ratings. The City also has NAWS investments valued at \$22,880,400. The fixed income securities are all United States Government Agency securities.

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Investment Type	Fair Value	Rated AAA	Not-Rated
Fixed Income	\$ 22,703,712	\$ 14,941,689	\$ 7,762,023
Cash & Money Market	176,688	-	176,688
Total Fair Value	\$ 22,880,400	\$ 14,941,689	\$ 7,938,711

Maturity (Years)	Fixed Income
0-1	\$ 274,845
1-3	16,976,434
3-5	1,376,800
10-15	1,115,929
15+	2,959,704
	<u>\$ 22,703,712</u>

B. INTERGOVERNMENTAL RECEIVABLES

A total of \$8,932,142 is due from intergovernmental receivables. This includes \$4,344,395 from the State of North Dakota, \$2,111,346 for city sales taxes, \$941,474 for State Aid Distribution, \$852,738 for 2011 flood; \$283,614 for Municipal Highway tax, \$60,705 from state aeronautics; \$27,800 for Section 5309; \$18,219 for State Aid Public Transit; \$27,646 from the NDDOT for various projects. The remaining \$20,853 due from the State is for reimbursements or regular payments due the City. It also includes \$4,527,116 due from the Federal Government, \$4,056,784 from FEMA, \$322,148 from the FAA, \$72,935 from Section 5311, \$39,702 for COPS grant, \$32,427 from JAG grants, and \$3,120 for a bulletproof vest grant and \$60,631 due from the County.

C. RECEIVABLES

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

	Taxes		Specials	Specials	Accounts	Loans	Intergov't Receivable	Accrued Interest Receivable	Gross Receivables	Less: Allow for Uncollectible	Total Net Receivables
	Delinquent	Deferred	Delinquent	Receivable							
General	\$ 136,912	\$ 1,488	\$ 1,038	\$ 552,862	\$ -	\$ 2,141,671	\$ 27	\$ 2,833,998	\$ -	\$ 2,833,998	
Emergency Fund	4,545	-	-	-	-	1,085,667	-	1,090,212	-	1,090,212	
Sales Tax Economic Dev	-	-	-	1,698,584	283,468	422,269	-	2,404,321	(56,693)	2,347,628	
Sales Tax Capital Imp	-	-	-	-	-	527,837	-	527,837	-	527,837	
Sales Tax NAWs	-	-	-	-	-	-	13,167	13,167	-	13,167	
Assessment debt	618	2,988,782	23,358	-	-	268	-	3,013,026	-	3,013,026	
Highway reserve	-	-	-	-	-	22,451	-	22,451	-	22,451	
Nonmajor governmental	91,327	11,534	627	66,219	-	1,786,220	-	1,955,927	-	1,955,927	
Airport	10,291	-	-	138,727	-	383,022	-	532,040	-	532,040	
Sanitation	-	-	-	913,334	-	398,403	-	1,311,737	-	1,311,737	
Water and sewer	682	2,729	-	1,525,239	-	2,163,994	-	3,692,644	-	3,692,644	
Nonmajor enterprise	41	-	-	6,005	-	340	-	6,386	-	6,386	
Internal service	-	-	-	8,578	-	-	-	8,578	-	8,578	
Total net receivables	\$ 244,416	\$ 3,004,533	\$ 25,023	\$ 4,909,548	\$ 283,468	\$ 8,932,142	\$ 13,194	\$ 17,412,324	\$ (56,693)	\$ 17,355,631	

Due within one year	\$ 183,468
Due after one year	100,000
Less: allowance for uncollectible	(56,693)
Total loans receivable	<u>\$ 226,775</u>

The only receivables not expected to be collected within one year are \$2,483,777 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	\$ 333,424
Emergency fund	3,581
Assessment debt	3,007,859
Nonmajor governmental funds	150,582
Total deferred revenue	<u>\$ 3,495,446</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:

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D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

Governmental Activities	Balance 01/01/11	Additions	Deletions	Transfers	Balance 12/31/11
Land	\$ 6,542,184	\$ 122,450	\$ 7,289	\$ -	\$ 6,657,345
Construction in progress	1,500,798	3,815,138	748,585	-	4,567,351
Depreciable assets					
Buildings	14,032,741	2,959	-	-	14,035,700
Equipment	14,182,893	918,930	434,916	11,597	14,678,504
Infrastructure	106,911,279	1,777,090	-	-	108,688,369
Intangible assets	522,816	24,272	-	-	547,088
Books	4,390,671	179,504	153,268	-	4,416,907
Totals at historical cost	148,083,382	6,840,343	1,344,058	11,597	153,591,264
Accumulated depreciation					
Buildings	(6,451,415)	(399,411)	-	-	(6,850,826)
Equipment	(7,039,210)	(1,093,889)	334,922	(25,410)	(7,823,587)
Infrastructure	(33,237,349)	(4,484,716)	-	-	(37,722,065)
Intangible assets	(45,716)	(37,134)	-	-	(82,850)
Books	(3,601,124)	(141,811)	-	-	(3,742,935)
Total accumulated depreciation	(50,374,814)	(6,156,961)	334,922	(25,410)	(56,222,263)
Governmental activities capital assets, net	\$ 97,708,568	\$ 683,382	\$ 1,009,136	\$ (13,813)	\$ 97,369,001

Business-Type Activities	Balance 01/01/11	Additions	Deletions	Transfers	Balance 12/31/11
Land	\$ 3,490,186	\$ 43,853	\$ -	\$ -	\$ 3,534,039
Construction in progress	1,150,660	3,888,588	2,050,034	-	2,989,214
Depreciable assets					
Buildings	14,788,764	-	26,758	-	14,762,006
Equipment	11,422,037	1,227,427	80,433	(11,597)	12,557,434
Infrastructure	132,295,324	2,948,802	-	-	135,244,126
Intangible assets	345,144	35,535	-	-	380,679
Totals at historical cost	163,492,115	8,144,205	2,157,225	(11,597)	169,467,498
Accumulated depreciation					
Buildings	(10,750,361)	(407,003)	26,758	-	(11,130,606)
Equipment	(7,521,460)	(819,433)	79,668	25,410	(8,235,815)
Infrastructure	(61,811,234)	(4,268,505)	-	-	(66,079,739)
Intangible assets	(345,144)	(592)	-	-	(345,736)
Total accumulated depreciation	(80,428,199)	(5,495,533)	106,426	25,410	(85,791,896)
Business-type activities capital assets, net	83,063,916	2,648,672	2,050,799	13,813	83,675,602
Total capital assets, net	\$ 180,772,484	\$ 3,332,054	\$ 3,059,935	\$ -	\$ 181,044,603

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

Governmental Activities	
General government	\$ 930,952
Public safety	673,881
Highways and streets	4,213,445
Culture and recreation	<u>338,683</u>
Total depreciation expense - governmental activities	<u>\$ 6,156,961</u>

Business -Type Activities	
Airport	\$ 1,506,196
Cemetery	18,278
Parking authority	10,857
Sanitation	454,587
Water and sewer	<u>3,505,615</u>
Total depreciation expense - business-type activities	<u>\$ 5,495,533</u>

The composition of interfund balances at December 31, 2011 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.

E. COMMITMENTS

Construction commitments as of December 31, 2011 were approximately \$8,995,082. The City is also committed to approximately \$74.1 million local share in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot. Our local share of expenditures to date is approximately \$35.1 million. The City has approximately \$39.0 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

	Emergency	Nonmajor Gov't	Highway Reserve	Airport	Water & Sewer	Total Advance From	
Governmental funds							
Sales Tax Capital Imp	\$ -	\$ -	\$ -	\$ 14,040	\$ -	\$ 14,040	(1)
Special Assessment Debt	-	474,087	143,500	-	240,551	858,138	(2)
Nonmajor Gov	1,250,000	-	-	-	323,527	1,573,527	(1)
Business-type funds							
Water & Sewer	-	354,093	354,093	-	-	708,186	(2)
Total advance to	<u>\$ 1,250,000</u>	<u>\$ 828,180</u>	<u>\$ 497,593</u>	<u>\$ 14,040</u>	<u>\$ 564,078</u>	<u>\$ 3,153,891</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		Nonmajor			Water & Sewer	Nonmajor Enterprise Funds	Total Transfers In
			Capital Improvements	Sales Tax NAWS	Assessment Debt	Highway Reserve	Governmental Funds	Airport	Sanitation			
General fund	\$ -	\$ 53,961	\$ 19,994	\$ 50,000	\$ 6,191	\$ 70,282	\$ 64,783	\$ 22,441	\$ 204,767	\$ 31,444	\$ 2,108	\$ 525,971
Emergency fund	38,063	-	-	-	-	-	-	-	-	-	-	38,063
Sales tax capital improvements	-	-	92,359	-	-	-	70,390	800	-	-	-	163,549
Assessment debt	-	-	-	-	-	-	163,790	-	-	17,448	-	181,238
Highway reserve	-	-	165,826	-	-	-	153,365	-	-	832	-	320,023
Nonmajor governmental funds	1,608	-	1,044,702	-	-	505,235	1,112,840	-	160,000	79,157	-	2,903,542
Airport	-	1,217,029	149,128	-	-	-	-	-	-	-	-	1,366,157
Sanitation	-	-	302,116	-	-	-	-	-	-	73,705	-	375,821
Water and sewer	-	-	1,882,552	-	-	-	1,244,838	-	-	32,228	-	3,159,618
Total transfers out	\$ 39,671	\$ 1,270,990	\$ 3,656,677	\$ 50,000	\$ 6,191	\$ 575,517	\$ 2,810,006	\$ 23,241	\$ 364,767	\$ 234,814	\$ 2,108	\$ 9,033,982

Transfers in/out consisted of the following:

\$ 274,601	Interest Distribution transfers to General Fund
35,000	General fund transfer to emergency fund
22,441	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
191,122	Sanitation budgeted transfers to General Fund
17,448	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
105,933	Water and Sewer transfer to sanitation
1,065,809	Property Tax Relief budgeted transfers to Highway Debt
50,000	MAGIC Fund administration budgeted transfers to General Fund for administration
1,217,029	MAGIC Fund transfer to Airport for infrastructure
150,000	Sales Tax Capital Improvements budgeted transfers to Airport for debt payments
127,900	Sales Tax Capital Improvements budgeted transfer to Library for air conditioning system
1,882,552	Sales Tax Capital Improvements budgeted transfers to Water and Sewer Fund for infrastructure
300,000	Sales Tax Capital Improvements major project transfer to Sanitation for Sanitation Truck Building
92,359	Sales Tax Capital Improvements budgeted transfers to Special revenue fund for maintenance
215,272	Sales Tax Capital Improvements budgeted transfers to Highway Debt for debt payments
165,826	Sales Tax Capital Improvements budgeted transfers to Highway Reserve for highway projects
8,000	Sales Tax Capital Improvements budgeted transfers to Fire Equipment Purchase Fund
437,101	Sales Tax Capital Improvements budgeted transfers to Capital projects
205,940	Sales Tax Capital Improvements budgeted transfers to Recreation for paving projects
103,336	Street Improvement budgeted transfer to Special Assessment Debt
500,420	Highway Reserves transfer to Special Assessment Debt
4,814	Highway Reserves transfer to Street Improvements
117,420	Softball complex transfer to street improvements for paving projects
153,366	Highway debt to Highway Reserve for paving projects
1,244,839	Special Assessment debt to Water and Sewer fund for infrastructure projects
60,454	Storm Sewer Development transfer to Special Assessments to pay for projects
50,000	NAWS administration budgeted transfers to General Fund for administration
\$ 9,033,982	Total transfers in/out

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G. LEASES

Operating Leases. The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$133,246 for the year ended December 31, 2011. The future minimum lease payments for these leases are as follows:

Year Ended December 31	Amounts
2012	\$ 133,246
2013	133,246
2014	133,246
2015	133,246
2016	253,121
Total minimum payments	<u>\$ 786,105</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	\$ 876,950
Less: Accumulated depreciation	(8,898)	(199,042)
Total	<u>\$ 6,494</u>	<u>\$ 677,908</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2011, were as follows:

Year Ending, December 31	Governmental Activities	Proprietary Activities
2012	3,426	163,395
2013	3,426	163,395
2014	286	163,395
2015	-	124,051
2016	-	100,000
Total minimum lease payments	7,138	714,236
Less: Amount representing interest	(575)	(73,799)
Present value of minimum lease payments	<u>\$ 6,563</u>	<u>\$ 640,437</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 1.0% to 5.0%.

General obligation bonds currently outstanding are as follows:

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2011		
2002	\$ 1,835,000	\$ 215,000		3.50%	10/01/2012
2003	2,675,000	1,830,000		4-5%	10/01/2023
2005	2,355,000	1,030,000		3.6-3.75%	10/01/2015
2006	2,810,000	1,525,000		3.6-3.7%	10/01/2016
2007	1,785,000	1,170,000		3.45-3.7%	10/01/2017
2008	1,720,000	1,275,000		3.5-4.6%	10/01/2018
2009	2,005,000	1,655,000		2-3.1%	10/01/2019
2010	1,375,000	1,270,000		1-2.7%	10/01/2020
	<u>\$ 16,560,000</u>	<u>\$ 9,970,000</u>			

Special assessment bonds are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. During the year, the City issued \$4,285,000 of special assessment bonds for 21st Ave NW storm sewer rehab, water and paving districts. The City has \$8,730,000 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 2.0% to 5.0%.

Special assessment bonds currently outstanding are as follows:

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2011		
2002	\$ 565,000	\$ 50,000		4.00%	10/01/2012
2003	2,205,000	440,000		3.35-3.7%	10/01/2013
2006	910,000	450,000		4.00%	10/01/2016
2007A	2,255,000	1,790,000		4-4.5%	10/01/2022
2007D	460,000	300,000		3.55-3.875%	10/01/2017
2008	1,905,000	1,415,000		3.75-5.0%	10/01/2018
2011	4,285,000	4,285,000		2-3%	10/01/2021
	<u>\$ 12,585,000</u>	<u>\$ 8,730,000</u>			

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

Notes outstanding as of December 31, 2011 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,463,117 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%. During the year, the City issued \$2,005,000 in revenue bonds for the 21st Ave NW sanitary sewer rehab project. The following are outstanding revenue bonds:

Airport

Year	Original Amount	Balance	Interest Rate	Matures
		Outstanding 12/31/2011		
1998	\$ 1,500,000	\$ 145,000	5.10%	10/01/2012
2002	800,000	195,000	4.50%	10/01/2012
	<u>\$ 2,300,000</u>	<u>\$ 340,000</u>		

Water & Sewer

Year	Original Amount	Balance	Interest Rate	Matures
		Outstanding 12/31/2011		
1972	\$ -	\$ 1,428,722	3.50%	07/01/2027
1993	665,000	80,000	2.50%	10/01/2013
2003	2,000,000	460,000	3.6-3.75%	10/01/2013
2004	2,650,000	2,220,000	3.625-4.4%	10/01/2024
2006	3,095,000	1,685,000	4.00%	10/01/2016
2007	5,490,000	3,595,000	3.75%	10/01/2017
2008A	1,835,000	1,215,000	3.65-3.9%	10/01/2017
2008D	10,380,000	9,230,000	3.5-5.375%	10/01/2023
2011	2,005,000	2,005,000	2.00%	10/01/2021
	<u>\$ 28,120,000</u>	<u>\$ 21,918,722</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
2012	\$ 1,525,000	\$ 337,393	\$ 1,030,000	\$ 188,946
2013	1,355,000	289,613	1,090,000	161,274
2014	1,395,000	246,993	885,000	134,319
2015	1,445,000	202,012	905,000	114,663
2016	1,210,000	153,407	935,000	94,250
2017-2021	2,660,000	319,771	3,690,000	198,813
2022-2023	380,000	28,750	195,000	8,775
Total governmental activities	<u>\$ 9,970,000</u>	<u>\$ 1,577,937</u>	<u>\$ 8,730,000</u>	<u>\$ 901,039</u>

**CITY OF MINOT, NORTH DAKOTA
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Business-Type Activities	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2012	\$ 2,520,000	\$ 812,695	\$ 70,607	\$ 274,413
2013	2,310,000	726,747	73,100	46,900
2014	2,115,000	642,144	75,681	44,319
2015	2,195,000	562,459	78,353	41,647
2016	2,280,000	478,554	81,119	38,881
2017-2021	6,895,000	1,358,526	450,633	149,367
2022-2026	2,515,000	188,141	540,446	63,694
2027	-	-	58,783	1,029
Total business-type activities	\$ 20,830,000	\$ 4,769,266	\$ 1,428,722	\$ 660,250

Changes in Long Term Liabilities. The following is a summary of the activity for long-term liabilities for the year ended December 31, 2011.

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	\$ 11,480,000	\$ -	\$ (1,510,000)	\$ 9,970,000	\$ 1,030,000
Special assessment	5,160,000	4,285,000	(715,000)	8,730,000	1,525,000
Total bonds payable	16,640,000	4,285,000	(2,225,000)	18,700,000	2,555,000
Unamortized premium	30,215	200,025	(4,620)	225,620	6,112
Unamortized discount	(45,207)	7,669	-	(37,538)	(6,573)
Capital leases	9,748	-	(3,185)	6,563	2,901
Compensated absences	742,722	590,269	(485,197)	847,794	296,728
Governmental activity long-term liabilities	\$ 17,377,478	\$ 5,082,963	\$ (2,718,002)	\$ 19,742,439	\$ 2,854,168

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 21,110,000	\$ 2,005,000	\$ (2,285,000)	\$ 20,830,000	\$ 2,520,000
Unamortized premium	41,072	31,766	(6,315)	66,523	9,227
Unamortized discount	(65,943)	5,073	-	(60,870)	(5,073)
Notes payable	1,496,921	-	(68,199)	1,428,722	70,607
Capital leases	360,656	426,950	(147,169)	640,437	149,317
Compensated absences	194,709	152,945	(114,896)	232,758	81,465
Business-type activity long-term liabilities	\$ 23,137,415	\$ 2,621,734	\$ (2,621,579)	\$ 23,137,570	\$ 2,825,543

Conduit Debt. From time to time, the City has issued Municipal Industrial Development Act Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments

received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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As of December 31, 2011, 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.

securities. Any excess earnings resulting from arbitrage must be rebated to the federal government.

The City's debt limit is \$105,862,032 and the legal debt margin is \$96,240,371.

Arbitrage is the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable

I. FUND BALANCE

	Major Special Revenue Funds					Major Debt Service	Major Capital Projects Fund	Nonmajor Other	Total
	General Fund	Emergency Fund	Sales Tax		Sales Tax NWAWS	Special Assessment Debt	Highway Reserve	Governmental Funds	
			Economic Development	Sales Tax Improvements					
Fund balances									
Nonspendable									
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,361	\$ 6,361
Loans receivable	-	-	100,000	-	-	-	-	-	100,000
Prepays	114,184	-	-	-	-	-	-	3,174	117,358
Total nonspendable	114,184	-	100,000	-	-	-	-	9,535	223,719
Restricted									
Highways	-	-	-	-	-	-	1,269,078	-	1,269,078
Debt service reserve	-	-	-	-	-	881,867	-	348,340	1,230,207
Fire department grants	739	-	-	-	-	-	-	-	739
NAWS	-	-	-	-	39,271,885	-	-	-	39,271,885
Total restricted	739	-	-	-	39,271,885	881,867	1,269,078	348,340	41,771,909
Committed									
Street Improvements	-	-	-	-	-	-	148,485	-	148,485
Library	-	-	-	-	-	-	-	6,130	6,130
Culture and recreation	-	-	-	-	-	-	-	3,358	3,358
Economic development	-	-	2,126,312	-	-	-	-	148,879	2,275,191
Flood control	-	-	-	-	-	-	-	1,539,481	1,539,481
Total committed	-	-	2,126,312	-	-	-	148,485	1,697,848	3,972,645
Assigned									
Public transportation	-	-	-	-	-	-	-	171,022	171,022
Library	-	-	-	-	-	-	-	127,606	127,606
Culture and recreation	-	-	-	549,077	-	-	-	905,674	1,454,751
Economic development	-	-	9,896,759	-	-	-	-	-	9,896,759
Improvement projects	-	-	-	3,161,669	-	-	-	-	3,161,669
Highways	-	-	-	-	-	-	1,262,797	2,103,448	3,366,245
Equipment purchases	-	-	-	-	-	-	-	644,593	644,593
Debt service	-	-	-	-	-	863,305	-	327,323	1,190,628
Capital projects	-	-	-	-	-	-	-	2,644,923	2,644,923
Special Assessment Districts	-	-	-	-	-	-	-	703,901	703,901
Sales tax property relief	-	-	-	-	-	-	-	1,627,741	1,627,741
Storm sewer development	-	-	-	-	-	-	-	1,025,997	1,025,997
Flood control	-	-	-	-	-	-	-	184,587	184,587
Other purposes	-	-	-	-	-	-	(6,845)	116,752	109,907
Total assigned	-	-	9,896,759	3,710,746	-	863,305	1,255,952	10,583,567	26,310,329
Unassigned	10,502,936	(726,084)	-	-	-	-	-	-	9,776,852
Total fund balance	\$ 10,617,859	\$ (726,084)	\$ 12,123,071	\$ 3,710,746	\$ 39,271,885	\$ 1,745,172	\$ 2,673,515	\$ 12,639,290	\$ 82,055,454

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

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 (NDRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDRF. During the past five years, the NDRF returned approximately 24.38% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRF is limited to losses of \$1,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

Employee Health Benefits

Effective 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 \$1,963,750.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$144,988. 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
2009	\$ 115,481	\$ 1,535,982	\$ 1,508,218	\$ 143,245
2010	143,245	1,378,652	1,442,859	79,038
2011	79,038	1,409,957	1,344,007	144,988

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, 2011, the City had three 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. SUBSEQUENT EVENT

During January 2012, the City of Minot was awarded Community Development Block Grant (CDBG) funds of \$16,575,964 to assist in financing the disaster recovery from the 2011 flood event. CDBG disaster recovery funds supplement the federal government's standard recovery assistance programs administered by the Federal Emergency Management Agency (FEMA), the Small Business Administration (SBA), and the US Army Corps of Engineers (USACE).

In fiscal year 2012, the City of Minot was allocated

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environment infrastructure assistance in the amount of \$1,950,000 from the U.S. Army Corps of Engineers through the Section 594 program for the Puppy Dog wastewater project, which will help the city recover from the 2011 flood by moving residents out of the floodplain.

E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

Plan Description. The City Employee Pension Plan is a cost sharing, multiple employer public employee retirement system. The pension plan document provides all employees of the City of Minot (excluding 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 postretirement benefit increases.

The OPEB Plan is a single-employer plan, which provides all employees of the City of Minot (excluding the Minot Park District, as they are not on the City health plan. 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 restricted to the payment of health insurance.

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

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

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

	2012 Pension
Retirees and beneficiaries receiving benefits	217
Terminated employees	
Vested	25
Non-vested	10
Total terminated employees	<u>35</u>
Active employees	
Vested	188
Non-vested	132
Total active employees	<u>320</u>
Date of annual valuation	01/01/12

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	2012
	OPEB
Retirees with coverage	59
Terminated employees	
With coverage	31
Waived coverage	4
Total terminated employees	35
Active employees	
With coverage	253
Waived coverage	67
Total active employees	320
Date of annual valuation	01/01/11

Summary of Significant Accounting Policies and Plan Asset Matters.

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

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

The City also has pension & OPEB investments valued at \$50,926,543 and \$631,833. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

<u>Fixed Income Subclass</u>	<u>Pension</u>	<u>OPEB</u>
US Treasuries	\$ 186,189	\$ 41,619
Government Agencies	7,704,903	122,666
Corporate Bonds	6,394,393	-
Foreign Corporate Bonds	591,875	-
Intl Fixed Income	-	93,514
Taxable Fixed Income	-	110,957
Taxable Munis	13,127,843	-
	<u>\$ 28,005,203</u>	<u>\$ 368,756</u>

<u>Maturity (Years)</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
1-3	\$ 140,256	\$ 35,064
3-5	3,054,895	74,723
10-15	4,096,700	32,133
15+	20,713,352	22,365
Not Defined	1,997,635	204,471
	<u>\$ 30,002,838</u>	<u>\$ 368,756</u>

<u>Credit Rating</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
AAA	\$ 5,658,712	\$ 109,787
AA+	2,412,002	-
AA	4,231,028	-
AA-	2,202,543	-
A+	896,672	-
A	2,354,938	-
A-	2,501,211	-
BBB+	1,527,008	-
BBB	968,276	-
NR	5,252,813	54,498
Not Defined	1,997,635	204,471
	<u>\$ 30,002,838</u>	<u>\$ 368,756</u>

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

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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%

The City's annual pension cost and net pension obligation for 2011 and the past two years are as follows:

Pension			
	2011	2010	2009
Annual required contribution (ARC)	\$ 2,270,161	\$ 2,109,607	\$ 2,010,737
Interest on net pension obligation (asset)	(58,600)	(27,267)	(35,854)
Adjustment to ARC - beginning of year			
NPO amortized over 15 years	67,820	31,557	41,495
Annual pension cost	2,279,381	2,113,897	2,016,378
Contributions made	(3,034,945)	(2,518,191)	(1,905,577)
Increase (decrease) in NPO (asset)	(755,564)	(404,294)	110,801
Net pension obligation (asset) January 1	(756,128)	(351,834)	(462,635)
Net pension obligation (asset) December 31	\$ (1,511,692)	\$ (756,128)	\$ (351,834)
Percentage of annual benefit cost	133.15%	119.13%	94.50%

The City's annual OPEB cost and net pension obligation for 2011 is as follows:

OPEB			
	2011	2010	2009
Annual required contribution (ARC)	\$ 254,085	\$ 199,872	\$ 196,192
Interest on net OPEB obligation (asset)	-	-	-
Adjustment to ARC - beginning of year	-	-	-
Annual OPEB cost	254,085	199,872	196,192
Employer contributions	(279,805)	(199,872)	(196,192)
Increase (decrease) in net OPEB obligation	(25,720)	-	-
Net OPEB obligation (asset) January 1	-	-	-
Net OPEB obligation (asset) December 31	\$ (25,720)	\$ -	\$ -
Percentage of annual benefit cost	110.12%	100.00%	100.00%

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. The employees contributed 14.74% and the employer 15.19% 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, 2012.

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The annual pension cost exceeds the annual required contribution (ARC) in all three years. The NPO asset of \$1,511,692 for the pension trust and \$25,720 for the OPEB trust is shown on the government-wide statement of net assets. The OPEB was 100% funded in all three years.

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.

Pension Schedule of Employer Contributions

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

OPEB Schedule of Employer Contributions

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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, 2003	\$ 42,742,199	\$ 53,720,068	\$ 10,977,869	79.56%	\$ 10,807,681	101.57%
January 1, 2004	44,436,923	69,980,362	25,543,439	63.50%	11,206,799	227.93%
January 1, 2005	46,196,524	77,847,350	31,650,826	59.34%	11,596,314	272.94%
January 1, 2006	47,954,223	75,225,579	27,271,356	63.75%	11,523,110	236.67%
January 1, 2007	48,554,265	79,750,774	31,196,509	60.88%	11,174,989	279.16%
January 1, 2008	51,540,078	83,482,716	31,942,638	61.74%	11,826,269	270.10%
January 1, 2009	49,501,736	87,467,115	37,965,379	56.59%	12,515,578	303.34%
January 1, 2010	50,493,598	91,922,237	41,428,639	54.93%	13,264,828	312.32%
January 1, 2011	51,098,589	95,577,436	44,478,847	53.46%	13,762,691	323.18%
January 1, 2012	51,876,273	101,308,983	49,432,710	51.21%	15,013,531	329.25%

OPEB Schedule of Funding Progress

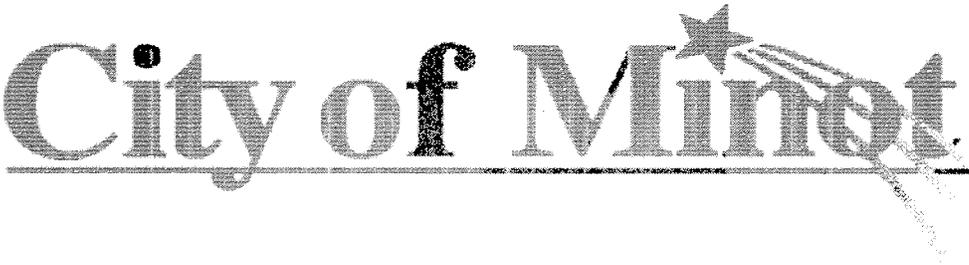
Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
January 1, 2008	\$ -	\$ 1,485,924	\$ 1,485,924	0.00%	\$ 11,826,279	12.56%
January 1, 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%
January 1, 2012	510,513	2,679,242	2,168,729	19.05%	13,700,000	15.83%

F. MUNICIPAL SOLID WASTE LANDFILL

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$639,810 reported as MSWLF closure and post-closure care liability at December 31, 2011, represents the cumulative amount reported to date based on the use of 32.26% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.7 million as the remaining estimated capacity is filled. These amounts

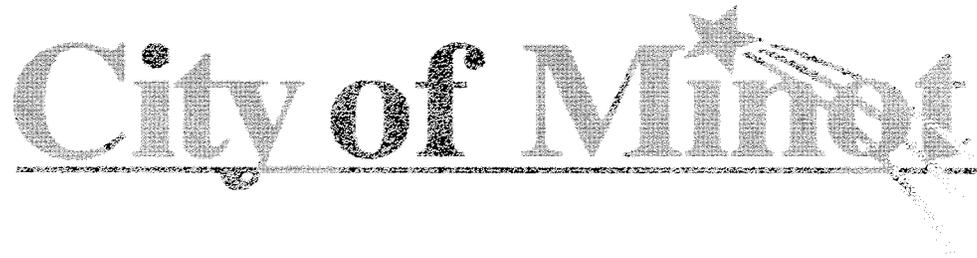
are based on what it would cost to perform all closure and post-closure care in 2011. The City expects the landfill will be operated for another 17 years with closure anticipated in the year 2028. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

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



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Supplementary Information



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City of Minot, North Dakota
Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Debt Service Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

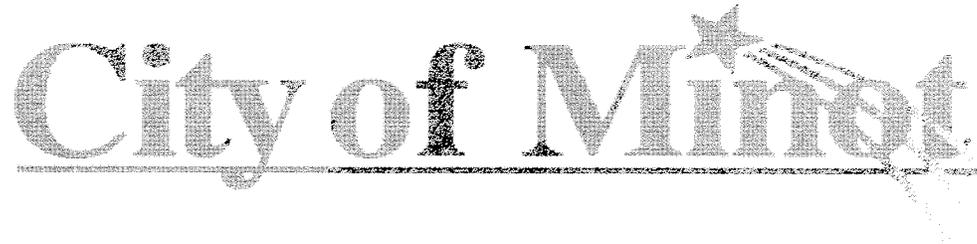
	Special Assessment Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ 2,021	\$ 2,021	\$ 23,546	\$ (21,525)	\$ 22,880
Special assessment collections	73,466	73,466	795,030	(721,564)	827,009
Interest income	-	3,853	46,357	(42,504)	57,184
Miscellaneous	-	-	-	-	75
Total revenues	<u>75,487</u>	<u>79,340</u>	<u>864,933</u>	<u>(785,593)</u>	<u>907,148</u>
EXPENDITURES					
Current					
General government	-	-	1,132	(1,132)	473
Debt service					
Principal retirement	74,688	74,688	715,000	(640,313)	1,395,000
Interest and fiscal charges	17,989	17,989	215,476	(197,487)	271,094
Total expenditures	<u>92,676</u>	<u>92,676</u>	<u>931,608</u>	<u>(838,932)</u>	<u>1,666,567</u>
Excess (deficiency) of revenues over (under) expenditures	(17,189)	(13,336)	(66,675)	53,339	(759,419)
OTHER FINANCING SOURCES (USES)					
Transfers in	49,228	37,319	181,238	(143,919)	234,096
Transfers out	-	-	(6,191)	6,191	(39,818)
Total other financing sources (uses)	<u>49,228</u>	<u>37,319</u>	<u>175,047</u>	<u>(137,728)</u>	<u>194,278</u>
Net change in fund balance	<u>\$ 32,038</u>	<u>\$ 23,983</u>	108,372	<u>\$ (84,389)</u>	(565,141)
Fund balance (deficit), January 1			<u>1,636,800</u>		<u>2,201,941</u>
Fund balance (deficit), December 31			<u>\$ 1,745,172</u>		<u>\$ 1,636,800</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2011	Total Nonmajor Governmental Funds 2010
ASSETS					
Cash and investments	\$ 6,036,823	\$ -	\$ 4,204,145	\$ 10,240,968	\$ 4,585,670
Restricted cash and investments	371,903	348,339	-	720,242	2,499,516
Taxes receivable delinquent	66,931	17,818	6,578	91,327	97,317
Special assessments receivable delinquent	627	-	-	627	-
Accounts receivable	27,925	-	38,294	66,219	103,996
Due from other funds	-	-	-	-	353,380
Intergovernmental receivable	1,779,671	288	6,261	1,786,220	183,891
Inventory	6,361	-	-	6,361	10,456
Prepaid	3,174	-	-	3,174	542
Special assessments receivable deferred	11,534	-	-	11,534	10,666
Advance to other funds	1,250,000	323,527	-	1,573,527	362,468
Total assets	<u>\$ 9,554,949</u>	<u>\$ 689,972</u>	<u>\$ 4,255,278</u>	<u>\$ 14,500,199</u>	<u>\$ 8,207,902</u>
LIABILITIES					
Accounts payable	\$ 317,028	\$ -	\$ 259,635	\$ 576,663	\$ 45,575
Retainage payable	38,181	-	205,201	243,382	28,352
Due to other funds	-	-	-	-	245,753
Accrued salaries payable	62,102	-	-	62,102	55,433
Advance from other funds	-	-	828,180	828,180	980,938
Deferred revenue	130,196	14,309	6,077	150,582	101,438
Total liabilities	<u>547,507</u>	<u>14,309</u>	<u>1,299,093</u>	<u>1,860,909</u>	<u>1,457,489</u>
FUND BALANCE					
Nonspendable	9,535	-	-	9,535	10,998
Restricted	-	348,340	-	348,340	2,608,634
Committed	1,546,719	-	151,129	1,697,848	815,234
Assigned	7,451,188	327,323	2,805,056	10,583,567	3,561,518
Unassigned	-	-	-	-	(245,971)
Total fund balance	<u>9,007,442</u>	<u>675,663</u>	<u>2,956,185</u>	<u>12,639,290</u>	<u>6,750,413</u>
Total liabilities and fund balance	<u>\$ 9,554,949</u>	<u>\$ 689,972</u>	<u>\$ 4,255,278</u>	<u>\$ 14,500,199</u>	<u>\$ 8,207,902</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2011	Total Nonmajor Governmental Funds 2010
REVENUES					
Property tax collections	\$ 2,818,689	\$ 777,137	\$ 403,889	\$ 3,999,715	\$ 4,086,744
Special assessment collections	2,861	-	-	2,861	7,010
Sales tax collections	4,243,976	-	-	4,243,976	860,020
Intergovernmental	1,587,594	-	181,340	1,768,934	1,635,732
Charges for services	1,191,807	-	590,408	1,782,215	1,054,662
Interest income	36,968	6,036	16,880	59,884	68,799
Miscellaneous	101,922	-	66,667	168,589	216,438
Total revenues	<u>9,983,817</u>	<u>783,173</u>	<u>1,259,184</u>	<u>12,026,174</u>	<u>7,929,405</u>
EXPENDITURES					
Current					
General government	1,558,938	-	54,746	1,613,684	617,530
Highways and streets	208,310	-	-	208,310	1,097,666
Culture and recreation	3,161,330	-	-	3,161,330	2,566,465
Economic Development	-	-	-	-	350
Capital outlay					
Contracted work	-	-	2,206,931	2,206,931	1,409,516
Equipment	50,568	-	878,198	928,766	2,053,340
Other	172,830	-	290,420	463,250	48,009
Acquisitions	-	-	-	-	1,501
Engineering	-	-	315,317	315,317	406,137
Debt service					
Principal retirement	-	1,510,000	-	1,510,000	1,335,000
Interest and fiscal charges	-	385,332	-	385,332	400,363
Total expenditures	<u>5,151,976</u>	<u>1,895,332</u>	<u>3,745,612</u>	<u>10,792,920</u>	<u>9,935,877</u>
Excess (deficiency) of revenues over (under) expenditures	4,831,841	(1,112,159)	(2,486,428)	1,233,254	(2,006,472)
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	-	-	4,285,000	4,285,000	-
Premium on special assessments bonds	-	-	200,025	200,025	-
Sale of City property	1,150	-	75,912	77,062	66,086
Transfers in	549,534	1,285,239	1,068,769	2,903,542	3,352,860
Transfers out	(1,201,611)	(159,113)	(1,449,282)	(2,810,006)	(2,176,668)
Total other financing sources (uses)	<u>(650,927)</u>	<u>1,126,126</u>	<u>4,180,424</u>	<u>4,655,623</u>	<u>1,242,278</u>
Net change in fund balance	4,180,914	13,967	1,693,996	5,888,877	(764,194)
Fund balance, January 1	4,826,528	661,696	1,262,189	6,750,413	7,514,607
Fund balance, December 31	<u>\$ 9,007,442</u>	<u>\$ 675,663</u>	<u>\$ 2,956,185</u>	<u>\$ 12,639,290</u>	<u>\$ 6,750,413</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.

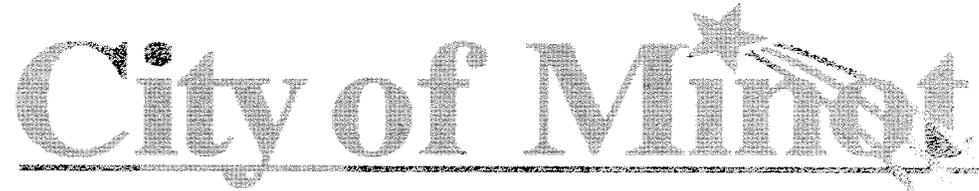
Recreation/Auditorium - To account for the operation and maintenance of the City's recreation program and facilities. Financing is provided by a specific annual property tax levy in addition to miscellaneous revenues such as user fees, concessions, and facility rentals.

Sales Tax – To receive and disburse monies dedicated to the following: property tax relief and flood control. The second penny sales tax is dedicated 30% to property tax relief and community facilities and 40% to infrastructure.

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

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

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



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City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Public Transportation	Library	Recreation Auditorium	Sales Tax Property Tax Relief-1st Penny
ASSETS				
Cash and investments	\$ 51,667	\$ 202,451	\$ 972,826	\$ 573,163
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	1,077	23,318	23,889	-
Special assessments delinquent	-	-	-	-
Accounts receivable	13,481	-	13,465	-
Due from other funds	-	-	-	-
Intergovernmental receivable	118,969	86,657	42,782	105,567
Inventory	-	-	6,361	-
Prepaid	-	1,922	1,252	-
Special assessments receivable deferred	-	-	-	-
Advance to other funds	-	-	-	-
Total assets	<u>\$ 185,194</u>	<u>\$ 314,348</u>	<u>\$ 1,060,575</u>	<u>\$ 678,730</u>
LIABILITIES				
Accounts payable	\$ 1,557	\$ 66,098	\$ 16,099	\$ -
Retainage payable	-	-	15,000	-
Due to other funds	-	-	-	-
Accrued salaries payable	11,624	24,645	25,833	-
Deferred revenue	991	18,758	76,482	-
Total liabilities	<u>14,172</u>	<u>109,501</u>	<u>133,414</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	1,922	7,613	-
Restricted	-	-	-	-
Committed	-	6,130	1,108	-
Assigned	171,022	196,795	918,440	678,730
Unassigned	-	-	-	-
Total fund balance	<u>171,022</u>	<u>204,847</u>	<u>927,161</u>	<u>678,730</u>
Total liabilities and fund balance	<u>\$ 185,194</u>	<u>\$ 314,348</u>	<u>\$ 1,060,575</u>	<u>\$ 678,730</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax			
	Flood Control	Sidewalk Improvements	Street Improvements	Demolitions
ASSETS				
Cash and investments	\$ -	\$ 6,468	\$ 2,094,298	\$ 28,254
Restricted cash and investments	371,903	-	-	-
Taxes receivable delinquent	-	-	18,647	-
Special assessments delinquent	-	627	-	-
Accounts receivable	-	979	-	-
Due from other funds	-	-	-	-
Intergovernmental receivable	364,520	7	5,496	-
Inventory	-	-	-	-
Prepaid	-	-	-	-
Special assessments receivable deferred	-	11,534	-	-
Advance to other funds	1,250,000	-	-	-
Total assets	<u>\$ 1,986,423</u>	<u>\$ 19,615</u>	<u>\$ 2,118,441</u>	<u>\$ 28,254</u>
LIABILITIES				
Accounts payable	\$ 233,274	\$ -	\$ -	\$ -
Retainage payable	23,181	-	-	-
Due to other funds	-	-	-	-
Accrued salaries payable	-	-	-	-
Deferred revenue	5,900	13,072	14,993	-
Total liabilities	<u>262,355</u>	<u>13,072</u>	<u>14,993</u>	<u>-</u>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	1,539,481	-	-	-
Assigned	184,587	6,543	2,103,448	28,254
Unassigned	-	-	-	-
Total fund balance	<u>1,724,068</u>	<u>6,543</u>	<u>2,103,448</u>	<u>28,254</u>
Total liabilities and fund balance	<u>\$ 1,986,423</u>	<u>\$ 19,615</u>	<u>\$ 2,118,441</u>	<u>\$ 28,254</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax Property Tax Relief-2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	Total 2011	Total 2010
ASSETS					
Cash and investments	\$ 632,309	\$ 843,078	\$ 632,309	\$6,036,823	\$2,337,322
Restricted cash and investments	-	-	-	371,903	2,202,085
Taxes receivable delinquent	-	-	-	66,931	77,132
Special assessments delinquent	-	-	-	627	-
Accounts receivable	-	-	-	27,925	87,859
Due from other funds	-	-	-	-	113,127
Intergovernmental receivable	316,702	422,269	316,702	1,779,671	168,628
Inventory	-	-	-	6,361	10,456
Prepaid	-	-	-	3,174	542
Special assessments receivable deferred	-	-	-	11,534	10,666
Advance to other funds	-	-	-	1,250,000	-
Total assets	<u>\$ 949,011</u>	<u>\$ 1,265,347</u>	<u>\$ 949,011</u>	<u>\$9,554,949</u>	<u>\$5,007,817</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 317,028	\$ 23,967
Retainage payable	-	-	-	38,181	13,550
Due to other funds	-	-	-	-	5,500
Accrued salaries payable	-	-	-	62,102	55,433
Deferred revenue	-	-	-	130,196	82,839
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>547,507</u>	<u>181,289</u>
FUND BALANCE					
Nonspendable	-	-	-	9,535	10,998
Restricted	-	-	-	-	2,205,527
Committed	-	-	-	1,546,719	-
Assigned	949,011	1,265,347	949,011	7,451,188	2,615,721
Unassigned	-	-	-	-	(5,718)
Total fund balance	<u>949,011</u>	<u>1,265,347</u>	<u>949,011</u>	<u>9,007,442</u>	<u>4,826,528</u>
Total liabilities and fund balance	<u>\$ 949,011</u>	<u>\$ 1,265,347</u>	<u>\$ 949,011</u>	<u>\$9,554,949</u>	<u>\$5,007,817</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Public Transportation	Library	Recreation Auditorium	Sales Tax Property Tax Relief-1st Penny
REVENUES				
Property tax collections	\$ 3,494	\$ 1,002,896	\$ 995,346	\$ -
Special assessment collections	-	-	-	-
Sales tax collections	-	-	-	1,080,609
Intergovernmental	416,796	173,582	31,093	-
Charges for services	87,818	18,670	1,085,319	-
Interest income	701	3,738	6,762	3,177
Miscellaneous	14,592	21,149	66,181	-
Total revenues	523,401	1,220,035	2,184,701	1,083,786
EXPENDITURES				
Current				
General government	614,347	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	1,089,494	2,071,836	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	34,750	-	15,818	-
Other	-	172,830	-	-
Engineering	-	-	-	-
Total expenditures	649,097	1,262,324	2,087,654	-
Excess (deficiency) of revenues over (under) expenditures	(125,696)	(42,289)	97,047	1,083,786
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	1,150	-
Transfers in	-	127,900	99,400	-
Transfers out	(687)	-	(6,379)	(1,068,986)
Total other financing sources (uses)	(687)	127,900	94,171	(1,068,986)
Net change in fund balance	(126,383)	85,611	191,218	14,800
Fund balance (deficit), January 1	297,405	119,236	735,943	663,930
Fund balance (deficit), December 31	\$ 171,022	\$ 204,847	\$ 927,161	\$ 678,730

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax			
	Flood Control	Sidewalk Improvements	Street Improvements	Demolitions
REVENUES				
Property tax collections	\$ -	\$ 10,835	\$ 806,118	\$ -
Special assessment collections	-	1,914	-	947
Sales tax collections	-	-	-	-
Intergovernmental	466,079	-	500,044	-
Charges for services	-	-	-	-
Interest income	11,963	35	9,818	216
Miscellaneous	-	-	-	-
Total revenues	478,042	12,784	1,315,980	1,163
EXPENDITURES				
Current				
General government	944,096	495	-	-
Highways and streets	-	-	208,310	-
Culture and recreation	-	-	-	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	-	-	-	-
Other	-	-	-	-
Engineering	-	-	-	-
Total expenditures	944,096	495	208,310	-
Excess (deficiency) of revenues over (under) expenditures	(466,054)	12,289	1,107,670	1,163
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	-	-
Transfers in	-	-	322,234	-
Transfers out	(11,963)	(28)	(112,853)	(159)
Total other financing sources (uses)	(11,963)	(28)	209,381	(159)
Net change in fund balance	(478,017)	12,261	1,317,051	1,004
Fund balance (deficit), January 1	2,202,085	(5,718)	786,397	27,250
Fund balance (deficit), December 31	\$ 1,724,068	\$ 6,543	\$ 2,103,448	\$ 28,254

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax Property Tax Relief-2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	Total 2011	Total 2010
REVENUES					
Property tax collections	\$ -	\$ -	\$ -	\$2,818,689	\$3,118,659
Special assessment collections	-	-	-	2,861	7,010
Sales tax collections	949,010	1,265,347	949,010	4,243,976	860,020
Intergovernmental	-	-	-	1,587,594	1,031,256
Charges for services	-	-	-	1,191,807	589,333
Interest income	168	222	168	36,968	39,879
Miscellaneous	-	-	-	101,922	194,034
Total revenues	<u>949,178</u>	<u>1,265,569</u>	<u>949,178</u>	<u>9,983,817</u>	<u>5,840,191</u>
EXPENDITURES					
Current					
General government	-	-	-	1,558,938	564,080
Highways and streets	-	-	-	208,310	1,097,626
Culture and recreation	-	-	-	3,161,330	2,435,819
Capital outlay					
Contracted work	-	-	-	-	561,578
Equipment	-	-	-	50,568	739,837
Other	-	-	-	172,830	46,941
Engineering	-	-	-	-	375,811
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,151,976</u>	<u>5,821,692</u>
Excess (deficiency) of revenues over (under) expenditures	949,178	1,265,569	949,178	4,831,841	18,499
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	1,150	-
Transfers in	-	-	-	549,534	711,199
Transfers out	(167)	(222)	(167)	(1,201,611)	(972,166)
Total other financing sources (uses)	<u>(167)</u>	<u>(222)</u>	<u>(167)</u>	<u>(650,927)</u>	<u>(260,967)</u>
Net change in fund balance	949,011	1,265,347	949,011	4,180,914	(242,468)
Fund balance (deficit), January 1	-	-	-	4,826,528	5,068,996
Fund balance (deficit), December 31	<u>\$ 949,011</u>	<u>\$ 1,265,347</u>	<u>\$ 949,011</u>	<u>\$ 9,007,442</u>	<u>\$ 4,826,528</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Public Transportation				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ -	\$ -	\$ 3,494	\$ (3,494)	\$ 205,546
Intergovernmental	599,769	599,769	416,796	182,973	942,142
Charges for services	92,363	92,363	87,818	4,545	94,017
Interest income	-	-	701	(701)	1,489
Miscellaneous	5,915	5,915	14,592	(8,677)	17,109
Total revenues	<u>698,047</u>	<u>698,047</u>	<u>523,401</u>	<u>174,646</u>	<u>1,260,303</u>
EXPENDITURES					
Current					
General government	592,897	592,897	614,347	(21,450)	559,968
Capital outlay					
Equipment	40,000	80,000	34,750	45,250	703,256
Total expenditures	<u>632,897</u>	<u>672,897</u>	<u>649,097</u>	<u>23,800</u>	<u>1,263,224</u>
Excess (deficiency) of revenues over (under) expenditures	65,150	25,150	(125,696)	150,846	(2,921)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(687)	687	(1,440)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(687)</u>	<u>687</u>	<u>(1,440)</u>
Net change in fund balance	<u>\$ 65,150</u>	<u>\$ 25,150</u>	<u>(126,383)</u>	<u>\$ 151,533</u>	<u>(4,361)</u>
Fund balance (deficit), January 1			<u>297,405</u>		<u>301,766</u>
Fund balance (deficit), December 31			<u>\$ 171,022</u>		<u>\$ 297,405</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Library				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$1,032,399	\$1,032,399	\$1,002,896	\$ 29,503	\$ 981,610
Intergovernmental	84,114	86,364	173,582	(87,218)	89,114
Charges for services	21,000	21,000	18,670	2,330	21,506
Interest income	4,500	4,500	3,738	762	3,327
Miscellaneous	26,586	26,586	21,149	5,437	30,864
Total revenues	<u>1,168,599</u>	<u>1,170,849</u>	<u>1,220,035</u>	<u>(49,186)</u>	<u>1,126,421</u>
EXPENDITURES					
Current					
Culture and recreation	1,107,406	1,235,306	1,089,494	145,812	1,117,829
Capital outlay					
Equipment	6,000	6,000	-	6,000	-
Other	176,093	176,093	172,830	3,263	-
Total expenditures	<u>1,289,499</u>	<u>1,417,399</u>	<u>1,262,324</u>	<u>155,075</u>	<u>1,117,829</u>
Excess (deficiency) of revenues over (under) expenditures	(120,900)	(246,550)	(42,289)	(204,261)	8,592
OTHER FINANCING SOURCES (USES)					
Transfers in	127,900	127,900	127,900	-	(1,101)
Total other financing sources (uses)	<u>127,900</u>	<u>127,901</u>	<u>127,900</u>	<u>-</u>	<u>(1,101)</u>
Net change in fund balance	<u>\$ 7,000</u>	<u>\$ (118,649)</u>	85,611	<u>\$ (204,261)</u>	7,491
Fund balance (deficit), January 1			119,236		111,745
Fund balance (deficit), December 31			<u>\$ 204,847</u>		<u>\$ 119,236</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Recreation/Auditorium				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ 1,023,696	\$ 1,023,696	\$ 995,346	\$ 28,350	\$ 1,105,119
Intergovernmental	-	47,330.00	31,093	16,237	-
Charges for services	375,000	1,025,688	1,085,319	(59,631)	473,810
Interest income	-	-	6,762	(6,762)	4,070
Miscellaneous	10,000	10,000	66,181	(56,181)	65,387
Total revenues	<u>1,408,696</u>	<u>2,106,714</u>	<u>2,184,701</u>	<u>(77,987)</u>	<u>1,648,386</u>
EXPENDITURES					
Current					
Culture and recreation	1,387,696	2,041,056	2,071,836	(30,780)	1,317,990
Capital outlay					
Equipment	21,000	21,000	15,818	5,182	36,581
Total expenditures	<u>1,408,696</u>	<u>2,062,056</u>	<u>2,087,654</u>	<u>(25,598)</u>	<u>1,354,571</u>
Excess (deficiency) of revenues over (under) expenditures	-	44,658	97,047	(52,389)	293,815
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	1,150	(1,150)	-
Transfers in	-	-	99,400	(99,400)	407,283
Transfers out	-	-	(6,379)	6,379	(3,832)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>94,171</u>	<u>(94,171)</u>	<u>403,451</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 44,658</u>	191,218	<u>\$ (146,560)</u>	697,266
Fund balance (deficit), January 1			735,943		38,677
Fund balance (deficit), December 31			<u>\$ 927,161</u>		<u>\$ 735,943</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	<u>Sales Tax Property Relief-1st Penny</u>			
	<u>Original & Final Budgeted Amounts</u>	<u>2011 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2010 Actual Amounts</u>
REVENUES				
Sales tax collections	\$ 749,719	\$1,080,609	\$ (330,890)	\$ 860,020
Interest income	-	3,177	(3,177)	3,122
Total revenues	<u>749,719</u>	<u>1,083,786</u>	<u>(334,067)</u>	<u>863,142</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,065,809)</u>	<u>(1,068,986)</u>	<u>3,177</u>	<u>(739,127)</u>
Total other financing sources (uses)	<u>(1,065,809)</u>	<u>(1,068,986)</u>	<u>3,177</u>	<u>(739,127)</u>
Net change in fund balance	<u>\$ (316,090)</u>	14,800	<u>\$ (330,890)</u>	124,015
Fund balance (deficit), January 1		663,930		539,915
Fund balance (deficit), December 31		<u>\$ 678,730</u>		<u>\$ 663,930</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	<u>Sidewalk</u>			
	Original & Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES				
Property tax collections	\$ 10,530	\$ 10,835	\$ (305)	\$ 60,830
Special assessment collections	-	1,914	(1,914)	2,877
Interest income	-	35	(35)	12
Total revenues	<u>10,530</u>	<u>12,784</u>	<u>(2,254)</u>	<u>63,719</u>
EXPENDITURES				
General government	10,530	495	10,035	4,112
Total expenditures	<u>10,530</u>	<u>495</u>	<u>10,035</u>	<u>4,112</u>
Excess (deficiency) of revenues over (under) expenditures	-	12,289	(12,289)	59,607
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	205
Transfers out	-	(28)	28	-
Total other financing sources (uses)	<u>-</u>	<u>(28)</u>	<u>28</u>	<u>205</u>
Net change in fund balance	<u>\$ -</u>	<u>12,261</u>	<u>\$ (12,261)</u>	<u>59,812</u>
Fund balance (deficit), January 1		(5,718)		(65,530)
Fund balance (deficit), December 31		<u>\$ 6,543</u>		<u>\$ (5,718)</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Street Improvement			
	Original & Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES				
Property tax collections	\$ 830,000	\$ 806,118	\$ 23,882	\$ 765,498
Intergovernmental	-	500,044	(500,044)	-
Interest income	-	9,818	(9,818)	12,984
Miscellaneous income	-	-	-	80,674
Total revenues	<u>830,000</u>	<u>1,315,980</u>	<u>(485,980)</u>	<u>859,156</u>
EXPENDITURES				
Highways and streets	980,000	208,310	771,690	1,097,626
Capital outlay				
Contracted outlay	-	-	-	561,578
Other	-	-	-	46,941
Engineering	-	-	-	375,811
Total expenditures	<u>980,000</u>	<u>208,310</u>	<u>771,690</u>	<u>2,081,956</u>
Excess (deficiency) of revenues over (under) expenditures	(150,000)	1,107,670	(1,257,670)	(1,222,800)
OTHER FINANCING SOURCES (USES)				
Transfer in	200,000	322,234	(122,234)	303,711
Transfers out	(50,000)	(112,853)	62,853	(212,779)
Total other financing sources (uses)	<u>150,000</u>	<u>209,381</u>	<u>(59,381)</u>	<u>90,932</u>
Net change in fund balance	<u>\$ -</u>	1,317,051	<u>\$ (1,317,051)</u>	(1,131,868)
Fund balance (deficit), January 1		<u>786,397</u>		<u>1,918,265</u>
Fund balance (deficit), December 31		<u>\$ 2,103,448</u>		<u>\$ 786,397</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

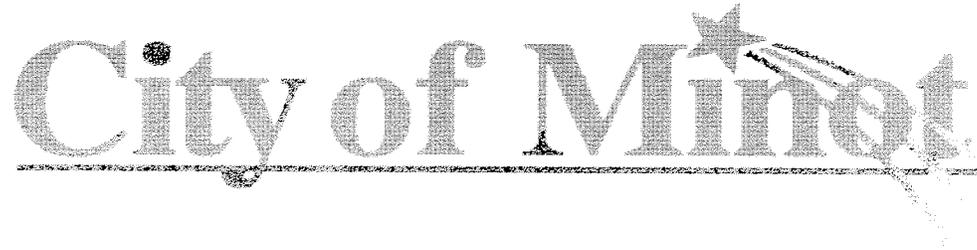
	Sales Tax Property Tax Relief - 2nd Penny				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Sales tax collections	\$ -	\$ 562,289	\$ 949,010	\$ (386,721)	\$ -
Interest income	-	-	168	(168)	-
Total revenues	-	562,289	949,178	(386,889)	-
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(562,289)	(167)	(562,122)	-
Total other financing sources (uses)	-	(562,289)	(167)	(562,122)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	949,011	<u>\$ (949,011)</u>	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			<u>\$ 949,011</u>		<u>\$ -</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Sales Tax Infrastructure				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Sales tax collections	\$ -	\$ 749,719	\$ 1,265,347	\$ (515,628)	\$ -
Interest income	-	-	222	(222)	-
Total revenues	-	749,719	1,265,569	(515,850)	-
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(749,719)	(222)	(749,497)	-
Total other financing sources (uses)	-	(749,719)	(222)	(749,497)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,265,347	<u>\$ (1,265,347)</u>	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			<u>\$ 1,265,347</u>		<u>\$ -</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	<u>Sales Tax Community Facilities</u>				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Sales tax collections	\$ -	\$ 562,289	\$ 949,010	\$ (386,721)	\$ -
Interest income	-	-	168	(168)	-
Total revenues	-	562,289	949,178	(386,889)	-
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(562,289)	(167)	(562,122)	-
Total other financing sources (uses)	-	(562,289)	(167)	(562,122)	-
Net change in fund balance	\$ -	\$ -	949,011	\$ (949,011)	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			<u>\$ 949,011</u>		<u>\$ -</u>



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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, 2011
With Comparative Totals for December 31, 2010

	Highway Debt 2011	Highway Debt 2010
ASSETS		
Restricted cash and investments	\$ 348,339	\$ 297,431
Taxes receivable delinquent	17,818	20,185
Intergovernmental receivable	288	211
Advance to other funds	323,527	362,468
Total assets	<u>\$ 689,972</u>	<u>\$ 680,295</u>
LIABILITIES		
Deferred revenue	\$ 14,309	\$ 18,599
Total liabilities	<u>14,309</u>	<u>18,599</u>
FUND BALANCE		
Restricted	348,340	299,228
Assigned	327,323	362,468
Total fund balance	<u>675,663</u>	<u>661,696</u>
Total liabilities and fund balance	<u>\$ 689,972</u>	<u>\$ 680,295</u>

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Highway Debt 2011	Highway Debt 2010
REVENUES		
Property tax collections	\$ 777,137	\$ 726,353
Interest income	6,036	12,161
Total revenues	<u>783,173</u>	<u>738,514</u>
EXPENDITURES		
Debt service		
Principal retirement	1,510,000	1,335,000
Interest and fiscal charges	385,332	400,363
Total expenditures	<u>1,895,332</u>	<u>1,735,363</u>
Excess (deficiency) of revenues over (under) expenditures	(1,112,159)	(996,849)
OTHER FINANCING SOURCES (USES)		
Transfers in	1,285,239	952,653
Transfers out	(159,113)	(648,589)
Total other financing sources (uses)	<u>1,126,126</u>	<u>304,064</u>
Net change in fund balance	13,967	(692,785)
Fund balance, January 1	661,696	1,354,481
Fund balance, December 31	<u>\$ 675,663</u>	<u>\$ 661,696</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Nonmajor Debt Service Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Highway Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ 66,538	\$ 66,538	\$ 777,137	\$ (710,599)	\$ 726,353
Interest income	-	-	6,036	(6,036)	12,161
Total revenues	<u>66,538</u>	<u>66,538</u>	<u>783,173</u>	<u>(716,635)</u>	<u>738,514</u>
EXPENDITURES					
Debt service					
Principal retirement	127,708	127,396	1,510,000	(1,382,604)	1,335,000
Interest and fiscal charges	34,002	31,276	385,332	(354,056)	400,363
Total expenditures	<u>161,711</u>	<u>158,671</u>	<u>1,895,332</u>	<u>(1,736,661)</u>	<u>1,735,363</u>
Excess (deficiency) of revenues over (under) expenditures	(95,172)	(92,133)	(1,112,159)	1,020,026	(996,849)
OTHER FINANCING SOURCES (USES)					
Transfers in	85,389	83,777	1,285,239	(1,201,462)	952,653
Transfers out	-	-	(159,113)	159,113	(648,589)
Total other financing sources (uses)	<u>85,389</u>	<u>83,777</u>	<u>1,126,126</u>	<u>(1,042,349)</u>	<u>304,064</u>
Net change in fund balance	<u>\$ (9,784)</u>	<u>\$ (8,357)</u>	13,967	<u>\$ (22,324)</u>	(692,785)
Fund balance (deficit), January 1			661,696		1,354,481
Fund balance (deficit), December 31			<u>\$ 675,663</u>		<u>\$ 661,696</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, 2011
With Comparative Totals for December 31, 2010

	Sports Complex	Special Assessment Capital	Fire Equipment	Sales Tax Capital	Library Construction
ASSETS					
Cash and investments	\$ 423,193	\$ 1,168,708	\$ 431,520	\$ 9,651	\$ -
Taxes receivable delinquent	-	-	5,441	-	-
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Intergovernmental receivable	-	-	30	-	-
Total assets	<u>\$ 423,193</u>	<u>\$ 1,168,708</u>	<u>\$ 436,991</u>	<u>\$ 9,651</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ 259,606	\$ -	\$ 29	\$ -
Retainage payable	-	205,201	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenue	-	-	5,027	-	-
Advance from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>464,807</u>	<u>5,027</u>	<u>29</u>	<u>-</u>
FUND BALANCE					
Restricted	-	-	-	-	-
Committed	2,250	-	-	-	-
Assigned	420,943	703,901	431,964	9,622	-
Unassigned	-	-	-	-	-
Total fund balance	<u>423,193</u>	<u>703,901</u>	<u>431,964</u>	<u>9,622</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 423,193</u>	<u>\$ 1,168,708</u>	<u>\$ 436,991</u>	<u>\$ 9,651</u>	<u>\$ -</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	CDBG				
	Storm Sewer Development	and EDA	Equipment Purchase	Total 2011	Total 2010
ASSETS					
Cash and investments	\$ 1,815,883	\$ 148,879	\$ 206,311	\$ 4,204,145	\$ 2,248,348
Taxes receivable delinquent	-	-	1,137	6,578	-
Accounts receivable	38,294	-	-	38,294	16,137
Due from other funds	-	-	-	-	240,253
Intergovernmental receivable	-	-	6,231	6,261	15,052
Total assets	<u>\$ 1,854,177</u>	<u>\$ 148,879</u>	<u>\$ 213,679</u>	<u>\$ 4,255,278</u>	<u>\$ 2,519,790</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 259,635	\$ 21,608
Retainage payable	-	-	-	205,201	14,802
Due to other funds	-	-	-	-	240,253
Deferred revenue	-	-	1,050	6,077	-
Advance from other funds	828,180	-	-	828,180	980,938
Total liabilities	<u>828,180</u>	<u>-</u>	<u>1,050</u>	<u>1,299,093</u>	<u>1,257,601</u>
FUND BALANCE					
Restricted	-	-	-	-	103,879
Committed	-	148,879	-	151,129	815,234
Assigned	1,025,997	-	212,629	2,805,056	583,329
Unassigned	-	-	-	-	(240,253)
Total fund balance	<u>1,025,997</u>	<u>148,879</u>	<u>212,629</u>	<u>2,956,185</u>	<u>1,262,189</u>
Total liabilities and fund balance	<u>\$ 1,854,177</u>	<u>\$ 148,879</u>	<u>\$ 213,679</u>	<u>\$ 4,255,278</u>	<u>\$ 2,519,790</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, 2011
With Comparative Totals for December 31, 2010

	Sertoma Sports Complex	Special Assessment Capital	Fire Equipment	Sales Tax Capital	Library
REVENUES					
Property tax collections	\$ -	\$ -	\$ 98,123	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest income	2,434	-	2,461	567	-
Miscellaneous	-	-	100	-	16,567
Total revenues	<u>2,434</u>	<u>-</u>	<u>100,684</u>	<u>567</u>	<u>16,567</u>
EXPENDITURES					
Current					
General government	-	9,841	-	328	77
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay					
Contracted work	2,958	2,198,973	-	-	-
Equipment	-	-	61,961	-	-
Other	-	290,420	-	-	-
Acquisitions	-	-	-	-	-
Engineering	-	315,317	-	-	-
Total expenditures	<u>2,958</u>	<u>2,814,551</u>	<u>61,961</u>	<u>328</u>	<u>77</u>
Excess (deficiency) of revenues over (under) expenditures	(524)	(2,814,551)	38,723	239	16,490
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	-	4,285,000	-	-	-
Premium on special assessments bonds	-	200,025	-	-	-
Sale of City property	-	-	-	-	-
Transfers in	266,740	501,952	65,000	-	77
Transfers out	(119,854)	(1,244,839)	(5,470)	(567)	-
Total other financing sources (uses)	<u>146,886</u>	<u>3,742,138</u>	<u>59,530</u>	<u>(567)</u>	<u>77</u>
Net change in fund balance	146,362	927,587	98,253	(328)	16,567
Fund balance (deficit), January 1	276,831	(223,686)	333,711	9,950	(16,567)
Fund balance (deficit), December 31	<u>\$ 423,193</u>	<u>\$ 703,901</u>	<u>\$ 431,964</u>	<u>\$ 9,622</u>	<u>\$ -</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, 2011
With Comparative Totals for December 31, 2010

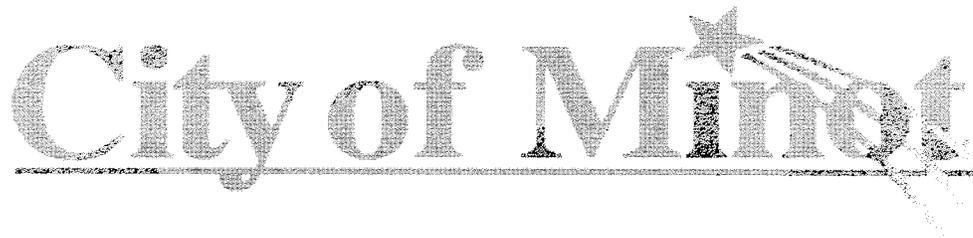
	Storm Sewer Development	CDBG and EDA	Equipment Purchase	Total 2011	Total 2010
REVENUES					
Property tax collections	\$ -	\$ -	\$ 305,766	\$ 403,889	\$ 241,732
Intergovernmental	-	-	181,340	181,340	604,476
Charges for services	590,408	-	-	590,408	465,329
Interest income	9,503	-	1,915	16,880	16,759
Miscellaneous	-	50,000	-	66,667	22,404
Total revenues	599,911	50,000	489,021	1,259,184	1,350,700
EXPENDITURES					
Current					
General government	44,060	-	440	54,746	53,450
Highways and streets	-	-	-	-	40
Culture and recreation	-	-	-	-	130,646
Economic development	-	-	-	-	350
Capital outlay					
Contracted work	-	5,000	-	2,206,931	847,938
Equipment	-	-	816,237	878,198	1,313,503
Other	-	-	-	290,420	1,068
Acquisitions	-	-	-	-	1,501
Engineering	-	-	-	315,317	30,326
Total expenditures	44,060	5,000	816,677	3,745,612	2,378,822
Excess (deficiency) of revenues over (under) expenditures	555,851	45,000	(327,656)	(2,486,428)	(1,028,122)
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	-	-	-	4,285,000	-
Premium on special assessments bonds	-	-	-	200,025	-
Sale of City property	-	-	75,912	75,912	66,086
Transfers in	-	-	235,000	1,068,769	1,689,008
Transfers out	(69,957)	-	(8,595)	(1,449,282)	(555,913)
Total other financing sources (uses)	(69,957)	-	302,317	4,180,424	1,199,181
Net change in fund balance	485,894	45,000	(25,339)	1,693,996	171,059
Fund balance (deficit), January 1	540,103	103,879	237,968	1,262,189	1,091,130
Fund balance (deficit), December 31	\$ 1,025,997	\$ 148,879	\$ 212,629	\$ 2,956,185	\$ 1,262,189

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Fire Equipment				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ 103,000	\$ 103,000	\$ 98,123	\$ 4,877	\$ 1,621
Intergovernmental	450,000	509,995	-	509,995	299,534
Interest income	-	-	2,461	(2,461)	-
Miscellaneous	-	-	100	(100)	3,828
Total revenues	<u>553,000</u>	<u>612,995</u>	<u>100,684</u>	<u>512,311</u>	<u>304,983</u>
EXPENDITURES					
Capital outlay					
Contracted work	-	-	-	-	474,166
Equipment	618,000	959,604	61,961	897,643	597,848
Other	-	-	-	-	68
Acquisitions	-	-	-	-	1,501
Engineering	-	-	-	-	26,483
Total expenditures	<u>618,000</u>	<u>959,604</u>	<u>61,961</u>	<u>897,643</u>	<u>1,100,066</u>
Excess (deficiency) of revenues over (under) expenditures	(65,000)	(346,609)	38,723	(385,332)	(795,083)
OTHER FINANCING SOURCES (USES)					
Transfers in	65,000	65,000	65,000	-	429,114
Transfers out	-	-	(5,470)	5,470	(6,815)
Total other financing sources (uses)	<u>65,000</u>	<u>65,000</u>	<u>59,530</u>	<u>5,470</u>	<u>422,299</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (281,609)</u>	98,253	<u>\$ (379,862)</u>	(372,784)
Fund balance (deficit), January 1			<u>333,711</u>		<u>706,495</u>
Fund balance (deficit), December 31			<u>\$ 431,964</u>		<u>\$ 333,711</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Fund
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Equipment Purchase				
	Original Budgeted Amounts	Final Budgeted Amounts	2011 Actual Amounts	Variance with Final Budget	2010 Actual Amounts
REVENUES					
Property tax collections	\$ 322,240	\$ 338,816	\$ 305,766	\$ 33,050	\$ 240,111
Intergovernmental	-	-	181,340	(181,340)	304,942
Interest income	-	-	1,915	(1,915)	459
Miscellaneous	-	-	-	-	2,080
Total revenues	<u>322,240</u>	<u>338,816</u>	<u>489,021</u>	<u>(150,205)</u>	<u>547,592</u>
EXPENDITURES					
Current					
General government	-	-	440	(440)	898
Capital outlay					
Equipment	624,240	995,492	816,237	179,255	708,155
Total expenditures	<u>624,240</u>	<u>995,492</u>	<u>816,677</u>	<u>178,815</u>	<u>709,053</u>
Excess (deficiency) of revenues over (under) expenditures	(302,000)	(656,676)	(327,656)	(329,020)	(161,461)
OTHER FINANCING SOURCES (USES)					
Sale of City property	67,000	67,000	75,912	(8,912)	66,086
Transfers in	235,000	235,000	235,000	-	345,626
Transfers out	-	-	(8,595)	8,595	(27,459)
Total other financing sources (uses)	<u>302,000</u>	<u>302,000</u>	<u>302,317</u>	<u>(317)</u>	<u>384,253</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (354,676)</u>	<u>(25,339)</u>	<u>\$ (329,337)</u>	<u>222,792</u>
Fund balance (deficit), January 1			<u>237,968</u>		<u>15,176</u>
Fund balance (deficit), December 31			<u>\$ 212,629</u>		<u>\$ 237,968</u>



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City of Minot, North Dakota
Nonmajor Enterprise Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Assets
Nonmajor Proprietary Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	<u>Nonmajor Business-Type Activities</u>		<u>Total Nonmajor Proprietary Funds 2011</u>	<u>Total Nonmajor Proprietary Funds 2010</u>
	<u>Cemetery</u>	<u>Parking Authority</u>		
ASSETS				
Current				
Cash and cash equivalents	\$ 77,691	\$ 244,376	\$ 322,067	\$ 344,608
Restricted cash and cash equivalents	54,277	-	54,277	48,349
Taxes receivable delinquent	41	-	41	138
Accounts receivable	6,005	-	6,005	10,300
Intergovernmental receivable	340	-	340	1
Prepaid	452	-	452	20
Total current assets	<u>138,806</u>	<u>244,376</u>	<u>383,182</u>	<u>403,416</u>
Noncurrent assets				
Capital assets				
Land	179,504	136,397	315,901	315,901
Buildings	150,885	43,172	194,057	194,057
Equipment	164,617	322,867	487,484	445,294
Infrastructure	34,197	125,959	160,156	160,156
Total capital assets	<u>529,203</u>	<u>628,395</u>	<u>1,157,598</u>	<u>1,115,408</u>
Less-accumulated depreciation	<u>(267,753)</u>	<u>(407,763)</u>	<u>(675,516)</u>	<u>(646,381)</u>
Net capital assets	<u>261,450</u>	<u>220,632</u>	<u>482,082</u>	<u>469,027</u>
Total assets	<u>\$ 400,256</u>	<u>\$ 465,008</u>	<u>\$ 865,264</u>	<u>\$ 872,443</u>
LIABILITIES				
Current liabilities				
Accounts payable	\$ 642	\$ 3,047	\$ 3,689	\$ 16,703
Accrued salaries payable	5,984	2,297	8,281	7,404
Compensated absences	4,054	-	4,054	3,239
Total current liabilities	<u>10,680</u>	<u>5,344</u>	<u>16,024</u>	<u>27,346</u>
Long-term liabilities				
Compensated absences	7,528	-	7,528	6,015
Customer deposits	-	600	600	600
Total long-term liabilities	<u>7,528</u>	<u>600</u>	<u>8,128</u>	<u>6,615</u>
Total liabilities	<u>18,208</u>	<u>5,944</u>	<u>24,152</u>	<u>33,961</u>
NET ASSETS				
Invested in capital assets, net of related debt	261,450	220,632	482,082	469,027
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for fountain, entrance, memorials	16,027	-	16,027	10,099
Assigned	66,321	238,432	304,753	321,106
Total net assets	<u>\$ 382,048</u>	<u>\$ 459,064</u>	<u>\$ 841,112</u>	<u>\$ 838,482</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, 2011
With Comparative Totals for December 31, 2010

	<u>Nonmajor Business-Type Activities</u>		<u>Total Nonmajor Proprietary Funds 2011</u>	<u>Total Nonmajor Proprietary Funds 2010</u>
	<u>Cemetery</u>	<u>Parking Authority</u>		
OPERATING REVENUES				
Charges for services	\$ 254,550	\$ 143,438	\$ 397,988	\$ 416,815
Miscellaneous	5,325	-	5,325	-
Total operating revenues	<u>259,875</u>	<u>143,438</u>	<u>403,313</u>	<u>416,815</u>
OPERATING EXPENSES				
Salaries	169,599	57,437	227,036	212,098
Employee benefits	40,687	4,912	45,599	41,789
Professional services	17	550	567	30
Property services	15,966	23,621	39,587	52,712
Purchased services	5,107	3,672	8,779	11,616
Supplies	22,192	8,552	30,744	39,035
Sundry	32,656	8,766	41,422	39,325
Depreciation	18,278	10,857	29,135	22,997
Total operating expenses	<u>304,502</u>	<u>118,367</u>	<u>422,869</u>	<u>419,602</u>
Operating income (loss)	(44,627)	25,071	(19,556)	(2,787)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	2	-	2	6,965
Intergovernmental revenues	10,964	-	10,964	744
Interest income	746	1,912	2,658	2,387
Miscellaneous income	9,534	1,136	10,670	5,339
Total non-operating revenues (expenses)	<u>21,246</u>	<u>3,048</u>	<u>24,294</u>	<u>15,435</u>
Income (loss) before contributions and transfers	<u>(23,381)</u>	<u>28,119</u>	<u>4,738</u>	<u>12,648</u>
Capital contributions	-	-	-	61,109
Sale of City property	-	-	-	(9,493)
Transfers out	(746)	(1,362)	(2,108)	(2,387)
Total contributions and transfers	<u>(746)</u>	<u>(1,362)</u>	<u>(2,108)</u>	<u>49,229</u>
Change in net assets	(24,127)	26,757	2,630	61,877
Net assets, January 1	406,175	432,307	838,482	776,605
Net assets, December 31	<u>\$ 382,048</u>	<u>\$ 459,064</u>	<u>\$ 841,112</u>	<u>\$ 838,482</u>

City of Minot, North Dakota
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2011	Total Nonmajor Proprietary Funds 2010
	Cemetery	Parking Authority		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 263,835	\$ 143,438	\$ 407,273	\$ 416,483
Payments to suppliers	(75,758)	(58,355)	(134,113)	(129,526)
Payments to employees	(207,172)	(62,258)	(269,430)	(253,197)
Due from (to) other agencies	(339)	-	(339)	4
Net cash provided (used) by operating activities	<u>(19,434)</u>	<u>22,825</u>	<u>3,391</u>	<u>33,764</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	20,500	1,136	21,636	13,048
Transfers out	(746)	(1,362)	(2,108)	(2,387)
Net cash provided (used) by noncapital financing activities	<u>19,754</u>	<u>(226)</u>	<u>19,528</u>	<u>10,661</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	61,109
Acquisition and construction of capital assets	(17,250)	(24,940)	(42,190)	(84,383)
Disposal of capital asset	-	-	-	(9,493)
Net cash provided (used) by capital and related financing activities	<u>(17,250)</u>	<u>(24,940)</u>	<u>(42,190)</u>	<u>(32,767)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	746	1,912	2,658	2,387
Net cash provided by investing activities	<u>746</u>	<u>1,912</u>	<u>2,658</u>	<u>2,387</u>
Net increase (decrease) in cash and cash equivalents	(16,184)	(429)	(16,613)	14,045
Cash and investments, January 1	148,152	244,805	392,957	378,912
Cash and investments, December 31	<u>\$ 131,968</u>	<u>\$ 244,376</u>	<u>\$ 376,344</u>	<u>\$ 392,957</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 77,691	\$ 244,376	\$ 322,067	\$ 344,608
Restricted cash and cash equivalents	54,277	-	54,277	48,349
Total cash and equivalents on the Statement of Net Assets	<u>\$ 131,968</u>	<u>\$ 244,376</u>	<u>\$ 376,344</u>	<u>\$ 392,957</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (44,627)	\$ 25,071	\$ (19,556)	\$ (2,787)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	18,278	10,857	29,135	22,997
Change in assets and liabilities:				
Taxes receivable delinquent	97	-	97	109
Receivables, net	4,295	-	4,295	(425)
Intergovernmental receivable	(339)	-	(339)	4
Prepaid	(432)	-	(432)	(16)
Accounts payable	180	(13,194)	(13,014)	13,192
Accrued salaries payable	3,114	91	3,205	690
Net cash provided (used) by operating activities	<u>\$ (19,434)</u>	<u>\$ 22,825</u>	<u>\$ 3,391</u>	<u>\$ 33,764</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, 2011
With Comparative Totals for December 31, 2010

	Central Garage	Self Insurance	Total Internal Service Funds 2011	Total Internal Service Funds 2010
ASSETS				
Cash and investments	\$ 54,613	\$ 1,412,336	\$ 1,466,949	\$ 1,250,835
Accounts receivable	8,578	-	8,578	6,556
Inventory	359,544	-	359,544	308,656
Prepaid	-	-	-	62,931
Total assets	<u>\$ 422,735</u>	<u>\$ 1,412,336</u>	<u>\$ 1,835,071</u>	<u>\$ 1,628,978</u>
LIABILITIES				
Accounts payable	\$ 17,884	\$ -	\$ 17,884	\$ 150,991
Insurance claims payable	-	144,988	144,988	79,038
Total liabilities	<u>17,884</u>	<u>144,988</u>	<u>162,872</u>	<u>230,029</u>
NET ASSETS				
Unrestricted	404,851	1,267,348	1,672,199	1,398,949
Total net assets	<u>\$ 404,851</u>	<u>\$ 1,267,348</u>	<u>\$ 1,672,199</u>	<u>\$ 1,398,949</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, 2011
With Comparative Totals for December 31, 2010

	Central Garage	Self Insurance	Total Internal Service Funds 2011	Total Internal Service Funds 2010
OPERATING REVENUES				
Sales	\$ 1,210,032	\$ -	\$ 1,210,032	\$ 881,127
Cost of goods sold	(1,120,265)	-	(1,120,265)	(816,002)
Gross margin	89,767	-	89,767	65,125
Charges for services				
Employer	-	1,731,050	1,731,050	1,487,599
Employee	-	898,241	898,241	805,485
Total operating revenues	89,767	2,629,291	2,719,058	2,358,209
OPERATING EXPENSES				
Professional and technical	92	-	92	-
Supplies	90,276	-	90,276	59,716
Insurance claims	-	2,234,996	2,234,996	2,071,661
Total operating expenses	90,368	2,234,996	2,325,364	2,131,377
Operating income (loss)	(601)	394,295	393,694	226,832
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental revenue	-	1,628	1,628	-
Interest income	365	6,665	7,030	7,547
Miscellaneous income (expense)	27,303	131,556	158,859	(96,065)
Total non-operating revenues (expenses)	27,668	139,849	167,517	(88,518)
Income (loss) before transfers	27,067	534,144	561,211	138,314
Transfers in	-	11,319	11,319	-
Transfers out	(45,196)	(254,084)	(299,280)	-
Total transfers in (out)	(45,196)	(242,765)	(287,961)	-
Change in net assets	(18,129)	291,379	273,250	138,314
Net assets, January 1	422,980	975,969	1,398,949	1,260,635
Net assets, December 31	\$ 404,851	\$ 1,267,348	\$ 1,672,199	\$ 1,398,949

City of Minot, North Dakota
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Central Garage	Self Insurance	Total Internal Service Funds 2011	Total Internal Service Funds 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,157,122	\$ 2,629,291	\$ 3,786,413	\$ 3,187,913
Payments to suppliers	(1,214,443)	(2,235,412)	(3,449,855)	(3,083,829)
Net cash provided (used) by operating activities	(57,321)	393,879	336,558	104,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	-	1,628	1,628	-
Transfers in	-	11,319	11,319	-
Transfers out	(45,196)	(254,084)	(299,280)	-
Internal activity - payments from (to) other funds	27,303	131,556	158,859	(96,065)
Net cash provided (used) by noncapital financing activities	(17,893)	(109,581)	(127,474)	(96,065)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	365	6,665	7,030	7,547
Net cash provided by investing activities	365	6,665	7,030	7,547
Net increase in cash and cash equivalents	(74,849)	290,963	216,114	15,566
Cash and investments, January 1	129,462	1,121,373	1,250,835	1,235,269
Cash and investments, December 31	\$ 54,613	\$ 1,412,336	\$ 1,466,949	\$ 1,250,835
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (601)	\$ 394,295	\$ 393,694	\$ 226,832
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	(2,022)	-	(2,022)	(1,223)
Inventory	(50,888)	-	(50,888)	14,925
Prepaid	-	62,931	62,931	(62,931)
Accounts payable	(3,810)	(129,297)	(133,107)	(9,312)
Insurance claims payable	-	65,950	65,950	(64,207)
Net cash provided (used) by operating activities	\$ (57,321)	\$ 393,879	\$ 336,558	\$ 104,084

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, 2011
With Comparative Totals for December 31, 2010

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2011	Total Fiduciary Funds 2010
ASSETS				
Cash and cash equivalents	\$ 79,084	\$ -	\$ 79,084	\$ 89,390
Investments				
Money market	71,437	12,117	83,554	284,538
Equity/stocks	19,177,410	238,833	19,416,243	24,247,529
Fixed income	30,002,838	368,756	30,371,594	25,610,575
Alternative	1,674,858	12,127	1,686,985	
Total investments	50,926,543	631,833	51,558,376	50,142,642
Taxes receivable delinquent	37,232	-	37,232	47,168
Accounts receivable	-	-	-	162,813
Due from other funds	-	-	-	11,683
Intergovernmental receivable	-	-	-	377
Total assets	<u>\$ 51,042,859</u>	<u>\$ 631,833</u>	<u>\$ 51,674,692</u>	<u>\$ 50,454,073</u>
LIABILITIES				
Accounts payable	\$ 5,796	\$ -	\$ 5,796	\$ 162,813
Due to other funds	-	121,320	121,320	118,390
Deferred revenue	37,232	-	37,232	36,742
Total liabilities	<u>43,028</u>	<u>121,320</u>	<u>164,348</u>	<u>317,945</u>
NET ASSETS				
Assets held in trust for pension benefits	50,999,831	-	50,999,831	49,849,292
Assets held in trust for OPEB benefits	-	510,513	510,513	286,836
Total net assets	<u>\$ 50,999,831</u>	<u>\$ 510,513</u>	<u>\$ 51,510,344</u>	<u>\$ 50,136,128</u>

City of Minot, North Dakota
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

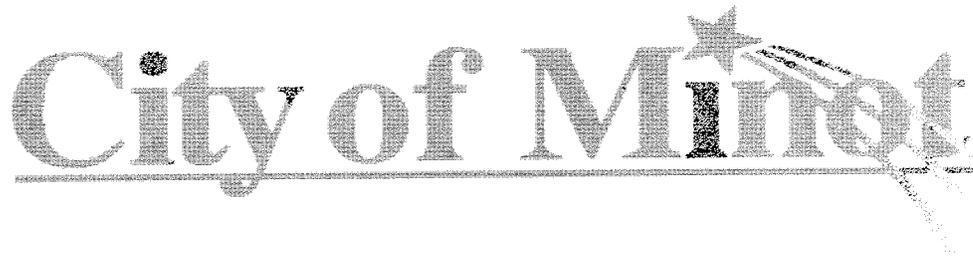
	Pension Trust	OPEB Trust	Total Fiduciary Funds 2011	Total Fiduciary Funds 2010
ADDITIONS				
Contributions				
Employer	\$ 3,034,945	\$ 254,085	\$ 3,289,030	\$ 2,718,063
Employee	2,348,218	496,994	2,845,212	2,521,380
Total contributions	<u>5,383,163</u>	<u>751,079</u>	<u>6,134,242</u>	<u>5,239,443</u>
Investment income				
Interest and dividends	1,765,683	12,981	1,778,664	1,598,648
Net increase (decrease) in the fair value of investments	780,429	5,920	786,349	4,041,911
Total investment income	<u>2,546,112</u>	<u>18,901</u>	<u>2,565,013</u>	<u>5,640,559</u>
Less investment expense	112,418	587	113,005	106,529
Net investment income	<u>2,433,694</u>	<u>18,314</u>	<u>2,452,008</u>	<u>5,534,030</u>
Total additions	<u>7,816,857</u>	<u>769,393</u>	<u>8,586,250</u>	<u>10,773,473</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	5,721,427	-	5,721,427	5,364,544
Refunds paid to plan member and beneficiaries	655,385	-	655,385	322,265
Retiree claims	-	392,530	392,530	324,383
Third party premiums	-	153,186	153,186	234,420
Administrative expenses	289,506	-	289,506	298,652
Total deductions	<u>6,666,318</u>	<u>545,716</u>	<u>7,212,034</u>	<u>6,544,264</u>
Change in net assets	1,150,539	223,677	1,374,216	4,229,209
Net assets, January 1	49,849,292	286,836	50,136,128	45,906,919
Net assets, December 31	<u>\$ 50,999,831</u>	<u>\$ 510,513</u>	<u>\$ 51,510,344</u>	<u>\$ 50,136,128</u>

City of Minot, North Dakota
Combining Statement of Net Assets
Agency Funds
December 31, 2011
With Comparative Totals for December 31, 2010

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	Total Agency Funds 2011	Total Agency Funds 2010
ASSETS					
Cash and investments	\$ 116,338	\$ -	\$ 95,426	\$ 211,764	\$ 83,444
Taxes receivable delinquent	-	2,318	-	2,318	2,388
Accounts receivable	841	-	24,571	25,412	37,476
Intergovernmental receivable	-	36	2,706	2,742	2,991
Total assets	<u>\$ 117,179</u>	<u>\$ 2,354</u>	<u>\$ 122,703</u>	<u>\$ 242,236</u>	<u>\$ 126,299</u>
LIABILITIES					
Accounts payable	<u>\$ 117,179</u>	<u>\$ 2,354</u>	<u>\$ 122,703</u>	<u>\$ 242,236</u>	<u>\$ 126,299</u>
Total liabilities	<u>\$ 117,179</u>	<u>\$ 2,354</u>	<u>\$ 122,703</u>	<u>\$ 242,236</u>	<u>\$ 126,299</u>

City of Minot, North Dakota
Combining Statements of Changes in Assets and Liabilities - Agency Funds
For the Fiscal Year Ended December 31, 2011
With Comparative Totals for December 31, 2010

	Beginning	Additions	Deletions	Ending
PAYROLL DEDUCTIONS				
Assets				
Cash and investments	\$ 12,275	\$ 3,704,190	\$ 3,600,127	\$ 116,338
Accounts receivable	835	2,389	2,383	841
Total assets	<u>\$ 13,110</u>	<u>\$ 3,706,579</u>	<u>\$ 3,602,510</u>	<u>\$ 117,179</u>
Liabilities				
Accounts payable	\$ 13,110	\$ 103,624	\$ 207,693	\$ 117,179
Total liabilities	<u>\$ 13,110</u>	<u>\$ 103,624</u>	<u>\$ 207,693</u>	<u>\$ 117,179</u>
EMPLOYER SOCIAL SECURITY				
Assets				
Cash and investments	\$ -	\$ 96,117	\$ 96,117	\$ -
Taxes receivable delinquent	2,388	1,741	1,811	2,318
Intergovernmental receivable	24	36	24	36
Total assets	<u>\$ 2,412</u>	<u>\$ 97,894</u>	<u>\$ 97,952</u>	<u>\$ 2,354</u>
Liabilities				
Accounts payable	\$ 2,412	\$ 101,099	\$ 101,041	\$ 2,354
Total liabilities	<u>\$ 2,412</u>	<u>\$ 101,099</u>	<u>\$ 101,041</u>	<u>\$ 2,354</u>
HOTEL/MOTEL TAX				
Assets				
Cash and investments	\$ 71,169	\$ 1,439,539	\$ 1,415,282	\$ 95,426
Accounts receivable	36,641	1,408,279	1,420,349	24,571
Intergovernmental receivable	2,967	2,706	2,967	2,706
Total assets	<u>\$ 110,777</u>	<u>\$ 2,850,524</u>	<u>\$ 2,838,598</u>	<u>\$ 122,703</u>
Liabilities				
Accounts payable	\$ 110,777	\$ 1,380,786	\$ 1,392,712	\$ 122,703
Total liabilities	<u>\$ 110,777</u>	<u>\$ 1,380,786</u>	<u>\$ 1,392,712</u>	<u>\$ 122,703</u>
TOTAL DECEMBER 31, 2011				
Assets				
Cash and investments	\$ 83,444	\$ 5,239,846	\$ 5,111,526	\$ 211,764
Taxes receivable delinquent	2,388	1,741	1,811	2,318
Accounts receivable	37,476	1,410,668	1,422,732	25,412
Intergovernmental receivable	2,991	2,742	2,991	2,742
Total assets	<u>\$ 126,299</u>	<u>\$ 6,654,997</u>	<u>\$ 6,539,060</u>	<u>\$ 242,236</u>
Liabilities				
Accounts payable	\$ 126,299	\$ 1,585,509	\$ 1,701,446	\$ 242,236
Total liabilities	<u>\$ 126,299</u>	<u>\$ 1,585,509</u>	<u>\$ 1,701,446</u>	<u>\$ 242,236</u>
TOTAL DECEMBER 31, 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>



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City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source December 31, 2011 and 2010

GOVERNMENTAL FUNDS CAPITAL ASSETS	2011	2010
Land	\$ 6,657,345	\$ 6,542,184
Buildings	14,035,700	14,032,741
Equipment	14,678,504	14,182,893
Infrastructure	108,688,369	106,911,279
Intangible assets	547,088	522,816
Books	4,416,907	4,390,671
Construction in progress	4,567,351	1,500,798
Total governmental funds capital assets	<u>\$ 153,591,264</u>	<u>\$ 148,083,382</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
Capital project funds		
General obligation bonds and levies	\$ 12,041,925	\$ 11,530,483
Revenue bonds	190,916	190,916
Sales tax	12,074,645	11,874,824
Federal grants	56,616,377	56,549,394
State grants	3,244,844	3,244,844
County grants	1,216,423	1,216,423
Contributions from others	25,672,040	22,166,570
General fund	23,560,232	22,396,070
Special revenue	16,854,476	16,794,472
Urban renewal	465,739	465,739
Enterprise fund	1,653,647	1,653,647
Total governmental funds capital assets	<u>\$ 153,591,264</u>	<u>\$ 148,083,382</u>

City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 December 31, 2011
 With Comparative Totals for December 31, 2010

FUNCTION OR ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets		Books	Construction in Process	2011	2010
					Assets	Books				
General Government										
Civic center/property maintenance	\$ 49,374	\$ 3,429,528	\$ 67,783	\$ 305,527	\$ -	\$ -	\$ -	\$ -	\$ 3,852,212	\$ 3,852,212
Clerk	-	-	7,999	-	-	-	-	-	7,999	-
Finance	-	-	26,888	-	-	-	-	-	26,888	26,888
Information technology	-	-	32,960	-	202,658	-	-	-	235,618	188,437
Assessor	-	-	76,361	-	32,500	-	-	-	108,861	108,861
Engineering	-	421,334	294,390	-	-	-	-	-	715,724	671,179
Inspection	-	-	183,146	-	-	-	-	-	183,146	165,393
Traffic control	-	-	584,714	5,601,442	-	-	-	-	6,186,156	6,073,354
Public works	-	1,432,856	90,363	-	-	-	-	-	1,523,219	1,492,620
General	5,300,370	119,425	1,113,935	2,965,993	-	-	-	1,575,438	11,075,161	9,482,317
Total general government	5,349,744	5,403,143	2,478,539	8,872,962	235,158	-	-	1,575,438	23,914,984	22,061,261
Public Safety										
Police	-	161,536	3,250,917	339,344	-	-	-	-	3,751,797	3,706,177
Fire	243,861	3,041,105	3,076,239	-	-	-	-	-	6,361,205	6,399,624
Total public safety	243,861	3,202,641	6,327,156	339,344	-	-	-	-	10,113,002	10,105,801
Street	633,739	374,626	2,426,588	98,295,198	311,930	-	-	2,991,913	105,033,994	101,453,252
Shop	-	-	213,331	-	-	-	-	-	213,331	181,511
Library	7,624	3,128,995	18,717	-	-	-	4,416,907	-	7,572,243	7,546,007
Public transportation	-	853,027	2,165,906	-	-	-	-	-	3,018,933	3,029,550
Recreation	422,377	1,073,268	1,048,267	1,180,865	-	-	-	-	3,724,777	3,706,000
Total governmental funds	\$ 6,657,345	\$ 14,035,700	\$ 14,678,504	\$ 108,688,369	\$ 547,088	\$ 4,416,907	\$ 4,567,351	\$ 153,591,264	\$ 148,083,382	

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, 2011

With Comparative Totals for December 31, 2010

	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction In Process	2011	2010
GOVERNMENTAL FUNDS									
CAPITAL ASSETS									
JANUARY 1,	\$ 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
ADDITIONS									
General fund	122,450	-	868,362	1,777,090	24,272	-	3,812,179	6,604,353	14,019,356
Special revenue	-	2,959	50,568	-	-	179,504	2,959	235,990	1,179,416
Transferred from enterprise	-	-	-	-	-	-	-	-	39,162
Special revenue transfers	-	-	-	-	-	-	-	-	9,000
General fund transfers	-	-	-	-	-	-	-	-	78,731
Total additions	122,450	2,959	918,930	1,777,090	24,272	179,504	3,815,138	6,840,343	15,325,665
Total balance & additions	6,664,634	14,035,700	15,101,823	108,688,369	547,088	4,570,175	5,315,936	154,923,725	152,510,482
DEDUCTIONS									
Capital assets traded	-	-	152,756	-	-	-	-	152,756	77,704
Capital assets sold	7,289	-	153,062	-	-	-	-	160,351	371,806
Capitalized	-	-	-	-	-	-	743,276	743,276	3,783,981
Expenditure	-	-	129,098	-	-	153,268	5,309	287,675	44,770
Transferred to enterprise	-	-	(11,597)	-	-	-	-	(11,597)	61,108
General fund transfers	-	-	-	-	-	-	-	-	87,731
Total deductions	7,289	-	423,319	-	-	153,268	748,585	1,332,461	4,427,100
GENERAL CAPITAL ASSETS									
DECEMBER 31,	\$ 6,657,345	\$ 14,035,700	\$ 14,678,504	\$ 108,688,369	\$ 547,088	\$ 4,416,907	\$ 4,567,351	\$ 153,591,264	\$ 148,083,382

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

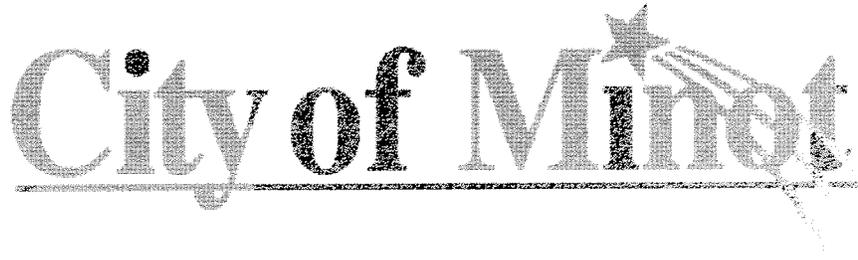
Demographic and Economic - schedules are intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and with other governments.

- 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*
(accrual basis of accounting)
unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities					Restated					
Invested in capital assets, net of related debt	\$ 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	\$ 81,010,769
Restricted for:										
Debt service	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579	2,025,734	2,643,771	812,051	1,230,207
Capital projects	8,403,858	11,116,994	11,118,792	15,999,116	20,310,497	24,733,175	-	-	-	-
Highway projects	-	-	-	-	-	-	4,240,289	2,833,320	1,448,511	1,417,563
Economic development	-	-	-	-	-	-	1,997,969	2,837,842	1,688,435	2,126,312
Flood control	-	-	-	-	-	-	2,207,545	2,202,085	2,202,085	-
NAWS	-	-	-	-	-	-	27,989,367	28,404,171	34,204,624	39,271,885
Other purposes	-	-	-	-	735,412	715,775	14,186,277	466,931	157,398	739
Unrestricted	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	40,968,401
Total governmental activities net assets	\$ 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	\$ 166,025,876
Business-type activities										
Invested in capital assets, net of related debt	\$ 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	\$ 62,782,830
Restricted for:										
Debt service	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	3,859,697
Other purposes	40,182	42,580	41,792	42,163	43,474	43,874	44,714	40,664	48,349	54,277
Unrestricted	-	-	-	-	-	-	6,319,775	3,589,808	6,859,415	12,827,960
Total business-type activities net assets	\$ 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	\$ 79,524,764
Government-wide activities										
Invested in capital assets, net of related debt	\$ 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	\$ 143,793,599
Restricted	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	47,960,680
Unrestricted	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	53,796,361
Total government net assets	\$ 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	\$ 245,550,640

* 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

	2002	2003	2004	2005	Restated 2006	2007	2008	2009	2010	2011
EXPENSES										
Governmental activities										
General government	\$ 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	\$ 16,286,125
Public safety	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	11,737,486
Highways and streets	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	8,673,395
Culture and recreation	1,757,139	2,067,089	2,440,820	1,952,237	1,952,237	3,709,916	3,603,029	2,927,935	3,122,273	3,605,205
Community development	35,641	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	903,978
Interest on long-term debt	934,073	899,139	779,285	559,525	727,521	806,265	939,131	952,970	684,342	599,608
Total governmental activities expenses	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	41,805,797
Business-type activities										
Airport	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	2,886,779
Cemetery	222,538	213,527	225,415	228,538	222,159	213,392	226,999	245,719	305,368	304,502
Parking authority	170,617	182,440	176,985	165,161	178,147	115,667	113,232	121,475	123,727	118,367
Sanitation	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	4,269,081
Water and sewer	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	14,102,005
Total business-type activities expenses	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	21,680,734
Total government expenses	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	63,486,531
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	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	8,635,786
Public safety	547,670	877,607	820,566	835,844	917,002	907,811	1,166,387	1,147,007	1,382,128	1,637,161
Highways and streets	10,196	39,946	43,046	38,913	-	-	467,716	63,523	-	84,164
Culture and recreation	11,652	45,652	49,195	44,472	54,016	474,985	442,346	-	534,353	1,150,392
Operating grants and contributions										
General government	289,859	937,622	816,833	414,555	299,813	675,890	1,051,271	2,313,214	1,066,608	6,686,784
Public safety	144,039	86,394	95,886	70,360	103,032	70,435	78,953	99,507	676,006	364,666
Highways and streets	-	-	2,619,461	-	-	-	-	547,985	630,630	4,604
Capital grants and contributions										
General government	1,379,845	1,327,028	533,831	126,655	55,949	726,303	2,635,216	1,182,924	120,720	5,354
Public safety	-	-	-	-	-	-	1,136,547	-	604,476	181,340
Highways and streets	-	8,139,850	4,425,385	-	3,539,693	11,784,624	8,600,269	1,809,135	4,713,115	1,165,700
Culture and recreation	-	-	-	-	-	-	4,737	-	-	6,673
Community development	-	-	-	-	-	-	555,519	-	-	-
Total governmental activities program revenues	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	19,922,624
Business-type activities										
Charges for services										
Airport	934,580	972,965	892,093	952,201	998,941	1,142,638	2,447,799	2,083,123	1,114,890	1,815,968
Cemetery	172,217	155,278	152,580	172,847	225,234	200,333	235,546	251,298	291,230	261,460
Parking authority	187,177	174,441	174,464	160,299	123,237	136,713	145,125	136,618	126,065	143,438
Sanitation	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	5,555,689
Water and sewer	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	11,098,007
Operating grants and contributions										
Airport	283,684	283,152	293,426	295,190	282,857	263,381	262,539	241,680	328,837	604,989

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capital grants and contributions					Restated					
Airport	\$ 5,229,442	\$ 1,992,422	\$ 150,557	\$ 1,326,349	\$ 683,772	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789
Cemetery	606	2,880	250	99	309	-	-	(5,080)	61,853	10,964
Parking authority	-	54,600	-	-	-	-	-	52,921	-	-
Sanitation	-	-	-	-	-	10,165	248,926	1,400	2,197	407,443
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	4,582,021
Total business-type activities program revenues	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	25,129,767
Total government program revenues	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	45,052,392
Net revenue (expense)	(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)	(21,883,173)
Governmental activities	4,971,274	4,356,380	(1,416,972)	426,278	(120,940)	1,135,230	466,016	3,626,759	(217,690)	3,449,033
Business-type activities	(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)	(18,434,140)
Total government net expense										
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	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	9,556,958
Property taxes, levied for debt service	853,386	954,337	1,042,433	1,065,170	998,952	1,142,353	1,152,519	1,064,857	749,233	800,683
Sales taxes	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	21,612,185
Municipal highway tax	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	3,055,454
State aid distribution-unrestricted	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	2,418,451
Franchise taxes	269,602	299,824	348,130	348,019	370,158	400,264	442,420	483,377	517,894	525,180
Other taxes	656,423	326,351	301,605	321,245	309,801	287,113	298,025	292,845	425,536	450,630
Grants and contributions not restricted to specific programs										
Investment earnings	876,509	627,567	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	474,228	950,457
Miscellaneous	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	2,749,359
Transfers	434,927	478,130	2,096,332	(5,208,299)	675,813	1,458,649	2,353,460	(3,425,624)	(652,774)	(4,276,666)
Total governmental activities	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	37,842,691
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	78,317	82,585	21,221	39,515	47,185	34,608	73,047	281,001	305,389	480,909
State aid distribution	3,800	3,800	3,800	-	-	-	-	-	-	-
Other taxes	198,737	102,183	199,379	182,858	322,184	164,724	78,526	65,609	88,318	108,670
Investment earnings	189,444	119,508	102,814	144,680	91,364	226,834	139,967	215,446	98,049	105,260
Miscellaneous	25,300	20,739	49,183	877,341	134,667	106,857	(15,535)	72,223	307,387	442,812
Transfers	(434,927)	(478,130)	(2,096,332)	5,208,299	(675,813)	(1,458,649)	(2,353,460)	3,425,624	652,774	4,276,666
Total business-type activities	60,671	(149,315)	(1,719,935)	6,452,693	(80,413)	(925,626)	(2,077,455)	4,059,903	1,451,917	5,414,317
Total government	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	43,257,008
Change in net assets										
Governmental activities	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	15,959,518
Business-type activities	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	8,863,350
Total government¹	\$ 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	\$ 24,822,868

* 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

	2002	2003	2004	2005	2006	2007	2008	2009*	2010	2011
General fund										
Reserved	\$ 29,902	\$ 25,417	\$ 5,021	\$ 6,734	\$ -	\$ 66,542	\$ -	\$ -	\$ -	\$ -
Unreserved	2,965,453	2,624,002	2,167,158	2,260,512	3,643,208	4,978,325	-	-	26,691	114,184
Nonspendable	-	-	-	-	-	-	39,225	4,746	50,077	739
Restricted	-	-	-	-	-	-	-	41,532	-	-
Committed	-	-	-	-	-	-	-	4,667	-	-
Assigned	-	-	-	-	-	-	21,453	259,042	1,916	-
Unassigned	-	-	-	-	-	-	6,373,912	6,956,811	7,269,575	10,502,936
Total general fund	\$ 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	\$ 10,617,859
All other governmental funds										
Reserved	\$ 12,552,412	\$ 15,283,772	\$ 13,393,529	\$ 17,512,029	\$ 21,126,377	\$ 27,285,887	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	(2,583,340)	(3,033,771)	3,180,398	4,823,207	7,797,181	8,493,078	-	-	-	-
Debt service funds	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579	-	-	-	-
Capital project funds	(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	109,535
Restricted	-	-	-	-	-	-	30,645,782	37,780,280	40,463,027	41,771,170
Committed	-	-	-	-	-	-	8,318,890	2,531,471	1,703,715	3,972,645
Assigned	-	-	-	-	-	-	5,403,633	7,731,362	14,424,926	26,310,329
Unassigned	-	-	-	-	-	-	(111,496)	(622,965)	(353,393)	(726,084)
Total all other governmental funds	\$ 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	\$ 71,437,595

*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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2010	2011
REVENUES											
Property taxes	\$ 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	\$ 9,324,583	\$ 10,148,857
Special assessment collections	826,078	916,817	833,144	884,137	702,392	669,155	779,292	1,216,553	845,259	845,259	805,084
Sales tax collections	9,668,627	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768	14,639,441	14,845,915	17,200,391	17,200,391	21,612,185
Licenses and permits	345,873	413,553	502,408	607,474	647,390	607,708	744,303	701,740	836,065	836,065	1,486,521
Intergovernmental	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	9,539,038	14,840,183
Charges for services	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	4,868,019	6,755,299
Fines and forfeits	431,493	573,961	493,287	520,615	524,050	540,046	471,653	490,864	659,823	659,823	852,821
Interest income	876,509	604,167	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	454,200	454,200	958,300
Contract Revenue	-	-	-	-	-	-	-	-	-	-	1,698,584
Miscellaneous	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	1,106,373	1,027,307
Total revenues	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	44,833,751	60,185,141
EXPENDITURES											
General government	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	10,245,057	15,569,025
Public safety	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	10,045,515	10,619,643
Highways and streets	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	4,201,481	4,398,650
Culture and recreation	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	2,642,299	3,195,012
Economic development	35,641	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	1,122,808	903,978
Capital outlay	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	6,618,990	4,921,732
Debt retirement	-	-	-	-	-	-	-	-	-	-	-
Principal	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	2,730,000	2,225,000
Interest and fiscal charges	917,496	929,669	796,546	583,438	707,286	627,917	773,958	787,850	700,606	700,606	600,808
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	38,306,756	42,433,848
Excess (deficiency) of revenues over (under) expenditures	(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	6,526,995	17,751,293
OTHER FINANCING SOURCES (USES)											
General obligation bonds issued	2,850,000	2,675,000	-	2,355,000	2,810,000	1,785,000	1,720,000	2,005,000	1,375,000	1,375,000	-
Proceeds from loan issue	-	-	-	-	-	-	-	-	-	-	4,285,000
Special assessment bonds issued	-	2,205,000	-	910,000	2,715,000	2,715,000	1,905,000	-	-	-	-
Premium (discount) on debt issued	(4,759)	205	-	(15,658)	100	100	10,265	6,180	(6,875)	(6,875)	200,025
Capital leases	-	-	-	-	-	-	-	-	15,392	15,392	-
Principal retirement on current refunding	-	-	-	-	-	17,540	-	-	-	-	-
Sale of City Property	-	-	-	-	-	27,043	33,617	20,053	312,939	312,939	89,751
Transfers In	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	5,702,692	4,132,386
Transfers Out	(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)	(6,355,466)	(8,409,052)
Total other financing sources (uses)	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	1,043,682	298,110
Net change in fund balances	\$ 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	\$ 7,570,677	\$ 18,049,403
Debt service as a percentage of noncapital expenditures	23.11%	15.14%	12.44%	13.47%	13.52%	11.34%	10.48%	9.60%	10.83%	10.83%	7.53%

*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
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 **
2011	9,556,958	800,683	21,612,185	3,055,454	2,418,451	525,180	450,630	38,419,541	40,888

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

** 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 Economic Development 40%	Capital Improvements 50%	1% dedicated Northwest Area Water Supply 100%	Property Tax 30%	1% dedicated Infrastructure 40%	Community Facilities 30%					
2002	36,567	2%	\$ 545,039,536	\$ 475,242	\$ 1,900,969	\$ 2,376,211	\$ 4,916,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,668,627	n/a	
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%	907,331,139	742,296	2,969,183	3,711,479	7,422,957	-	-	-	-	-	14,845,915	31.10%	
2010	40,888	2%	1,070,664,687	860,020	3,440,078	4,300,098	8,600,195	-	-	-	-	-	17,200,391	32.30%	
2011	40,888	2%	1,145,037,748	1,080,609	4,322,437	5,403,047	7,642,725	949,010	1,265,347	949,010	949,010	21,612,185	32.50%		

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

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

(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	2011
Construction	\$ 19,501,477	\$ 20,771,513	\$ 24,281,951	\$ 28,164,170	\$ 26,203,104	\$ 26,056,896
Manufacturing	26,302,204	26,747,454	30,885,053	31,867,746	31,694,324	32,616,030
Wholesale trade	71,115,002	84,416,178	102,051,071	131,555,267	180,417,164	192,593,105
Retail trade	407,725,973	446,711,074	502,811,606	512,271,955	575,395,068	613,936,080
Transportation & warehousing	3,932,535	4,996,441	5,573,468	12,428,865	36,440,379	4,208,608
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	27,227,954
Professional, scientific, tech., & mgmt serv.	8,988,399	9,279,587	9,845,218	10,770,836	11,333,361	11,516,960
Educational, health care, & soc. services	3,184,550	3,002,059	2,772,035	3,069,870	3,088,652	3,311,718
Arts, entertainment & recreation	3,319,163	3,595,895	3,863,158	3,832,661	3,750,517	3,580,907
Accommodation & food services	89,727,364	99,568,279	114,272,513	119,962,840	136,428,915	150,099,117
Other services	21,582,457	21,041,752	20,765,032	22,544,992	26,373,761	29,370,272
Miscellaneous	5,874,822	7,068,913	6,405,800	12,659,014	16,499,272	50,520,101
Total Taxable Sales and Purchases	<u>\$ 673,620,128</u>	<u>\$ 741,745,928</u>	<u>\$ 839,876,644</u>	<u>\$ 907,331,139</u>	<u>\$ 1,070,664,687</u>	<u>\$ 1,145,037,748</u>

* 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
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
2011	485,485,645	828,297,280	9,492,470	1,323,275,395	2,646,550,790	50.00%	109.33

(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					
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
2011	54.59	15.56	6.52	76.67	30.87	135.19	69.58	312.31

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	12,063,643	94.71%	205,011	12,268,654	96.32%	284,263	466,419	3.66%
2011	12,736,802	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, 2011
 unaudited

TAXPAYER	2011			2002		
	(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)	\$ 3,758,095	1	0.28%	\$ 2,456,160	1	3.92%
Investor's Real Estate Trust (IRET)	3,436,065	2	0.26%	1,348,520	2	2.15%
Wal-Mart Real Estate	796,265	3	0.06%	289,290	9	0.46%
Kadima Medial Properties (Former Unimed Clinic)	665,730	4	0.05%	204,580	16	0.33%
Meadowridge	642,095	5	0.05%	398,020	5	0.64%
Menard's Inc.	639,275	6	0.05%	349,020	6	0.56%
International Inn	603,370	7	0.05%	295,510	8	0.47%
Cambridge Capital Management	550,530	8	0.04%			
Cenex	506,270	9	0.04%			
Reliastar (ING)	485,240	10	0.04%			
Philadelphia Macaroni	417,680	11	0.03%			
Farmers Union Oil	405,045	12	0.03%			
Dakota Upreit (Metro Mall)	387,590	13	0.03%			
Glacial Holdings (Apartments)	374,815	14	0.03%			
Map Dakota (Wellington)	369,650	15	0.03%			
BRE/SW Brentmoor, LLC	363,480	16	0.03%			
Minot Town & Country Investors LLP	361,415	17	0.03%	214,200	15	0.34%
Riverside Inc. (Holiday Inn)	359,245	18	0.03%	251,580	11	0.40%
Elk Pointe Apartments, LLC	354,730	19	0.03%			
Woodridge Mobile Home Park LLC	346,385	20	0.03%	190,000	20	0.30%
Bremer				261,830	10	0.42%
Gould Dakota Venture (K-Mart)				202,780	18	0.32%
Health Care Property Investors(Medical Arts Clinic)				564,700	3	0.90%
James & Mary Ommen				349,020	7	0.53%
Johannesson's Property (Marketplace)				227,280	14	0.36%
Magic City Financial Group (Medical Arts)				230,720	13	0.37%
Minot Town & Country Investors				203,390	17	0.32%
Wells Fargo Bank ND				23,860	12	0.38%
Northern States Power				467,820	4	0.75%
Montana Dakota Utilities				190,040	19	0.30%
All Others	1,307,452,425		98.80%	61,310,267		85.78%
Total Taxable Value	<u>\$1,323,275,395</u>		<u>100.00%</u>	<u>\$70,028,587</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			
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
2011	9,970,000	8,730,000	-	-	20,830,000	1,428,722	-	40,958,722	11.93%	1,001.73

(1) Obtained the per capita personal income (\$34,319 for 2011) 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
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
2011	40,888	1,323,275,395	9,970,000	348,339	9,621,661	0.73%	235.32

(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, 2011
 unaudited

Governmental Unit	(1) Outstanding Debt	Sinking Funds	Net Debt	Ratio	City's Share of Debt
Minot School District	\$ 7,300,000	\$ -	\$ 7,300,000	94.16%	\$6,873,955
Minot Park District	-	-	-	100.00%	-
Ward County	4,658,000	-	4,658,000	63.29%	<u>2,948,225</u>
Overlapping Debt					9,822,180
City of Minot (Direct Debt)			9,621,661	100.00%	<u>9,621,661</u>
Total Direct and Overlapping Debt					<u><u>\$19,443,841</u></u>

Ratios Used	(2) 2011 Assessed Value	2011 City's Assessed Value	Percentage
Minot School District	\$ 1,405,291,525	\$ 1,323,275,395	94.16%
Minot Park District	\$ 1,323,275,395	1,323,275,395	100.00%
Ward County	2,090,687,530	1,323,275,395	63.29%

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

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

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

City of Minot, North Dakota
Computation of Legal Debt Margin
December 31, 2011
unaudited

True and full value of taxable property - 2011	\$ 2,646,550,790
Debt limit - 8% of 50% of true and full value	105,862,032
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 9,970,000
Special Assessment bonds with Government Commitment	24,524
Less: cash in debt service sinking funds	<u>348,339</u>
	<u>9,621,661</u>
Legal debt margin	<u><u>\$ 96,240,371</u></u>

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 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	\$ 105,862,032
Less total net debt applicable to limit	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	9,621,661
Legal debt margin	\$ 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	\$ 96,240,371

Total net debt applicable to the limit
 as a percentage of debt limit

	12.31%	14.80%	12.01%	13.16%	13.99%	12.08%	11.68%	11.10%	10.91%	9.09%
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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 Debt Service	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
							(2) Principal	Interest & Fiscal Charges	Total	
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
2011	1,810,807	744,646	480,907	1,353,188	150,000	1,833,172	320,000	27,395	347,395	5.28

(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	
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
2011	11,080,614	9,698,469	1,840,666	3,222,811	1,965,000	857,474	2,822,474	1.14

(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
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	13.47	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%
2011	40,888	1,403,235,272	34,319	33.2	13.47	7,424	1.7%

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	2011			2002		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	12,865	1	41.48%	5,700	1	18.45%
Trinity Health	2,866	2	9.24%	2,500	2	8.09%
Minot Public Schools	1,400	3	4.51%	1,591	3	5.15%
ING Minot Service Center	882	4	2.84%	703	6	2.28%
Minot Vocational Adjustment Workshop	590	5	1.90%	520	8	1.68%
Minot State University	465	6	1.50%	750	5	2.43%
MLT Inc.	325	7	1.05%	300	12	0.97%
City of Minot	321	8	1.03%	280	14	0.91%
Ward County	220	9	0.71%			
SRT Communications	213	10	0.69%			
Dakota Boys & Girls Ranch	188	11	0.61%			
Choice Hotels International, Inc.	150	12	0.48%	400	10	1.29%
ManorCare Health Services	150	13	0.48%			
Westlie Motors	146	14	0.47%			
Burdick Job Corps Center	125	15	0.40%			
Miracle Mart				343	11	1.11%
Dakota Square Mall				1,100	4	3.56%
Sykes, Inc.				460	9	1.49%
Wal-Mart				294	13	0.95%
Total	20,906		66.00%	14,941		53.86%

Source: Minot Chamber of Commerce

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	33	33	32	32	31	31	31	33	33	33
Public safety										
Police										
Officers	60	64	64	65	63	64	64	63	67	69
Civilians	19	20	20	20	20	20	20	20	20	20
Fire										
Firefighters and officers	49	49	49	49	49	49	49	49	49	50
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Engineering	9	9	9	9	9	9	9	9	9	10
Maintenance	36	36	36	36	35	36	36	36	36	38
Culture and recreation	22	22	24	24	24	25	25	24	24	24
Airport	11	13	13	13	13	13	13	13	11	12
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	19	20	20	20	22	22	22
Water and sewer	41	39	39	39	39	39	39	39	39	38
Total	305	310	311	311	308	311	311	313	315	321

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - 2011 Budget

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

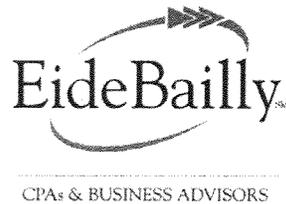
FUNCTION	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government										
Assessors										
Properties reviewed	1,835	1,021	1,510	1,390	1,575	1,203	775	1,600	1,500	950
Properties photographed	550	1,043	2,985	1,435	1,899	1,800	2,800	3,500	2,200	900
Building inspections										
Permits issued	415	486	474	690	600	502	540	486	447	873
City bus										
Bus ridership	156,189	160,025	153,036	146,047	151,594	152,314	151,169	131,062	123,139	123,744
Public safety										
Police										
Parking tickets issued	9,901	8,392	8,729	7,019	8,155	8,330	6,804	6,914	6,072	6,957
Criminal citations issued	4,416	5,226	5,607	5,421	5,454	5,695	5,605	5,697	6,035	6,206
Traffic citations issued	5,414	6,958	4,918	4,809	4,556	5,021	3,895	3,551	4,251	4,194
Alarms-patrol & parking division	649	658	620	647	671	675	693	716	839	939
Fire										
# of fire incidents	390	378	364	371	350	373	405	381	432	498
# of rescue incidents	1,713	1,767	1,658	1,781	1,907	2,003	1,924	1,867	1,957	1,920
Inspections made	1,775	1,373	1,742	1,792	1,640	1,645	1,593	1,393	1,514	1,137
Highways and streets										
Traffic										
Signs installed	1,702	1,034	1,783	862	1,194	1,112	1,503	1,430	1,419	1,207
Signs/posts repaired	1,055	664	1,523	851	817	1,302	2,118	2,138	2,005	1,776
Traffic light repairs	434	286	354	592	369	458	568	273	241	441
Street light repairs	259	164	214	199	174	243	301	253	186	373
Culture and recreation										
Auditorium										
Event days	2,234	2,109	2,010	1,833	1,551	1,895	1,996	1,539	1,362	1,137
Attendance	360,405	234,689	222,484	218,666	203,641	246,596	256,041	256,439	194,067	211,608
Library										
Registered borrowers	24,955	26,326	23,970	23,245	24,371	24,007	23,384	22,933	24,079	24,039
Circulation and activity	276,090	272,011	285,805	301,721	292,785	304,531	294,441	273,182	274,665	232,471
Airport										
Gallons airline fuel dispensed	1,195,553	958,048	943,337	985,647	815,120	748,825	870,578	1,078,256	1,714,587	2,676,456
Airline boarding's	75,382	75,323	79,257	79,654	78,854	74,921	75,972	72,219	96,599	306,403
Sanitation										
# of customers	9,917	9,966	10,069	10,210	10,279	10,392	10,497	10,769	10,884	10,825
Landfill tonnage	85,372	104,781	93,487	88,343	94,757	95,216	113,936	114,685	115,812	215,860
Water and Sewer										
# of consumers	11,492	11,545	11,704	11,801	11,858	11,970	12,142	12,472	13,640	13,671
Gallons pumped/treated	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	2,009,928,000

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	2011
General government										
Public works building	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	33	33	33	31	31	31	31	33
Speed trailer	-	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (square miles)	14.860	14.900	15.029	15.047	16.170	16.395	16.73	17.31	18.78	19.72
Street lights	2,131	2,142	2,167	2,225	2,273	2,311	2,375	2,504	2,672	2,604
Traffic signals	43	44	43	43	44	50	50	50	51	51
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16	16	16	16	16
Tennis courts	12	12	12	12	12	12	10	10	10	10
Indoor tennis center	-	-	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	7	7	8	7	7	8	8	8	8	8
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	160	160	160	160	160	210	210	210	245	269
Maximum daily capacity (millions of gallons)	12.30	12.10	11.80	11.90	13.13	12.91	11.96	10.56	9.93	8.2

*This report is new with the 2004 CAFR, capital assets were implemented with our 2002 CAFR.
 Sources: Various city departments



Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and 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, 2011. 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, 2011.

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 16, 2012



**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, 2011, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 16, 2012. 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

Management of City of Minot, North Dakota is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City'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.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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*.

This report is intended solely for the information and use of management, City Council, others within the entity 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.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Bismarck, North Dakota
April 16, 2012



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, 2011. 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, 2011.

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 management, City Council, others within the entity, 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 16, 2012

City of Minot
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

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	\$ 3,120
COPS Hiring Program Grant		16.710	142,294
Recovery Act JAG Program		16.804	19,941
Edward Byrne Memorial Justice Assistance Grant		16.738	42,525
Passed through ND Attorney General's Office			
Edward Byrne Memorial Justice Assistance Grant	10-211	16.738	8,500
Total JAG Cluster			<u>70,966</u>
Project Safe Neighborhoods	10-702	16.609	16,377
Passed through the State of North Dakota Highway Patrol			
Enforcing Underage Drinking Laws	2010-1	16.727	2,883
Total Department of Justice			<u>235,640</u>
U.S. Department of Transportation Direct Programs			
Airport Projects			
#634		20.106	5,389
#635		20.106	31,275
#636		20.106	19,460
#637		20.106	84,384
#638		20.106	3,878
#640		20.106	1,045
#641		20.106	87,092
#642		20.106	319,497
Total CFDA #20.106			<u>552,020</u>
Passed-Through North Dakota Department of Transportation			
Formula Grants for Other Than Urbanized Areas			
Section 5311 (2010-2011) City Operating	38-126-0710	20.509	125,118
Section 5311 (2011-2012) City Operating	38-011-0998	20.509	144,701
Section 5311/5309 (2010-2011)	38-126-0710	20.509	2,263
Section 5311/5309 (2011-2012 Amendment)	38-011-0998	20.509	45,112
Total CFDA #20.509			<u>317,194</u>
Passed-Through North Dakota Department of Transportation			
Highway Safety Cluster			
Safety Incentive for Seatbelts	PHSP4021105-04-36	20.600	1,574
Safety Incentive for Seatbelts	PHSP4021205-04-18	20.600	1,205
Alcohol Enforcement/Impaired Driving	PHSP4101103-01-42	20.601	7,564
Alcohol Enforcement/Impaired Driving	PHSP4101203-01-18	20.601	3,120
Total Highway Safety Cluster			<u>13,463</u>

City of Minot
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2011

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
Highway Planning & Construction Projects			
Chip Seal - ARRA	STM-SU-4-989(072)073	20.205	681
Chip Seal - ARRA	STM-SU-4-989(073)074	20.205	478
Chip Seal - ARRA	STM-SU-4-989(076)077	20.205	204
Chip Seal - ARRA	STM-SU-4-989(080)081	20.205	327
Chip Seal - ARRA	STM-SU-4-989(081)082	20.205	327
Mill and Overlay - ARRA	STM-SU-4-989(084)085	20.205	5,196
Total CFDA #20.205			<u>7,213</u>
Total Department of Transportation			<u>889,890</u>
Federal Emergency Management Agency Passed-Through North Dakota Department of Emergency Services			
Disaster Grants - Public Assistance	FEMA-DR-1907-ND	97.036	256
Disaster Grants - Public Assistance	PA-08-ND-1981	97.036	6,109,097
Total CFDA #97.036			<u>6,109,353</u>
U.S. Department of Homeland Security Direct Programs			
Transportation Security Administration	HSTS0208HSLR218	97.090	108,670
Passed-Through North Dakota Department of Emergency Services			
Homeland Security Grant Program	A0771-HTRR	97.067	125,271
Total Department of Homeland Security			<u>233,941</u>
U.S. Department of Commerce Passed-Through North Dakota Division of Community Services			
Intermodal-EDA/Value added Agricultural Park	05-01-04290	11.300	5,000
Infrastructure for a regional energy park	05-01-04803	11.301	49,588
Passed-Through North Dakota Department of Emergency Services			
Public Safety Interoperable Communications Grant		11.555	52,896
Total Department of Commerce			<u>107,484</u>
U.S. Department of Energy Direct Program			
Recovery Energy Efficiency and Conservation Block Grant	DE-RW0000210	81.128	130,555
Total Expenditures of Federal Awards			<u>\$ 7,706,863</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	\$ <u>8,500</u>

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

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.

Status – Corrected.

10-2 Inspection Department Controls over Cash

Condition – The City has a lack of internal controls related to the cash receipting 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.

Status – Corrected.

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified?	_____ yes	_____ <u>X</u> no	
Significant deficiency identified?	_____ yes	_____ <u>X</u> none reported	

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness identified?	_____ yes	_____ <u>X</u> no	
Significant deficiency identified?	_____ yes	_____ <u>X</u> none reported	

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
81.128	Recovery Energy Efficiency and Conservation Block Grant
97.036	Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ X yes _____ no

B. Findings - Financial Statement Audit

None

C. Findings - Major Federal Award Programs Audit

None