

THE MAGIC CITY



Comprehensive Annual Financial Report

City of Minot, North Dakota
For the Fiscal Year Ended December 31, 2013

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, 2013**

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April 18, 2014

To the Honorable Mayor,
City Council, 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, 2013. 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, 2013 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 27.32 square miles and serves a population of 40,888 based on the 2010 census. 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 2013 was approximately \$583 million. During 2013, the Minot Air Force Base had nearly \$127

The Honorable Mayor, City Council and City Manager

million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,996 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 2013, the property valuations for building permits decreased by over \$43.7 million compared to 2012 due in part to the flood recovery. The majority of the decreases were due to the following: new residential buildings decreased by \$14.8 million; new nonresidential buildings decreased by \$19.6 million primarily due to the new Ramstad Middle School building and other school renovations permitted in 2012; residential remodels and additions declined by \$7.8 million; and commercial and nonresidential remodels and additions decreased by \$1.5 million.

The City has had a healthy level of growth in property values in the past couple of years. Based on the results of the City Council passing an ordinance, the first penny sales tax will be reallocated to the following as of July 1, 2014: property tax relief 10%; economic development 15%; improvements fund 25%; and flood control 50%. This reallocation continues to enable the City to reduce the number of mills levied.

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

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

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

Factors Affecting Financial Condition

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

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

<u>Sales Tax Collections</u>		<u>Property Tax Levied</u>	
2009	\$ 14,845,915	2009	\$ 10,895,992
2010	17,200,391	2010	11,453,689
2011	21,612,185	2011	12,736,802
2012	26,705,354	2012	9,408,148
2013	24,850,061	2013	12,449,978

During 2011, the City incurred the worst flooding in

The Honorable Mayor, City Council and City Manager

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

Assets, Liabilities and Net Position Per Capita				
	Total	Total		
	Assets &	Liabilities		
	Deferred	& Deferred	Net	
	Population	Inflow	Inflow	Position
2009	36,567	\$ 6,942	\$ 1,331	\$ 5,610
2010	40,888	6,470	1,071	5,398
2011	40,888	7,205	1,200	6,005
2012	40,888	8,970	1,194	7,776
2013	40,888	11,849	2,250	9,599

Expenses and Program Revenues Per Capita						
	Charges	Operating	Capital	Change		
	for	Grants and	Grants and	in Net		
	Population	Expenses	Services	Contributions	Contributions	
2009	36,567	1,499	607	88	250	305
2010	40,888	1,274	575	66	168	381
2011	40,888	1,553	743	187	171	607
2012	40,888	1,702	897	308	1,144	1,770
2013	40,888	2,123	1,011	396	1,397	1,818

Ratio of Net Position to Expenses		
	Governmental	Business-Type
	Activities	Activities
2009	3.66	3.92
2010	4.29	4.13
2011	3.97	3.67
2012	4.35	5.02
2013	3.84	6.20

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

formerly for NAWS, and dedicate 30% to property tax relief, 40% to infrastructure projects and 30% to community facilities. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to the project.

The City of Minot is also the recipient of two separate allocations of funding from the U.S. Department of Housing and Urban Development Community Block Grant – Disaster Recovery Funds. The first allocation was in April 2012 for \$67,575,964. The second allocation was in April 2013 for \$35,056,000. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. However, the City has completed an Action Plan, which has been approved by the City Council for expenditure for the funds to include housing rehabilitation, reconstruction, new homes, and public infrastructure. The second allocation has obligated a portion of the gross funds at this time. The obligated funds must be spent in two years. In addition, the City received a supplemental disaster recovery grant from the Economic Development Agency (EDA) for \$18 million to replace the infrastructure in downtown Minot.

The City has completed several major highway projects in recent years with additional projects planned for 2014. 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.

The Honorable Mayor, City Council and City Manager

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, 2012. This was the 34th 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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

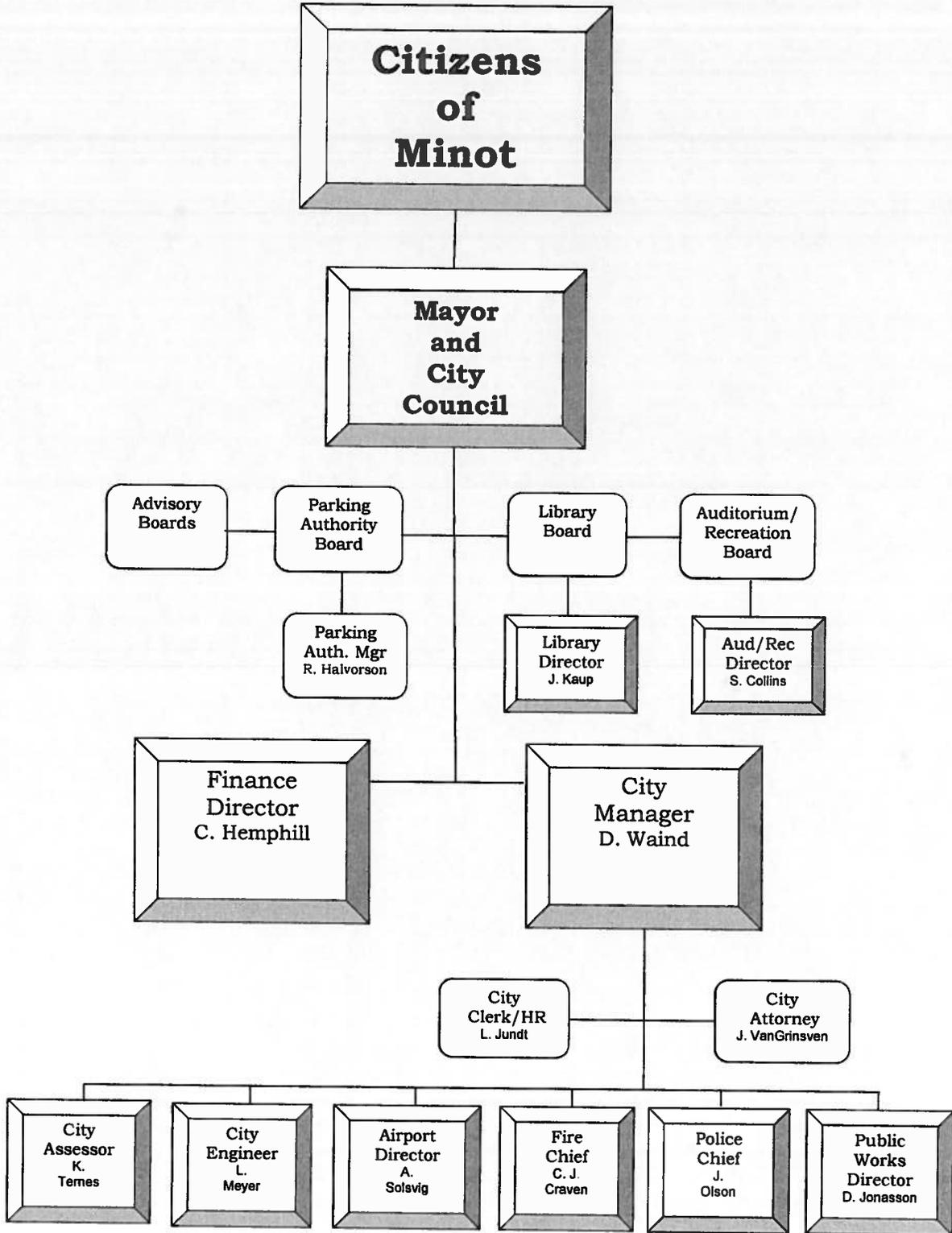
**City of Minot
North Dakota**

**For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended**

December 31, 2012

Executive Director/CEO

City of Minot
Organizational Chart



Elected and Appointed Officials

City of Minot, North Dakota

Mayor.....Curt Zimbelman

Members of the City Council

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

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

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

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

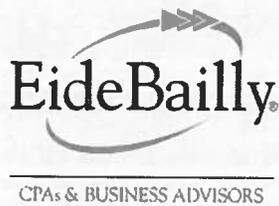
Ward 5:.....Tom Seymour
Scott Knudsvig

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

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

City of Minot

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota, as of December 31, 2013, and the respective changes in financial position and, where, applicable, cash flows thereof and the budgetary comparison for the General Fund, Sales Tax NAWS Fund and the Community Development Block Grant – Disaster Recovery fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Restatement

As disclosed in Note 5-E, the 2012 net position has been restated for an overstatement of expense in 2012 for the sanitation fund and business-type activities. Our opinion is not modified with respect to that matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of Management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minot, North Dakota's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated April 22, 2014 on our consideration of the City of Minot's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Minot's internal control over financial reporting and compliance.



Bismarck, North Dakota
April 22, 2014

Management's

Discussion

and

Analysis

**City of Minot
Comprehensive Annual Financial Report
December 31, 2013**

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, 2013, with comparative data for the fiscal year ended December 31, 2012. 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.

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.

FINANCIAL HIGHLIGHTS

- The net position of the City increased by nearly \$74.5 million or 23.4%. This increase was primarily due to an increase in operating and capital grants of over \$3.5 million and over \$10.3 million, respectively. The majority of the grants were for infrastructure improvements as flooded citizen's move out of the valley and the oil boom continues to bring more people and businesses to the area. In addition, the charges for services increased by over \$4.6 million due to rate and usage increases. The net position of governmental activities increased by over \$34.3 million or 17.0% and net position of business type activities increased by over \$40.1 million or 34.7%.
- Total cost of all programs was \$86.8 million. This is an increase of \$17.2 million from 2012. The general government increased by nearly \$4.2 million due to 22 positions being added to the budget. Highways and streets increased by \$7.1 million due to the flood and increased traffic on aging roads.
- The unassigned fund balance for the General Fund was nearly \$19.3 million or 76.4% of the total general fund expenditures. This is an increase from 2012 of nearly \$3.1 million.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

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:

Management's Discussion and Analysis

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 28 individual governmental funds. The City presents separate information in the governmental fund balance sheet and

statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: sales tax NAWs, Community Development Block Grant-Disaster Recovery, special assessment debt service, special assessment capital, and capital purchases. Data from the other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these nonmajor governmental funds, which begin on page 60.

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

The governmental fund financial statements begin on page 16.

Proprietary Funds. The City maintains two types of proprietary funds, enterprise and internal service. Enterprise funds report activities that charge for services provided to outside customers. The enterprise funds are business-type activities in the government-wide statements. The City uses enterprise funds to account for its Airport, Sanitation, and Water and Sewer operations, as major funds, and its Cemetery and Parking Authority operations, as nonmajor funds. Internal Service funds report activities that provide supplies and services to other City programs and activities. The City of Minot uses internal service funds to account for its central garage and for the self-funded insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. 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 28

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Comprehensive Annual Financial Report
December 31, 2013**

Management's Discussion and Analysis

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

Notes to the Financial Statements

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

The City presents combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 60-112 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following two table's present condensed

information on the City's Net Position and Changes in Net Position for the fiscal year ended December 31, 2013, with comparative data for the fiscal year ended December 31, 2012. Assets exceeded liabilities by \$392,494,399 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (60.3%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports investment in capital assets net of related debt, the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities.

A portion of the City's net position (13.6%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for debt service \$5,360,799, for passenger facility charges not spent \$925,887, for sales tax property tax relief \$3,226,156, for economic development projects \$4,585,464, for the NAWS project \$34,464,866, for flood control \$4,634,140, and for other purposes \$96,434. The unrestricted net position of \$102,506,530 to meet the government's ongoing obligations to citizens and creditors.

At the end of 2013, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 134,461,893	\$ 105,640,152	\$ 52,236,490	\$ 26,129,737	\$ 186,698,383	\$ 131,769,889
Capital assets	148,622,884	119,365,272	148,813,359	115,542,046	297,436,243	234,907,318
Total assets	283,116,205	225,005,424	201,199,526	141,671,783	484,315,731	366,677,207
Deferred outflows of resources	31,428	36,511	149,677	43,738	181,105	80,249
Long-term debt outstanding	29,660,000	15,802,665	35,384,092	20,530,430	65,044,092	36,333,095
Other liabilities	14,951,298	6,959,198	9,259,113	5,191,860	24,210,411	12,151,058
Total liabilities	45,546,789	22,761,863	45,081,681	25,722,290	90,628,470	48,484,153
Deferred inflows of resources	935,491	-	438,476	331,865	1,373,967	331,865
Net position						
Invested in capital assets	119,345,975	101,542,579	117,348,148	93,309,610	236,694,123	194,852,189
Restricted net position	47,479,292	42,066,478	5,814,454	4,838,998	53,293,746	46,905,476
Unrestricted net position	69,840,086	58,671,015	32,666,444	17,512,758	102,506,530	76,183,773
Total net position	\$ 236,665,353	\$ 202,280,072	\$ 155,829,046	\$ 115,661,366	\$ 392,494,399	\$ 317,941,438

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Management's Discussion and Analysis

well as for governmental and business-type activities.

Changes in Net Position. The City's net position increased \$74,352,961 during 2013. The majority of this increase was due to an increase in program revenues of nearly \$18.6 million.

Governmental Activities. Governmental program revenues increased nearly \$10.4 million due to operating and capital grants and contributions increasing by \$3.1 million and \$7.6 million over 2012. Governmental program expenses increased by nearly \$15.1 million due to 31.5 new positions being added to the budget. Overall the general government expenditures increased \$4.2 million, public safety increased nearly \$2.4 million, highways and streets increased \$7.1 million, while culture and recreation increased \$1.2 million.

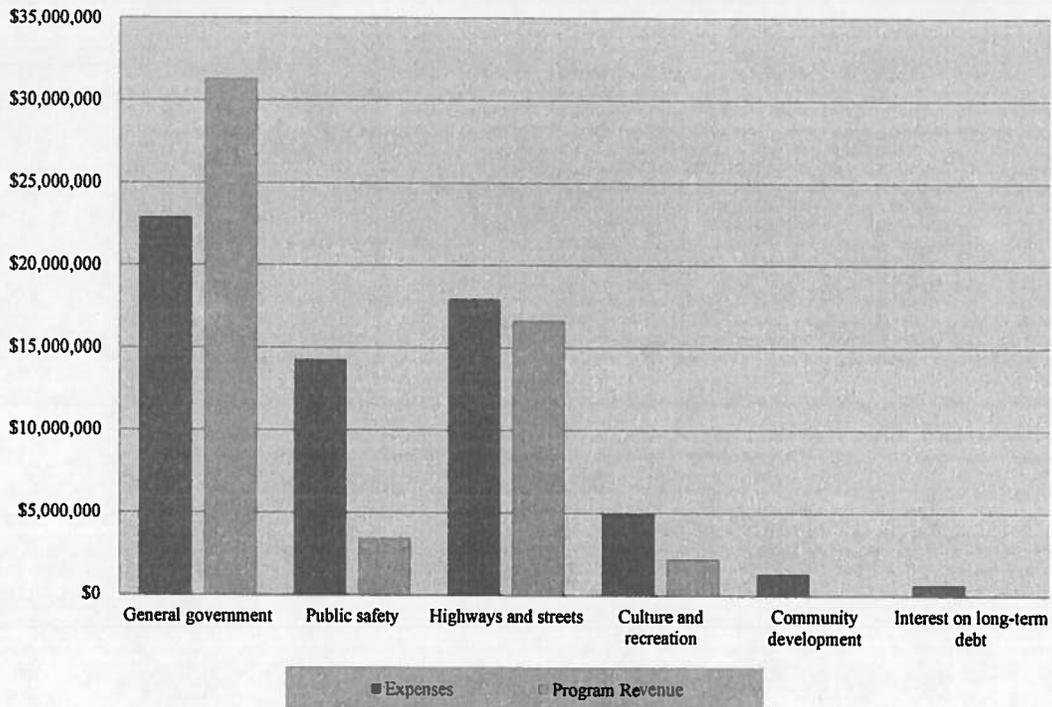
Business-Type Activities. Business-type program revenues increased by \$8.0 million during 2013 due to increases in capital grants and contributions of nearly \$2.7 million and an increase in charges for services of \$4.8 million. Business-type program expenses increased by nearly \$2.1 million in 2013 due to increases in expenses at the Minot International Airport of over \$1.0 million due to the major increases in air travel related to the oil industry.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program Revenues						
Charges for services	\$ 14,338,491	\$ 14,501,617	\$ 27,018,963	\$ 22,168,220	\$ 41,357,454	\$ 36,669,837
Operating grants and contributions	14,761,228	11,632,590	1,418,223	977,359	16,179,451	12,609,949
Capital grants and contributions	24,562,258	16,937,471	32,562,063	29,828,422	57,124,321	46,765,893
General revenues						
Taxes	43,110,360	43,315,264	186,344	687	43,296,704	43,315,951
Investment earnings	251,460	480,932	88,706	91,147	340,166	572,079
Miscellaneous	2,443,339	1,807,263	403,908	247,280	2,847,247	2,054,543
Total revenues	99,467,136	88,675,137	61,678,207	53,313,115	161,145,343	141,988,252
Program Expenses						
General government	22,855,601	18,663,226	-	-	22,855,601	18,663,226
Public safety	14,276,698	11,894,017	-	-	14,276,698	11,894,017
Highways and streets	17,921,085	10,786,782	-	-	17,921,085	10,786,782
Culture and recreation	4,902,342	3,682,272	-	-	4,902,342	3,682,272
Economic development	1,306,170	851,421	-	-	1,306,170	851,421
Interest on long-term debt	377,420	670,777	-	-	377,420	670,777
Airport	-	-	5,127,918	4,072,715	5,127,918	4,072,715
Cemetery	-	-	378,717	325,301	378,717	325,301
Parking authority	-	-	123,598	231,938	123,598	231,938
Sanitation	-	-	4,123,633	4,013,767	4,123,633	4,013,767
Water and sewer	-	-	15,399,199	14,405,238	15,399,199	14,405,238
Total expenses	61,639,317	46,548,495	25,153,065	23,048,959	86,792,382	69,597,454
Excess (deficiency) before transfers	37,827,819	42,126,642	36,525,142	30,264,156	74,352,961	72,390,798
Transfers	(3,442,538)	(5,872,446)	3,442,538	5,872,446	-	-
Change in net position	34,385,281	36,254,196	39,967,680	36,136,602	74,352,961	72,390,798
Net position, January 1	202,280,072	166,025,876	115,661,366	79,524,764	317,941,438	245,550,640
Prior period adjustment - Note 5E	-	-	200,000	-	200,000	-
Net position, January 1, as restated	202,280,072	166,025,876	115,861,366	79,524,764	318,141,438	245,550,640
Net position, December 31	\$ 236,665,353	\$ 202,280,072	\$ 155,829,046	\$ 115,661,366	\$ 392,494,399	\$ 317,941,438

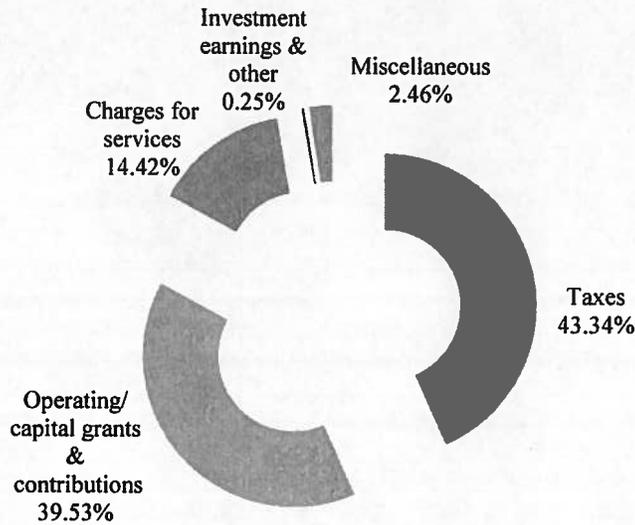
Management's Discussion and Analysis

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

**Expenses & Program Revenues
Governmental Activities**

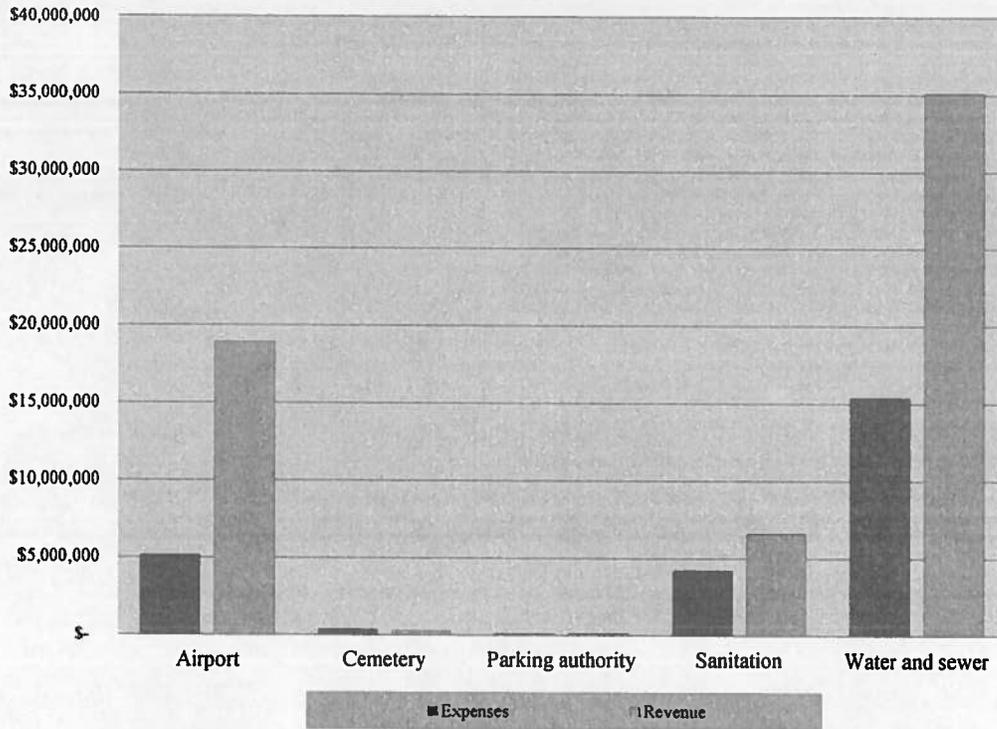


**Revenues by Source
Governmental Activities**

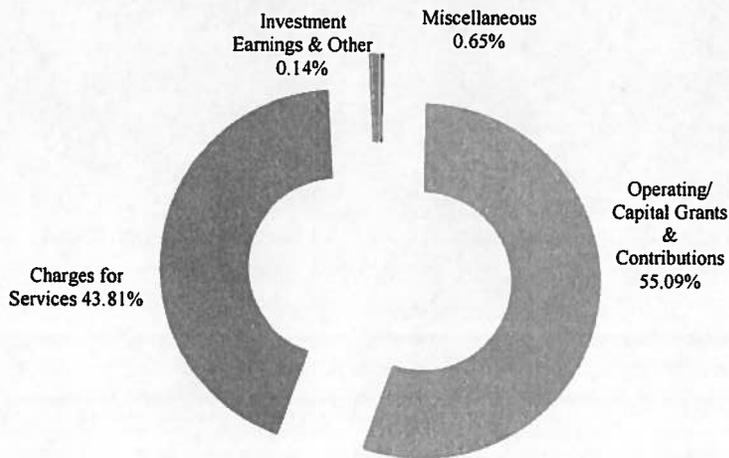


Management's Discussion and Analysis

**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 2013, the City's governmental funds reported combined ending fund balances of over \$113.8 million, an increase of nearly \$19.1 million in comparison with 2012. Revenues for the period increased by nearly \$11.7 million due to an increase of \$10.7 million intergovernmental revenues and an increase in sales tax collections of \$1.8 million and an increase in property tax collections of \$2.4 million while expenditures increased by \$21.8 million due primarily to home acquisitions from the 2012 flood damage of over \$8.9 million along with increases in general government and public safety increased each by \$1.9 million and highway and streets expenditures increased by \$5.9 million. The City also issued nearly \$11.6 million in special assessment bonds in 2013 to fund expenditures for a water and sewer district and paving districts. The City also issued \$6.8 million in general obligation bonds and refinanced one general obligation bond issue due to the low rates. The governmental funds nonspendable fund balance is \$848,532, restricted fund balance \$34,982,125, committed fund balance \$12,497,167, assigned fund balance \$48,079,550, and unassigned fund balance \$17,422,266.

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 \$19,274,270. 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 76.4% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$3,270,197 during the current fiscal year. The main reason for this change was an increase in intergovernmental revenue due to the grants received to assist with the disaster recovery from the 2011 flood.

The **Sales Tax NAWS Fund** had a decrease in fund balance of nearly \$.6 million due to the reallocation of sales tax collections to other purposes. The decrease represents the expenditures during the year.

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

The **Special Assessment Debt Fund** decreased its fund balance by \$696,123 due to revenues being less than expenditures during 2013.

The **Special Assessment Capital Fund** decreased in fund balance by \$728,073 due to the timing differences in assessing properties and the construction.

The **Capital Purchases Fund** increased by \$1.4 due to a transfer of \$1.3 million for an infrastructure project.

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 position at the end of the year for the major Enterprise Funds was \$32,289,704, of which Airport accounted for \$9,805,616, Sanitation \$3,823,258, Water and Sewer \$18,660,830 and the nonmajor funds accounted for \$388,875. Restricted net position was \$4,843,540 for bond covenants, \$925,887 for passenger facility charges not spent and \$45,027 for other purposes.

The change in net position for these funds was \$39.6 million. This change was due to an

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Management's Discussion and Analysis

increase in charges for services of over \$4.2 million, and increase in expense of \$2.2 million, and an increase in capital contributions of over \$14.3 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget were an increase in revenues of \$.4 million and an increase in expenditure appropriations of \$1.1 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$1.4 million less than budgeted. The areas with the largest difference from year to year include a decrease in property tax collections of \$3.3 million that is offset by the transfer in from the second penny sales tax property tax relief fund of \$3.5 million, license and permits which increased nearly \$.9 million and the state aid distribution which was \$.5 million higher than budgeted. The building permits decreased due to the flood recovery and the state aid distribution increased due to an increase in sales tax collections by the state. The total general fund expenditures were over \$1.9 million less than budgeted. This resulted in total deficiency of revenues over expenditures being over \$.6 million less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2013, is \$297,436,243 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books.

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

- 55th St NE Overpass
- Paving Districts
- Airport Taxiway D & D1
- Airport SRE Building
- Puppy Dog Sewer Interceptor
- Donations of infrastructure
- A variety of other street construction projects

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

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 22,541,677	\$ 16,295,431	\$ 5,318,080	\$ 5,035,626	\$ 27,859,757	\$ 21,331,057
Construction in progress	9,532,546	2,970,790	18,805,533	7,139,241	28,338,079	10,110,031
Buildings	6,472,914	6,824,933	7,918,489	4,312,004	14,391,403	11,136,937
Equipment	7,394,388	6,238,297	4,993,226	4,344,903	12,387,614	10,583,200
Infrastructure	101,511,900	85,984,140	111,686,526	94,641,861	213,198,426	180,626,001
Intangible assets	426,578	422,653	91,505	68,411	518,083	491,064
Books	742,881	629,028	-	-	742,881	629,028
Total capital assets	\$ 148,622,884	\$ 119,365,272	\$ 148,813,359	\$ 115,542,046	\$ 297,436,243	\$ 234,907,318

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Long-Term Debt. At year-end, the City had total debt of \$73,891,140, an increase of \$31,786,309 over the prior year. Note 4. H on pages 47-49 of this report describes the City's long-term debt in detail.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 13,300,000	\$ 8,390,000	\$ -	\$ -	\$ 13,300,000	\$ 8,390,000
Special assessment bonds	20,090,000	9,585,000	-	-	20,090,000	9,585,000
Revenue bonds	-	-	36,005,000	20,595,000	36,005,000	20,595,000
Unamortized premium	935,491	327,479	437,111	278,596	1,372,602	606,075
Unamortized discount	(31,428)	(36,511)	(149,677)	(43,739)	(181,105)	(80,250)
Notes payable	-	-	1,285,015	1,358,115	1,285,015	1,358,115
Capital leases	265	3,383	683,680	491,120	683,945	494,503
Compensated absences	968,592	831,998	257,091	214,390	1,225,683	1,046,388
Total outstanding debt	\$ 35,262,920	\$ 19,101,349	\$ 38,518,220	\$ 22,893,482	\$ 73,781,140	\$ 41,994,831

The City issued new debt for special assessment bonds of \$11,595,000, general obligation bonds of \$6,815,000 and water and sewer bonds of \$5,220,000. The City also refinanced the 2005A general obligation bonds for \$530,000 due to the reduction in rates. The City received a rating of Aa2 from Moody's.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$163,758,181. The City's legal debt margin is \$150,786,823. The net bonded debt per capita is \$316.65.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Projects in 2013, which boosted the economy in Minot included, Roer's Development, Inc. apartment buildings for \$28 million; City of Minot Construction of a new Airport Terminal \$22.8 million; JPR Investments, LLC the Hilton Garden Hotel \$11.8; North Highlands – Minot, LLC apartment buildings \$10.5 million; Lakeland Dakota Homes, LLC apartment buildings \$10.5 million and several other condos, apartment buildings, restaurants and business remodels.

During 2014, the City anticipates the oil industry will continue to boost the economy primarily due to the Bakken Formation.

The 2014 budget for the City of Minot includes an increase in the airport and water and sewer

rates. The value of a mill for the City increased from \$143,500,000 to \$189,000,000 per mill.

The mill levy for the City of Minot's 2014 budget is 76.76 mills – compared to 86.77 mills in 2013, a decrease of 10.01 mills. The decrease in the mills is due to the increase in the value of the mill and a reduction in equipment purchases & street improvements budgeted for in 2014.

Total appropriations for operations for 2014 increased nearly \$14.0 million dollars from 2013. This 7.8% increase is due to the airport budget increased \$25.6 million due to capital projects, the CDBG-DR budget decreased by \$17.9 million and the NAWS budget decreased by \$4.0 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 Position
December 31, 2013

	Governmental Activities	Business-Type Activities	Total 2013
ASSETS			
Cash and cash equivalents	\$ 58,659,179	\$ 36,934,166	\$ 95,593,345
Investments	30,148,142	-	30,148,142
Receivables			
Taxes receivable delinquent	293,103	4,828	297,931
Special assessments delinquent	16,771	-	16,771
Accounts receivable, net of allowance	636,282	3,069,672	3,705,954
Loans receivable, net of allowance	60,000	-	60,000
Intergovernmental receivable	12,197,686	7,294,119	19,491,805
Accrued interest receivable	3,812	-	3,812
Inventory	360,800	-	360,800
Prepaid	147,301	21,804	169,105
Other assets - capital credits	100,292	171,646	271,938
Negative net pension & OPEB obligation	2,361,295	-	2,361,295
Restricted cash and cash equivalents	23,903,607	4,888,567	28,792,174
Capital assets not being depreciated			
Land	22,541,677	5,318,080	27,859,757
Construction in progress	9,532,546	18,805,533	28,338,079
Capital assets net of accumulated depreciation			
Buildings	6,472,914	7,918,489	14,391,403
Equipment	7,394,388	4,993,226	12,387,614
Infrastructure	101,511,900	111,686,526	213,198,426
Intangible assets	426,578	91,505	518,083
Books	742,881	-	742,881
Special assessments deferred	5,605,051	1,365	5,606,416
Total assets	283,116,205	201,199,526	484,315,731
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond discounts	31,428	149,677	181,105
Total deferred outflows of resources	31,428	149,677	181,105
LIABILITIES			
Accounts payable	8,593,777	4,496,059	13,089,836
Retainage payable	889,920	1,398,233	2,288,153
Internal balances	554,776	(554,776)	-
Accrued salaries payable	709,022	209,351	918,373
Insurance claims payable	115,671	-	115,671
Accrued interest payable	201,993	351,291	553,284
Customer deposits	122,773	170,979	293,752
Current debt - due within one year			
Special assessment debt with governmental commitment	36,856	-	36,856
Compensated absences	339,007	89,981	428,988
Capital leases payable	265	238,487	238,752
All other debt	3,693,144	2,685,681	6,378,825
Noncurrent debt - due after one year			
Special assessment debt with governmental commitment	213,467	-	213,467
Compensated absences	629,585	167,110	796,695
Capital leases payable	-	445,193	445,193
All other debt	29,446,533	34,604,334	64,050,867
Accrued MSWLF postclosure care costs	-	779,758	779,758
Total liabilities	45,546,789	45,081,681	90,628,470
DEFERRED INFLOW OF RESOURCES			
Unamortized bond premiums	935,491	437,111	1,372,602
Deferred inflow of resources	-	1,365	1,365
Total deferred inflow of resources	935,491	438,476	1,373,967
NET POSITION			
Net investment in capital assets	119,345,975	117,348,148	236,694,123
Restricted for:			
Debt service	517,259	4,843,540	5,360,799
Passenger facility charges not spent	-	925,887	925,887
Sales tax property tax relief	3,226,156	-	3,226,156
Economic development	4,585,464	-	4,585,464
Flood control	4,634,140	-	4,634,140
NAWS	34,464,866	-	34,464,866
Other purposes	51,407	45,027	96,434
Unrestricted net position	69,840,086	32,666,444	102,506,530
Total net position	\$ 236,665,353	\$ 155,829,046	\$ 392,494,399

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

City of Minot, North Dakota
Statement of Activities
For the Year Ended December 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total 2013
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
General government	\$ 22,855,601	\$ 10,136,446	\$ 9,665,447	\$ 11,582,417	\$ 8,528,709	\$ -	\$ 8,528,709
Public safety	14,276,698	2,068,420	576,299	815,504	(10,816,475)	-	(10,816,475)
Highways and streets	17,921,085	112,496	4,366,489	12,152,326	(1,289,774)	-	(1,289,774)
Culture and recreation	4,902,342	2,021,129	152,993	12,011	(2,716,210)	-	(2,716,210)
Community development	1,306,170	-	-	-	(1,306,170)	-	(1,306,170)
Interest on long-term debt	377,420	-	-	-	(377,420)	-	(377,420)
Total governmental activities	61,639,317	14,338,491	14,761,228	24,562,258	(7,977,340)	-	(7,977,340)
Business-Type Activities							
Airport	5,127,918	4,010,834	1,418,223	13,489,126	-	13,790,265	13,790,265
Cemetery	378,717	303,061	-	-	-	(75,656)	(75,656)
Parking authority	123,598	107,647	-	-	-	(15,951)	(15,951)
Sanitation	4,123,633	5,051,929	-	1,540,548	-	2,468,844	2,468,844
Water and sewer	15,399,199	17,545,492	-	17,532,389	-	19,678,682	19,678,682
Total business-type activities	25,153,065	27,018,963	1,418,223	32,562,063	-	35,846,184	35,846,184
Total government	\$86,792,382	\$41,357,454	\$16,179,451	\$57,124,321	(7,977,340)	35,846,184	27,868,844
General Revenues							
Taxes							
Property taxes, levied for general purposes					9,479,846	186,344	9,666,190
Property taxes, levied for debt service					499,901	-	499,901
Sales tax					24,850,061	-	24,850,061
Municipal highway tax					2,816,975	-	2,816,975
State aid distribution-unrestricted					4,231,254	-	4,231,254
Franchise taxes					668,203	-	668,203
Other taxes					564,120	-	564,120
Investment earnings					251,460	88,706	340,166
Miscellaneous					2,443,339	403,908	2,847,247
Transfers					(3,442,538)	3,442,538	-
Total general revenues and transfers					42,362,621	4,121,496	46,484,117
Change in net position					34,385,281	39,967,680	74,352,961
Net position, January 1					202,280,072	115,661,366	317,941,438
Prior period adjustment - Note 5E					-	200,000	200,000
Net position, January 1, as restated					202,280,072	115,861,366	318,141,438
Net position, December 31					\$236,665,353	\$155,829,046	\$392,494,399

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, 2013

	General Fund	Special Revenue Funds		Debt Service Fund
		Sales Tax NAWS	CDBG-DR \$67.5M	Special Assessment Debt
ASSETS				
Cash and investments	\$ 10,806,496	\$ -	\$ -	\$ -
Restricted cash and investments	-	11,331,526	346,457	179,686
Investments - certificates of deposit	7,000,000	-	-	-
Taxes receivable delinquent	71,436	-	-	909
Special assessments receivable delinquent	250	-	-	4,321
Accounts receivable	512,806	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Intergovernmental receivable	2,016,790	-	3,950,514	32
Accrued interest receivable	3,812	-	-	-
Inventory	-	-	-	-
Prepaid	138,829	-	-	-
Other assets - capital credits	86,806	-	-	-
Investments	-	23,133,340	-	-
Advance to other funds	-	-	-	340,709
Special assessments receivable uncertified	4,550	-	-	5,020,752
Total assets	<u>\$ 20,641,775</u>	<u>\$ 34,464,866</u>	<u>\$ 4,296,971</u>	<u>\$ 5,546,409</u>
LIABILITIES				
Accounts payable	\$ 353,861	\$ -	\$ 3,967,735	\$ 15,666
Retainage payable	-	-	326,848	-
Due to other funds	-	-	-	-
Accrued salaries payable	625,965	-	2,388	-
Customer deposits	122,773	-	-	-
Advance from other funds	-	-	-	-
Total liabilities	<u>1,102,599</u>	<u>-</u>	<u>4,296,971</u>	<u>15,666</u>
DEFERRED INFLOWS OF RESOURCES				
Uncertified special assessments	4,550	-	-	5,020,752
Deferred inflow of resources	34,721	-	-	4,919
Deferred inflow of resources	<u>39,271</u>	<u>-</u>	<u>-</u>	<u>5,025,671</u>
FUND BALANCE				
Nonspendable	225,635	-	-	340,709
Restricted	-	34,464,866	-	164,363
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	19,274,270	-	-	-
Total fund balance	<u>19,499,905</u>	<u>34,464,866</u>	<u>-</u>	<u>505,072</u>
Total liabilities, inflows and fund balance	<u>\$ 20,641,775</u>	<u>\$ 34,464,866</u>	<u>\$ 4,296,971</u>	<u>\$ 5,546,409</u>

City of Minot, North Dakota

Balance Sheet

Governmental Funds

December 31, 2013

	Capital Project Funds			Total
	Special	Capital	Other	Governmental
	Assessment		Governmental	
	Capital	Purchases	Funds	2013
ASSETS				
Cash and investments	\$ -	\$ 4,543,815	\$ 41,526,443	\$ 56,876,754
Restricted cash and investments	-	-	12,045,938	23,903,607
Investments - certificates of deposit	-	-	14,802	7,014,802
Taxes receivable delinquent	-	-	220,758	293,103
Special assessments receivable delinquent	-	-	12,200	16,771
Accounts receivable	-	-	109,856	622,662
Loans receivable	-	-	75,000	75,000
Allowance for loans receivable	-	-	(15,000)	(15,000)
Due from other funds	-	212,912	726,644	939,556
Intergovernmental receivable	-	169,946	6,060,404	12,197,686
Accrued interest receivable	-	-	-	3,812
Inventory	-	-	6,703	6,703
Prepaid	-	-	8,472	147,301
Other assets - capital credits	-	-	13,486	100,292
Investments	-	-	-	23,133,340
Advance to other funds	-	-	253,527	594,236
Special assessments receivable uncertified	-	-	579,749	5,605,051
Total assets	\$ -	\$ 4,926,673	\$ 61,638,982	\$ 131,515,676
LIABILITIES				
Accounts payable	\$ 476,194	\$ 200,716	\$ 3,452,185	\$ 8,466,357
Retainage payable	261,004	-	302,068	889,920
Due to other funds	212,912	-	726,644	939,556
Accrued salaries payable	-	-	80,669	709,022
Customer deposits	-	-	-	122,773
Advance from other funds	-	-	724,036	724,036
Total liabilities	950,110	200,716	5,285,602	11,851,664
DEFERRED INFLOWS OF RESOURCES				
Uncertified special assessments	-	-	574,311	5,599,613
Deferred inflow of resources	-	-	195,119	234,759
Deferred inflow of resources	-	-	769,430	5,834,372
FUND BALANCE				
Nonspendable	-	-	282,188	848,532
Restricted	-	-	352,896	34,982,125
Committed	-	-	12,497,167	12,497,167
Assigned	-	4,725,957	43,353,593	48,079,550
Unassigned	(950,110)	-	(901,894)	17,422,266
Total fund balance	(950,110)	4,725,957	55,583,950	113,829,640
Total liabilities, inflows and fund balance	\$ -	\$ 4,926,673	\$ 61,638,982	\$ 131,515,676

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



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City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2013

Total fund balances for governmental funds \$113,829,640

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 22,541,677	
Construction work in process	9,532,546	
Buildings, net of accumulated depreciation (\$7,562,786)	6,472,914	
Equipment, net of accumulated depreciation (\$9,358,859)	7,394,388	
Infrastructure, net of accumulated depreciation (\$48,119,153)	101,511,900	
Intangible assets, net of accumulated depreciation (\$171,751)	426,578	
Books, net of accumulated depreciation (\$3,356,276)	<u>742,881</u>	
Total capital assets (Note 4. D)		148,622,884

A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net position and in connection with proprietary and fiduciary funds. Conversely, a negative net pension or OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund. 2,361,295

Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. They are not included in government-wide. 1,482,075

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. 5,834,372

Deferred revenues taxes and special assessments

Total taxes and specials not available 5,834,372

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. (Note 2. A) (\$35,464,913)

Total net position of governmental activities \$236,665,353

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General Fund	Special Revenue Funds		Debt
		Sales Tax NAWS	CDBG-DR \$67.5M	Service Fund Special Assessment Debt
REVENUES				
Property tax collections	\$ 4,504,472	\$ -	\$ -	\$ 23,581
Special assessment collections	4,784	-	-	633,935
Sales tax collections	-	-	-	-
Licenses and permits	2,153,400	-	-	-
Intergovernmental	10,480,250	-	8,360,002	-
Charges for services	5,367,088	-	-	-
Fines and forfeits	1,198,946	-	-	-
Interest income	19,874	84,578	833	22,607
Contract revenue	-	-	-	-
Miscellaneous	837,034	-	6,639	-
Total revenues	<u>24,565,848</u>	<u>84,578</u>	<u>8,367,474</u>	<u>680,123</u>
EXPENDITURES				
Current				
General government	8,302,596	696,154	8,367,474	-
Public safety	12,707,694	-	-	-
Highways and streets	4,223,787	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	-	-	-	-
Other	-	-	-	-
Acquisitions	-	-	-	-
Engineering	-	-	-	-
Debt service				
Principal retirement	-	-	-	1,090,000
Interest and fiscal charges	-	-	-	278,412
Total expenditures	<u>25,234,077</u>	<u>696,154</u>	<u>8,367,474</u>	<u>1,368,412</u>
Excess (deficiency) of revenues over (under) expenditures	(668,229)	(611,576)	-	(688,289)
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
Sale of City property	6,876	-	-	-
Transfers in	3,990,289	-	-	5,392
Transfers out	(58,739)	(8,882)	-	(13,226)
Total other financing sources (uses)	<u>3,938,426</u>	<u>(8,882)</u>	<u>-</u>	<u>(7,834)</u>
Net change in fund balance	3,270,197	(620,458)	-	(696,123)
Fund balance, January 1	16,229,708	35,085,324	-	1,201,195
Fund balance, December 31	<u>\$ 19,499,905</u>	<u>\$ 34,464,866</u>	<u>\$ -</u>	<u>\$ 505,072</u>

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	Capital Project Funds			Total Governmental Funds 2013
	Special Assessment Capital	Capital Purchases	Other Governmental Funds	
	Capital	Purchases	Funds	
REVENUES				
Property tax collections	\$ -	\$ -	\$ 5,288,202	\$ 9,816,255
Special assessment collections	-	-	137,074	775,793
Sales tax collections	-	-	24,850,061	24,850,061
Licenses and permits	-	-	-	2,153,400
Intergovernmental	-	8,362,356	7,227,870	34,430,478
Charges for services	-	-	3,046,228	8,413,316
Fines and forfeits	-	-	-	1,198,946
Interest income	-	7,385	116,183	251,460
Contract revenue	-	-	1,187,136	1,187,136
Miscellaneous	-	19,616	392,914	1,256,203
Total revenues	-	8,389,357	42,245,668	84,333,048
EXPENDITURES				
Current				
General government	-	-	1,969,538	19,335,762
Public safety	-	-	-	12,707,694
Highways and streets	-	-	7,866,709	12,090,496
Culture and recreation	-	-	4,501,165	4,501,165
Economic development	-	-	1,306,170	1,306,170
Capital outlay				
Contracted work	7,729,316	-	2,964,505	10,693,821
Equipment	-	-	4,450,114	4,450,114
Other	313,863	-	15,776	329,639
Acquisitions	241,060	8,488,390	176,150	8,905,600
Engineering	1,377,611	-	1,685,894	3,063,505
Debt service				
Principal retirement	-	-	1,905,000	2,995,000
Interest and fiscal charges	4,286	-	269,194	551,892
Total Expenditures	9,666,136	8,488,390	27,110,215	80,930,858
Excess (deficiency) of revenues over (under) expenditures	(9,666,136)	(99,033)	15,135,453	3,402,190
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	6,815,000	6,815,000
Special assessment bonds issued	11,595,000	-	-	11,595,000
Premium on bonds	391,378	-	251,447	642,825
Sale of City property	-	-	77,968	84,844
Transfers in	136,467	1,640,672	10,750,502	16,523,322
Transfers out	(3,184,782)	(138,650)	(16,561,581)	(19,965,860)
Total other financing sources (uses)	8,938,063	1,502,022	1,333,336	15,695,131
Net change in fund balance	(728,073)	1,402,989	16,468,789	19,097,321
Fund balance, January 1	(222,037)	3,322,968	39,115,161	94,732,319
Fund balance, December 31	\$ (950,110)	\$ 4,725,957	\$ 55,583,950	\$ 113,829,640

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



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City of Minot, North Dakota
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended December 31, 2013

Net change in fund balances-total governmental funds \$19,097,321

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

Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B) 31,828,045

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) (2,570,433)

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

Debt issued			
Special assessment bonds issued	\$	(11,595,000)	
Premium on bonds issued		(642,825)	
General obligation bonds issued		(6,815,000)	
Repayments of bond principal		2,995,000	
Payment on capital lease		3,118	
Annual amortization of leases, premiums, and discounts		<u>29,730</u>	
Net adjustment			(16,024,977)

A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net position. Conversely, a negative net pension and OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund. The government-wide statement of net activities reports the change in the net pension and OPEB obligation asset from year to year. 199,198

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	(80,280)
Compensated absences	(136,594)

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	3,021,583	
Special assessment write-offs, foreclosures, and interest	41,681	
Amount shown as revenue in governmental funds	<u>(775,793)</u>	
Net change		2,287,471

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. (214,470)

Change in net position of governmental activities \$34,385,281

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

City of Minot, North Dakota
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		2013 Actual Amounts	Variance With Final Budget
	<u>Original</u>	<u>Final Amended</u>		
REVENUES				
Property tax collections	\$ 7,887,897	\$ 7,874,995	\$ 4,504,472	\$ (3,370,523)
Special assessment collections	9,429	9,429	4,784	(4,645)
Licenses & permits	1,242,860	1,242,860	2,153,400	910,540
Intergovernmental federal				
Operating Grants	354,091	358,722	430,847	72,125
Intergovernmental state				
Highway fund	2,660,296	2,660,296	2,788,794	128,498
State aid distribution	3,679,920	3,679,920	4,231,254	551,334
Financial institution tax	199,899	199,899	256,181	56,282
Cigarette tax	115,527	115,527	127,225	11,698
Gas and oil production tax	16,677	16,677	10,116	(6,561)
Telecommunications tax	132,092	132,092	132,092	-
Homestead and disabled veterans tax credits	-	-	106,597	106,597
Fire insurance refund	121,089	193,112	266,994	73,882
Gambling tax revenue	27,363	27,363	18,535	(8,828)
Public safety grants	331,440	361,967	134,756	(227,211)
Intergovernmental county				
Operating grants	10,245	10,245	10,696	451
Road and bridge	5,080	5,080	5,637	557
Joint communications	1,033,941	1,033,941	886,568	(147,373)
Information services	94,283	94,283	328,889	234,606
Assessed utility	-	-	19,971	19,971
Intergovernmental other				
Housing authority	42,425	42,425	54,333	11,908
Parking authority	4,515	4,515	2,562	(1,953)
Cable TV franchise fees	508,817	508,817	668,203	159,386
Policing-Central Campus	2,047	2,047	-	(2,047)
Total intergovernmental	<u>9,339,747</u>	<u>9,446,928</u>	<u>10,480,250</u>	<u>1,033,322</u>
Charges for services				
Engineering & administrative	426,000	426,000	585,407	159,407
Utility & special funds	2,590,906	2,590,906	2,590,906	-
Agency funds	2,832,769	2,882,769	2,118,634	(764,135)
Fleet labor	80,482	80,482	72,141	(8,341)
Total charges for services	<u>5,930,157</u>	<u>5,980,157</u>	<u>5,367,088</u>	<u>(613,069)</u>
Fines and forfeitures				
Parking tickets	62,666	62,666	84,410	21,744
Police court	605,170	855,170	1,114,536	259,366
Total fines and forfeitures	<u>667,836</u>	<u>917,836</u>	<u>1,198,946</u>	<u>281,110</u>
Interest income	166,022	166,022	19,874	(146,148)
Miscellaneous income				
Work for others	22,059	22,059	50,933	28,874
Miscellaneous	249,315	279,315	736,389	457,074
Towing fees	26,183	26,183	49,712	23,529
Total miscellaneous income	<u>297,557</u>	<u>327,557</u>	<u>837,034</u>	<u>509,477</u>
Total revenues	<u>25,541,505</u>	<u>25,965,784</u>	<u>24,565,848</u>	<u>(1,399,936)</u>

City of Minot, North Dakota
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>2013 Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final Amended</u>		
EXPENDITURES				
General government				
Mayor and city council	\$ 172,355	\$ 172,355	\$ 159,289	\$ (13,066)
City manager	245,545	314,782	309,970	(4,812)
City clerk	305,104	305,104	295,093	(10,011)
City attorney	332,807	332,807	330,801	(2,006)
Administrative and general	1,541,929	1,602,577	1,589,385	(13,192)
Finance	697,589	775,072	735,251	(39,821)
Information technology	554,539	544,892	490,191	(54,701)
Property assessment	442,926	442,926	434,352	(8,574)
Building inspection	983,250	990,250	796,458	(193,792)
Traffic	1,109,449	1,109,450	1,079,991	(29,459)
Engineering and planning	1,106,701	1,136,701	1,042,806	(93,895)
Vehicle maintenance	612,485	612,511	565,011	(47,500)
Property maintenance	539,358	541,873	473,998	(67,875)
Total general government	<u>8,644,037</u>	<u>8,881,300</u>	<u>8,302,596</u>	<u>(578,704)</u>
Public safety				
Police administration	1,055,688	1,040,319	937,301	(103,018)
Police patrol	4,687,072	4,734,139	4,583,552	(150,587)
Criminal investigation	981,392	993,130	976,971	(16,159)
Narcotics task force	78,542	78,542	53,273	(25,269)
Telecommunications division	1,033,941	1,033,941	886,568	(147,373)
Municipal judge	692,197	942,197	845,937	(96,260)
Fire administration	751,929	843,952	838,799	(5,153)
Fire control	4,167,347	4,297,553	3,585,293	(712,260)
Total public safety	<u>13,448,108</u>	<u>13,963,773</u>	<u>12,707,694</u>	<u>(1,256,079)</u>
Street & storm sewer maintenance	3,983,045	4,333,121	4,223,787	(109,334)
Total expenditures	<u>26,075,190</u>	<u>27,178,194</u>	<u>25,234,077</u>	<u>(1,944,117)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533,685)</u>	<u>(1,212,410)</u>	<u>(668,229)</u>	<u>544,181</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	-	-	6,876	6,876
Transfers in	533,685	3,790,350	3,990,289	199,939
Transfers out	-	-	(58,739)	(58,739)
Total other financing sources (uses)	<u>533,685</u>	<u>3,790,350</u>	<u>3,938,426</u>	<u>148,076</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,577,940</u>	<u>3,270,197</u>	<u>\$ 692,257</u>
Fund balance, January 1			16,229,708	
Fund balance, December 31			<u>\$ 19,499,905</u>	

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual
Major Special Revenue Fund
For the Year Ended December 31, 2013

	Sales Tax NAWS		
	Original & Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES			
Interest income	\$ 244,546	\$ 84,578	\$ (159,968)
Total revenues	244,546	84,578	(159,968)
EXPENDITURES			
General government	7,000,000	696,154	(6,303,846)
Total expenditures	7,000,000	696,154	(6,303,846)
Excess (deficiency) of revenues over (under) expenditures	(6,755,454)	(611,576)	6,143,878
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(8,882)	41,118
Total other financing sources (uses)	(50,000)	(8,882)	41,118
Net change in fund balance	<u>\$ (6,805,454)</u>	<u>(620,458)</u>	<u>\$ 6,184,996</u>
Fund balance (deficit), January 1		35,085,324	
Fund balance (deficit), December 31		<u>\$34,464,866</u>	

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual
Major Special Revenue Fund
For the Year Ended December 31, 2013

	CDBG - Disaster Recovery \$67.5M		
	Original & Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES			
Intergovernmental	\$ 43,171,982	\$ 8,360,002	\$ (34,811,980)
Interest income	-	833	833
Miscellaneous	-	6,639	6,639
Total revenues	43,171,982	8,367,474	(34,804,508)
EXPENDITURES			
General government	43,171,982	8,367,474	(34,804,508)
Total expenditures	43,171,982	8,367,474	(34,804,508)
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit), January 1		-	
Fund balance (deficit), December 31		<u>\$ -</u>	

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

City of Minot, North Dakota
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

ASSETS	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
Current assets				
Cash and cash equivalents	\$ 16,255,694	\$ 4,187,486	\$ 16,073,353	\$ 417,633
Restricted cash and cash equivalents	83,485	-	2,953,487	45,027
Taxes receivable delinquent	45	-	-	4,783
Accounts receivable	507,865	762,830	2,084,589	3,845
Allowance for doubtful accounts	-	(289,457)	-	-
Intergovernmental receivable	2,102,221	239,079	4,952,358	461
Inventory	-	-	-	-
Prepaid	1,399	123	20,282	-
Total current assets	18,950,709	4,900,061	26,084,069	471,749
Noncurrent assets				
Restricted cash and cash equivalents	933,663	-	872,905	-
Advance to other funds	-	-	496,283	-
Other assets - capital credits	5,142	29,178	136,207	1,119
Capital assets				
Land	2,851,624	367,335	1,783,220	315,901
Buildings	12,521,058	359,791	6,848,486	194,057
Equipment	3,861,535	3,509,958	6,782,805	533,451
Infrastructure	50,198,156	4,739,017	133,984,888	428,539
Intangible assets	-	-	454,849	-
Construction in progress	5,934,366	1,740,787	11,130,380	-
Total capital assets	75,366,739	10,716,888	160,984,628	1,471,948
Less-accumulated depreciation	(26,795,108)	(4,225,931)	(67,975,596)	(730,209)
Net capital assets	48,571,631	6,490,957	93,009,032	741,739
Total noncurrent assets	49,510,436	6,520,135	94,514,427	742,858
Uncertified special assessment receivable deferred	-	-	1,365	-
Total assets	68,461,145	11,420,196	120,599,861	1,214,607
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized bond discounts	110,008	-	39,669	-
Total deferred outflows of resources	110,008	-	39,669	-
LIABILITIES				
Current liabilities				
Accounts payable	1,918,151	9,375	2,559,567	8,966
Retainage payable	190,977	198,380	1,008,876	-
Accrued salaries payable	45,019	57,414	95,467	11,451
Compensated absences	19,166	21,369	43,164	6,282
Insurance claims payable	-	-	-	-
Bonds payable	-	-	2,610,000	-
Notes payable	-	-	75,681	-
Capital leases payable	-	238,487	-	-
Accrued interest payable	83,485	-	267,806	-
Total current liabilities	2,256,798	525,025	6,660,561	26,699
Long-term liabilities				
Customer deposits	6,309	-	164,070	600
Compensated absences	35,595	39,685	80,163	11,667
Bonds payable	12,505,000	-	20,890,000	-
Notes payable	-	-	1,209,334	-
Capital leases payable	-	445,193	-	-
Advance from other funds	-	-	366,483	-
Accrued MSWLF closure and postclosure care costs	-	779,758	-	-
Total long-term liabilities	12,546,904	1,264,636	22,710,050	12,267
Total liabilities	14,803,702	1,789,661	29,370,611	38,966
DEFERRED INFLOWS OF RESOURCES				
Uncertified special assessments	-	-	1,365	-
Unamortized bond premiums	-	-	437,111	-
Total deferred inflow of resources	-	-	438,476	-
NET POSITION				
Invested in capital assets	42,018,800	5,807,277	68,343,221	741,739
Restricted for bond covenants	1,017,148	-	3,826,392	-
Restricted for passenger facility receipts not spent	925,887	-	-	-
Restricted for perpetual care	-	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	-	6,777
Unrestricted net position	9,805,616	3,823,258	18,660,830	388,875
Total net position	\$ 53,767,451	\$ 9,630,535	\$ 90,830,443	\$ 1,175,641

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

City of Minot, North Dakota
Statement of Fund Net Position
Proprietary Funds
December 31, 2013

	Governmental		
	Total	Activities	
	Enterprise	Internal	Total
ASSETS	Funds	Service	2013
Current assets			
Cash and cash equivalents	\$ 36,934,166	\$ 1,782,425	\$ 38,716,591
Restricted cash and cash equivalents	3,081,999	-	3,081,999
Taxes receivable delinquent	4,828	-	4,828
Accounts receivable	3,359,129	13,620	3,372,749
Allowance for doubtful accounts	(289,457)	-	(289,457)
Intergovernmental receivable	7,294,119	-	7,294,119
Inventory	-	354,097	354,097
Prepaid	21,804	-	21,804
Total current assets	50,406,588	2,150,142	52,556,730
Noncurrent assets			
Restricted cash and cash equivalents	1,806,568	-	1,806,568
Advance to other funds	496,283	-	496,283
Other assets - capital credits	171,646	-	171,646
Capital assets			
Land	5,318,080	-	5,318,080
Buildings	19,923,392	-	19,923,392
Equipment	14,687,749	-	14,687,749
Infrastructure	189,350,600	-	189,350,600
Intangible assets	454,849	-	454,849
Construction in progress	18,805,533	-	18,805,533
Total capital assets	248,540,203	-	248,540,203
Less-accumulated depreciation	(99,726,844)	-	(99,726,844)
Net capital assets	148,813,359	-	148,813,359
Total noncurrent assets	151,287,856	-	151,287,856
Uncertified special assessment receivable deferred	1,365	-	1,365
Total assets	201,695,809	2,150,142	203,845,951
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized bond discounts	149,677	-	149,677
Total deferred outflows of resources	149,677	-	149,677
LIABILITIES			
Current liabilities			
Accounts payable	4,496,059	127,420	4,623,479
Retainage payable	1,398,233	-	1,398,233
Accrued salaries payable	209,351	-	209,351
Compensated absences	89,981	-	89,981
Insurance claims payable	-	115,671	115,671
Bonds payable	2,610,000	-	2,610,000
Notes payable	75,681	-	75,681
Capital leases payable	238,487	-	238,487
Accrued interest payable	351,291	-	351,291
Total current liabilities	9,469,083	243,091	9,712,174
Long-term liabilities			
Customer deposits	170,979	-	170,979
Compensated absences	167,110	-	167,110
Bonds payable	33,395,000	-	33,395,000
Notes payable	1,209,334	-	1,209,334
Capital leases payable	445,193	-	445,193
Advance from other funds	366,483	-	366,483
Accrued MSWLF closure and postclosure care costs	779,758	-	779,758
Total long-term liabilities	36,533,857	-	36,533,857
Total liabilities	46,002,940	243,091	46,246,031
DEFERRED INFLOWS OF RESOURCES			
Uncertified special assessments	1,365	-	1,365
Unamortized bond premiums	437,111	-	437,111
Total deferred inflow of resources	438,476	-	438,476
NET POSITION			
Invested in capital assets	116,911,037	-	116,911,037
Restricted for bond covenants	4,843,540	-	4,843,540
Restricted for passenger facility receipts not spent	925,887	-	925,887
Restricted for perpetual care	38,250	-	38,250
Restricted for chapel/veteran's memorial	6,777	-	6,777
Unrestricted net position	32,678,579	1,907,051	34,585,630
Total net position	155,404,070	\$ 1,907,051	157,311,121
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included.	424,976	-	424,976
	\$ 155,829,046	\$ 1,907,051	\$ 157,736,097

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities Enterprise Funds			
	Water			
	Airport	Sanitation	& Sewer	Nonmajor
OPERATING REVENUES				
Sales	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	3,946,497	4,932,759	17,290,702	396,985
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	-	-	84,634	-
Total operating revenues	<u>3,946,497</u>	<u>4,932,759</u>	<u>17,375,336</u>	<u>396,985</u>
OPERATING EXPENSES				
Salaries	879,547	1,328,976	2,057,977	295,061
Employee benefits	269,192	414,067	641,390	65,683
Professional services	542,165	36,169	239,642	2,282
Property services	447,383	568,907	1,678,516	36,831
Purchased services	86,038	43,230	328,280	10,075
Supplies	327,839	430,845	2,782,183	24,959
Sundry	126,905	617,345	1,664,654	25,448
Insurance claims	-	-	-	-
Amortization	-	-	11,176	-
MSWLF closure & postclosure care	-	92,940	-	-
Depreciation	2,365,364	580,710	5,222,121	41,976
Total operating expenses	<u>5,044,433</u>	<u>4,113,189</u>	<u>14,625,939</u>	<u>502,315</u>
Operating income (loss)	(1,097,936)	819,570	2,749,397	(105,330)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	397	-	-	185,947
Intergovernmental revenues	22,703	-	2,771,305	-
Interest income	8,914	13,679	64,140	1,973
Miscellaneous income (expense)	19,738	75,834	325,750	(17,414)
Gain (loss) on sale of City property	(75)	-	876,726	-
Passenger facility charge income	1,003,544	-	-	-
Customer facility charge income	391,976	-	-	-
Interest and fiscal charges	(83,485)	(10,444)	(773,260)	-
Total non-operating revenues (expenses)	<u>1,363,712</u>	<u>79,069</u>	<u>3,264,661</u>	<u>170,506</u>
Income (loss) before contributions and transfers	265,776	898,639	6,014,058	65,176
Capital contributions	13,489,201	1,540,548	13,884,358	-
Transfers in	-	166,444	3,873,840	280,000
Transfers out	(9,428)	(407,647)	(458,848)	(1,823)
Total contributions and transfers	<u>13,479,773</u>	<u>1,299,345</u>	<u>17,299,350</u>	<u>278,177</u>
Change in net position	<u>13,745,549</u>	<u>2,197,984</u>	<u>23,313,408</u>	<u>343,353</u>
Net position, January 1	40,021,902	7,232,551	67,517,035	832,288
Prior period adjustment - Note 5E	-	200,000	-	-
Net position, January 1, as restated	<u>40,021,902</u>	<u>7,432,551</u>	<u>67,517,035</u>	<u>832,288</u>
Net position, December 31	<u>\$ 53,767,451</u>	<u>\$ 9,630,535</u>	<u>\$ 90,830,443</u>	<u>\$ 1,175,641</u>

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2013

	Total Enterprise Funds	Governmental Activities	
		Internal Service Funds	Total 2013
OPERATING REVENUES			
Sales	\$ -	\$ 1,409,923	\$ 1,409,923
Cost of goods sold	-	(1,311,019)	(1,311,019)
Gross margin	-	98,904	98,904
Charges for services	26,566,943	-	26,566,943
Employer	-	1,703,695	1,703,695
Employee	-	518,596	518,596
Miscellaneous	84,634	-	84,634
Total operating revenues	<u>26,651,577</u>	<u>2,321,195</u>	<u>28,972,772</u>
OPERATING EXPENSES			
Salaries	4,561,561	-	4,561,561
Employee benefits	1,390,332	-	1,390,332
Professional services	820,258	198	820,456
Property services	2,731,637	-	2,731,637
Purchased services	467,623	-	467,623
Supplies	3,565,826	101,658	3,667,484
Sundry	2,434,352	-	2,434,352
Insurance claims	-	1,841,316	1,841,316
Amortization	11,176	-	11,176
MSWLF closure & postclosure care	92,940	-	92,940
Depreciation	8,210,171	-	8,210,171
Total operating expenses	<u>24,285,876</u>	<u>1,943,172</u>	<u>26,229,048</u>
Operating income (loss)	2,365,701	378,023	2,743,724
NON-OPERATING REVENUES (EXPENSES)			
Property tax collections	186,344	-	186,344
Intergovernmental revenues	2,794,008	-	2,794,008
Interest income	88,706	4,729	93,435
Miscellaneous income (expense)	403,908	(229,836)	174,072
Gain (loss) on sale of City property	876,651	-	876,651
Passenger facility charge income	1,003,544	-	1,003,544
Customer facility charge income	391,976	-	391,976
Interest and fiscal charges	(867,189)	-	(867,189)
Total non-operating revenues (expenses)	<u>4,877,948</u>	<u>(225,107)</u>	<u>4,652,841</u>
Income (loss) before contributions and transfers	7,243,649	152,916	7,396,565
Capital contributions	28,914,107	-	28,914,107
Transfers in	4,320,284	-	4,320,284
Transfers out	(877,746)	-	(877,746)
Total contributions and transfers	<u>32,356,645</u>	<u>-</u>	<u>32,356,645</u>
Change in net position	<u>39,600,294</u>	<u>152,916</u>	
Net position, January 1	115,603,776	1,754,135	
Prior period adjustment - Note 5E	200,000	-	
Net position, January 1, as restated	<u>115,803,776</u>	<u>1,754,135</u>	
Net position, December 31	<u>\$155,404,070</u>	<u>\$ 1,907,051</u>	
Change in net position enterprise funds only			39,600,294
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			367,386
Change in net position of business-type activities			<u>\$ 39,967,680</u>

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

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 3,409,479	\$ 4,934,400	\$ 17,176,048	\$ 391,594
Payments to suppliers	504,271	(1,567,586)	(4,720,947)	(103,740)
Payments to employees	(1,142,955)	(1,716,129)	(2,658,851)	(356,061)
Due from (to) other agencies	(1,517,747)	(77,148)	(3,423,887)	25,754
Net cash provided (used) by operating activities	<u>1,253,048</u>	<u>1,573,537</u>	<u>6,372,363</u>	<u>(42,453)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	42,838	75,834	3,097,055	168,533
Transfers in	-	166,444	3,873,840	280,000
Transfers out	(9,428)	(407,647)	(458,848)	(1,823)
Internal activity - payments from (to) other funds	-	-	45,904	-
Net cash provided (used) by noncapital financing activities	<u>33,410</u>	<u>(165,369)</u>	<u>6,557,951</u>	<u>446,710</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	13,489,201	1,540,548	13,678,681	-
Passenger facility charges	1,003,544	-	-	-
Customer facility charges	391,976	-	-	-
Acquisition and construction of capital assets	(15,092,800)	(3,851,787)	(21,791,621)	(347,876)
Proceeds from bonds	12,505,000	-	5,220,000	-
Disposal of capital assets	6,838	(1,827)	1,115,600	(6,859)
Capital lease payment	-	(247,440)	-	-
Principal paid on capital debt	-	-	(2,388,100)	-
Interest paid on capital debt	(83,485)	(10,444)	(773,260)	-
Net cash provided (used) by capital and related financing activities	<u>12,220,274</u>	<u>(2,570,950)</u>	<u>(4,938,700)</u>	<u>(354,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	8,914	13,679	64,140	1,973
Net cash provided by investing activities	<u>8,914</u>	<u>13,679</u>	<u>64,140</u>	<u>1,973</u>
Net increase (decrease) in cash and cash equivalents	13,515,646	(1,149,103)	8,055,754	51,495
Cash and cash equivalents, January 1	3,757,196	5,336,589	11,843,991	411,165
Cash and cash equivalents, December 31	<u>\$ 17,272,842</u>	<u>\$ 4,187,486</u>	<u>\$ 19,899,745</u>	<u>\$ 462,660</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 16,255,694	\$ 4,187,486	\$ 16,073,353	\$ 417,633
Restricted cash and cash equivalents - current	83,485	-	2,953,487	45,027
Restricted cash and cash equivalents - noncurrent	933,663	-	872,905	-
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 17,272,842</u>	<u>\$ 4,187,486</u>	<u>\$ 19,899,745</u>	<u>\$ 462,660</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,097,936)	\$ 819,570	\$ 2,749,397	\$ (105,330)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	2,365,364	580,710	5,222,121	41,976
Amortization expense	-	-	11,176	-
MSWLF closure and post closure care cost adjustment	-	92,940	-	-
Change in assets and liabilities				
Taxes receivable	2,622	-	-	(4,779)
Receivables, net	(435,156)	19,494	(217,141)	(710)
Inventory	-	-	-	-
Prepaid	7,936	72	(18,220)	98
Accounts payable	1,832,874	(69,470)	1,250,514	(4,145)
Retainage payable	117,267	198,380	603,235	-
Intergovernmental receivables	(1,517,747)	(77,148)	(3,423,887)	26,386
Accrued salaries payable	5,784	26,914	40,516	1,581
Insurance claims payable	-	-	-	-
Accrued interest payable	83,485	-	92,377	3,102
Customer deposits	975	-	26,202	-
Special assessment receivable	-	-	2,047	-
Other assets - capital credits	(2,412)	(17,925)	(128,557)	(632)
Deferred inflows/outflows	(110,008)	-	162,583	-
Net cash provided (used) by operating activities	<u>\$ 1,253,048</u>	<u>\$ 1,573,537</u>	<u>\$ 6,372,363</u>	<u>\$ (42,453)</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ -	\$ 440,000	\$ -	\$ -
Construction of capital assets from developers	-	-	205,677	-

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2013

	Total Enterprise Funds	Governmental Activities		Total 2013
		Internal Service Funds		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 25,911,521	\$ 3,641,356		\$ 29,552,877
Payments to suppliers	(5,888,002)	(3,157,000)		(9,045,002)
Payments to employees	(5,873,996)	-		(5,873,996)
Due from (to) other agencies	(4,993,028)	-		(4,993,028)
Net cash provided (used) by operating activities	9,156,495	484,356		9,640,851
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	3,384,260	-		3,384,260
Transfers in	4,320,284	-		4,320,284
Transfers out	(877,746)	-		(877,746)
Internal activity - payments from (to) other funds	45,904	(229,836)		(183,932)
Net cash provided (used) by noncapital financing activities	6,872,702	(229,836)		6,642,866
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	28,708,430	-		28,708,430
Passenger facility charges	1,003,544	-		1,003,544
Customer facility charges	391,976	-		391,976
Acquisition and construction of capital assets	(41,084,084)	-		(41,084,084)
Proceeds from bonds	17,725,000	-		17,725,000
Disposal of capital assets	1,113,752	-		1,113,752
Capital lease payment	(247,440)	-		(247,440)
Principal paid on capital debt	(2,388,100)	-		(2,388,100)
Interest paid on capital debt	(867,189)	-		(867,189)
Net cash provided (used) by capital and related financing activities	4,355,889	-		4,355,889
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	88,706	4,729		93,435
Net cash provided by investing activities	88,706	4,729		93,435
Net increase (decrease) in cash and cash equivalents	20,473,792	259,249		20,733,041
Cash and cash equivalents, January 1	21,348,941	1,523,176		22,872,117
Cash and cash equivalents, December 31	\$ 41,822,733	\$ 1,782,425		\$ 43,605,158
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 36,934,166	\$ 1,782,425		\$ 38,716,591
Restricted cash and cash equivalents - current	3,081,999	-		3,081,999
Restricted cash and cash equivalents - noncurrent	1,806,568	-		1,806,568
Total cash and cash equivalents on the Statement of Net Position	\$ 41,822,733	\$ 1,782,425		\$ 43,605,158
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 2,365,701	\$ 378,023		\$ 2,743,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	8,210,171	-		8,210,171
Amortization expense	11,176	-		11,176
MSWLF closure and post closure care cost adjustment	92,940	-		92,940
Change in assets and liabilities				
Taxes receivable	(2,157)	-		(2,157)
Receivables, net	(633,513)	(5,914)		(639,427)
Inventory	-	15,056		15,056
Prepaid	(10,114)	-		(10,114)
Accounts payable	3,009,773	103,412		3,113,185
Retainage payable	918,882	-		918,882
Intergovernmental receivables	(4,992,396)	-		(4,992,396)
Accrued salaries payable	74,795	-		74,795
Insurance claims payable	-	(6,221)		(6,221)
Accrued interest payable	178,964	-		178,964
Customer deposits	27,177	-		27,177
Special assessment receivable	2,047	-		2,047
Other assets - capital credits	(149,526)	-		(149,526)
Deferred inflows/outflows	52,575	-		52,575
Net cash provided (used) by operating activities	\$ 9,156,495	\$ 484,356		\$ 9,640,851
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ 440,000	\$ -		\$ 440,000
Construction of capital assets from developers	205,677	-		205,677

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

City of Minot, North Dakota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	Pension Trust Fund	OPEB Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 99,714	\$ (103,400)	\$ 187,444
Investments			
Money market	48,542	16,608	
Equity/stocks	33,872,368	664,207	
Fixed income	21,046,061	398,920	
Alternative	4,985,664	98,061	
Total investments	<u>59,952,635</u>	<u>1,177,796</u>	
Taxes receivable delinquent	60,743	-	3,584
Accounts receivable	-	-	150,178
Intergovernmental receivable	689	-	42,094
Total assets	<u>60,113,781</u>	<u>1,074,396</u>	<u>\$ 383,300</u>
LIABILITIES			
Accounts payable	-	-	\$ 383,300
Due to other funds	-	102,850	-
Total liabilities	<u>-</u>	<u>102,850</u>	<u>\$ 383,300</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	<u>60,743</u>	<u>-</u>	
NET POSITION			
Assets held in trust for pension benefits	60,113,781	-	
Assets held in trust for OPEB benefits	-	971,546	
Total net position	<u>\$ 60,053,038</u>	<u>\$ 971,546</u>	

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

City of Minot, North Dakota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

	Pension Trust Fund	OPEB Trust Fund	2013 Total
ADDITIONS			
Contributions			
Employer	\$ 3,730,936	\$ 248,901	\$ 3,979,837
Employee	2,682,638	509,699	3,192,337
Total contributions	<u>6,413,574</u>	<u>758,600</u>	<u>7,172,174</u>
Investment income			
Interest and dividends	1,602,079	19,129	1,621,208
Net increase (decrease) in the fair value of investments	4,613,568	83,800	4,697,368
Total investment income	<u>6,215,647</u>	<u>102,929</u>	<u>6,318,576</u>
Less investment expense	131,587	1,024	132,611
Net investment income	<u>6,084,060</u>	<u>101,905</u>	<u>6,185,965</u>
Total additions	<u>12,497,634</u>	<u>860,505</u>	<u>13,358,139</u>
DEDUCTIONS			
Benefits paid to plan member and beneficiaries	6,567,329	-	6,567,329
Refunds paid to plan member and beneficiaries	409,654	-	409,654
Retiree claims	-	477,877	477,877
Third party premiums	-	165,474	165,474
Administrative expenses	318,226	12,400	330,626
Total deductions	<u>7,295,209</u>	<u>655,751</u>	<u>7,950,960</u>
Change in net position	5,202,425	204,754	5,407,179
Net position, January 1	54,850,613	766,792	55,617,405
Net position, December 31	<u>\$ 60,053,038</u>	<u>\$ 971,546</u>	<u>\$ 61,024,584</u>

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Notes to Financial Statements

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

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

D. FINANCIAL STATEMENT PRESENTATION

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

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

The City reports the following major governmental funds:

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

CITY OF MINOT, NORTH DAKOTA
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Notes to Financial Statements

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

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

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

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

The **Special Assessment Capital Fund** is used to account for the financing of public improvements or services deemed advisable to benefit the properties against which special assessments are levied.

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

The City reports the following major proprietary funds:

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

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

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

Additionally, the government reports the following fund types:

The **Internal Service Funds** account for health insurance and fleet management services provided

to other departments of the government, or to other governments, on a cost reimbursement basis.

The **Fiduciary Trust Funds** account for the activities of the City Employee Pension Plan, which accumulates resources for pension, benefit payments to qualified employees, and the City's Other Post-Employment Benefits, which accumulate resources for OPEB payments to qualified employees.

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

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

**CITY OF MINOT, NORTH DAKOTA
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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, 2011, from which the summarized information was derived.

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

Cash

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

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

Investments

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

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

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

Receivables and Payables

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

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

All real estate is assessed as of the current value on February 1 of each year. Property taxes are attached as an enforceable lien on the real estate and become due

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Notes to Financial Statements

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 (consumption method) and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

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

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

Capital Assets

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, street lights, and similar items), intangibles, and books, are reported in the applicable governmental or business-type activities columns in the government-

wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Capital assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated fair value on the date donated.

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

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

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

Net Position/Fund Balance

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

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

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

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

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Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the City Council), the vote of the citizens, or the wishes of a donor or third party. The formal action required to be taken to establish, modify or rescind a fund balance commitment is a resolution, ordinance or a majority vote by the City Council.

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

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

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

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

Compensated Absences

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

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

Self-Insurance

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

Deferred Revenue

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

Comparative Data/Reclassifications

Comparative total data for the prior year have been

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

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

G. REVENUES

Grant Revenue

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

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

A. The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$35,464,913) difference are as follows:

Bonds payable	\$ 33,390,000
Unamortized discounts/premiums	904,063
Accrued interest payable	201,993
Capital lease payable	265
Compensated absences	968,592
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 35,464,913</u>

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

Donated capital assets	\$ 11,733,695
Capital interest	254,752
Capital outlay	27,465,224
Depreciation	<u>(7,625,626)</u>
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 31,828,045</u>
Proceeds from capital asset sales	\$ (84,844)
Gain/(loss) on capital asset sales	(2,485,589)
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (2,570,433)</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 Demolitions. The Fire Equipment and Equipment Purchases funds are the only two Capital Project Funds budgeted. All appropriations lapse at year-end unless encumbered.

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

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

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

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

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

C. NET POSITION/FUND BALANCE DEFICITS

The Special Assessment Capital fund had a deficit fund balance of \$950,110 as of December 31, 2013, which will be funded by the collection of special assessments. Two non-major funds had deficit fund balances. The \$342,451 deficit in Emergency fund will be reimbursed with future tax levy. The \$559,443 deficit in the demolitions fund will be reimbursed via special assessment collections over the next few years.

NOTE 4-DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

Government and Business-Type Funds

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

Allowable deposits and investments:

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

aforementioned instruments

Custodial credit risk – deposits: This is the risk in the event of bank failure, the government's deposits may not be returned to it. As of December 31, 2013, 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, 2013, the City has invested in cash and money markets \$124,385,519 and certificates of deposit \$7,014,702, which have no credit ratings. The City also has NAWS investments valued at \$23,133,340. The fixed income securities are all United States Government Agency securities.

Investment Type	Fair Value	Rated AAA	Not-Rated
Fixed Income	\$ 20,099,899	\$ 15,101,144	\$ 4,998,755
Cash & Money Market	3,033,441	-	3,033,441
Total Fair Value	\$ 23,133,340	\$ 15,101,144	\$ 8,032,196

Maturity (Years)	Fixed Income
0-1	\$ 17,265,099
1-3	1,328,749
3-5	-
10-15	199,396
15+	1,306,655
	\$ 20,099,899

**CITY OF MINOT, NORTH DAKOTA
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B. INTERGOVERNMENTAL RECEIVABLES

A total of \$19,491,805 is due from intergovernmental receivables. This includes \$8,671,574 from the State of North Dakota, \$3,287,883 for ND Trust Land Grants; \$2,695,448 for city sales taxes; \$1,131,138 for State Aid Distribution; \$540,633 for ND Department of Emergency Services; \$339,151 for Corp of Engineers for Puppy Dog Sewer; \$307,589 for Municipal Highway tax; \$169,946 from the State Water Commission for home acquisitions; \$121,914 for NDDOT projects; \$37,877 for Bureau of Criminal Investigations for police grants; \$34,756 from state aeronautics; and \$5,239 for gambling tax. It also includes \$10,540,210 due from the Federal Government, \$4,574,749 from Community Development Block Grant – Disaster Recovery grant; \$793,515 from Department of Emergency Services; \$1,815,851 from the FAA; \$10,261 from Federal Highway Administration; \$1,017,452 from the Corp of Engineers for Puppy Dog Sewer; \$99,793 from Federal Transit Administration, \$1,207,820 for Department of Transportation grants, and \$663,016 from an EDA grant; \$305,284 from Department of Justice and \$52,469 from the Department of Homeland Security; and \$280,019 due from Ward county.

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

Deferred Special Assessments	\$ 5,599,613
General fund	34,721
Assessment debt	4,919
Nonmajor governmental funds	195,119
Total deferred inflows of resources	<u>\$ 5,834,372</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:

C. RECEIVABLES

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

Due within one year	\$ 75,000
Due after one year	-
Less: allowance for uncollectible	<u>(15,000)</u>
Total loans receivable	<u>\$ 60,000</u>

The only receivables not expected to be collected within one year are \$4,844,332 of special assessments deferred and the loans receivables as noted above.

	Taxes Delinquent	Specials Deferred	Specials Delinquent	Accounts Receivable	Loans	Intergov't Receivable	Accrued Interest Receivable	Gross Receivables	Less: Allow for Uncollectible	Total Net Receivables
General	\$ 71,436	\$ 4,550	\$ 250	\$ 512,806	\$ -	\$ 2,016,790	\$ 3,812	\$ 2,609,644	\$ -	\$ 2,609,644
CDBG-DR	-	-	-	-	-	3,950,514	-	3,950,514	-	3,950,514
Assessment debt	909	5,020,752	4,321	-	-	32	-	5,026,014	-	5,026,014
Highway reserve	-	-	-	-	-	169,946	-	169,946	-	169,946
Nonmajor governmental	220,758	579,749	12,200	109,856	75,000	6,060,404	-	7,057,967	(15,000)	7,042,967
Airport	45	-	-	507,865	-	2,102,221	-	2,610,131	-	2,610,131
Sanitation	-	-	-	762,830	-	239,079	-	1,001,909	(289,457)	712,452
Water and sewer	-	1,365	-	2,084,589	-	4,952,358	-	7,038,312	-	7,038,312
Nonmajor enterprise	4,783	-	-	3,845	-	461	-	9,089	-	9,089
Internal service	-	-	-	13,620	-	-	-	13,620	-	13,620
Total net receivables	<u>\$ 297,931</u>	<u>\$ 5,606,416</u>	<u>\$ 16,771</u>	<u>\$ 3,995,411</u>	<u>\$ 75,000</u>	<u>\$ 19,491,805</u>	<u>\$ 3,812</u>	<u>\$ 29,487,146</u>	<u>\$ (304,457)</u>	<u>\$ 29,182,689</u>

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Notes to Financial Statements

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Balance 01/01/13	Additions	Deletions	Transfers	Balance 12/31/13
Governmental Activities					
Land	\$ 16,295,431	\$ 6,267,388	\$ 21,142	\$ -	\$ 22,541,677
Construction in progress	2,970,790	37,946,655	31,384,899	-	9,532,546
Depreciable assets					
Buildings	14,035,700	-	-	-	14,035,700
Equipment	14,846,087	2,482,855	578,578	2,883	16,753,247
Infrastructure	128,553,257	23,909,090	122,146	(2,709,148)	149,631,053
Intangible assets	547,088	51,241	-	-	598,329
Books	4,393,593	158,797	453,233	-	4,099,157
Totals at historical cost	<u>181,641,946</u>	<u>70,816,026</u>	<u>32,559,998</u>	<u>(2,706,265)</u>	<u>217,191,709</u>
Accumulated depreciation					
Buildings	(7,210,767)	(352,019)	-	-	(7,562,786)
Equipment	(8,607,790)	(1,243,773)	495,587	(2,883)	(9,358,859)
Infrastructure	(42,569,117)	(5,937,574)	8,787	378,751	(48,119,153)
Intangible assets	(124,435)	(47,316)	-	-	(171,751)
Books	(3,764,565)	(44,944)	453,233	-	(3,356,276)
Total accumulated depreciation	<u>(62,276,674)</u>	<u>(7,625,626)</u>	<u>957,607</u>	<u>375,868</u>	<u>(68,568,825)</u>
Governmental activities capital assets, net	<u>\$ 119,365,272</u>	<u>\$ 63,190,400</u>	<u>\$ 31,602,391</u>	<u>\$ (2,330,397)</u>	<u>\$ 148,622,884</u>
Business-Type Activities					
Land	\$ 5,035,626	\$ 282,454	\$ -	\$ -	\$ 5,318,080
Construction in progress	7,139,241	39,594,135	27,927,843	-	18,805,533
Depreciable assets					
Buildings	15,856,488	4,066,904	-	-	19,923,392
Equipment	13,117,011	1,696,963	123,342	(2,883)	14,687,749
Infrastructure	165,240,047	21,518,080	116,675	2,709,148	189,350,600
Intangible assets	422,029	32,820	-	-	454,849
Totals at historical cost	<u>206,810,442</u>	<u>67,191,356</u>	<u>28,167,860</u>	<u>2,706,265</u>	<u>248,540,203</u>
Accumulated depreciation					
Buildings	(11,544,484)	(460,419)	-	-	(12,004,903)
Equipment	(8,772,108)	(1,049,654)	124,356	2,883	(9,694,523)
Infrastructure	(70,598,186)	(6,690,372)	3,235	(378,751)	(77,664,074)
Intangible assets	(353,618)	(9,726)	-	-	(363,344)
Total accumulated depreciation	<u>(91,268,396)</u>	<u>(8,210,171)</u>	<u>127,591</u>	<u>(375,868)</u>	<u>(99,726,844)</u>
Business-type activities capital assets, net	<u>115,542,046</u>	<u>58,981,185</u>	<u>28,040,269</u>	<u>2,330,397</u>	<u>148,813,359</u>
Total capital assets, net	<u>\$ 234,907,318</u>	<u>\$ 122,171,585</u>	<u>\$ 59,642,660</u>	<u>\$ -</u>	<u>\$ 297,436,243</u>

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

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

Governmental Activities	
General government	\$ 898,628
Public safety	748,328
Highways and streets	5,706,744
Culture and recreation	<u>271,926</u>
Total depreciation expenditure - governmental activities	<u>\$ 7,625,626</u>
Business -Type Activities	
Airport	\$ 2,365,364
Cemetery	27,664
Parking authority	14,312
Sanitation	580,710
Water and sewer	<u>5,222,121</u>
Total depreciation expense - business-type activities	<u>\$ 8,210,171</u>

Governmental funds	Capital Purchases	Nonmajor Gov't	Total Due From
Nonmajor governmental	-	726,644	726,644
Special Assessment Capital	212,912	-	212,912
Total Due To	<u>\$ 212,912</u>	<u>\$ 726,644</u>	<u>\$ 939,556</u>

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

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

E. COMMITMENTS

Construction commitments as of December 31, 2013 were approximately \$23,919,119. 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 \$40.6 million. The City has approximately \$33.5 million local share remaining on this project. This project will be funded with sales tax monies approved by the voters in March 1999.

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

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Governmental funds	Nonmajor Gov't	Water & Sewer	Total Advance From
Special Assessment Debt	\$ 227,753	\$ 112,956	\$ 340,709
Nonmajor Gov	-	253,527	253,527
Business-type funds			
Water & Sewer	496,283	-	496,283
Total advance to	<u>\$ 724,036</u>	<u>\$ 366,483</u>	<u>\$ 1,090,519</u>

The composition of interfund advance to and from balances at December 31, 2013 is to fund outstanding special assessments and highway debt paid in annual installments for storm sewer development.

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

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

Transfers Out	General	Sales Tax	Special	Special	Capital	Nonmajor				Water &	Nonmajor	Total
	Fund	NAWS	Assessment Debt	Assessment Capital	Projects	Governmental Funds	Airport	Sanitation	Sewer	Enterprise Funds	Transfers In	
General fund	\$ 1,710	\$ 8,882	\$ 2,781	\$ -	\$ 57,385	\$ 3,627,733	\$ 8,328	\$ 281,647	\$ -	\$ 1,823	\$ 3,990,289	
Assessment debt	-	-	-	-	-	5,392	-	-	-	-	5,392	
Special assessment capital	-	-	-	-	-	136,467	-	-	-	-	136,467	
Capital projects	-	-	-	-	39,138	1,601,534	-	-	-	-	1,640,672	
Nonmajor governmental funds	2,063	-	10,445	35,652	42,127	10,240,711	1,100	126,000	292,404	-	10,750,502	
Sanitation	-	-	-	-	-	-	-	-	166,444	-	166,444	
Water and sewer	54,966	-	-	3,149,130	-	669,744	-	-	-	-	3,873,840	
Nonmajor governmental funds	-	-	-	-	-	280,000	-	-	-	-	280,000	
Total transfers out	\$ 58,739	\$ 8,882	\$ 13,226	\$ 3,184,782	\$ 138,650	\$ 16,561,581	\$ 9,428	\$ 407,647	\$ 458,848	\$ 1,823	\$ 20,843,606	

Transfers in/out consisted of the following:

\$ 189,160	Interest Distribution transfers to General Fund
126,000	Sanitation budgeted equipment transfer to Equipment Purchase Fund
233,685	Sanitation budgeted transfers to General Fund
379,315	Water/Sewer budgeted transfers to Special Assessment Debt Fund for debt payments
281,518	Water/Sewer budgeted equipment transfer to Equipment Purchase Fund
166,444	Water/Sewer transfer to Sanitation
1,388,803	Property Tax Relief budgeted transfers to Highway Debt - First Penny
50,000	MAGIC Fund administration budgeted transfers to General Fund for administration
664,873	Sales Tax Capital Improvements budgeted transfers to Water/Sewer Fund for infrastructure
280,000	Sales Tax Capital Improvements budgeted transfers to Cemetery for roads and columbarium
23,000	Sales Tax Capital Improvements major project transfer to Library for building repairs
135,000	Sales Tax Capital Improvements budgeted transfers to Special revenue fund for maintenance
60,000	Sales Tax Capital Improvements budgeted transfers to Bus for fare system
214,388	Sales Tax Capital Improvements budgeted transfers to Highway Debt for debt payments
400,000	Sales Tax Capital Improvements budgeted transfers to Street Improvements
734,632	Sales Tax Capital Improvements budgeted transfers to Highway Reserve for highway projects
1,901,500	Sales Tax Capital Improvements budgeted transfers to Fire Equipment Purchase Fund
787,095	Sales Tax Capital Improvements budgeted transfers to Equipment Purchase for Police New World
3,312,263	Sales Tax Property Tax Relief budgeted transfer to General Fund - Second Penny
2,500,000	Sales Tax Infrastructure budgeted transfer to Flood Control
50,000	Sales Tax Infrastructure budgeted transfer to General Fund
1,319,674	Sales Tax Infrastructure budgeted transfer to Capital Projects for Home Acquisitions
50,000	Sales Tax Community Facilities transfer to General Fund
100,000	Sales Tax Community Facilities transfer to Recreation for Armory Roof
287,440	Sales Tax Community Facilities transfer to capital projects for Perkett Skating Rink
684,135	Highway Reserves transfer to Street Improvements
391,425	Highway reserves transfer to Highway Debt for bond payment
145,731	Highway debt to Highway Reserve for paving projects
388,783	Softball Complex transfer to Street Improvements for parking lots
75,535	Bus transfer to Equipment Purchases to fund a bus
146,787	Library transfer to Equipment Purchases for capital purchases
227,290	Auditorium transfer to Equipment Purchases for capital purchases
3,149,130	Capital Special Assessment transfers to Water/Sewer
<u>\$20,843,606</u>	Total transfers in/out

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

G. LEASES

Operating Leases. The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$133,246 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

Year Ended December 31	Amounts
2014	\$ 133,246
2015	133,246
2016	253,121
Total minimum payments	<u>\$ 519,613</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:

	Governmental Activities	Proprietary Activities
Asset:		
Equipment	\$ 15,392	\$ 1,316,950
Less: Accumulated depreciation	(14,892)	(579,155)
Total	<u>\$ 500</u>	<u>\$ 737,795</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2013, were as follows:

Year Ended December 31	Governmental Activities	Proprietary Activities
2014	\$ 286	\$ 257,885
2015	-	218,541
2016	-	194,490
2017	-	94,490
Total minimum lease payments	286	765,406
Less: Amount representing interest	(21)	(81,726)
Present value of minimum lease payments	<u>\$ 265</u>	<u>\$ 683,680</u>

H. LONG-TERM DEBT

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

General obligation bonds are issued to provide funds for the acquisition and construction of major capital items. They are direct obligations and pledge the full faith and credit of the City of Minot. These bonds are paid through the debt service fund by a tax levy and

sales tax funds sufficient to meet the current year's principal and interest payments. The City issued \$6,815,000 of general obligation bonds in 2013 for highway projects and to refund 2005A a bond issue with a current principal owing of \$530,000. By the issuance of the bonds the City will realize an interest rate reduction, a gross savings of approximately \$20,674 and a present value of approximately \$20,329. These bonds are generally issued as 10-year bonds and the outstanding bonds have interest rates ranging from 1.15% to 4.60%.

General obligation bonds currently outstanding are as follows:

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2013		
2007	\$ 1,785,000	\$ 810,000		3.60-3.70%	10/01/2017
2008	1,720,000	940,000		4.00-4.60%	10/01/2018
2009	2,005,000	1,270,000		2.25-3.10%	10/01/2019
2010	1,375,000	1,000,000		1.15-2.70%	10/01/2020
2012	2,900,000	2,465,000		2.00%	10/01/2023
2013	6,815,000	6,815,000		2.00-3.00%	10/01/2023
	<u>\$ 16,600,000</u>	<u>\$ 13,300,000</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 \$11,595,000 of special assessment bonds for storm sewer districts and paving districts. The City has \$20,090,000 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 0.40% to 5.00%.

Special assessment bonds currently outstanding are as follows:

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2013		
2006	\$ 910,000	\$ 270,000		4.00%	10/01/2016
2007	2,255,000	1,515,000		4.25-4.50%	10/01/2022
2007	460,000	210,000		3.70-3.875%	10/01/2017
2008	1,905,000	1,045,000		4.125-5.00%	10/01/2018
2011	4,285,000	3,570,000		2.00-3.00%	10/01/2021
2012	1,885,000	1,885,000		0.40-1.60%	10/01/2023
2013	11,595,000	11,595,000		2.00-4.00%	10/01/1933
	<u>\$ 23,295,000</u>	<u>\$ 20,090,000</u>			

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

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

Notes outstanding as of December 31, 2013 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,285,015 with a 3.50% interest rate, and matures July 1, 2027. Water and sewer fund income is used to pay the annual principal and interest due.

Revenue Bonds. The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Interest rates on the outstanding bonds range from 2.00% to 5.375%.

During the year, the City issued \$12,505,000 in revenue bonds for airport new terminal projects and \$5,220,000 for sewer projects. The following are outstanding revenue bonds:

Airport

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2013		
2013	\$ 12,505,000	\$ 12,505,000		3.00-4.50%	10/01/2035
	<u>\$ 12,505,000</u>	<u>\$ 12,505,000</u>			

Water & Sewer

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2013		
1972	\$ -	\$ 1,285,015		3.50%	07/01/2027
2007	5,490,000	2,495,000		3.75%	10/01/2017
2008	1,835,000	845,000		3.75-3.90%	10/01/2017
2008	10,380,000	7,995,000		4.00-5.375%	10/01/2023
2011	2,005,000	1,670,000		2.00%	10/01/2021
2012	3,650,000	3,360,000		2.00%	10/01/2023
2012	1,955,000	1,915,000		2.00%	10/01/2024
2013	5,220,000	5,220,000		3.00-4.00%	10/01/2028
	<u>\$ 30,535,000</u>	<u>\$ 24,785,015</u>			

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

Governmental Activities	General Obligation Bonds	
	Principal	Interest
2014	\$ 1,995,000	\$ 317,248
2015	2,015,000	297,359
2016	1,790,000	249,589
2017	1,510,000	205,505
2018	1,330,000	165,223
2019-2023	4,660,000	373,630
2024-2028	-	-
2029-2033	-	-
Total governmental activities	<u>\$ 13,300,000</u>	<u>\$ 1,608,553</u>

Governmental Activities	Special Assessment Bonds	
	Principal	Interest
2014	\$ 1,735,000	\$ 576,101
2015	1,780,000	607,098
2016	1,835,000	553,210
2017	1,795,000	495,831
2018	1,785,000	439,913
2019-2023	7,305,000	1,461,156
2024-2028	2,430,000	658,425
2029-2033	1,425,000	280,206
Total governmental activities	<u>\$ 20,090,000</u>	<u>\$ 5,071,940</u>

Business-Type Activities	Revenue Bonds	
	Principal	Interest
2014	\$ 2,610,000	\$ 1,205,123
2015	2,660,000	1,223,249
2016	3,200,000	1,137,584
2017	2,990,000	1,033,344
2018	2,175,000	930,706
2019-2023	11,565,000	3,460,344
2024-2028	5,305,000	1,786,213
2029-2033	3,755,000	901,463
2033-2035	1,745,000	118,575
Total business-type activities	<u>\$ 36,005,000</u>	<u>\$ 11,796,600</u>

Business-Type Activities	Notes Payable	
	Principal	Interest
2014	\$ 75,681	\$ 45,621
2015	78,353	42,995
2016	81,119	40,276
2017	83,983	37,461
2018	86,948	34,547
2019-2023	484,420	125,284
2024-2028	394,510	35,886
2029-2033	-	-
2033-2035	-	-
Total business-type activities	<u>\$ 1,285,015</u>	<u>\$ 362,070</u>

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

Changes in Long Term Liabilities. The following is a summary of the activity for long-term liabilities for the year ended December 31, 2013.

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
General obligation	\$ 8,390,000	\$ 6,815,000	\$ (1,905,000)	\$ 13,300,000	\$ 1,995,000
Special assessment	9,585,000	11,595,000	(1,090,000)	20,090,000	1,735,000
Total bonds payable	17,975,000	18,410,000	(2,995,000)	33,390,000	3,730,000
Unamortized premium	327,479	642,825	(34,813)	935,491	38,540
Unamortized discount	(36,511)	-	5,083	(31,428)	(5,083)
Capital leases	3,383	-	(3,118)	265	265
Compensated absences	831,998	829,411	(692,817)	968,592	339,007
Governmental activity long-term liabilities	\$ 19,101,349	\$ 19,882,236	\$ (3,720,665)	\$ 35,262,920	\$ 4,102,729

Business-Type Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds payable					
Revenue bonds	\$ 20,595,000	\$ 17,725,000	\$ (2,315,000)	\$ 36,005,000	\$ 2,610,000
Unamortized premium	278,597	190,647	(32,133)	437,111	47,241
Unamortized discount	(43,738)	(110,008)	4,069	(149,677)	(4,069)
Notes payable	1,358,115	-	(73,100)	1,285,015	75,681
Capital leases	491,120	440,000	(247,440)	683,680	238,487
Compensated absences	214,390	(126,394)	169,095	257,091	89,981
Business-type activity long-term liabilities	\$ 22,893,484	\$ 18,119,245	\$ (2,494,509)	\$ 38,518,220	\$ 3,057,321

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

Conduit Debt. From time to time, the City has issued Municipal Industrial Development Act Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the

accompanying financial statements.

As of December 31, 2013, the aggregate principal amount payable for the nine outstanding conduit debt series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$41,500,000.

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

The City's debt limit is \$163,758,181 and the legal debt margin is \$150,786,823.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Notes to Financial Statements

I. FUND BALANCE

	Major Debt							Total
	Major Special Revenue Funds			Service	Major Capital Project Funds		Nonmajor	
	General Fund	Sales Tax NWAWS	CDBG-DR \$67.5M	Special Assessment Debt	Special Assess Capital	Capital Purchases	Other Governmental Funds	
Fund balances								
Nonspendable								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,703	\$ 6,703
Prepays	138,829	-	-	-	-	-	8,472	147,301
Other assets - capital credits	86,806	-	-	-	-	-	13,486	100,292
Advances to other funds	-	-	-	340,709	-	-	253,527	594,236
Total nonspendable	225,635	-	-	340,709	-	-	282,188	848,532
Restricted								
Debt service reserve	-	-	-	164,363	-	-	352,896	517,259
NAWS	-	34,464,866	-	-	-	-	-	34,464,866
Total restricted	-	34,464,866	-	164,363	-	-	352,896	34,982,125
Committed								
Library	-	-	-	-	-	-	47,456	47,456
Culture and recreation	-	-	-	-	-	-	3,951	3,951
Economic development	-	-	-	-	-	-	4,585,464	4,585,464
Sales tax property taxrelief	-	-	-	-	-	-	3,226,156	3,226,156
Flood control	-	-	-	-	-	-	4,634,140	4,634,140
Total committed	-	-	-	-	-	-	12,497,167	12,497,167
Assigned								
Public transportation	-	-	-	-	-	-	126,947	126,947
Library	-	-	-	-	-	-	103,960	103,960
Culture and recreation	-	-	-	-	-	-	1,891,537	1,891,537
Economic development	-	-	-	-	-	-	6,005,021	6,005,021
Sales Tax Improvements	-	-	-	-	-	-	5,134,623	5,134,623
Highways	-	-	-	-	-	-	11,651,743	11,651,743
Equipment purchases	-	-	-	-	-	-	2,340,539	2,340,539
Debt service	-	-	-	-	-	-	541,571	541,571
Capital projects	-	-	-	-	-	4,725,957	75,412	4,801,369
Sales tax infrastructure	-	-	-	-	-	-	6,083,970	6,083,970
Sales tax community facilities	-	-	-	-	-	-	6,567,548	6,567,548
Storm sewer development	-	-	-	-	-	-	2,662,912	2,662,912
Other purposes	-	-	-	-	-	-	167,810	167,810
Total assigned	-	-	-	-	-	4,725,957	43,353,593	48,079,550
Unassigned	19,274,270	-	-	-	(950,110)	-	(901,894)	17,422,266
Total fund balance	\$ 19,499,905	\$ 34,464,866	\$ -	\$ 505,072	\$ (950,110)	\$ 4,725,957	\$ 55,583,950	\$ 113,829,640

**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 (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDIRF. During the past five years, the NDIRF returned approximately 17.22% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$1,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

Employee Health Benefits

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,075,150 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$1,867,635.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$115,671. 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
2011	79,038	1,409,957	1,344,007	144,988
2012	144,988	1,498,517	1,521,613	121,892
2013	121,892	1,587,463	1,593,684	115,671

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, 2013, the City had two COBRA participants for health and one for dental. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is not reasonably estimated. The City expects to have former employees on COBRA on an ongoing basis.

C. CONTINGENT LIABILITIES

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

D. SUBSEQUENT EVENT

Effective January 1, 2014, the City defined benefit pension plan was closed to new participants and a new defined contribution plan was established for retirement planning.

On March 4, 2014, the City of Minot was notified the Army Corp of Engineers appropriated \$2.5 million for a sanitary sewer extension project to service two developments and open up additional acres for development of residential housing.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2013**

Notes to Financial Statements

E. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment during 2013 for sanitation for an overstatement of an expense, which overstated the fund and the government-wide financial statements.

The following identifies the prior period adjustment and the effect on the government wide net position:

	Sanitation	Gov't Wide
Net position - January 1	\$ 7,232,551	\$ 115,661,366
Prior period adjustment	<u>200,000</u>	<u>200,000</u>
Net position - January 1, as restated	<u>\$ 7,432,551</u>	<u>\$ 115,861,366</u>

F. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

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

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

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

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

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

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

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

Notes to Financial Statements

	<u>Pension</u>
Retirees and beneficiaries receiving benefits	238
Terminated employees	
Vested	30
Non-vested	13
Total terminated employees	43
Active employees	
Vested	175
Non-vested	182
Total active employees	357
Date of annual valuation	01/01/14
	<u>OPEB</u>
Retirees with coverage	68
Terminated employees	
With coverage	36
Waived coverage	7
Total terminated employees	43
Active employees	
With coverage	201
Waived coverage	50
Total active employees	251
Date of annual valuation	01/01/13

Summary of Significant Accounting Policies and Plan Asset Matters.

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

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

The City also has pension & OPEB investments valued at \$59,952,635 and \$1,177,796. 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	\$ 83,825	\$ 59,235
Government Agencies	4,596,063	168,366
Corporate Bonds	4,055,735	-
Foreign Corporate Bonds	1,044,089	-
Intl Fixed Income	1,705,182	33,773
Taxable Fixed Income	702,414	137,546
Taxable Munis	8,858,753	-
	<u>\$ 21,046,061</u>	<u>\$ 398,920</u>

<u>Maturity (Years)</u>	<u>Pension</u>	<u>OPEB Fixed</u>
1-3	\$ -	\$ -
3-5	321,439	39,817
10-15	2,278,781	67,216
15+	16,038,245	120,568
Not Defined	2,407,596	171,319
	<u>\$ 21,046,061</u>	<u>\$ 398,920</u>

<u>Credit Rating</u>	<u>Pension</u>	<u>OPEB Fixed</u>
AAA	\$ 5,000,516	\$ 139,777
AA+	2,173,074	-
AA	2,555,970	-
AA-	1,608,833	-
A+	801,562	-
A	912,895	-
A-	543,558	-
BBB+	1,589,589	-
BBB	464,425	-
Not Rated	2,988,043	87,824
Not Defined	2,407,596	171,319
	<u>\$ 21,046,061</u>	<u>\$ 398,920</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 reported amounts and assumptions about the probability of events far into the future, and that

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

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, 2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount
Remaining amortization period	30 year closed period
Asset valuation method	Fair market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	0-4 years of service 10% 5-12 years of service 7.5% 13+ years of service 7%
Includes inflation at	3.00%
Post retirement cost of living	1% after age 65

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

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

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

The City's annual pension cost and net pension obligation for 2013 and the past two years are as follows:

Pension			
	2013	2012	2011
Annual required contribution (ARC)	\$ 3,503,687	\$ 2,514,688	\$ 2,270,161
Interest on net pension obligation (asset)	(160,204)	(117,156)	(58,600)
Adjustment to ARC - beginning of year			
NPO amortized over 15 years	188,857	135,589	67,820
Annual pension cost	3,532,340	2,533,121	2,279,381
Contributions made	(3,730,936)	(3,157,460)	(3,034,945)
Increase (decrease) in NPO (asset)	(198,596)	(624,339)	(755,564)
Net pension obligation (asset) January 1	(2,136,051)	(1,511,692)	(756,128)
Net pension obligation (asset) December 31	\$ (2,334,647)	\$ (2,136,031)	\$ (1,511,692)
Percentage of annual benefit cost	105.62%	124.65%	133.15%

The City's annual OPEB cost and net pension obligation for 2013 is as follows:

OPEB			
	2013	2012	2011
Annual required contribution (ARC)	\$ 253,150	\$ 252,590	\$ 254,085
Interest on net OPEB obligation (asset)	(1,978)	(1,993)	-
Adjustment to ARC - beginning of year	1,701	1,647	-
Annual OPEB cost	252,873	252,244	254,085
Employer contributions	(253,150)	(252,590)	(279,805)
Increase (decrease) in net OPEB obligation	(277)	(346)	(25,720)
Net OPEB obligation (asset) January 1	(26,371)	(25,720)	-
Net OPEB obligation (asset) December 31	\$ (26,648)	\$ (26,066)	\$ (25,720)
Percentage of annual benefit cost	100.11%	100.14%	110.12%

Contributions Required and Contributions Made. The actuary does not determine the pension contribution rates; rather it is done by employer recommendations within the limits established by state statute. The employees contributed 14.74% and the employer 21.02% 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

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

liability at January 1, 2014.

The annual pension cost exceeds the annual required contribution (ARC) in all three years. The NPO asset of \$2,334,647 for the pension trust and \$26,648 for the OPEB trust is shown on the government-wide statement of net position. The OPEB was 100% funded in all three years.

Pension Schedule of Employer Contributions

	Annual Required Contribution	Contributions Made	Percentage Contributed
2004	1,702,837	1,382,332	81.18%
2005	1,918,301	1,743,340	90.88%
2006	1,350,938	1,593,998	117.99%
2007	1,794,229	1,628,716	90.78%
2008	1,793,941	1,744,902	97.27%
2009	2,010,737	1,905,577	94.77%
2010	2,109,607	2,518,191	119.37%
2011	2,270,161	3,034,945	133.69%
2012	2,514,668	3,157,460	125.56%
2013	3,503,687	3,730,936	106.49%

OPEB Schedule of Employer Contributions

	Annual Required Contribution	Contributions Made	Percentage Contributed
2008	\$ 143,021	\$ 143,021	100.00%
2009	196,192	196,192	100.00%
2010	199,872	199,872	100.00%
2011	254,085	279,805	110.12%
2012	252,590	252,590	100.00%
2013	248,901	248,901	100.00%

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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2013**

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, 2004	\$ 44,436,923	\$ 69,980,362	\$ 25,543,439	63.50%	\$ 11,206,799	227.93%
January 1, 2005	46,196,524	77,847,350	31,650,826	59.34%	11,596,314	272.94%
January 1, 2006	47,954,223	75,225,579	27,271,356	63.75%	11,523,110	236.67%
January 1, 2007	48,554,265	79,750,774	31,196,509	60.88%	11,174,989	279.16%
January 1, 2008	51,540,078	83,482,716	31,942,638	61.74%	11,826,269	270.10%
January 1, 2009	49,501,736	87,467,115	37,965,379	56.59%	12,515,578	303.34%
January 1, 2010	50,493,598	91,922,237	41,428,639	54.93%	13,264,828	312.32%
January 1, 2011	51,098,589	95,577,436	44,478,847	53.46%	13,762,691	323.18%
January 1, 2012	51,876,273	101,308,983	49,432,710	51.21%	15,013,531	329.25%
January 1, 2013	52,590,531	109,797,238	57,206,707	47.90%	14,432,827	396.37%
January 1, 2014	57,299,701	116,216,052	58,916,351	49.30%	17,478,994	337.07%

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%	\$ 11,800,000	12.59%
January 1, 2009	(7,607)	1,881,683	1,889,290	-0.40%	11,500,000	16.43%
January 1, 2010	90,079	2,003,167	1,913,088	4.50%	11,800,000	16.21%
January 1, 2011	286,836	2,524,963	2,238,127	11.36%	13,300,000	16.83%
January 1, 2012	510,513	2,679,242	2,168,729	19.05%	13,700,000	15.83%
January 1, 2013	766,792	2,843,885	2,077,093	26.96%	13,700,000	15.16%
January 1, 2013	815,493	2,906,678	2,091,185	28.06%	14,100,000	14.83%

G. 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 \$779,758 reported as MSWLF closure and post-closure care liability at December 31, 2013, represents the cumulative amount reported to date based on the use of 46.98% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.5 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 2013. The City expects the landfill will be operated for another 14 years with closure anticipated in the year 2028. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

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

Supplementary Information



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City of Minot, North Dakota
Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual
Major Debt Service Fund
For the Year Ended December 31, 2013

	<u>Special Assessment Debt</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ 24,254	\$ 24,254	\$ 23,581	\$ 673
Special assessment collections	1,091,675	1,091,675	633,935	457,740
Interest income	-	214,013	22,607	191,406
Total revenues	<u>1,115,929</u>	<u>1,329,942</u>	<u>680,123</u>	<u>649,819</u>
EXPENDITURES				
Debt service				
Principal retirement	1,268,750	1,138,750	1,090,000	48,750
Interest and fiscal charges	313,919	272,419	278,412	(5,993)
Total expenditures	<u>1,582,669</u>	<u>1,411,169</u>	<u>1,368,412</u>	<u>42,757</u>
Excess (deficiency) of revenues over (under) expenditures	(466,740)	(81,227)	(688,289)	607,062
OTHER FINANCING SOURCES (USES)				
Transfers in	287,369	73,356	5,392	67,964
Transfers out	-	-	(13,226)	13,226
Total other financing sources (uses)	<u>287,369</u>	<u>73,356</u>	<u>(7,834)</u>	<u>81,190</u>
Net change in fund balance	<u>\$ (179,371)</u>	<u>\$ (7,871)</u>	(696,123)	<u>\$ 688,252</u>
Fund balance (deficit), January 1			1,201,195	
Fund balance (deficit), December 31			<u>\$ 505,072</u>	

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2013

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2013
ASSETS				
Cash and investments	\$ 26,179,316	\$ -	\$ 15,347,127	\$ 41,526,443
Restricted cash and investments	11,007,007	890,052	148,879	12,045,938
Investments	14,802	-	-	14,802
Taxes receivable delinquent	114,054	15,966	90,738	220,758
Special assessments receivable delinquent	12,200	-	-	12,200
Accounts receivable	46,854	-	63,002	109,856
Loans receivable	75,000	-	-	75,000
Allowance for loans receivable	(15,000)	-	-	(15,000)
Due from other funds	726,644	-	-	726,644
Intergovernmental receivable	5,221,048	378	838,978	6,060,404
Inventory	6,703	-	-	6,703
Prepaid	8,472	-	-	8,472
Other assets - capital credits	13,486	-	-	13,486
Advance to other funds	-	253,527	-	253,527
Special assessments receivable deferred	579,749	-	-	579,749
Total assets	<u>\$ 43,990,335</u>	<u>\$ 1,159,923</u>	<u>\$ 16,488,724</u>	<u>\$ 61,638,982</u>
LIABILITIES				
Accounts payable	\$ 2,276,917	\$ -	\$ 1,175,268	\$ 3,452,185
Retainage payable	99,235	-	202,833	302,068
Due to other funds	726,644	-	-	726,644
Accrued salaries payable	80,669	-	-	80,669
Advance from other funds	-	-	724,036	724,036
Total liabilities	<u>3,183,465</u>	<u>-</u>	<u>2,102,137</u>	<u>5,285,602</u>
DEFERRED INFLOWS OF RESOURCES				
Uncertified special assessment revenue	574,311	-	-	574,311
Deferred inflow of resources	101,709	11,929	81,481	195,119
Total deferred inflow of resources	<u>676,020</u>	<u>11,929</u>	<u>81,481</u>	<u>769,430</u>
FUND BALANCE				
Nonspendable	28,661	253,527	-	282,188
Restricted	-	352,896	-	352,896
Committed	12,348,288	-	148,879	12,497,167
Assigned	28,655,795	541,571	14,156,227	43,353,593
Unassigned	(901,894)	-	-	(901,894)
Total fund balance	<u>40,130,850</u>	<u>1,147,994</u>	<u>14,305,106</u>	<u>55,583,950</u>
Total liabilities, inflows, and fund balance	<u>\$ 43,990,335</u>	<u>\$ 1,159,923</u>	<u>\$ 16,488,724</u>	<u>\$ 61,638,982</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2013

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2013
REVENUES				
Property tax collections	\$ 3,652,504	\$ 476,320	\$ 1,159,378	\$ 5,288,202
Special assessment collections	137,074	-	-	137,074
Sales tax collections	24,850,061	-	-	24,850,061
Intergovernmental	5,756,801	-	1,471,069	7,227,870
Charges for services	2,006,234	-	1,039,994	3,046,228
Interest income	96,301	4,017	15,865	116,183
Contract revenue	-	-	1,187,136	1,187,136
Miscellaneous	349,047	-	43,867	392,914
Total revenues	<u>36,848,022</u>	<u>480,337</u>	<u>4,917,309</u>	<u>42,245,668</u>
EXPENDITURES				
Current				
General government	1,969,527	11	-	1,969,538
Highways and streets	7,866,709	-	-	7,866,709
Culture and recreation	4,501,165	-	-	4,501,165
Economic Development	1,306,170	-	-	1,306,170
Capital outlay				
Contracted work	-	-	2,964,505	2,964,505
Equipment	-	-	4,450,114	4,450,114
Other	-	-	15,776	15,776
Acquisitions	-	-	176,150	176,150
Engineering	-	-	1,685,894	1,685,894
Debt service				
Principal retirement	-	1,905,000	-	1,905,000
Interest and fiscal charges	-	225,282	43,912	269,194
Total expenditures	<u>15,643,571</u>	<u>2,130,293</u>	<u>9,336,351</u>	<u>27,110,215</u>
Excess (deficiency) of revenues over (under) expenditures	21,204,451	(1,649,956)	(4,419,042)	15,135,453
OTHER FINANCING SOURCES (USES)				
General obligation bonds reissued	-	-	6,815,000	6,815,000
Premium on general obligation bonds	-	-	251,447	251,447
Sale of City property	3,000	-	74,968	77,968
Transfers in	4,416,244	2,000,388	4,333,870	10,750,502
Transfers out	(14,658,785)	(4,017)	(1,898,779)	(16,561,581)
Total other financing sources (uses)	<u>(10,239,541)</u>	<u>1,996,371</u>	<u>9,576,506</u>	<u>1,333,336</u>
Net change in fund balance	10,964,910	346,415	5,157,464	16,468,789
Fund balance, January 1	29,165,940	801,579	9,147,642	39,115,161
Fund balance, December 31	<u>\$40,130,850</u>	<u>\$ 1,147,994</u>	<u>\$14,305,106</u>	<u>\$55,583,950</u>

City of Minot, North Dakota
Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

Community Development Block Grant - Disaster Recover \$35 million Fund - To account for the \$35 million grant received to assist the City of Minot in recovering from the 2011 flood.

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Bus	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
ASSETS						
Cash and investments	\$ 23,099	\$ 235,827	\$ 1,677,776	\$ 116,025	\$ 532,772	\$ 6,033,637
Restricted cash and investments	-	-	-	-	-	4,436,584
Investments	-	-	-	-	-	14,802
Taxes receivable delinquent	3,126	32,387	107	12,574	-	-
Special assessments delinquent	-	-	-	-	-	-
Accounts receivable	12,000	31,373	3,481	-	-	-
Loans receivable	-	-	-	-	-	75,000
Allowance for loans receivable	-	-	-	-	-	(15,000)
Due from other funds	-	-	-	-	-	-
Intergovernmental receivable	127,561	17,805	17,840	116,538	134,772	539,090
Inventory	-	-	6,703	-	-	-
Prepaid	-	6,761	1,711	-	-	-
Other assets - capital credits	11,682	325	1,479	-	-	-
Special assessments receivable deferred	-	-	-	-	-	-
Total assets	<u>\$ 177,468</u>	<u>\$ 324,478</u>	<u>\$ 1,709,097</u>	<u>\$ 245,137</u>	<u>\$ 667,544</u>	<u>\$ 11,084,113</u>
LIABILITIES						
Accounts payable	\$ 17,316	\$ 12,697	\$ 13,654	\$ 578,457	\$ -	\$ 642,507
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries payable	17,181	29,626	33,794	-	-	-
Total liabilities	<u>34,497</u>	<u>42,323</u>	<u>47,448</u>	<u>578,457</u>	<u>-</u>	<u>642,507</u>
DEFERRED INFLOWS OF RESOURCES						
Uncertified special assessment revenue	-	-	-	-	-	-
Deferred inflows of resources	2,538	23,686	1,159	9,131	-	-
Total deferred inflow of resources	<u>2,538</u>	<u>23,686</u>	<u>1,159</u>	<u>9,131</u>	<u>-</u>	<u>-</u>
FUND BALANCE						
Nonspendable	11,682	7,086	9,893	-	-	-
Committed	-	47,456	3,951	-	667,544	4,436,585
Assigned	128,751	203,927	1,646,646	-	-	6,005,021
Unassigned	-	-	-	(342,451)	-	-
Total fund balance	<u>140,433</u>	<u>258,469</u>	<u>1,660,490</u>	<u>(342,451)</u>	<u>667,544</u>	<u>10,441,606</u>
Total liabilities, inflows and fund balance	<u>\$ 177,468</u>	<u>\$ 324,478</u>	<u>\$ 1,709,097</u>	<u>\$ 245,137</u>	<u>\$ 667,544</u>	<u>\$ 11,084,113</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Sales Tax				
	Sales Tax Improvements	Flood Control	Sidewalk Improvements	Street Improvements	
ASSETS					
Cash and investments	\$ 4,745,242	\$ -	\$ 24,623	\$ 1,248,473	\$ -
Restricted cash and investments	-	4,416,128	-	-	-
Investments	-	-	-	-	-
Taxes receivable delinquent	-	2,038	3,587	60,235	-
Special assessments delinquent	-	-	1,065	-	11,135
Accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Due from other funds	-	-	-	560,375	-
Intergovernmental receivable	674,682	217,390	79	1,408,631	100
Inventory	-	-	-	-	-
Prepaid	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-
Special assessments receivable deferred	-	-	5,438	-	574,311
Total assets	<u>\$ 5,419,924</u>	<u>\$ 4,635,556</u>	<u>\$ 34,792</u>	<u>\$ 3,277,714</u>	<u>\$ 585,546</u>
LIABILITIES					
Accounts payable	-	\$ -	\$ -	\$ 559,787	\$ -
Retainage payable	-	-	-	99,235	-
Due to other funds	-	-	-	-	560,375
Accrued salaries payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,022</u>	<u>560,375</u>
DEFERRED INFLOWS OF RESOURCES					
Uncertified special assessment revenue	-	-	-	-	574,311
Deferred inflows of resources	-	1,416	9,163	44,313	10,303
Total deferred inflow of resources	<u>-</u>	<u>1,416</u>	<u>9,163</u>	<u>44,313</u>	<u>584,614</u>
FUND BALANCE					
Nonspendable	-	-	-	-	-
Committed	-	4,634,140	-	-	-
Assigned	5,419,924	-	25,629	2,574,379	-
Unassigned	-	-	-	-	(559,443)
Total fund balance	<u>5,419,924</u>	<u>4,634,140</u>	<u>25,629</u>	<u>2,574,379</u>	<u>(559,443)</u>
Total liabilities, inflows and fund balance	<u>\$ 5,419,924</u>	<u>\$ 4,635,556</u>	<u>\$ 34,792</u>	<u>\$ 3,277,714</u>	<u>\$ 585,546</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Sales Tax Property Tax Relief-2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$35 M	Total 2013
ASSETS					
Cash and investments	\$ -	\$ 5,544,880	\$ 5,996,962	\$ -	\$ 26,179,316
Restricted cash and investments	2,154,295	-	-	-	11,007,007
Investments	-	-	-	-	14,802
Taxes receivable delinquent	-	-	-	-	114,054
Special assessments delinquent	-	-	-	-	12,200
Accounts receivable	-	-	-	-	46,854
Loans receivable	-	-	-	-	75,000
Allowance for loans receivable	-	-	-	-	(15,000)
Due from other funds	-	-	166,269	-	726,644
Intergovernmental receivable	404,317	539,090	404,317	618,836	5,221,048
Inventory	-	-	-	-	6,703
Prepaid	-	-	-	-	8,472
Other assets - capital credits	-	-	-	-	13,486
Special assessments receivable deferred	-	-	-	-	579,749
Total assets	<u>\$ 2,558,612</u>	<u>\$ 6,083,970</u>	<u>\$ 6,567,548</u>	<u>\$ 618,836</u>	<u>\$ 43,990,335</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 452,499	\$ 2,276,917
Retainage payable	-	-	-	-	99,235
Due to other funds	-	-	-	166,269	726,644
Accrued salaries payable	-	-	-	68	80,669
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,836</u>	<u>3,183,465</u>
DEFERRED INFLOWS OF RESOURCES					
Uncertified special assessment revenue	-	-	-	-	574,311
Deferred inflows of resources	-	-	-	-	101,709
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>676,020</u>
FUND BALANCE					
Nonspendable	-	-	-	-	28,661
Committed	2,558,612	-	-	-	12,348,288
Assigned	-	6,083,970	6,567,548	-	28,655,795
Unassigned	-	-	-	-	(901,894)
Total fund balance	<u>2,558,612</u>	<u>6,083,970</u>	<u>6,567,548</u>	<u>-</u>	<u>40,130,850</u>
Total liabilities, inflows and fund balance	<u>\$ 2,558,612</u>	<u>\$ 6,083,970</u>	<u>\$ 6,567,548</u>	<u>\$ 618,836</u>	<u>\$ 43,990,335</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

REVENUES	Bus	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
Property tax collections	\$ 58,114	\$ 1,047,985	\$ 5,348	\$ 416,703	\$ -	\$ -
Special assessment collections	-	-	-	-	-	-
Sales tax collections	-	-	-	-	-	-
Intergovernmental	566,027	97,612	55,381	183,542	1,242,503	4,970,012
Charges for services	97,903	50,796	1,857,535	-	-	-
Interest income	344	1,738	5,249	-	-	-
Miscellaneous	31,376	72,816	67,569	-	1,783	23,893
Total revenues	753,764	1,270,947	1,991,082	600,245	1,244,286	5,163,366
EXPENDITURES						
Current						
General government	934,698	-	-	208,450	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	1,090,362	1,903,670	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	934,698	1,090,362	1,903,670	208,450	-	1,306,170
Excess (deficiency) of revenues over (under) expenditures	(180,934)	180,585	87,412	391,795	1,244,286	3,857,196
OTHER FINANCING SOURCES (USE)						
Sale of City property	3,000	-	-	-	-	-
Transfers in	60,000	23,000	235,000	24,215	-	-
Transfers out	(75,879)	(146,787)	(176,863)	-	(1,390,586)	(50,000)
Total other financing sources (uses)	(12,879)	(123,787)	58,137	24,215	(1,390,586)	(50,000)
Net change in fund balance	(193,813)	56,798	145,549	416,010	(146,300)	3,807,196
Fund balance (deficit), January 1	334,246	201,671	1,514,941	(758,461)	813,844	6,634,410
Fund balance (deficit), December 31	\$ 140,433	\$ 258,469	\$ 1,660,490	\$ (342,451)	\$ 667,544	\$10,441,606

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Sales Tax				
	Sales Tax Improvements	Flood Control	Sidewalk Improvements	Street Improvements	Demolitions
REVENUES					
Property tax collections	\$ -	\$ 78,064	\$ 115,154	\$ 1,931,136	\$ -
Special assessment collections	-	-	2,758	-	134,316
Sales tax collections	6,212,516	-	-	-	-
Intergovernmental	-	119,487	-	4,298,363	-
Charges for services	-	-	-	-	-
Interest income	12,438	-	430	12,850	-
Miscellaneous	-	7,825	-	-	-
Total revenues	<u>6,224,954</u>	<u>205,376</u>	<u>118,342</u>	<u>6,242,349</u>	<u>134,316</u>
EXPENDITURES					
Current					
General government	133,069	25,679	122,433	-	66,651
Highways and streets	-	-	-	7,866,709	-
Culture and recreation	129,799	-	-	-	-
Economic development	-	-	-	-	-
Total expenditures	<u>262,868</u>	<u>25,679</u>	<u>122,433</u>	<u>7,866,709</u>	<u>66,651</u>
Excess (deficiency) of revenues over (under) expenditures	5,962,086	179,697	(4,091)	(1,624,360)	67,665
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	-	-
Transfers in	29,725	2,500,000	2,064	1,512,694	29,546
Transfers out	(5,145,511)	(7,825)	(1,129)	(12,850)	-
Total other financing sources (uses)	<u>(5,115,786)</u>	<u>2,492,175</u>	<u>935</u>	<u>1,499,844</u>	<u>29,546</u>
Net change in fund balance	846,300	2,671,872	(3,156)	(124,516)	97,211
Fund balance (deficit), January 1	4,573,624	1,962,268	28,785	2,698,895	(656,654)
Fund balance (deficit), December 31	<u>\$ 5,419,924</u>	<u>\$ 4,634,140</u>	<u>\$ 25,629</u>	<u>\$ 2,574,379</u>	<u>\$ (559,443)</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Sales Tax Property Tax Relief-2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$35 M	Total 2013
REVENUES					
Property tax collections	\$ -	\$ -	\$ -	\$ -	\$ 3,652,504
Special assessment collections	-	-	-	-	137,074
Sales tax collections	3,727,509	4,970,012	3,727,509	-	24,850,061
Intergovernmental	-	-	-	436,389	5,756,801
Charges for services	-	-	-	-	2,006,234
Interest income	5,598	16,349	15,629	-	96,301
Miscellaneous	-	-	-	-	349,047
Total revenues	<u>3,733,107</u>	<u>4,986,361</u>	<u>3,743,138</u>	<u>436,389</u>	<u>36,848,022</u>
EXPENDITURES					
Current					
General government	-	42,158	-	436,389	1,969,527
Highways and streets	-	-	-	-	7,866,709
Culture and recreation	-	-	1,377,334	-	4,501,165
Economic development	-	-	-	-	1,306,170
Total expenditures	<u>-</u>	<u>42,158</u>	<u>1,377,334</u>	<u>436,389</u>	<u>15,643,571</u>
Excess (deficiency) of revenues over (under) expenditures	3,733,107	4,944,203	2,365,804	-	21,204,451
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	-	-	3,000
Transfers in	-	-	-	-	4,416,244
Transfers out	(3,312,263)	(3,886,023)	(453,069)	-	(14,658,785)
Total other financing sources (uses)	<u>(3,312,263)</u>	<u>(3,886,023)</u>	<u>(453,069)</u>	<u>-</u>	<u>(10,239,541)</u>
Net change in fund balance	420,844	1,058,180	1,912,735	-	10,964,910
Fund balance (deficit), January 1	2,137,768	5,025,790	4,654,813	-	29,165,940
Fund balance (deficit), December 31	<u>\$ 2,558,612</u>	<u>\$ 6,083,970</u>	<u>\$ 6,567,548</u>	<u>\$ -</u>	<u>\$ 40,130,850</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Public Transportation</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ 57,144	\$ 57,144	\$ 58,114	\$ 970
Intergovernmental	1,323,956	1,473,956	566,027	(907,929)
Charges for services	90,500	90,500	97,903	7,403
Interest income	-	-	344	344
Miscellaneous	19,024	19,024	31,376	12,352
Total revenues	<u>1,490,624</u>	<u>1,640,624</u>	<u>753,764</u>	<u>(886,860)</u>
EXPENDITURES				
Current				
General government	760,624	956,979	934,698	(22,281)
Capital outlay				
Equipment	790,000	867,000	-	(867,000)
Total expenditures	<u>1,550,624</u>	<u>1,823,979</u>	<u>934,698</u>	<u>(889,281)</u>
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(183,355)	(180,934)	2,421
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	3,000	3,000
Transfers in	60,000	60,000	60,000	-
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>(12,879)</u>	<u>(72,879)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$(123,355)</u>	<u>(193,813)</u>	<u>\$ 70,458</u>
Fund balance (deficit), January 1			334,246	
Fund balance (deficit), December 31			<u>\$ 140,433</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Library</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$1,078,403	\$1,078,403	\$1,047,985	\$ (30,418)
Intergovernmental	88,750	95,068	97,612	2,544
Charges for services	20,792	20,792	50,796	30,004
Interest income	4,500	4,500	1,738	(2,762)
Miscellaneous	24,190	66,996	72,816	5,820
Total revenues	<u>1,216,635</u>	<u>1,265,759</u>	<u>1,270,947</u>	<u>5,188</u>
EXPENDITURES				
Current				
Culture and recreation	1,233,135	1,203,801	1,090,362	(113,439)
Capital outlay				
Equipment	6,500	6,500	-	(6,500)
Other	-	147,833	-	(147,833)
Total expenditures	<u>1,239,635</u>	<u>1,358,134</u>	<u>1,090,362</u>	<u>(267,772)</u>
Excess (deficiency) of revenues over (under) expenditures	(23,000)	(92,375)	180,585	272,960
OTHER FINANCING SOURCES (USES)				
Transfers in	23,000	23,000	23,000	-
Transfers out	-	-	(146,787)	(146,787)
Total other financing sources (uses)	<u>23,000</u>	<u>23,000</u>	<u>(123,787)</u>	<u>(146,787)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (69,375)</u>	56,798	<u>\$ 126,173</u>
Fund balance (deficit), January 1			201,671	
Fund balance (deficit), December 31			<u>\$ 258,469</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Recreation/Auditorium</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ -	\$ -	\$ 5,348	\$ 5,348
Intergovernmental	-	-	55,381	55,381
Charges for services	1,386,100	1,386,100	1,857,535	471,435
Interest income	-	-	5,249	5,249
Miscellaneous	5,000	5,000	67,569	62,569
Total revenues	<u>1,391,100</u>	<u>1,391,100</u>	<u>1,991,082</u>	<u>599,982</u>
EXPENDITURES				
Current				
Culture and recreation	1,758,466	2,252,676	1,903,670	(349,006)
Capital outlay				
Equipment	66,000	85,030	-	(85,030)
Total expenditures	<u>1,824,466</u>	<u>2,337,706</u>	<u>1,903,670</u>	<u>(434,036)</u>
Excess (deficiency) of revenues over (under) expenditures	(433,366)	(946,606)	87,412	1,034,018
OTHER FINANCING SOURCES (USES)				
Transfers in	135,000	135,000	235,000	100,000
Transfers out	(1,000)	-	(176,863)	(176,863)
Total other financing sources (uses)	<u>134,000</u>	<u>135,000</u>	<u>58,137</u>	<u>(76,863)</u>
Net change in fund balance	<u>\$ (299,366)</u>	<u>\$ (811,606)</u>	145,549	<u>\$ 957,155</u>
Fund balance (deficit), January 1			1,514,941	
Fund balance (deficit), December 31			<u>\$ 1,660,490</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Emergency Levy</u>		
	<u>Original & Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property tax collections	\$ 430,500	\$ 416,703	\$ (13,797)
Intergovernmental	-	183,542	183,542
Total revenues	<u>430,500</u>	<u>600,245</u>	<u>169,745</u>
EXPENDITURES			
Current			
General government	430,500	208,450	(222,050)
Total expenditures	<u>430,500</u>	<u>208,450</u>	<u>(222,050)</u>
Excess (deficiency) of revenues over (under) expenditures	-	391,795	391,795
OTHER FINANCING SOURCES (USES)			
Transfers in		24,215	24,215
Total other financing sources (uses)	<u>-</u>	<u>24,215</u>	<u>24,215</u>
Net change in fund balance	<u>\$ -</u>	416,010	<u>\$ 416,010</u>
Fund balance (deficit), January 1		(758,461)	
Fund balance (deficit), December 31		<u><u>\$(342,451)</u></u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Property Relief-1st Penny</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales tax collections	\$ 1,102,222	\$ 1,102,222	\$ 1,242,503	\$ 140,281
Interest income	-	-	1,783	1,783
Total revenues	<u>1,102,222</u>	<u>1,102,222</u>	<u>1,244,286</u>	<u>142,064</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,388,803)</u>	<u>(1,388,803)</u>	<u>(1,390,586)</u>	<u>(1,783)</u>
Total other financing sources (uses)	<u>(1,388,803)</u>	<u>(1,388,803)</u>	<u>(1,390,586)</u>	<u>(1,783)</u>
Net change in fund balance	<u>\$ (286,581)</u>	<u>\$ (286,581)</u>	(146,300)	<u>\$ 140,281</u>
Fund balance (deficit), January 1			813,844	
Fund balance (deficit), December 31			<u>\$ 667,544</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Economic Development</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales tax collections	\$ 4,408,886	\$ 4,818,886	\$ 4,970,012	\$ 151,126
Interest income	37,658	37,658	23,893	(13,765)
Miscellaneous	-	37,658	169,461	131,803
Total revenues	<u>4,446,544</u>	<u>4,894,202</u>	<u>5,163,366</u>	<u>269,164</u>
EXPENDITURES				
Current				
Economic development	4,396,544	5,743,797	1,306,170	(4,437,627)
Total expenditures	<u>4,396,544</u>	<u>5,743,797</u>	<u>1,306,170</u>	<u>(4,437,627)</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	(849,595)	3,857,196	4,706,791
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>(50,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (899,595)</u>	3,807,196	<u>\$ 4,706,791</u>
Fund balance (deficit), January 1			6,634,410	
Fund balance (deficit), December 31			<u>\$10,441,606</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Improvements</u>			
	Original Budgeted Amounts	Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES				
Sales tax collections	\$ 5,511,108	\$ 5,511,108	\$ 6,212,516	\$ 701,408
Interest income	-	-	12,438	12,438
Total revenues	<u>5,511,108</u>	<u>5,511,108</u>	<u>6,224,954</u>	<u>713,846</u>
EXPENDITURES				
General government	-	59,780	133,069	73,289
Culture and recreation	200,000	416,162	129,799	(286,363)
Total expenditures	<u>200,000</u>	<u>475,942</u>	<u>262,868</u>	<u>(213,074)</u>
Excess (deficiency) of revenues over (under) expenditures	5,311,108	5,035,166	5,962,086	926,920
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	29,725	29,725
Transfers out	(5,311,108)	(5,311,108)	(5,145,511)	165,597
Total other financing sources (uses)	<u>(5,311,108)</u>	<u>(5,311,108)</u>	<u>(5,115,786)</u>	<u>195,322</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (275,942)</u>	846,300	<u>\$ 1,122,242</u>
Fund balance (deficit), January 1			4,573,624	
Fund balance (deficit), December 31			<u>\$ 5,419,924</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Flood Control</u>		
	Original & Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$ 81,569	\$ 78,064	\$ (3,505)
Intergovernmental	-	119,487	119,487
Miscellaneous	-	7,825	7,825
Total revenues	<u>81,569</u>	<u>205,376</u>	<u>123,807</u>
EXPENDITURES			
General government	2,581,569	25,679	(2,555,890)
Highways and streets	-	-	-
Total expenditures	<u>2,581,569</u>	<u>25,679</u>	<u>(2,555,890)</u>
Excess (deficiency) of revenues over (under) expenditures	(2,500,000)	179,697	2,679,697
OTHER FINANCING SOURCES (USES)			
Transfer in	2,500,000	2,500,000	-
Transfers out	-	(7,825)	(7,825)
Total other financing sources (uses)	<u>2,500,000</u>	<u>2,492,175</u>	<u>(7,825)</u>
Net change in fund balance	<u>\$ -</u>	2,671,872	<u>\$2,671,872</u>
Fund balance (deficit), January 1		1,962,268	
Fund balance (deficit), December 31		<u>\$4,634,140</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sidewalk</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ 120,000	\$ 120,000	\$ 115,154	\$ (4,846)
Special assessment collections	-	-	2,758	2,758
Interest income	-	-	430	430
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>118,342</u>	<u>(1,658)</u>
EXPENDITURES				
General government	120,000	123,564	122,433	(1,131)
Total expenditures	<u>120,000</u>	<u>123,564</u>	<u>122,433</u>	<u>(1,131)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(3,564)	(4,091)	(527)
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	2,064	2,064
Transfers out	-	-	(1,129)	(1,129)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>935</u>	<u>935</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,564)</u>	<u>(3,156)</u>	<u>\$ 408</u>
Fund balance (deficit), January 1			28,785	
Fund balance (deficit), December 31			<u>\$ 25,629</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Street Improvement</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ 2,000,000	\$ 2,000,000	\$ 1,931,136	\$ (68,864)
Intergovernmental	-	4,183,716	4,298,363	114,647
Interest income	-	-	12,850	12,850
Total revenues	<u>2,000,000</u>	<u>6,183,716</u>	<u>6,242,349</u>	<u>58,633</u>
EXPENDITURES				
Highways and streets	2,400,000	7,967,241	7,866,709	(100,532)
Total expenditures	<u>2,400,000</u>	<u>7,967,241</u>	<u>7,866,709</u>	<u>(100,532)</u>
Excess (deficiency) of revenues over (under) expenditures	(400,000)	(1,783,525)	(1,624,360)	159,165
OTHER FINANCING SOURCES (USES)				
Transfer in	400,000	400,000	1,512,694	1,112,694
Transfers out	-	-	(12,850)	(12,850)
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>1,499,844</u>	<u>1,099,844</u>
Net change in fund balance	<u>\$ -</u>	<u>\$(1,383,525)</u>	<u>(124,516)</u>	<u>\$ 1,259,009</u>
Fund balance (deficit), January 1			2,698,895	
Fund balance (deficit), December 31			<u>\$ 2,574,379</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	Sales Tax Property Tax Relief - 2nd Penny		
	Original & Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES			
Sales tax collections	\$ 3,306,665	\$ 3,727,509	\$ 420,844
Interest income	-	5,598	5,598
Total revenues	3,306,665	3,733,107	426,442
EXPENDITURES			
General government	3,306,665	-	(3,306,665)
Total expenditures	3,306,665	-	(3,306,665)
Excess (deficiency) of revenues over (under) expenditures	-	3,733,107	3,733,107
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(3,312,263)	(3,312,263)
Total other financing sources (uses)	-	(3,312,263)	(3,312,263)
Net change in fund balance	\$ -	420,844	\$ 420,844
Fund balance (deficit), January 1		2,137,768	
Fund balance (deficit), December 31		\$ 2,558,612	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Infrastructure</u>		
	<u>Original Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax collections	\$ 4,408,886	\$ 4,970,012	\$ 561,126
Interest income	-	16,349	16,349
Total revenues	<u>4,408,886</u>	<u>4,986,361</u>	<u>577,475</u>
EXPENDITURES			
General government	<u>4,358,886</u>	42,158	(4,316,728)
Total expenditures	<u>4,358,886</u>	<u>42,158</u>	<u>(4,316,728)</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	4,944,203	4,894,203
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(50,000)</u>	<u>(3,886,023)</u>	<u>(3,836,023)</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(3,886,023)</u>	<u>(3,836,023)</u>
Net change in fund balance	<u>\$ -</u>	1,058,180	<u>\$ 1,058,180</u>
Fund balance (deficit), January 1		<u>5,025,790</u>	
Fund balance (deficit), December 31		<u>\$ 6,083,970</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Fund
For the Year Ended December 31, 2013

	<u>Sales Tax Community Facilities</u>		
	<u>Original Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Sales tax collections	\$ 3,306,665	\$ 3,727,509	\$ 420,844
Interest income	-	15,629	15,629
Total revenues	<u>3,306,665</u>	<u>3,743,138</u>	<u>436,473</u>
EXPENDITURES			
Culture and recreation	-	1,377,334	1,377,334
Total expenditures	<u>3,256,665</u>	<u>1,377,334</u>	<u>(1,879,331)</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	2,365,804	2,315,804
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(453,069)	(403,069)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(453,069)</u>	<u>(403,069)</u>
Net change in fund balance	<u>\$ -</u>	1,912,735	<u>\$ 1,912,735</u>
Fund balance (deficit), January 1		4,654,813	
Fund balance (deficit), December 31		<u>\$ 6,567,548</u>	

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual
Major Special Revenue Fund
For the Year Ended December 31, 2013

CDBG - Disaster Recovery \$35M				
	Original Budgeted Amounts	Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 622,715	\$ 436,389	\$ (186,326)
Total revenues	-	622,715	436,389	(186,326)
EXPENDITURES				
General government	-	622,715	436,389	(186,326)
Total expenditures	-	622,715	436,389	(186,326)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance (deficit), January 1			-	
Fund balance (deficit), December 31			\$ -	

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

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

**City of Minot, North Dakota
Balance Sheet
Nonmajor Debt Service Fund
December 31, 2013**

	Highway Debt 2013
ASSETS	
Restricted cash and investments	\$ 890,052
Taxes receivable delinquent	15,966
Intergovernmental receivable	378
Advance to other funds	253,527
Total assets	<u><u>\$1,159,923</u></u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow of resources	\$ 11,929
Total deferred inflow of resources	<u>11,929</u>
FUND BALANCE	
Nonspendable	253,527
Restricted	352,896
Assigned	541,571
Total fund balance	<u>1,147,994</u>
Total deferred inflows and fund balance	<u><u>\$1,159,923</u></u>

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year Ended December 31, 2013

	Highway Debt 2013
REVENUES	
Property tax collections	\$ 476,320
Interest income	4,017
Total revenues	480,337
EXPENDITURES	
General government	11
Debt service	
Principal retirement	1,905,000
Interest and fiscal charges	225,282
Total expenditures	2,130,293
Excess (deficiency) of revenues over (under) expenditures	(1,649,956)
OTHER FINANCING SOURCES (USES)	
Transfers in	2,000,388
Transfers out	(4,017)
Total other financing sources (uses)	1,996,371
Net change in fund balance	346,415
Fund balance, January 1	801,579
Fund balance, December 31	\$1,147,994

City of Minot, North Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Nonmajor Debt Service Fund
For the Year Ended December 31, 2013

	<u>Highway Debt</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$ 485,612	\$ 485,612	\$ 476,320	\$ (9,292)
Interest income	-	-	4,017	4,017
Total revenues	<u>485,612</u>	<u>485,612</u>	<u>480,337</u>	<u>(5,275)</u>
EXPENDITURES				
General government	50,067	-	11	11
Debt service				
Principal retirement	1,380,000	1,491,250	1,905,000	413,750
Interest and fiscal charges	288,891	225,965	225,282	(683)
Total expenditures	<u>1,718,958</u>	<u>1,717,215</u>	<u>2,130,293</u>	<u>413,078</u>
Excess (deficiency) of revenues over (under) expenditures	(1,233,346)	(1,231,603)	(1,649,956)	(418,353)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,643,964	1,643,964	2,000,388	356,424
Transfers out	(145,731)	(145,731)	(4,017)	141,714
Total other financing sources (uses)	<u>1,498,233</u>	<u>1,498,233</u>	<u>1,996,371</u>	<u>498,138</u>
Net change in fund balance	<u>\$ 264,887</u>	<u>\$ 266,630</u>	346,415	<u>\$ 79,785</u>
Fund balance (deficit), January 1			801,579	
Fund balance (deficit), December 31			<u>\$ 1,147,994</u>	

City of Minot, North Dakota
Nonmajor Capital Project Funds

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

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

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

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

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

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

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

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2013

	<u>Highway Reserve</u>	<u>Sports Complex</u>	<u>Fire Equipment</u>	<u>Storm Sewer Development</u>
ASSETS				
Cash and investments	\$10,048,002	\$ 75,412	\$ 1,675,851	\$ 3,075,804
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	-	-	11,303	-
Accounts receivable	-	-	-	63,002
Intergovernmental receivable	558,009	-	11,167	-
Total assets	<u>\$10,606,011</u>	<u>\$ 75,412</u>	<u>\$ 1,698,321</u>	<u>\$ 3,138,806</u>
LIABILITIES				
Accounts payable	\$ 1,155,947	\$ -	\$ 16,065	\$ -
Retainage payable	124,558	-	78,275	-
Advance from other funds	248,142	-	-	475,894
Total liabilities	<u>1,528,647</u>	<u>-</u>	<u>94,340</u>	<u>475,894</u>
DEFERRED INFLOW OF RESOURCES				
Deferred inflow of resources	-	-	10,605	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>10,605</u>	<u>-</u>
FUND BALANCE				
Committed	-	-	-	-
Assigned	9,077,364	75,412	1,593,376	2,662,912
Total fund balance	<u>9,077,364</u>	<u>75,412</u>	<u>1,593,376</u>	<u>2,662,912</u>
Total liabilities, inflows and fund balance	<u>\$10,606,011</u>	<u>\$ 75,412</u>	<u>\$ 1,698,321</u>	<u>\$ 3,138,806</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2013

	CDBG and EDA	Equipment Purchase	Total 2013
ASSETS			
Cash and investments	\$ -	\$ 472,058	\$ 15,347,127
Restricted cash and investments	148,879	-	148,879
Taxes receivable delinquent	-	79,435	90,738
Accounts receivable	-	-	63,002
Intergovernmental receivable	-	269,802	838,978
Total assets	\$ 148,879	\$ 821,295	\$ 16,488,724
LIABILITIES			
Accounts payable	\$ -	\$ 3,256	\$ 1,175,268
Retainage payable	-	-	202,833
Advance from other funds	-	-	724,036
Total liabilities	-	3,256	2,102,137
Deferred inflow of resources	-	70,876	81,481
Total deferred inflow of resources	-	70,876	81,481
FUND BALANCE			
Committed	148,879	-	148,879
Assigned	-	747,163	14,156,227
Total fund balance	148,879	747,163	14,305,106
Total liabilities, inflows and fund balance	\$ 148,879	\$ 821,295	\$ 16,488,724

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2013

	Highway Reserve	Sertoma Sports Complex	Fire Equipment	Storm Sewer Development
REVENUES				
Property tax collections	\$ -	\$ -	\$ 86,917	\$ -
Intergovernmental	473,241	-	426,608	-
Charges for services	18,567	-	-	1,021,427
Interest income	-	1,482	4,389	7,865
Contract revenue	1,187,136	-	-	-
Miscellaneous	41,567	-	2,300	-
Total revenues	<u>1,720,511</u>	<u>1,482</u>	<u>520,214</u>	<u>1,029,292</u>
EXPENDITURES				
Capital outlay				
Contracted work	2,886,263	78,242	-	-
Equipment	-	-	1,824,122	-
Other	15,776	-	-	-
Acquisitions	176,150	-	-	-
Engineering	1,685,894	-	-	-
Debt retirement				
Interest and fiscal charges	15,689	-	-	28,223
Total expenditures	<u>4,779,772</u>	<u>78,242</u>	<u>1,824,122</u>	<u>28,223</u>
Excess (deficiency) of revenues over (under) expenditures	(3,059,261)	(76,760)	(1,303,908)	1,001,069
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	6,815,000	-	-	-
Premium on general obligation bonds	251,447	-	-	-
Sale of City property	-	-	-	-
Transfers in	886,704	21,676	1,895,353	-
Transfers out	(1,485,372)	(390,265)	(4,358)	(7,865)
Total other financing sources (uses)	<u>6,467,779</u>	<u>(368,589)</u>	<u>1,890,995</u>	<u>(7,865)</u>
Net change in fund balance	3,408,518	(445,349)	587,087	993,204
Fund balance (deficit), January 1	5,668,846	520,761	1,006,289	1,669,708
Fund balance (deficit), December 31	<u>\$ 9,077,364</u>	<u>\$ 75,412</u>	<u>\$ 1,593,376</u>	<u>\$ 2,662,912</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year Ended December 31, 2013

	CDBG and EDA	Equipment Purchase	Total 2013
REVENUES			
Property tax collections	\$ -	\$ 1,072,461	\$ 1,159,378
Intergovernmental	-	571,220	1,471,069
Charges for services	-	-	1,039,994
Interest income	-	2,129	15,865
Contract revenue	-	-	1,187,136
Miscellaneous	-	-	43,867
Total revenues	-	1,645,810	4,917,309
EXPENDITURES			
Capital outlay			
Contracted work	-	-	2,964,505
Equipment	-	2,625,992	4,450,114
Other	-	-	15,776
Acquisitions	-	-	176,150
Engineering	-	-	1,685,894
Debt retirement			
Interest and fiscal charges	-	-	43,912
Total expenditures	-	2,625,992	9,336,351
Excess (deficiency) of revenues over (under) expenditures	-	(980,182)	(4,419,042)
OTHER FINANCING SOURCES (USES)			
General obligation bonds issued	-	-	6,815,000
Premium on general obligation bonds	-	-	251,447
Sale of City property	-	74,968	74,968
Transfers in	-	1,530,137	4,333,870
Transfers out	-	(10,919)	(1,898,779)
Total other financing sources (uses)	-	1,594,186	9,576,506
Net change in fund balance	-	614,004	5,157,464
Fund balance (deficit), January 1	148,879	133,159	9,147,642
Fund balance (deficit), December 31	<u>\$ 148,879</u>	<u>\$ 747,163</u>	<u>\$ 14,305,106</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Fund
For the Year Ended December 31, 2013

	Fire Equipment			
	Original Budgeted Amounts	Final Budgeted Amounts	2013 Actual Amounts	Variance with Final Budget
REVENUES				
Property tax collections	\$ 90,000	\$ 90,000	\$ 86,917	\$ (3,083)
Intergovernmental	100,000	-	426,608	426,608
Interest income	-	-	4,389	4,389
Miscellaneous	-	-	2,300	2,300
Total revenues	<u>190,000</u>	<u>90,000</u>	<u>520,214</u>	<u>430,214</u>
EXPENDITURES				
Capital outlay				
Equipment	391,500	3,514,757	1,824,122	(1,690,635)
Total expenditures	<u>391,500</u>	<u>3,514,757</u>	<u>1,824,122</u>	<u>(1,690,635)</u>
Excess (deficiency) of revenues over (under) expenditures	(201,500)	(3,424,757)	(1,303,908)	2,120,849
OTHER FINANCING SOURCES (USES)				
Transfers in	201,500	1,901,500	1,895,353	(6,147)
Transfers out	-	-	(4,358)	(4,358)
Total other financing sources (uses)	<u>201,500</u>	<u>1,901,500</u>	<u>1,890,995</u>	<u>(10,505)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$(1,523,257)</u>	587,087	<u>\$ 2,110,344</u>
Fund balance (deficit), January 1			1,006,289	
Fund balance (deficit), December 31			<u>\$ 1,593,376</u>	

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Fund
For the Year Ended December 31, 2013

	<u>Equipment Purchase</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2013 Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$1,120,309	\$1,133,211	\$1,072,461	\$ (60,750)
Intergovernmental	-	263,203	571,220	308,017
Interest income	-	-	2,129	2,129
Miscellaneous	-	36,779	-	(36,779)
Total revenues	<u>1,120,309</u>	<u>1,433,193</u>	<u>1,645,810</u>	<u>212,617</u>
EXPENDITURES				
Capital outlay				
Equipment	<u>2,337,537</u>	<u>2,880,842</u>	<u>2,625,992</u>	<u>(254,850)</u>
Total expenditures	<u>2,337,537</u>	<u>2,880,842</u>	<u>2,625,992</u>	<u>(254,850)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,217,228)	(1,447,649)	(980,182)	467,467
OTHER FINANCING SOURCES (USES)				
Sale of City property	75,000	75,000	74,968	(32)
Transfers in	1,142,228	1,142,228	1,530,137	387,909
Transfers out	-	-	(10,919)	(10,919)
Total other financing sources (uses)	<u>1,217,228</u>	<u>1,217,228</u>	<u>1,594,186</u>	<u>376,958</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (230,421)</u>	614,004	<u>\$ 844,425</u>
Fund balance (deficit), January 1			133,159	
Fund balance (deficit), December 31			<u>\$ 747,163</u>	



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City of Minot, North Dakota
Nonmajor Enterprise Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2013

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2013
	Cemetery	Parking Authority	
ASSETS			
Current			
Cash and cash equivalents	\$ 133,877	\$ 283,756	\$ 417,633
Restricted cash and cash equivalents	45,027	-	45,027
Taxes receivable delinquent	4,783	-	4,783
Accounts receivable	3,845	-	3,845
Intergovernmental receivable	461	-	461
Total current assets	<u>187,993</u>	<u>283,756</u>	<u>471,749</u>
Noncurrent assets			
Other assets - capital credits	1,030	89	1,119
Capital assets			
Land	179,504	136,397	315,901
Buildings	150,885	43,172	194,057
Equipment	210,584	322,867	533,451
Infrastructure	336,106	92,433	428,539
Total capital assets	<u>877,079</u>	<u>594,869</u>	<u>1,471,948</u>
Less-accumulated depreciation	<u>(308,164)</u>	<u>(422,045)</u>	<u>(730,209)</u>
Net capital assets	<u>568,915</u>	<u>172,824</u>	<u>741,739</u>
Total assets	<u>757,938</u>	<u>456,669</u>	<u>1,214,607</u>
LIABILITIES			
Current liabilities			
Accounts payable	4,349	4,617	8,966
Accrued salaries payable	10,195	1,256	11,451
Compensated absences	6,282	-	6,282
Total current liabilities	<u>20,826</u>	<u>5,873</u>	<u>26,699</u>
Long-term liabilities			
Compensated absences	11,667	-	11,667
Customer deposits	-	600	600
Total long-term liabilities	<u>11,667</u>	<u>600</u>	<u>12,267</u>
Total liabilities	<u>32,493</u>	<u>6,473</u>	<u>38,966</u>
NET POSITION			
Invested in capital assets, net of related debt	568,915	172,824	741,739
Restricted for perpetual care	38,250	-	38,250
Restricted for fountain, entrance, memorials	6,777	-	6,777
Assigned	111,503	277,372	388,875
Total net position	<u>\$ 725,445</u>	<u>\$ 450,196</u>	<u>\$ 1,175,641</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2013

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2013
	Cemetery	Parking Authority	
OPERATING REVENUES			
Charges for services	\$ 289,338	\$ 107,647	\$ 396,985
Total operating revenues	<u>289,338</u>	<u>107,647</u>	<u>396,985</u>
OPERATING EXPENSES			
Salaries	236,201	58,860	295,061
Employee benefits	60,500	5,183	65,683
Professional services	76	2,206	2,282
Property services	10,441	26,390	36,831
Purchased services	5,537	4,538	10,075
Supplies	19,927	5,032	24,959
Sundry	18,371	7,077	25,448
Depreciation	27,664	14,312	41,976
Total operating expenses	<u>378,717</u>	<u>123,598</u>	<u>502,315</u>
Operating income (loss)	(89,379)	(15,951)	(105,330)
NON-OPERATING REVENUES (EXPENSES)			
Property tax collections	185,947	-	185,947
Interest income	965	1,008	1,973
Miscellaneous income (expense)	(17,686)	272	(17,414)
Total non-operating revenues (expenses)	<u>169,226</u>	<u>1,280</u>	<u>170,506</u>
Income (loss) before contributions and transfers	79,847	(14,671)	65,176
Transfers in	280,000	-	280,000
Transfers out	(965)	(858)	(1,823)
Total contributions and transfers	<u>279,035</u>	<u>(858)</u>	<u>278,177</u>
Change in net position	358,882	(15,529)	343,353
Net position, January 1	366,563	465,725	832,288
Net position, December 31	<u>\$ 725,445</u>	<u>\$ 450,196</u>	<u>\$ 1,175,641</u>

City of Minot, North Dakota
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2013

	Nonmajor Business-Type Activities	Parking Authority	Total Nonmajor Proprietary Funds 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 283,947	\$ 107,647	\$ 391,594
Payments to suppliers	(52,142)	(51,598)	(103,740)
Payments to employees	(290,642)	(65,419)	(356,061)
Due from (to) other agencies	25,754	-	25,754
Net cash provided (used) by operating activities	<u>(33,083)</u>	<u>(9,370)</u>	<u>(42,453)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	168,261	272	168,533
Transfers in	280,000	-	280,000
Transfers out	(965)	(858)	(1,823)
Net cash provided (used) by noncapital financing activities	<u>447,296</u>	<u>(586)</u>	<u>446,710</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(347,876)	-	(347,876)
Disposal of capital asset	(6,857)	(2)	(6,859)
Net cash provided (used) by capital and related financing activities	<u>(354,733)</u>	<u>(2)</u>	<u>(354,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	965	1,008	1,973
Net cash provided by investing activities	<u>965</u>	<u>1,008</u>	<u>1,973</u>
Net increase (decrease) in cash and cash equivalents	60,445	(8,950)	51,495
Cash and investments, January 1	118,459	292,706	411,165
Cash and investments, December 31	<u>\$ 178,904</u>	<u>\$ 283,756</u>	<u>\$ 462,660</u>
Cash and cash equivalents are comprised of the following:			
Cash and cash equivalents	\$ 133,877	\$ 283,756	\$ 417,633
Restricted cash and cash equivalents	45,027	-	45,027
Total cash and equivalents on the Statement of Net Position	<u>\$ 178,904</u>	<u>\$ 283,756</u>	<u>\$ 462,660</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (89,379)	\$ (15,951)	\$ (105,330)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	27,664	14,312	41,976
Change in assets and liabilities:			
Taxes receivable delinquent	(4,779)	-	(4,779)
Receivables, net	(710)	-	(710)
Intergovernmental receivable	26,386	-	26,386
Prepaid	98	-	98
Accounts payable	2,210	(6,355)	(4,145)
Accrued salaries payable	2,957	(1,376)	1,581
Accrued interest payable	3,102	-	3,102
Other assets	(632)	-	(632)
Net cash provided (used) by operating activities	<u>\$ (33,083)</u>	<u>\$ (9,370)</u>	<u>\$ (42,453)</u>

City of Minot, North Dakota
Internal Service Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Position
Internal Service Funds
December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2013
ASSETS			
Cash and investments	\$ 159,170	\$1,623,255	\$1,782,425
Accounts receivable	8,364	5,256	13,620
Inventory	354,097	-	354,097
Total assets	<u>521,631</u>	<u>1,628,511</u>	<u>2,150,142</u>
LIABILITIES			
Accounts payable	62,294	65,126	127,420
Insurance claims payable	-	115,671	115,671
Total liabilities	<u>62,294</u>	<u>180,797</u>	<u>243,091</u>
NET POSITION			
Unrestricted	459,337	1,447,714	1,907,051
Total net position	<u>\$ 459,337</u>	<u>\$1,447,714</u>	<u>\$1,907,051</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2013
OPERATING REVENUES			
Sales	\$1,409,923	\$ -	\$1,409,923
Cost of goods sold	(1,311,019)	-	(1,311,019)
Gross margin	98,904	-	98,904
Charges for services			
Employer	-	1,703,695	1,703,695
Employee	-	518,596	518,596
Total operating revenues	98,904	2,222,291	2,321,195
OPERATING EXPENSES			
Professional and technical	198	-	198
Supplies	101,658	-	101,658
Insurance claims	-	1,841,316	1,841,316
Total operating expenses	101,856	1,841,316	1,943,172
Operating income (loss)	(2,952)	380,975	378,023
NON-OPERATING REVENUES (EXPENSES)			
Interest income	408	4,321	4,729
Miscellaneous income (expense)	5,568	(235,404)	(229,836)
Total non-operating revenues (expenses)	5,976	(231,083)	(225,107)
Change in net position	3,024	149,892	152,916
Net position, January 1	456,313	1,297,822	1,754,135
Net position, December 31	<u>\$ 459,337</u>	<u>\$ 1,447,714</u>	<u>\$ 1,907,051</u>

City of Minot, North Dakota
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$1,424,321	\$2,217,035	\$3,641,356
Payments to suppliers	(1,373,073)	(1,783,927)	(3,157,000)
Net cash provided (used) by operating activities	<u>51,248</u>	<u>433,108</u>	<u>484,356</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Internal activity - payments from (to) other funds	5,568	(235,404)	(229,836)
Net cash provided (used) by noncapital financing activities	<u>5,568</u>	<u>(235,404)</u>	<u>(229,836)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	408	4,321	4,729
Net cash provided by investing activities	<u>408</u>	<u>4,321</u>	<u>4,729</u>
Net increase in cash and cash equivalents	57,224	202,025	259,249
Cash and investments, January 1	101,946	1,421,230	1,523,176
Cash and investments, December 31	<u>\$ 159,170</u>	<u>\$ 1,623,255</u>	<u>\$ 1,782,425</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (2,952)	\$ 380,975	\$ 378,023
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in assets and liabilities			
Receivables, net	(658)	(5,256)	(5,914)
Inventory	15,056	-	15,056
Accounts payable	39,802	63,610	103,412
Insurance claims payable	-	(6,221)	(6,221)
Net cash provided (used) by operating activities	<u>\$ 51,248</u>	<u>\$ 433,108</u>	<u>\$ 484,356</u>

City of Minot, North Dakota Trust and Agency Funds

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

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

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

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

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

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

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

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

City of Minot, North Dakota
Combining Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2013

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2013
ASSETS			
Cash and cash equivalents	\$ 99,714	\$ (103,400)	\$ (3,686)
Investments			
Money market	48,542	16,608	65,150
Equity/stocks	33,872,368	664,207	34,536,575
Fixed income	21,046,061	398,920	21,444,981
Alternative	4,985,664	98,061	5,083,725
Total investments	59,952,635	1,177,796	61,130,431
Taxes receivable delinquent	60,743	-	60,743
Intergovernmental receivable	689	-	689
Total assets	<u>60,113,781</u>	<u>1,074,396</u>	<u>61,188,177</u>
LIABILITIES			
Due to other funds	-	102,850	102,850
Total liabilities	<u>-</u>	<u>102,850</u>	<u>102,850</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources	<u>60,743</u>	<u>-</u>	<u>60,743</u>
NET POSITION			
Assets held in trust for pension benefits	60,113,781	-	60,113,781
Assets held in trust for OPEB benefits	-	971,546	971,546
Total net position	<u>\$60,053,038</u>	<u>\$ 971,546</u>	<u>\$61,024,584</u>

City of Minot, North Dakota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2013

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2013
ADDITIONS			
Contributions			
Employer	\$ 3,730,936	\$ 248,901	\$ 3,979,837
Employee	2,682,638	509,699	3,192,337
Total contributions	<u>6,413,574</u>	<u>758,600</u>	<u>7,172,174</u>
Investment income			
Interest and dividends	1,602,079	19,129	1,621,208
Net increase (decrease) in the fair value of investments	4,613,568	83,800	4,697,368
Total investment income	<u>6,215,647</u>	<u>102,929</u>	<u>6,318,576</u>
Less investment expense	131,587	1,024	132,611
Net investment income	<u>6,084,060</u>	<u>101,905</u>	<u>6,185,965</u>
Total additions	<u>12,497,634</u>	<u>860,505</u>	<u>13,358,139</u>
DEDUCTIONS			
Benefits paid to plan member and beneficiaries	6,567,329	-	6,567,329
Refunds paid to plan member and beneficiaries	409,654	-	409,654
Retiree claims	-	477,877	477,877
Third party premiums	-	165,474	165,474
Administrative expenses	318,226	12,400	330,626
Total deductions	<u>7,295,209</u>	<u>655,751</u>	<u>7,950,960</u>
Change in net position	5,202,425	204,754	5,407,179
Net position, January 1	54,850,613	766,792	55,617,405
Net position, December 31	<u>\$60,053,038</u>	<u>\$ 971,546</u>	<u>\$61,024,584</u>

City of Minot, North Dakota
Combining Statement of Net Position
Agency Funds
December 31, 2013

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	CDBG/ EDA	Total Agency Funds 2013
ASSETS					
Cash and investments	\$ 82,000	\$ -	\$ 136,556	\$ (31,112)	\$ 187,444
Taxes receivable delinquent	-	3,584	-	-	3,584
Accounts receivable	744	-	149,224	210	150,178
Intergovernmental receivable	-	85	5,950	36,059	42,094
Total assets	<u>\$ 82,744</u>	<u>\$ 3,669</u>	<u>\$ 291,730</u>	<u>\$ 5,157</u>	<u>\$ 383,300</u>
LIABILITIES					
Accounts payable	<u>\$ 82,744</u>	<u>\$ 3,669</u>	<u>\$ 291,730</u>	<u>\$ 5,157</u>	<u>\$ 383,300</u>
Total liabilities	<u>\$ 82,744</u>	<u>\$ 3,669</u>	<u>\$ 291,730</u>	<u>\$ 5,157</u>	<u>\$ 383,300</u>

City of Minot, North Dakota
Combining Statements of Changes in Assets and Liabilities - Agency Funds
For the Year Ended December 31, 2013

PAYROLL DEDUCTIONS

	Beginning	Additions	Deletions	Ending
Assets				
Cash and investments	\$ 86,495	\$ 4,092,534	\$ 4,097,029	\$ 82,000
Accounts receivable	-	1,326	582	744
Total assets	<u>\$ 86,495</u>	<u>\$ 4,093,860</u>	<u>\$ 4,097,611</u>	<u>\$ 82,744</u>
Liabilities				
Accounts payable	\$ 86,495	\$ 347,562	\$ 343,811	\$ 82,744
Total liabilities	<u>\$ 86,495</u>	<u>\$ 347,562</u>	<u>\$ 343,811</u>	<u>\$ 82,744</u>

EMPLOYER SOCIAL SECURITY

Assets				
Cash and investments	\$ -	\$ 112,827	\$ 112,827	\$ -
Taxes receivable delinquent	2,460	2,928	1,804	3,584
Intergovernmental receivable	43	84	42	85
Total assets	<u>\$ 2,503</u>	<u>\$ 115,839</u>	<u>\$ 114,673</u>	<u>\$ 3,669</u>
Liabilities				
Accounts payable	\$ 2,503	\$ 118,691	\$ 119,857	\$ 3,669
Total liabilities	<u>\$ 2,503</u>	<u>\$ 118,691</u>	<u>\$ 119,857</u>	<u>\$ 3,669</u>

HOTEL/MOTEL TAX

Assets				
Cash and investments	\$ -	\$ 1,709,632	\$ 1,573,076	\$ 136,556
Accounts receivable	10,958	1,778,869	1,640,603	149,224
Intergovernmental receivable	4,207	5,950	4,207	5,950
Total assets	<u>\$ 15,165</u>	<u>\$ 3,494,451</u>	<u>\$ 3,217,886</u>	<u>\$ 291,730</u>
Liabilities				
Accounts payable	\$ 15,165	\$ 1,523,075	\$ 1,799,640	\$ 291,730
Total liabilities	<u>\$ 15,165</u>	<u>\$ 1,523,075</u>	<u>\$ 1,799,640</u>	<u>\$ 291,730</u>

CDBG/EDA

Assets				
Cash and investments	\$ (5)	\$ 25,420	\$ 56,527	\$ (31,112)
Accounts receivable	-	210	-	210
Intergovernmental receivable	5	59,921	23,867	36,059
Total assets	<u>\$ -</u>	<u>\$ 85,551</u>	<u>\$ 80,394</u>	<u>\$ 5,157</u>
Liabilities				
Accounts payable	\$ -	\$ 50,079	\$ 55,236	\$ 5,157
Total liabilities	<u>\$ -</u>	<u>\$ 50,079</u>	<u>\$ 55,236</u>	<u>\$ 5,157</u>

TOTAL DECEMBER 31, 2013

Assets				
Cash and investments	\$ 86,490	\$ 5,940,413	\$ 5,839,459	\$ 187,444
Taxes receivable delinquent	2,460	2,928	1,804	3,584
Accounts receivable	10,958	1,780,405	1,641,185	150,178
Intergovernmental receivable	4,255	65,955	28,116	42,094
Total assets	<u>\$ 104,163</u>	<u>\$ 7,789,701</u>	<u>\$ 7,510,564</u>	<u>\$ 383,300</u>
Liabilities				
Accounts payable	\$ 104,163	\$ 2,039,407	\$ 2,318,544	\$ 383,300
Total liabilities	<u>\$ 104,163</u>	<u>\$ 2,039,407</u>	<u>\$ 2,318,544</u>	<u>\$ 383,300</u>



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City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds

GOVERNMENTAL FUNDS CAPITAL ASSETS	2013
Land	\$ 22,541,677
Buildings	14,035,700
Equipment	16,753,247
Infrastructure	149,631,053
Intangible assets	598,329
Books	4,099,157
Construction in progress	9,532,546
Total governmental funds capital assets	<u>\$217,191,709</u>
INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE	
Capital project funds	
General obligation bonds and levies	\$ 12,576,842
Revenue bonds	3,531,595
Sales tax	15,000,497
Federal grants	73,006,066
State grants	14,369,193
County grants	1,216,423
Contributions from others	53,980,610
General fund	24,236,164
Special revenue	17,103,187
Urban renewal	465,739
Enterprise fund	1,705,393
Total governmental funds capital assets	<u>\$217,191,709</u>

City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
December 31, 2013

FUNCTION AND ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction in Process	2013
General Government								
Civic center/property maintenance Clerk	\$ 49,374	\$ 3,429,528	\$ 109,231	\$ 305,527	\$ -	\$ -	\$ -	\$ 3,893,660
Finance	-	-	7,999	-	-	-	-	7,999
Information technology	-	-	26,888	-	-	-	-	26,888
Assessor	-	-	86,279	-	220,899	-	26	307,204
Engineering	-	-	122,368	-	32,500	-	-	154,868
Inspection	-	421,334	320,538	-	-	-	-	741,872
Traffic control	-	-	314,563	-	33,000	-	59	347,622
Public works	-	1,432,856	112,083	5,601,442	-	-	28,238	6,290,212
General	21,008,552	119,425	1,113,935	-	-	-	-	1,544,939
Total general government	21,057,926	5,403,143	2,874,416	5,906,969	286,399	-	2,275,810	24,517,722
Public Safety								
Police	-	161,536	3,719,582	339,344	-	-	513,707	4,734,169
Fire	243,861	3,030,155	3,535,301	-	-	-	1,414,851	8,224,168
Total public safety	243,861	3,191,691	7,254,883	339,344	-	-	1,928,558	12,958,337
Street	809,889	385,576	2,751,245	142,125,632	311,930	-	5,299,850	151,684,122
Shop	-	-	199,492	-	-	-	5	199,497
Library	7,624	3,128,995	12,774	-	-	4,099,157	-	7,248,550
Public transportation	-	853,027	2,427,086	-	-	-	-	3,280,113
Recreation	422,377	1,073,268	1,233,351	1,259,108	-	-	-	3,988,104
Total governmental funds	\$ 22,541,677	\$ 14,035,700	\$ 16,753,247	\$ 149,631,053	\$ 598,329	\$ 4,099,157	\$ 9,532,546	\$ 217,191,709

City of Minot, North Dakota
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
December 31, 2013

FUNCTION AND ACTIVITY	Governmental Fund Capital Assets January 1, 2013	Additions	Deletions	Transfers	Construction in Process	Governmental Fund Capital Assets December 31, 2013
GENERAL GOVERNMENT						
Civic center/property maintenance	\$ 3,845,672	\$ 25,331	\$ -	\$ 22,657	\$ -	\$ 3,893,660
Clerk	7,999	-	-	-	-	7,999
Finance	26,888	-	-	-	-	26,888
Information technology	235,618	71,560	-	-	26	307,204
Assessor	108,861	-	-	46,007	-	154,868
Engineering	715,724	45,507	-	(19,359)	-	741,872
Inspection	252,213	52,358	-	42,992	59	347,622
Traffic control	6,257,431	-	10,000	14,543	28,238	6,290,212
Public works	1,544,939	-	-	-	-	1,544,939
General	19,570,624	6,091,238	453,957	(2,965,993)	2,275,810	24,517,722
Total general government	<u>32,565,969</u>	<u>6,285,994</u>	<u>463,957</u>	<u>(2,859,153)</u>	<u>2,304,133</u>	<u>37,832,986</u>
PUBLIC SAFETY						
Police	3,892,692	479,970	43,919	(108,281)	513,707	4,734,169
Fire	6,388,741	596,855	177,369	1,090	1,414,851	8,224,168
Total public safety	<u>10,281,433</u>	<u>1,076,825</u>	<u>221,288</u>	<u>(107,191)</u>	<u>1,928,558</u>	<u>12,958,337</u>
Street	124,350,210	24,745,642	2,969,882	258,302	5,299,850	151,684,122
Shop	213,331	29,363	37,529	(5,673)	5	199,497
Library	7,542,986	158,797	453,233	-	-	7,248,550
Public transportation	2,902,442	377,671	-	-	-	3,280,113
Recreation	3,785,575	195,079	-	7,450	-	3,988,104
Total governmental funds	<u>\$181,641,946</u>	<u>\$32,869,371</u>	<u>\$ 4,145,889</u>	<u>\$(2,706,265)</u>	<u>\$ 9,532,546</u>	<u>\$217,191,709</u>

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, 2013

	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction In Process	2013
GOVERNMENTAL FUNDS								
CAPITAL ASSETS								
JANUARY 1,	\$ 16,295,431	\$ 14,035,700	\$ 14,846,087	\$ 128,553,257	\$ 547,088	\$ 4,393,593	\$ 2,970,790	\$ 181,641,946
ADDITIONS								
General fund	6,267,388	-	1,988,345	23,830,847	51,241	-	37,215,108	69,352,929
Special revenue	-	-	494,507	78,243	-	158,797	731,547	1,463,094
General fund transfers	-	-	-	-	-	-	-	-
Total additions	6,267,388	-	2,482,852	23,909,090	51,241	158,797	37,946,655	70,816,023
Total balance & additions	22,562,819	14,035,700	17,328,939	152,462,347	598,329	4,552,390	40,917,445	252,457,969
DEDUCTIONS								
Capital assets traded	-	-	123,158	-	-	-	-	123,158
Capital assets sold	-	-	305,474	-	-	-	-	305,474
Scrapped	-	-	149,943	122,146	-	453,233	-	725,322
Capitalized	-	-	-	-	-	-	31,384,899	31,384,899
Program income	21,142	-	-	-	-	-	-	21,142
Expenditure	-	-	-	-	-	-	-	-
Transferred to enterprise	-	-	(2,883)	2,709,148	-	-	-	2,706,265
General fund transfers	-	-	-	-	-	-	-	-
Total deductions	21,142	-	575,692	2,831,294	-	453,233	31,384,899	35,266,260
GENERAL CAPITAL ASSETS								
DECEMBER 31,	\$ 22,541,677	\$ 14,035,700	\$ 16,753,247	\$ 149,631,053	\$ 598,329	\$ 4,099,157	\$ 9,532,546	\$ 217,191,709

City of Minot, North Dakota Statistical Section

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

The Statistical Section is presented in five categories:

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

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

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

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

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

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

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

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

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

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

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



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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities			Restated						Restated	
Invested in capital assets	\$ 51,958,589	\$ 46,333,667	\$ 50,713,665	\$ 59,701,807	\$ 66,709,351	\$ 76,811,701	\$ 82,821,937	\$ 81,010,769	\$ 101,542,579	\$ 119,345,975
Restricted for:										
Debt service	944,364	442,745	1,910,960	2,617,579	2,025,734	2,643,771	812,051	1,230,207	960,352	517,259
Sales tax property tax relief	-	-	-	-	-	-	-	1,205,472	2,951,612	3,226,156
Capital projects	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	3,802	-
Economic development	-	-	-	-	1,997,969	2,837,842	1,688,435	2,126,312	1,086,131	4,585,464
Flood control	-	-	-	-	2,207,545	2,202,085	2,202,085	1,539,481	1,962,268	4,634,140
NAWS	-	-	-	-	27,989,367	28,404,171	34,204,624	39,271,885	35,085,324	34,464,866
Other purposes	-	-	735,412	715,775	14,186,277	466,931	157,398	739	16,989	51,407
Unrestricted	11,114,418	15,107,715	14,336,538	24,515,171	12,902,703	19,515,667	26,731,317	38,223,448	58,671,015	69,840,086
Total governmental activities net position	\$ 75,136,163	\$ 77,883,243	\$ 88,007,072	\$ 112,283,507	\$ 132,259,235	\$ 135,715,488	\$ 150,066,358	\$ 166,025,876	\$ 202,280,072	\$ 236,665,353
Business-type activities										
Invested in capital assets	\$ 51,899,651	\$ 58,821,571	\$ 58,453,802	\$ 57,707,036	\$ 51,274,183	\$ 61,496,412	\$ 60,096,339	\$ 62,782,830	\$ 93,509,610	\$ 117,348,148
Restricted for:										
Debt service	4,525,305	4,479,980	4,645,085	5,601,055	4,101,853	4,300,303	3,657,311	3,859,697	3,736,319	4,843,540
Passenger facility charges not spent	-	-	-	-	-	-	-	-	1,041,086	925,887
Other purposes	41,792	42,163	43,474	43,874	44,714	40,664	48,349	54,277	61,593	45,027
Unrestricted	-	-	-	-	6,319,775	3,589,808	6,859,415	12,827,960	17,512,758	32,666,444
Total business-type activities net position	\$ 56,466,748	\$ 63,343,714	\$ 63,142,361	\$ 63,351,965	\$ 61,740,525	\$ 69,427,187	\$ 70,661,414	\$ 79,524,764	\$ 115,861,366	\$ 155,829,046
Government-wide activities										
Invested in capital assets	\$ 103,858,240	\$ 105,155,238	\$ 109,167,467	\$ 117,408,843	\$ 117,983,534	\$ 138,308,113	\$ 142,918,276	\$ 143,793,599	\$ 195,052,189	\$ 236,694,123
Restricted	12,104,948	16,484,024	22,264,931	28,110,403	56,793,748	43,729,087	44,218,764	50,705,633	46,905,476	53,293,746
Unrestricted	15,639,723	19,587,695	23,331,348	30,116,225	19,222,478	23,105,475	33,590,732	51,051,408	76,183,773	102,506,530
Total government net position	\$ 131,602,911	\$ 141,226,957	\$ 154,763,746	\$ 175,635,471	\$ 193,999,760	\$ 205,142,675	\$ 220,727,772	\$ 245,550,640	\$ 318,141,438	\$ 392,494,399

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

	Restated									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
EXPENSES										
Governmental activities										
General government	\$ 11,754,173	\$ 7,604,240	\$ 8,428,173	\$ 10,581,242	\$ 12,610,950	\$ 15,791,433	\$ 10,877,394	\$ 16,286,125	\$ 18,663,226	\$ 22,855,601
Public safety	7,596,040	7,672,804	7,903,316	8,585,950	8,784,220	9,621,297	10,983,251	11,737,486	11,894,017	14,276,698
Highways and streets	3,942,303	4,060,526	3,875,190	4,525,555	5,943,486	6,884,847	8,197,388	8,673,395	10,786,782	17,921,085
Culture and recreation	2,440,820	1,952,237	1,952,705	3,709,916	3,603,029	2,927,935	3,122,273	3,605,205	3,682,272	4,902,342
Community development	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170
Interest on long-term debt	779,285	559,525	727,521	806,265	939,131	952,970	684,342	599,608	670,777	377,420
Total governmental activities expenses	27,157,997	22,400,539	23,294,913	30,926,082	35,763,678	37,110,482	34,987,456	41,805,797	46,548,495	61,639,317
Business-type activities										
Airport	2,307,295	2,359,727	2,675,382	2,765,722	4,213,797	3,747,615	3,046,398	2,886,779	4,072,715	5,127,918
Cemetery	225,415	228,538	222,159	213,392	226,999	245,719	305,368	304,502	325,301	378,717
Parking authority	176,985	165,161	178,147	115,667	113,232	121,475	123,727	118,367	231,938	123,598
Sanitation	2,397,135	1,898,475	1,924,082	1,841,238	2,021,582	2,327,461	2,529,736	4,269,081	3,813,767	4,123,633
Water and sewer	7,283,610	7,500,357	8,464,880	9,179,295	9,760,782	11,249,918	11,113,562	14,102,005	14,405,238	15,399,199
Total business-type activities expenses	12,390,440	12,152,258	13,464,650	14,115,314	16,336,392	17,692,188	17,118,791	21,680,734	22,848,959	25,153,065
Total government expenses	39,548,437	34,552,797	36,759,563	45,041,397	52,100,070	54,802,670	52,106,247	63,486,531	69,397,454	86,792,382
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	4,567,494	4,901,177	5,063,202	4,182,085	5,599,611	6,053,336	6,440,278	8,635,786	11,131,748	10,136,446
Public safety	820,566	835,844	917,002	907,811	1,166,387	1,147,007	1,382,128	1,637,161	1,344,251	2,068,420
Highways and streets	43,046	38,913	-	-	467,716	63,523	-	84,164	15,554	112,496
Culture and recreation	49,195	44,472	54,016	474,985	442,346	-	534,353	1,150,392	2,010,063	2,021,129
Operating grants and contributions										
General government	816,833	414,555	299,813	675,890	1,051,271	2,313,214	1,066,608	6,686,784	1,782,240	9,665,447
Public safety	95,886	70,360	103,032	70,435	78,953	99,507	676,006	364,666	338,479	576,299
Highways and streets	2,619,461	-	-	-	-	547,985	630,630	4,604	9,511,871	4,366,489
Culture and Recreation	-	-	-	-	-	-	-	-	-	152,993
Capital grants and contributions										
General government	533,831	126,655	55,949	726,303	2,635,216	1,182,924	120,720	5,354	2,397,534	11,582,417
Public safety	-	-	-	-	1,136,547	-	604,476	181,340	268,620	815,504
Highways and streets	4,425,385	-	3,539,693	11,784,624	8,600,269	1,809,135	4,713,115	1,165,700	14,271,317	12,152,326
Culture and recreation	-	-	-	-	4,737	-	-	6,673	-	12,011
Community development	-	-	-	-	555,519	-	-	-	-	-
Total governmental activities program revenues	13,971,697	6,431,976	10,032,707	18,822,133	21,738,572	13,216,632	16,168,314	19,922,624	43,071,677	53,661,977
Business-type activities										
Charges for services										
Airport	892,093	952,201	998,941	1,142,638	2,447,799	2,083,123	1,114,890	1,815,968	2,518,466	4,010,834
Cemetery	152,580	172,847	225,234	200,333	235,546	251,298	291,230	261,460	268,427	303,061
Parking authority	174,464	160,299	123,237	136,713	145,125	136,618	126,065	143,438	149,343	107,647
Sanitation	1,830,479	1,958,064	2,099,706	2,148,607	2,706,534	3,179,491	3,229,834	5,555,689	4,668,460	5,051,929
Water and sewer	6,849,133	7,192,105	7,635,599	7,686,895	8,448,601	9,276,724	10,392,992	11,098,007	14,563,524	17,545,492
Operating grants and contributions										
Airport	293,426	295,190	282,857	263,381	262,539	241,680	328,837	604,989	977,359	1,418,223

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

	Restated					Restated				
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Capital grants and contributions										
Airport	\$ 150,557	\$ 1,326,349	\$ 683,772	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789	\$ 8,103,553	\$ 13,489,126
Cemetery	250	99	309	-	-	(5,080)	61,853	10,964	26,508	-
Parking authority	-	-	-	-	-	52,921	-	-	89,053	-
Sanitation	628,482	519,377	1,294,055	10,165	248,926	1,400	2,197	407,443	298,497	1,540,548
Water and sewer	10,973,468	12,578,536	13,345,716	15,250,546	16,802,408	21,318,947	16,901,100	25,129,767	52,974,001	17,532,389
Total business-type activities program revenues	24,945,165	19,010,512	23,378,423	34,072,679	38,540,980	34,535,579	33,069,415	45,052,392	96,045,678	114,661,226
Total government program revenues	(13,186,300)	(15,968,563)	(5,015,283)	(12,103,949)	(14,025,106)	(23,893,850)	(18,819,142)	(21,883,173)	(3,476,818)	(7,977,340)
Net revenue (expense)	(1,416,972)	426,278	(120,940)	1,135,230	466,016	3,626,739	(217,690)	3,449,033	30,125,042	35,846,184
Governmental activities	(14,603,272)	(15,542,285)	(5,136,223)	(10,968,718)	(13,559,090)	(20,267,091)	(19,036,832)	(18,434,140)	26,648,224	27,868,844
Business-type activities	6,412,849	6,327,110	7,065,705	7,665,997	7,787,046	8,147,645	8,750,586	9,556,958	6,818,892	9,479,846
Total government net expense	1,042,433	1,065,170	998,952	1,142,353	1,152,519	1,064,857	749,233	800,683	735,488	499,901
Governmental activities	10,127,486	11,021,415	11,920,592	13,242,768	14,639,441	14,845,915	17,200,391	21,612,185	26,705,354	24,850,061
Business-type activities	1,483,320	1,622,132	1,683,303	1,769,430	1,862,605	1,802,746	2,478,437	3,055,454	4,166,709	2,816,975
Total government net expense	1,224,252	1,321,497	1,424,650	1,620,893	1,985,198	1,894,613	2,120,108	2,418,451	2,570,954	4,231,254
Governmental activities	348,130	348,019	370,158	400,264	442,420	483,377	517,894	525,180	588,414	668,203
Business-type activities	301,605	321,245	309,801	287,113	298,025	292,845	425,536	450,630	1,729,453	564,120
Governmental activities	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	474,228	950,457	480,932	251,460
Business-type activities	1,992,462	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,106,373	2,749,359	1,807,263	2,443,339
Total government net expense	2,096,332	(5,208,299)	675,813	1,458,649	2,353,460	(3,425,624)	(652,774)	(4,276,666)	(5,872,446)	(3,442,538)
Business-type activities	25,358,085	18,715,643	27,056,297	32,766,069	34,000,834	27,350,103	33,170,012	37,842,691	39,731,013	42,362,621
Taxes	21,221	39,515	47,185	34,608	73,047	281,001	305,389	480,909	687	186,344
Property taxes, levied for general purposes	3,800	-	-	-	-	-	-	-	-	-
State aid distribution	199,379	182,858	322,184	164,724	78,526	65,609	88,318	108,670	-	-
Other taxes	102,814	144,680	91,364	226,834	139,967	215,446	98,049	105,260	91,147	88,706
Investment earnings	49,183	877,341	134,667	106,857	(15,535)	72,223	307,387	442,812	247,280	403,908
Miscellaneous	(2,096,332)	5,208,299	(675,813)	(1,458,649)	(2,353,460)	3,425,624	652,774	4,276,666	5,872,446	3,442,538
Transfers	(1,719,935)	6,452,693	(80,413)	(925,626)	(2,077,455)	4,059,903	1,451,917	5,414,317	6,211,560	4,121,496
Total business-type activities	23,638,150	25,168,336	26,975,884	31,840,443	31,923,379	31,410,006	34,621,929	43,257,008	45,942,573	46,484,117
Total government	12,171,785	2,747,080	13,738,142	20,662,120	19,975,728	3,456,253	14,350,870	15,959,518	36,254,196	34,385,281
Change in net position	(3,138,911)	6,876,966	(201,353)	209,606	(1,611,439)	7,686,662	1,234,227	8,863,350	36,336,602	39,967,680
Governmental activities	\$ 9,032,874	\$ 9,624,046	\$ 13,536,789	\$ 20,871,725	\$ 18,364,289	\$ 11,142,915	\$ 15,585,097	\$ 24,822,868	\$ 72,590,798	\$ 74,352,961
Business-type activities										
Total government ¹										

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

	2004	2005	2006	2007	2008	2009*	2010	2011	2012	2013
General fund										
Reserved	\$ 5,021	\$ 6,734	\$ -	\$ 66,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,167,158	2,260,512	3,643,208	4,978,325	-	-	-	-	-	-
Nonspendable	-	-	-	-	39,225	4,746	26,691	114,184	39,167	225,635
Restricted	-	-	-	-	-	41,532	50,077	739	6,039	-
Committed	-	-	-	-	-	4,667	-	-	-	-
Assigned	-	-	-	-	21,453	259,042	1,916	-	-	-
Unassigned	-	-	-	-	6,373,912	6,956,811	7,269,575	10,502,936	16,184,502	19,274,270
Total general fund	\$ 2,172,179	\$ 2,267,246	\$ 3,643,208	\$ 5,044,867	\$ 6,434,590	\$ 7,266,798	\$ 7,348,259	\$ 10,617,859	\$ 16,229,708	\$ 19,499,905
All other governmental funds										
Reserved	\$ 13,393,529	\$ 17,512,029	\$ 21,126,377	\$ 27,285,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	3,180,398	4,823,207	7,797,181	8,493,078	-	-	-	-	-	-
Debt service funds	944,364	442,745	1,910,960	2,617,579	-	-	-	-	-	-
Capital project funds	(1,238,231)	2,515,273	2,908,277	2,503,510	-	-	-	-	-	-
Nonspendable	-	-	-	-	3,322,160	1,748,428	419,517	109,535	67,299	622,897
Restricted	-	-	-	-	30,645,782	37,780,280	40,463,027	41,771,170	36,048,453	34,982,125
Committed	-	-	-	-	8,318,890	2,531,471	1,703,715	3,972,645	6,011,986	12,497,167
Assigned	-	-	-	-	5,403,633	7,731,362	14,424,926	26,310,329	38,012,025	48,079,550
Unassigned	-	-	-	-	(111,496)	(622,965)	(353,393)	(726,084)	(1,637,152)	(1,852,004)
Total all other governmental funds	\$ 16,280,060	\$ 25,293,254	\$ 33,742,795	\$ 40,900,054	\$ 47,578,969	\$ 49,168,576	\$ 56,657,792	\$ 71,437,595	\$ 78,502,611	\$ 94,329,735

*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

	2004	2005	2006	2007	2008	2009	2010	2010	2011	2012	2013
REVENUES											
Property taxes	\$ 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	\$ 7,391,659	9,816,255
Special assessment collections	833,144	884,137	702,392	669,155	779,292	1,216,553	845,259	845,259	805,084	753,755	775,793
Sales tax collections	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	26,705,354	24,850,061
Licenses and permits	502,408	607,474	647,390	607,708	744,303	701,740	836,065	836,065	1,486,521	2,311,025	2,153,400
Intergovernmental	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	23,708,545	34,430,478
Charges for services	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	8,311,975	8,413,316
Fines and forfeits	493,287	520,615	524,050	540,046	471,653	490,864	659,823	659,823	852,821	1,117,060	1,198,946
Interest income	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	454,200	454,200	958,300	546,393	251,460
Contract Revenue									1,698,584	1,200,000	1,187,136
Miscellaneous	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	607,263	1,256,203
Total revenues	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	72,653,029	84,333,048
EXPENDITURES											
General government	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	17,366,238	19,335,762
Public safety	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	10,790,276	12,707,694
Highways and streets	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	6,145,446	12,090,496
Culture and recreation	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	3,356,958	4,501,165
Economic development	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	1,122,808	903,978	851,421	1,306,170
Capital outlay	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	14,347,097	27,442,679
Debt retirement											
Principal	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	5,510,000	2,995,000
Interest and fiscal charges	796,546	583,438	707,286	627,917	773,958	787,850	700,606	700,606	600,808	696,720	551,892
Intergovernmental											
Total expenditures	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	59,064,156	80,930,858
Excess (deficiency) of revenues over (under) expenditures	(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	13,588,873	3,402,190
OTHER FINANCING SOURCES (USES)											
General obligation bonds issued	-	2,355,000	2,810,000	1,785,000	1,720,000	2,005,000	1,375,000	1,375,000	-	2,900,000	6,815,000
Special assessment bonds issued	-	-	910,000	2,715,000	1,905,000	-	(6,875)	(6,875)	4,285,000	1,885,000	11,595,000
Premium (discount) on debt issued	-	-	(15,658)	100	10,265	6,180	(6,875)	(6,875)	200,025	95,838	642,825
Capital leases	-	-	-	-	-	-	15,392	15,392	-	-	-
Principal retirement on current refunding	-	-	-	17,540	-	-	-	-	-	-	-
Sale of City Property	-	-	-	27,043	33,617	20,053	312,939	312,939	89,751	79,600	84,844
Transfers In	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	16,158,598	16,523,322
Transfers Out	(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)	(22,031,044)	(19,965,860)
Total other financing sources (uses)	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	(912,008)	15,695,131
Net change in fund balances	\$ 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	\$ 12,676,865	\$ 19,097,321
Debt service as a percentage of noncapital expenditures	12.44%	13.47%	13.52%	11.34%	10.48%	9.60%	10.83%	10.83%	7.53%	13.88%	6.63%

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
2004	\$ 6,412,849	\$ 1,042,433	\$ 10,127,486	\$ 1,483,320	\$ 1,224,252	\$ 348,130	\$ 301,605	\$ 20,940,075	36,567
2005	6,327,110	1,065,170	11,021,415	1,622,132	1,321,497	348,019	321,245	22,026,588	36,567
2006	7,065,705	998,952	11,920,592	1,683,303	1,424,650	370,158	309,801	23,773,161	36,567
2007	7,665,997	1,142,353	13,242,768	1,769,430	1,620,893	400,264	287,113	26,128,818	36,567
2008	7,787,046	1,152,519	14,639,441	1,862,605	1,985,198	442,420	298,025	28,167,254	36,567
2009	8,147,645	1,064,857	14,845,915	1,802,746	1,894,613	483,377	292,845	28,531,998	36,567
2010	8,750,586	749,233	17,200,391	2,478,437	2,120,108	517,894	425,536	32,242,185	40,888
2011	9,556,958	800,683	21,612,185	2,418,451	3,055,454	525,180	450,630	38,419,541	40,888
2012	6,819,579	735,488	26,705,354	2,570,954	4,166,709	588,414	1,729,453	43,315,951	40,888
2013	9,666,190	499,901	24,850,061	2,794,431	4,231,254	668,203	564,120	43,274,160	40,888

* Population data provided by the US Census Bureau

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

Year	Population	City Direct Sales Tax Rate	Sales Tax remitted by State of ND to the City										Percentage of Taxable Sales & Purchases top ten permit holders
			(1) Taxable Sales & Purchases	June 1998 to October 2011		Second Penny		Property Tax 30%	Infrastructure 40%	Community Facilities 30%	Total Sales Tax Collections		
				Property Tax Relief 10%	First Penny Economic Development 40%	Improvements 50%	Water Supply 100%						
2004	36,567	2%	\$ 607,684,297	\$ 506,374	\$ 2,025,497	\$ 2,531,872	\$ 5,063,743	-	-	-	\$ 10,127,486	34.02%	
2005	36,567	2%	632,611,203	551,071	2,204,283	2,755,354	5,510,707	-	-	-	11,021,415	33.51%	
2006	36,567	2%	673,620,128	596,030	2,384,118	2,980,148	5,960,296	-	-	-	11,920,592	33.16%	
2007	36,567	2%	741,745,928	662,138	2,648,554	3,310,692	6,621,384	-	-	-	13,242,768	33.51%	
2008	36,567	2%	839,876,644	728,717	2,914,868	3,643,585	7,287,170	-	-	-	14,574,340	32.92%	
2009	36,567	2%	906,784,178	742,296	2,969,183	3,711,479	7,422,957	-	-	-	14,845,915	31.10%	
2010	40,888	2%	1,072,382,163	860,020	3,440,078	4,300,098	8,600,195	-	-	-	17,200,391	32.30%	
2011	40,888	2%	1,443,645,118	1,080,609	4,322,437	5,403,047	7,642,725	949,010	1,265,347	949,010	21,612,185	32.50%	
2012	40,888	2%	1,692,043,875	1,335,268	5,341,071	6,676,338	-	4,005,803	5,341,071	4,005,803	26,705,354	30.89%	
2013	40,888	2%	1,557,674,234	1,242,503	4,970,012	6,212,516	-	3,727,509	4,970,012	3,727,509	24,850,061	30.07%	

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

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

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

unaudited

Industry	2006	2007	2008	2009	2010	2011	2012	2013
Construction	\$ 19,501,477	\$ 20,771,513	\$ 24,281,951	\$ 28,164,170	\$ 26,203,104	\$ 38,717,443	\$ 58,247,973	\$ 49,948,965
Manufacturing	26,302,204	26,747,454	30,885,053	31,867,746	31,694,324	37,402,333	46,344,370	44,069,846
Wholesale trade	71,115,002	84,416,178	102,051,071	131,555,267	180,417,164	220,934,137	263,822,015	256,065,372
Retail trade	407,725,973	446,711,074	502,811,606	512,271,955	575,395,068	708,083,354	844,491,363	807,964,374
Transportation & warehousing	3,932,535	4,996,441	5,573,468	12,428,865	36,440,379	3,799,564	4,249,433	4,029,605
Information industries	3,232,367	3,333,475	3,376,973	3,916,838	3,882,824	4,257,936	5,397,964	5,425,739
Fin. insurance, real estate, rental & leasing	9,133,815	11,213,308	12,972,766	14,286,085	19,157,346	43,874,462	49,996,975	52,239,917
Professional, scientific, tech., & mgmt serv.	8,988,399	9,279,587	9,845,218	10,770,836	11,333,361	12,496,178	12,529,022	12,716,305
Educational, health care, & social services	3,184,550	3,002,059	2,772,035	3,069,870	3,088,652	3,617,411	3,872,616	3,422,969
Arts, entertainment & recreation	3,319,163	3,595,895	3,863,158	3,832,661	3,750,517	3,485,182	3,849,395	4,021,739
Accommodation & food services	89,727,364	99,568,279	114,272,513	119,962,840	136,428,915	163,610,566	191,892,960	191,478,800
Mining and Oil Extraction						112,311,540	111,271,321	93,540,551
Other services	21,582,457	21,041,752	20,765,032	22,544,992	26,373,761	35,124,654	39,632,295	38,369,378
Miscellaneous	5,874,822	7,068,913	6,405,800	12,659,014	16,499,272	2,467,460	8,493,288	2,279,552
Total taxable sales and purchases	\$ 673,620,128	\$ 741,745,928	\$ 839,876,644	\$ 907,331,139	\$ 1,070,664,687	\$ 1,390,182,220	\$ 1,644,090,990	\$ 1,565,573,112

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

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

Statistics are not reportable unless at least five businesses are included in the industry group

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

Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
2004	\$ 253,470,100	\$ 458,695,500	\$ 7,000,000	\$ 719,165,600	\$ 1,438,331,200	50.00%	128.66
2005	281,522,450	509,759,100	8,221,360	799,502,910	1,599,005,820	50.00%	126.52
2006	303,626,400	568,287,700	8,075,165	879,989,265	1,759,978,530	50.00%	122.74
2007	342,470,100	616,720,533	7,982,740	967,173,373	1,934,346,747	50.00%	113.70
2008	364,312,900	658,155,100	7,921,785	1,030,389,785	2,060,779,570	50.00%	113.25
2009	399,824,050	727,791,050	8,697,477	1,136,312,577	2,272,625,153	50.00%	108.12
2010	451,055,991	820,974,530	9,717,790	1,281,748,311	2,563,496,622	50.00%	107.33
2011	485,485,645	828,297,280	9,492,470	1,323,275,395	2,646,550,790	50.00%	76.67
2012	620,200,100	936,981,878	13,467,661	1,570,649,639	3,141,299,270	50.00%	84.64
2013	843,373,150	1,188,428,700	15,175,410	2,046,977,260	4,093,954,520	50.00%	76.05

- (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					
2004	55.62	43.28	29.76	128.66	33.54	212.31	75.15	449.66
2005	55.17	43.71	27.64	126.52	32.56	211.16	78.45	448.69
2006	53.44	41.75	27.55	122.74	30.83	208.42	79.75	441.74
2007	49.50	38.73	25.47	113.70	31.48	206.47	68.13	419.78
2008	51.11	38.82	23.32	113.25	32.80	204.65	74.45	425.15
2009	50.19	41.09	16.84	108.12	30.68	133.40	77.43	349.63
2010	51.91	41.24	14.18	107.33	29.83	129.75	72.66	339.57
2011	54.59	15.56	6.52	76.67	30.87	135.19	69.58	312.31
2012	55.32	25.77	3.55	84.64	31.65	141.02	71.12	328.43
2013	42.88	26.97	6.20	76.05	28.11	81.98	63.03	248.17

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
2004	\$8,655,618	\$ 8,212,157	94.88%	\$ 151,912	\$ 8,364,069	96.63%	\$ 284,769	\$ 297,606	3.44%
2005	9,443,018	8,969,961	94.99%	147,755	9,117,716	96.56%	315,824	307,084	3.25%
2006	10,132,780	9,573,509	94.48%	125,104	9,698,613	95.72%	373,073	368,178	3.63%
2007	10,329,502	9,754,043	94.43%	188,150	9,942,193	96.25%	385,933	369,554	3.58%
2008	10,895,992	10,322,163	94.73%	201,647	10,523,810	96.58%	404,619	337,117	3.09%
2009	11,453,689	10,852,906	94.75%	257,025	11,109,931	97.00%	398,636	282,239	2.46%
2010	12,736,802	12,063,643	94.71%	205,011	12,268,654	96.32%	466,124	284,263	2.23%
2011	9,408,148	8,943,179	95.06%	206,031	9,149,210	97.25%	315,299	227,902	2.42%
2012	12,449,978	11,789,696	94.70%	170,747	11,960,443	96.07%	354,891	362,546	2.91%
2013	14,505,927	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, 2013
 unaudited

TAXPAYER	2013			2004		
	(1) Taxable Value	Rank	% of total Taxable Value	(1) Taxable Value	Rank	% of total Taxable Value
Investor's Real Estate Trust (IRET)	\$ 100,333,700	1	21.34%	\$ 1,122,850	2	1.68%
Minot Dakota Mall, LLC (includes Sleep Inn Complex)	75,255,800	2	16.00%	2,780,970	1	4.16%
ARHC MMINND01, LLC (Medical Arts/Wellington)	24,287,500	3	5.17%			
Double K Holdings LLC (Apartments)	19,291,400	4	4.10%			
Northdale Apartments III LLC	19,108,000	5	4.06%			
Southwood Apartments	18,728,600	6	3.98%			
Wal-Mart Real Estate	17,398,100	7	3.70%	289,290	9	0.43%
The Pines on 37th LLC	17,169,100	8	3.65%			
MeadowRidge, LLC (Apartments)	16,421,900	9	3.49%			
Northern Plains Apartments	16,344,200	10	3.48%			
Hartland Hospitality Fund LLC	16,221,700	11	3.45%			
KRC Investments, LLC (Apartments)	16,070,700	12	3.42%			
Menard's Inc.	15,298,200	13	3.25%	349,020	5	0.52%
International Inn	15,159,600	14	3.22%	322,830	8	0.48%
MDV2 LLC	15,092,600	15	3.21%			
Sleep Inn	14,443,000	16	3.07%			
Woodridge Mobile Home Park LLC	14,313,200	17	3.04%			
Cognizant Technology Solutions	14,220,300	18	3.02%			
Cambridge Capital Management	12,759,400	19	2.71%	330,180	7	0.49%
Cenex	12,296,100	20	2.62%			
Kadima Medial Properties (Former Unimed Clinic)				564,700	3	0.84%
Glacial Holdings (Apartments)				277,670	12	0.42%
Bremer				250,140	13	0.37%
Dayton-Hudson (Target)				284,300	10	0.43%
Farmers Union				215,840	17	0.32%
Minot Vista Properties (Edgewood Vista)				281,980	11	0.42%
First Western Bank				214,840	18	0.32%
Johanneson's Property (Marketplace)				246,690	15	0.37%
Minot Town & Country Investors				207,190	19	0.31%
Montana Dakota Utilities				204,122	20	0.31%
Northern States Power (Xcel)				529,444	4	0.79%
Riverside Inc (Holiday Inn)				247,320	14	0.37%
Trinity				330,190	6	0.49%
Wells Fargo Bank ND				231,660	16	0.35%
All Others				57,589,292		86.12%
Total Taxable Assessed Value	<u>\$470,213,100</u>		<u>100.00%</u>	<u>\$66,870,518</u>		<u>100.0%</u>

(1) Data obtained from City Assessor's Office. Taxable Value is 5% of actual market value per state statute.

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

Year	Governmental Activities			Business-Type Activities				Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Capital Lease	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases			
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	9,748	21,110,000	1,496,921	-	360,656	39,617,325	12.18%	968.92
2011	9,970,000	8,730,000	6,563	20,830,000	1,428,722	-	640,437	41,605,722	12.12%	1,017.55
2012	8,390,000	9,585,000	3,383	20,595,000	1,358,115	-	491,120	40,422,618	9.13%	988.62
2013	13,300,000	20,090,000	265	36,005,000	1,285,015	-	683,680	71,363,960	15.08%	1,745.35

(1) \$47,320 (ND Job Service Q3 2013)

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

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

Year	Population	(1) Assessed Value	(2) Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2004	36,567	\$ 719,165,600	\$ 7,170,000	\$ 362,918	\$ 6,807,082	0.95%	186.15
2005	36,567	799,502,910	8,520,000	177,055	8,342,945	1.04%	228.16
2006	36,567	879,989,265	10,075,000	225,765	9,849,234	1.12%	269.35
2007	36,567	973,559,940	10,485,000	1,076,549	9,408,451	0.97%	257.29
2008	36,567	1,030,389,785	10,675,000	1,043,314	9,631,686	0.93%	263.40
2009	36,567	1,136,312,577	11,440,000	1,350,573	10,089,427	0.89%	275.92
2010	40,888	1,281,748,311	11,480,000	297,431	11,182,569	0.87%	273.49
2011	40,888	1,323,275,395	9,970,000	348,339	9,621,661	0.73%	235.32
2012	40,888	1,570,649,639	8,390,000	510,105	7,879,895	0.50%	192.72
2013	40,888	2,046,977,260	13,300,000	352,896	12,947,104	0.63%	316.65

(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, 2013
 unaudited

Governmental Unit	Outstanding Debt	Sinking Funds	Net Debt	Ratio	City's Share of Debt
Minot School District (1)	\$ 25,186,279	\$ -	\$ 25,186,279	98.58%	\$24,829,669
Minot Park District	-	-	-	100.00%	-
Ward County (2)	5,222,884	-	5,222,884	67.84%	<u>3,543,078</u>
Overlapping Debt					28,372,747
City of Minot (Direct Debt)			13,300,000	100.00%	13,300,000
City of Minot (Capital Lease)			265	100%	<u>265</u>
Total Direct and Overlapping Debt					<u><u>\$ 41,673,012</u></u>

Ratios Used	2013 Assessed Value	2013 City's Assessed Value	Percentage
Minot School District (2)	\$ 2,076,376,469	\$ 2,046,977,260	98.58%
Minot Park District (2)	2,046,977,260	2,046,977,260	100.00%
Ward County (2)	3,017,468,401	2,046,977,260	67.84%

(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, 2013
unaudited

True and full value of taxable property - 2013	\$ 4,093,954,520
Debt limit - 8% of 50% of true and full value	163,758,181
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 13,300,000
Special Assessment bonds with Government Commitment	24,254
Less: cash in debt service sinking funds	<u>352,896</u>
Total net debt applicable to limit	<u>12,971,358</u>
Legal debt margin	<u><u>\$ 150,786,823</u></u>

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 57,533,248	\$ 63,960,233	\$ 70,399,141	\$ 77,884,795	\$ 82,431,183	\$ 90,905,006	\$ 102,539,865	\$ 105,862,032	\$ 126,682,969	\$ 163,758,181
Less total net debt applicable to limit	6,908,162	8,414,944	9,849,234	9,408,451	9,631,686	10,089,427	11,182,569	9,621,661	7,879,895	12,971,358
Legal debt margin	\$ 50,625,086	\$ 55,545,289	\$ 60,549,907	\$ 68,476,344	\$ 72,799,497	\$ 80,815,579	\$ 91,357,296	\$ 96,240,371	\$ 118,803,074	\$ 150,786,823
Total net debt applicable to the limit as a percentage of debt limit	12.01%	13.16%	13.99%	12.08%	11.68%	11.10%	10.91%	9.09%	6.22%	7.92%

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

Year	Gross Revenue	State & Federal Collected Revenues	Tax Levy	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Debt Service	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
							(2) Principal	Interest & Fiscal Charges	Total	
2004	\$ 892,093	\$ 174,943	\$ 484	\$ 1,002,936	\$ 150,000	\$ 214,584	\$ 245,000	\$ 114,031	\$ 359,031	0.60
2005	952,201	135,161	181	980,822	150,000	256,721	255,000	103,911	358,911	0.72
2006	973,986	322,184	107	993,225	150,000	453,052	255,000	93,190	348,190	1.30
2007	1,143,245	1,764,185	94	1,066,534	150,000	1,990,990	275,000	81,890	356,890	5.58
2008	1,148,227	562,050	71,847	1,177,910	150,000	754,214	280,000	69,474	349,474	2.16
2009	1,237,245	1,248,678	280,979	1,189,502	150,000	1,727,400	295,000	56,287	351,287	4.92
2010	1,113,294	851,041	298,424	1,458,934	150,000	953,825	305,000	42,205	347,205	2.75
2011	1,810,807	744,646	480,907	1,353,188	150,000	1,833,172	320,000	27,395	347,395	5.28
2012	2,555,744	8,103,553	679	2,419,903	150,000	8,390,073	340,000	12,128	352,128	23.83
2013	3,946,497	13,510,812	397	2,679,069	-	14,778,637	-	83,485	83,485	177.02

(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	
2004	\$ 6,843,818	\$ 4,761,095	\$ 100,000	\$ 2,182,723	\$ 825,000	\$ 357,012	\$ 1,182,012	1.85
2005	7,199,190	5,013,167	100,000	2,286,023	840,000	364,387	1,204,387	1.90
2006	7,597,350	5,963,549	100,000	1,733,801	840,000	349,127	1,189,127	1.46
2007	7,695,089	6,319,567	550,000	1,925,522	1,125,000	457,548	1,582,548	1.22
2008	8,362,319	6,312,316	350,000	2,400,003	1,470,000	710,515	2,180,515	1.10
2009	9,291,021	6,940,378	350,000	2,700,643	1,650,000	998,986	2,648,986	1.02
2010	10,383,153	6,627,269	817,667	4,573,551	2,225,000	977,069	3,202,069	1.43
2011	11,080,614	9,698,469	1,840,666	3,222,811	1,965,000	857,474	2,822,474	1.14
2012	14,730,248	9,582,090	1,454,790	6,602,948	5,500,000	882,602	6,382,602	1.03
2013	17,375,336	9,403,818	550,000	8,521,518	2,315,000	726,360	3,041,360	2.80

(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
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%
2012	40,888	1,809,375,776	44,252	33.2	13.47	7,758	3.1%
2013	40,888	1,934,820,160	47,320	33.8	13.44	7,737	2.3%

(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	2013			2004		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	6,754	1	20.29%			
Trinity Health	2,066	2	6.21%	2,500	1	7.54%
Minot Public Schools	1,020	3	3.06%	1,400	2	4.22%
Cognizant (ING Minot Service Center)	600	4	1.80%	765	5	2.31%
Minot State University	444	5	1.33%	850	4	2.56%
Marketplace Foods	400	6	1.20%	190	14	0.57%
Kalix (MVAW)	400	7	1.20%	400	8	1.21%
BNSF Railroad	350	8	1.05%			
City of Minot	343	9	1.03%	295	11	0.89%
Wal-Mart	300	10	0.90%			
MLT Inc.	255	11	0.77%	300	10	0.90%
Menards	250	12	0.75%			
Ward County	218	13	0.65%	200	13	0.60%
SRT Communications	215	14	0.65%	202	12	0.61%
Baker-Hughes	210	15	0.63%			
Westlie Motors	200	16	0.60%			
Central Trenching	175	17	0.53%			
PumpCo	175	18	0.53%			
Ryan Family Dealerships-Minot	157	19	0.47%			
Cameron Oil	150	20	0.45%			
First Western Bank	116	22	0.35%			
Pure Energy/FMC Technology Completion Servic	115	23	0.35%			
Weatherford	115	24	0.35%			
Enbridge	105	25	0.32%			
Colter Energy	100	27	0.30%			
Farstad Oil				120	19	0.36%
Minot Daily News				130	18	0.39%
U.S. Post Office	105	26	0.32%	135	17	0.41%
International Inn				170	16	0.51%
Dakota Boys & Girls Ranch	129	21	0.39%	180	15	0.54%
Dakota Square Mall				1,350	3	4.07%
Sykes, Inc.				435	7	1.31%
Choice Hotels International, Inc.				500	6	1.51%
Miracle Mart				378	9	1.14%
Total	15,467		46.47%	10,500		33.96%

55 Oil Companies employ approximately 2000 employees with detailed data not available
 Source: Minot Area Development Corp
 Above information was all that was available on the MADC website

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	32	32	31	31	31	33	33	33	38	43.34
Public safety										
Police										
Officers	64	65	63	64	64	63	67	69	70	75.00
Civilians	20	20	20	20	20	20	20	20	22	25.00
Fire										
Firefighters and officers	49	49	49	49	49	49	49	50	47	50.00
Civilians	1	1	1	1	1	1	1	1	1	2.00
Highways and streets										
Engineering	9	9	9	9	9	9	9	10	11	12.00
Maintenance	36	36	35	36	36	36	36	38	35	36.68
Culture and recreation	24	24	24	25	25	24	24	24	24	25.00
Airport	13	13	13	13	13	13	11	12	16	18.00
Cemetery	3	3	3	3	3	3	3	3	3	4.21
Parking authority	1	1	1	1	1	1	1	1	1	1.00
Sanitation	20	19	20	20	20	22	22	22	23	27.15
Water and sewer	39	39	39	39	39	39	39	38	41	42.62
Total	311	311	308	311	311	313	315	321	332	362.00

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - Annual Budget

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

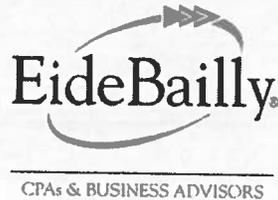
FUNCTION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government											
Assessors											
Properties reviewed	1,021	1,510	1,390	1,575	1,203	775	1,600	1,500	950	150	922
Properties photographed	1,043	2,985	1,435	1,899	1,800	2,800	3,500	2,200	900	2,790	1,944
Building inspections											
Permits issued	486	474	690	600	502	540	486	447	873	1,227	996
City bus											
Bus ridership	160,025	153,036	146,047	151,594	152,314	151,169	131,062	123,139	123,744	136,951	128,184
Public safety											
Police											
Parking tickets issued	8,392	8,729	7,019	8,155	8,330	6,804	6,914	6,072	6,957	9,619	9,032
Criminal citations issued	5,226	5,607	5,421	5,454	5,695	5,605	5,697	6,035	6,206	6,781	7,492
Traffic citations issued	6,958	4,918	4,809	4,556	5,021	3,895	3,551	4,251	4,194	4,901	4,239
Alarms-patrol & parking division	658	620	647	671	675	693	716	839	939	1,348	1,172
Fire											
# of fire incidents	378	364	371	350	373	405	381	432	498	594	660
# of rescue incidents	1,767	1,658	1,781	1,907	2,003	1,924	1,867	1,957	1,920	2,052	2,175
Inspections made	1,373	1,742	1,792	1,640	1,645	1,593	1,393	1,514	1,137	1,514	2,370
Highways and streets											
Traffic											
Signs installed	1,034	1,783	862	1,194	1,112	1,503	1,430	1,419	1,207	1,497	1,314
Signs/posts repaired	664	1,523	851	817	1,302	2,118	2,138	2,005	1,776	1,543	1,582
Traffic light repairs	286	354	592	369	438	568	273	241	441	569	861
Street light repairs	164	214	199	174	243	301	253	186	373	396	892
Culture and recreation											
Auditorium											
Event days	2,109	2,010	1,833	1,551	1,895	1,996	1,539	1,362	1,137	714	746
Attendance	234,689	222,484	218,666	203,641	246,596	256,041	256,439	194,067	211,608	199,435	186,914
Library											
Registered borrowers	26,326	23,970	23,245	24,371	24,007	23,384	22,933	24,079	24,039	23,105	21,994
Circulation and activity	272,011	285,805	301,721	292,785	304,531	294,441	273,182	274,665	232,471	268,444	302,028
Airport											
Gallons airline fuel dispensed	958,048	943,337	985,647	815,120	748,825	870,578	1,078,256	1,714,587	2,676,456	3,829,885	3,129,913
Airline boardings	75,323	79,257	79,654	78,854	74,921	75,972	72,219	96,599	306,403	444,921	222,083
Sanitation											
# of customers	9,966	10,069	10,210	10,279	10,392	10,497	10,769	10,884	10,825	15,453	11,044
Landfill tonnage	104,781	93,487	88,343	94,757	95,216	113,936	114,685	115,812	215,860	191,326	161,131
Water and Sewer											
# of consumers	11,545	11,704	11,801	11,858	11,970	12,142	12,472	13,640	13,671	13,708	14,320
Gallons pumped/treated	2,236,058,000	2,248,699,400	2,084,604,000	2,263,666,000	2,185,650,000	2,132,600,000	1,969,000,000	2,003,000,000	2,009,928,000	2,434,000,000	2,334,900,000

Source: Various city departments

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

FUNCTION	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
Public works building	1	1	1	1	1	1	1	1	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	33	33	33	31	31	31	31	33	35	36
Speed trailer	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (square miles)	15.029	15.047	16.170	16.395	16.73	17.31	18.78	19.72	25.14	27.32
Street lights	2,167	2,225	2,273	2,311	2,375	2,504	2,672	2,604	2,897	3,229
Traffic signals	43	43	44	50	50	50	51	51	52	53
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	2
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	10	10	10	10	10	2
Indoor tennis center	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	8	7	7	8	8	8	8	8	8	8
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	160	160	160	210	210	210	245	269	292	302
Maximum daily capacity (millions of gallons)	11.80	11.90	13.13	12.91	11.96	10.56	9.93	8.2	11.5	10.95

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



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

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

Report on Compliance

We have audited the compliance of the City of Minot, North Dakota Airport, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies (Guide)*, issued by the Federal Aviation Administration for its Passenger Facility Charge Program for the year ended December 31, 2013.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

In our opinion, the City of Minot, North Dakota Airport, complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2013.

Report on Internal Control over Compliance

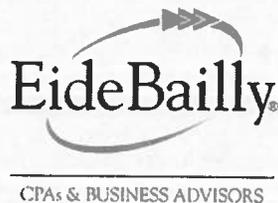
The management of the City of Minot, North Dakota Airport, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program. In planning and performing our audit, we considered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

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

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

Eide Bailly LLP

Bismarck, North Dakota
April 22, 2014



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Minot as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Minot's basic financial statements, and have issued our report thereon dated April 22, 2014.

Internal Control over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying summary of findings and questioned costs we identified a certain deficiency in internal control that we consider to be a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying summary of findings and questioned costs as finding 2013-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

City of Minot's Response to Findings

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

Purpose of this Report

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



Bismarck, North Dakota
April 22, 2014



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Minot's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Minot's major federal programs for the year ended December 31, 2013. The City of Minot's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Minot complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended December 31, 2013.

Report on Internal Control over Compliance

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

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

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

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

Eide Bailly LLP

Bismarck, North Dakota
April 22, 2014

City of Minot
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Award Number or Pass-through Entity Identifying Number	2013 Federal Expenses
Direct Federal Awards			
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration			
Economic Adjustment - FY2012 Disaster Relief Opportunity (3570)	11.307	05-79-05289	\$ 89,524
Downtown Minot Smart Growth Development (3608)	11.307	05-79-05330	482,843
Total U.S. DEPARTMENT OF COMMERCE - Direct Awards			<u>572,367</u>
U.S. DEPARTMENT OF ARMY			
Office of the Chief Engineers			
ND Section 594 - NOT ARRA - Puppy Dog Sewer Phase IV (3020.3)	12.118	F120806	1,461,148
Total U.S. DEPARTMENT OF ARMY - Direct Awards			<u>1,461,148</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Community Planning and Development			
Reconstruction of Flooded Properties (CDBG02)	14.218	B-12-MT-38-0001(03-005-0001)	2,784,587
Rehabilitation of Flooded Properties (CDBG03)	14.218	B-12-MT-38-0001(03-004-0001)	4,883,094
CDM - Administration (CDBG06)	14.218	B-12-MT-38-0001(01-002-0001)	(675)
Relocation Assistance for Displaced Tenants (CDBG07)	14.218	B-12-MT-38-0001(05-001-0001)	185,538
Affordable Housing Plan (CDBG08)	14.218	B-12-MT-38-0001(06-005-0001)	183,465
Northern Housing Development Infrastructure (CDBG10)	14.218	B-12-MT-38-0001(03-001-3609)	42,472
Imagine Minot Downtown Development Parking Facility (CDBG11, 3738.1, 3738.2)	14.218	B-12-MT-38-0001(04-002-0001)	1,842,475
Rental Rehabilitation-Small Rental Program (CDBG13)	14.218	B-12-MT-38-0001(04-003-0001)	65,844
6th St SE Underpass and Storm Drain Impr (3236 & 3236.1)	14.218	B-12-MT-38-0001(02-010-0001)	36,751
Landfill Expansion (3458)	14.218	B-12-MT-38-0001(02-001-3458)	744,196
NW Sewer Project (3490.1 & 3490.2)	14.218	B-12-MT-38-0001(02-002-001)	66,791
Master Lift Station (3580)	14.218	B-12-MT-38-0001(02-003-3580)	1,327,238
Control Lift (3580.1)	14.218	B-12-MT-38-0001(02-004-3580)	238,563
Roosevelt Lift Station (3580.2)	14.218	B-12-MT-38-0001(02-005-3580)	276,028
Walders Lift Station (3580.3)	14.218	B-12-MT-38-0001(02-006-3580)	285,971
Airport Lift Station (3580.4)	14.218	B-12-MT-38-0001(02-007-3580)	293,656
13th Street Lift Station (3580.5)	14.218	B-12-MT-38-0001(02-008-3580)	176,620
Domestic Violence Shelter Infrastructure (3593)	14.218	B-12-MT-38-0001(02-012-3593)	393,748
Landfill Master Plan (3700)	14.218	B-12-MT-38-0001(06-002-0001)	110,482
Water Model Plan for the City (3701)	14.218	B-12-MT-38-0001(06-003-0001)	109,390
Affordable Senior Apartments-Cook's Court (3878)	14.218	B-12-MT-38-0001(04-001-0001)	23,295
Mixed Use Rental Development-Fieldcrest (3879)	14.218	B-12-MT-38-0001(04-004-0001)	26,501
City Administration-CDBG-DR (FIN001)	14.218	B-12-MT-38-0001(01-001-0001)	70,570
Acquisition of Flooded Properties (FIN002)	14.218	B-12-MT-38-0001(03-003-0001)	977,089
Demolition of Flooded Properties (FIN002)	14.218	B-12-MT-38-0001(03-006-0001)	936,610
City Administration-CDBG-DR (DR0001)	14.218	B-13-MS-38-0001	1,071
Home Acquisitions (DR0002)	14.218	B-13-MS-38-0001	182,447
Homeowner Reimbursements (DR0003)	14.218	B-13-MS-38-0001	380,590
Relocation Assistance for Displaced Tenants (DR0005)	14.218	B-13-MS-38-0001	20,000
Street Repairs and Improvements of Flood Damaged Roads (3873)	14.218	B-13-MS-38-0001	17,011
14th, 16th, and 46th St SE Repair Project (3873.1)	14.218	B-13-MS-38-0001	17,648
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT-Direct Awards			<u>16,699,066</u>
U.S. DEPARTMENT OF JUSTICE			
Bureau of Justice Assistance			
Bulletproof Vest Partnership			
Police Department-Bulletproof Vest Grant 2011 (PD0019)	16.607	2011BUBX11058460	30
Police Department-Bulletproof Vest Grant 2012 (PD0031)	16.607	2012BUBX12064039	7,440
Police Department-Bulletproof Vest Grant 2013 (PD0032)	16.607	2013BUBX13069298	1,120
Subtotal Bulletproof Vest Partnership			<u>8,590</u>
Office of Community Oriented Policing Services			
COPS Hiring Program			
2010 COPS Hiring Program Grant (PD0005)	16.710	2010UMWX0209	165,547
Subtotal COPS Hiring Program Grant			<u>165,547</u>
Bureau of Justice Assistance			
Justice Assistance Grant (JAG) Program			
FY11 Edward Byrne Memorial-Local Joint Drug Task Force 2011(PD0011)	16.738	2011-DJ-BX-2860	1,026
FY12 Edward Byrne Memorial-Local Solicitation 2012(PD0018)	16.738	2012-DJ-BX-1101	10,025
Subtotal Justice Assistance Grant (JAG) Program			<u>11,051</u>
Total U.S. DEPARTMENT OF JUSTICE-Direct Awards			<u>185,188</u>

City of Minot
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Award Number or Pass-through Entity Identifying Number	2013 Federal Expenses
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration			
Airport Improvement Program			
Runway 8/26 Rejuvenation FAA-35 (826RNW)	20.106	AIP# 3-38-0037-35	22
Sub-total FAA-35			<u>22</u>
Acquire Snow Removal Equipment, Rehab Txy C-specs (FAA-37)	20.106	AIP# 3-38-0037-37	17,086
Improve Terminal Building (construction-phase2) (FAA-39)	20.106	AIP# 3-38-0037-39	11,650
Upgrade Security Access Control, ARFF building & vehicle, Taxiway C (FAA-42)	20.106	AIP# 3-38-0037-42	110,975
Taxiway D (AIR010)	20.106	AIP# 3-38-0037-43	4,277,925
Terminal Design (AIR007)	20.106	AIP# 3-38-0037-43	1,041,986
Sub-total FAA-43			<u>5,319,911</u>
SRE Building (AIR012)	20.106	AIP# 3-38-0037-44	3,171,335
Construct Taxiway D1 East Rwy (AIR010)	20.106	AIP# 3-38-0037-45	2,364,281
Construct New Commercial Service Passenger Terminal Building Phase 2	20.106	AIP#3-38-0037-046	1,499,312
Total U.S. DEPARTMENT OF TRANSPORTATION-Direct Awards			<u><u>12,494,572</u></u>
Total Direct Federal Awards			<u><u>31,412,341</u></u>
Pass-through Awards			
Passed through North Dakota Department of Commerce, Division of Community Services			
U.S. DEPARTMENT OF COMMERCE			
Economic Development Administration			
Infrastructure & Elevated Water Tank for a regional energy park (3023.4 & 3023.5)	11.300	05-01-04803	112,958
Economic Development Administration			
Neighborhood and Downtown Comprehensive Planning (3564)	11.307	05-79-05271	260,500
Disaster Recovery Coordinator (Souris Basin)	11.307	05-69-05199	
Stonebridge Farms Lift Station (3581)	14.228	B-10-DC-38-0001	95,580
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Office of Community Planning and Development			
Magic City ArtSpace Lofts Apartment Complex (G&A005)	14.228	B-11-DC-38-0001	16,018
Washington Townhome (G&A008)	14.228	B-11-DC-38-0001	5,119
Total Passed through North Dakota Division of Community Services			<u><u>490,175</u></u>
Passed through North Dakota Attorney General's Office			
Bureau of Criminal Investigation			
Edward Byrne Justice Assistance Grant Program (JAG)			
Subrecipient-Domestic Violence Crisis Center			
Domestic Violence Crisis Center - D11-211 2013 (PD0037)	16.738	12-217	9,750
Domestic Violence Crisis Center - 13212 - 2014 (PD0051)	16.738	1/1/2014 - 12/31/2014	-
Subtotal Domestic Violence			<u>9,750</u>
Subrecipient-Narcotics Task Force			
Narcotics Task Force Training 1-01-13 to 12-31-13 (PD0033)	16.738	2009-DJ-BX-0343 (13406)	34,386
Total Passed through North Dakota Attorney General's Office-Bureau of Criminal Investigation			<u><u>44,136</u></u>
Passed Through North Dakota Highway Patrol			
U.S. DEPARTMENT OF JUSTICE			
Office of Juvenile Justice and Delinquency Prevention			
Underage Drinking Law Enforcement 07-01-11 to 05-31-12 (PD0023)	16.727	2012-1	2,694
Total Passed through North Dakota Highway Patrol			<u><u>2,694</u></u>

City of Minot
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Award Number or Pass-through Entity Identifying Number	2013 Federal Expenses
Passed Through North Dakota Department of Transportation(NDDOT)			
FEDERAL HIGHWAY ADMINISTRATION			
Federal Aid Highway Program			
Minot Transportation Plan - <i>NEW 6/7/13 (3562)</i>	20.205	SPR-P034(006)	124,633
Minot Comprehensive Transit Route Study (3546)	20.205	SPR-P034(005)	134,448
Traffic Signal System Replacement Intersection of 4th Ave & 16th St (3462)	20.205	AC-CER-4-989(090)091	374
Traffic Signal System Replacement Intersection of University & 8th St (3462)	20.205	AC-CER-4-989(091)092	1,424
Traffic Signal System Replacement 6th/8th St Various Intersections (3462)	20.205	AC-CER-4-989(092)093	1,417
Traffic Signal System Replacement Intersection of 3rd St SE & Central Ave (3462)	20.205	AC-CER-4-989(094)095	4,839
Traffic Signal System Replacement Intersection of 2nd Ave & 6th St & PedXng (3462)	20.205	AC-CER-4-989(095)096	587
Traffic Signal System Replacement Burdick Expy from 9th St SE to 27th St SE (3462)	20.205	SER-4-002(100)906	18,899
Lighting System Restoration US 2 Burdick Expressway (3463)	20.205	SER-4-002(102)906	625
Lighting System Restoration 8th Ave SE from 18th St - 19th St SE (3463)	20.205	AC-CER-4-989(096)097	273
Lighting System Restoration 16th St W from Burdick Expy to 5th Ave (3463)	20.205	AC-CER-4-989(097)098	386
Lighting System Restoration 27th St SE from 25th St S to Souris Dr (3463)	20.205	AC-CER-4-989(098)099	302
Lighting System Restoration 4th Ave NW from 20th St NW to 3rd St NE (3463)	20.205	AC-CER-4-989(100)101	18,210
Lighting System Restoration University Ave from 6th St to Broadway (3463)	20.205	AC-CER-4-989(102)103	277
Lighting System Restoration 6th/8th St NW from 2nd Ave to 10th Ave (3463)	20.205	AC-CER-4-989(104)105	849
Lighting System Restoration 3rd St E from Central Ave to 20th Ave (3463)	20.205	AC-CER-4-989(106)107	329
Lighting System Restoration 2nd Ave SW from 28th St SW to Broadway (3463)	20.205	AC-CER-4-989(108)109	249
Subtotal NDDOT-Federal Aid Highway Program			<u>308,121</u>
Passed Through North Dakota Department of Transportation(NDDOT)			
FEDERAL TRANSIT ADMINISTRATION			
Formal Grants for Non-Urban Areas			
Section 5311 (2012-2013) City Operating	20.509	38121450	131,544
Section 5311 (2013-2014) City Operating (BUS009)	20.509	38131751	138,584
Section 5311 (2013-2014) Administration (BUS009)	20.509	38131751	11,999
Subtotal Section 5311			<u>282,127</u>
Formal Grants for Non-Urban Areas-Discretionary Capital			
Section 5311/5309 - Federal Transit Capital Investment (BUS001 & BUS002, <i>BUS006</i>)	20.500	38120287	302,136
Section 5311/5309 - Federal Transit Capital Investment (BUS010)	20.509	38131751	1,291
Subtotal Section 5311/5309			<u>303,427</u>
Subtotal Federal Transit Administration passed through NDDOT			<u>585,554</u>
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION			
State and Community Highway Safety			
Click It or Ticket 10-01-12 to 09-30-13 (PD0020)	20.600	PHSP4021305-04-16	4,073
Subtotal State and Community Highway Safety			<u>4,073</u>
Subtotal Safe Communities and Highway Safety passed through NDDOT			
Subtotal Alcohol Highway Safety			<u>4,073</u>
Alcohol Enforcement/Impaired Driving 10-01-12 to 09-30-13 (PD0021)	20.601	PHSP4101303-01-15	11,916
LIDAR Surveillance Equipment 10-01-12 to 9-30-13 (PD0039)	20.601	PHSP4101303-03-06	12,000
RADAR/LIDAR Equipment - 10-01-12 to 9-30-13 (PD0038)	20.601	PHSP4021307-02-07	3,000
FY 14 Occupants Protection (Click it or Ticket) (PD0044)	20.600	PHSPOP1405-05-15	1,474
FY 14 Impaired Driving Enforcement (PD0042)	20.616	PHSPID1410-03-15	3,169
FY 14 Underage Drinking Enforcement (PD0045)	20.601	PHSPID1410-03-70	1,265
Subtotal Alcohol Highway Safety			<u>32,824</u>
Subtotal Nat'l Highway Traffic Safety Administration-passed through NDDOT			<u>36,897</u>
Total Passed through North Dakota Department of Transportation			<u>930,572</u>

City of Minot
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Federal Award Number or Pass-through Entity Identifying Number	2013 Federal Expenses
U.S. DEPARTMENT OF HOMELAND SECURITY			
Interoperable Emergency Communications			
FY12 State Homeland Security Grant Program (PD0034)	97.067	A0751-001-2012-RQ	251,111
FY12 State Homeland Security Grant (FD0019)	97.067	A0771-003-2012-RQ	14,857
Subtotal Interoperable Emergency Comm-passed through ND Dept. of Emergency Services			<u>265,968</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY(FEMA)			
Disaster Grants-Public Assistance 2011 Flood			
Disaster of 2011 (Wdmin2B) (FLD11) FEMA Adjustment	97.036	PA-08-ND-1981-PW-00373(1)	(21,803)
Disaster of 2011 (Wdmin5B) FEMA Adjustment (FLD11)	97.036	PA-08-ND-1981-PW-00813(1)	(31,300)
Disaster of 2011 (Wdmin10B) (FLD11)	97.036	PA-08-ND-1981-PW-01107(1)	(3,162)
Disaster of 2011 (Wdmin10B) (FLD11)	97.036	PA-08-ND-1981-PW-01107(2)	1,298
Disaster of 2011 (Wdmin15B) (FLD11)	97.036	PA-08-ND-1981-PW-03069(1)	(2,591)
Disaster of 2011 (Wdmi21B) (3464)	97.036	PA-08-ND-1981-PW-03739(1)	(545)
MINBR1C Victorian Pedestrian Bridge (3512)	97.036	FEMA-1981-DR-ND BR1C	71,926
MINBR2C Anne Pedestrian Bridge (3512)	97.036	FEMA-1981-DR-ND BR2C	7,299
MINBR3C 1st Ave Bridge over Souris (3512)	97.036	FEMA-1981-DR-ND BR3C	17,484
Disaster of 2011 (Wdmin7C) (REC011)	97.036	PA-08-ND-1981-PW-03072(0)	20,754
Disaster of 2011 (Wdmin1E) Appeal (FLD011 & LIB006)	97.036	FEMA-1981-DR-ND 1E PW4746(1)	28,783
Disaster of 2011 (Wdmin3F) (3459)	97.036	PA-08-ND-1981-PW-03071(2)	3,558
Disaster of 2011 (Wdmin4F) (3459)	97.036	PA-08-ND-1981-PW-01025(0)	77,658
Disaster of 2011 (Wdmin4F) (3459)	97.036	PA-08-ND-1981-PW-01025(2)	13,886
Disaster of 2011 (Wdmin5F) (3459)	97.036	PA-08-ND-1981-PW-01019(0)	91,727
Disaster of 2011 (Wdmin5F) (3459)	97.036	PA-08-ND-1981-PW-01019(2)	6,055
Disaster of 2011 (Wdmi17F) (3440) Roosevelt Lift Station	97.036	FEMA-1981-DR-ND 17F PW4694(0)	838
Disaster of 2011 (Wdmi20F) (3440) Kittelson Lift Station	97.036	FEMA-1981-DR-ND 20F	1,021
Disaster of 2011 (Wdmi25F) (3440) River's Edge Lift Station	97.036	FEMA-1981-DR-ND 25F	1,021
Disaster of 2011 (Wdmi26F) (3440) Walder's Lift Station	97.036	FEMA-1981-DR-ND 26F	19,414
Project Worksheets in Progress-estimated as of year end			
Disaster of 2011 (Wdmi15F) Appeal	97.036	FEMA-1981-DR-ND 15F	15,231
Subtotal Disaster Grants of 2011			<u>318,552</u>
Disaster Grants-Public Assistance 2013 Flood Fight			
Flood Fight 2013 (Includes, FLD13, FLD13A-FLD13D)	97.036	FEMA-4128-DR	54,402
Subtotal Disaster Grants of 2013			<u>54,402</u>
Disaster Grants--HM Grant - Back-up Generators (3673.1)	97.039	ND-DR-1981-27R	38,427
Disaster Grants - HM Grant - Water Treatment Plant (3673.0)	97.039	ND-DR-1981-26R	171,010
Subtotal Disaster Grants--Hazard Mitigation Grant			<u>209,437</u>
Subtotal FEMA-passed through ND Dept. of Emergency Services			<u>582,391</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Homeland Security Grant Program			
FY10 State Homeland Security Grant Program (FD0006)	97.067	A0771-003-2010-SARQ	97,077
FY10 State Homeland Security Grant Program (FD0007)	97.067	A0771-002-2010-SARQ	3,800
FY10 State Homeland Security Grant Program (FD0008)	97.067	A0771-004-2010-SART	13,960
FY12 State Homeland Security Grant Program (FD0019)	97.067	A0771-003-2012-RQ	14,857
FY12 State Homeland Security Grant Program (FD0020)	97.067	A0771-002-2012-RT	26,822
FY12 State Homeland Security Grant Program (FD0022)	97.067	A0771-001-2014-HMEPT	10,652
Subtotal Homeland Security Grant Program passed through ND Dept. Emergency Services			<u>167,168</u>
Total passed through North Dakota Department of Emergency Services			<u>749,559</u>
Total Pass-through Awards			<u>2,483,104</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE			<u>\$33,895,445</u>

Note 1 – Significant Accounting Policies

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

Note 2 – Agency or Pass-Through Number

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

Note 3 – Subrecipients

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

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

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

City of Minot
Summary Schedule of Prior Audit Findings
Year December 31, 2013

None

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes

Significant deficiency identified? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness identified? No

Significant deficiency identified? None reported

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

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Airport Improvement Program	20.106
North Dakota Environmental Infrastructures (Section 594) - ARRA	12.118
Community Development Block Grants	14.218

Dollar threshold used to distinguish
 between Type A and Type B programs: \$ 1,016,863

Auditee qualified as low-risk auditee? Yes

B. Findings - Financial Statement Audit

2013-A Recording of Transactions

Condition: There was a misstatement in the City's 2012 financial statements causing a material prior period audit adjustment and we identified other audit adjustments that the City made adjusting entries for.

Criteria: The City of Minot's management is responsible for the proper reconcilements of all general ledger accounts and adjustments of those accounts to the reconciled balances.

Cause: The City had a prior period adjustment for a payable that was double counted in 2012 due to a change in a vendor name. There were also two entries that were made due to immaterial calculation errors.

Effect: The double counted payable was not detected before the 2012 CAFR was issued so a prior period adjustment was made to the 2013 CAFR. Adjustments were made for the incorrect calculations in 2013.

Recommendation: The City of Minot's management should ensure that a process is in place related to the proper reconcilements of all general ledger accounts and adjustments of those accounts to the reconciled balances.

Management's Response: The City of Minot's management has made all adjustments and will ensure the accuracy of these calculations and reconcilements in the future.

C. Findings - Federal Audit

None