



THE MAGIC CITY

Comprehensive Annual Financial Report

City of Minot, North Dakota
For the Fiscal Year Ended December 31, 2014

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, 2014**

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City of Minot

Finance Department

April 22, 2015

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, 2014. 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, 2014 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 27.36 square miles and serves a population of 40,888 based

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★The Magic City★

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Website: <http://www.minotnd.org>

The Honorable Mayor, City Council and City Manager

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 2014 was approximately \$578 million. During 2014, the Minot Air Force Base had nearly \$125 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,107 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 2014, the property valuations for building permits decreased by over \$78.2 million compared to 2013 due in part to the flood recovery and stabilization of housing in the City. The majority of the decreases were due to the following: new residential buildings decreased by \$61.9 million primarily due to multi-family residences and hotel/motels declining by \$51.4 million and 12 million, respectively; new nonresidential buildings decreased by \$16.3 million primarily due to a reduction in public works and utilities improvements of \$25.4 million; and commercial and nonresidential remodels and additions increased by \$16.1 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 was 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 26 through 29 as part of the basic financial statements for the governmental funds. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 75.

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 oil industry, and record construction are all factors that build a solid foundation for business and industry to enjoy greater productivity and profitability.

The Honorable Mayor, City Council and City Manager

<u>Sales Tax Collections</u>		<u>Property Tax Levied</u>	
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
2014	27,245,883	2014	14,505,927

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

Assets, Liabilities and Net Position Per Capita

	Population	Total		
		Total Assets	Liabilities & Deferred Inflow	Net Position
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	12,401	1,738	10,663
2014	40,888	14,988	2,556	12,432

Expenses and Program Revenues Per Capita

	Population	Expenses and Program Revenues Per Capita					Change in Net Position
		Charges for Expenses	Operating Grants and Services	Operating Grants and Contributions	Capital Grants and Contributions		
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	1,638	768	370	1,160	1,472	
2014	40,888	2,470	1,024	390	2,703	2,833	

Ratio of Net Position to Expenses

	Governmental Activities	Business-Type Activities
	2010	4.29
2011	3.97	3.67
2012	4.35	5.02
2013	5.27	6.43
2014	4.01	7.45

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 2014 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 and reconstruction, and public infrastructure. The second allocation has obligated a portion of the gross funds to home acquisitions, demolitions, and street repairs 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 2015. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with CDBG-DR, oil impact grants, storm sewer development funds, State Water Commission funds, and 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

The Honorable Mayor, City Council and City Manager

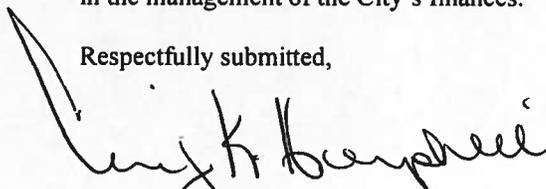
revenue sources to fund portions of each of these projects.

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its' Comprehensive Annual Financial Report for the fiscal year ended December 31, 2013. This was the 35th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Cindy K. Hemphill
Finance Director



Government Finance Officers Association

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

Presented to

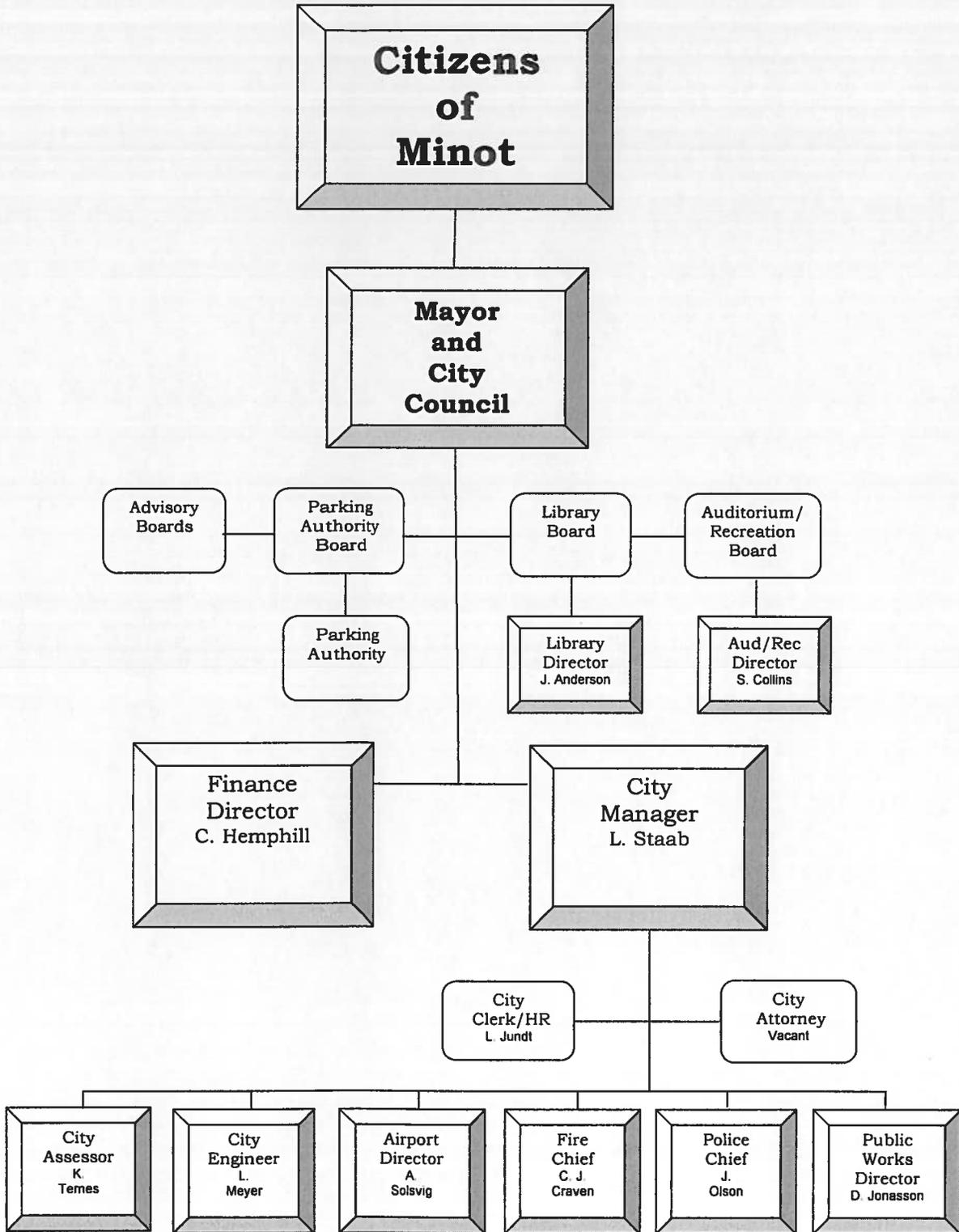
**City of Minot
North Dakota**

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

December 31, 2013

Executive Director/CEO

City of Minot
Organizational Chart



Elected and Appointed Officials

City of Minot, North Dakota

Mayor.....Chuck Barney

Members of the City Council

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

Ward 2:.....Bob Miller
Ben Berg

Ward 3:.....Jim Hatlelid – Vice President
Dean A. Frantsvog

Ward 4:.....Rick Hedberg
David Shomento

Ward 5:.....Tom Seymour
Miranda Schuler

Ward 6:.....Mark Jantzer – President
Dave Pankow

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



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Independent Auditor's Report

To the Honorable Mayor and City Council
City of 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, 2014, 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 Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, 2014, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Sales Tax NAWS Fund and the CDBG – Disaster Recovery Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As described in Note 5 to the financial statements, the City adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. The City has updated the current period reporting for this item as no retroactive restatement was necessary. Our opinions are not modified with respect to this matter.

Other Matters**Required Supplementary Information**

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

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 financial statements. The introductory section, schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, combining and individual nonmajor fund statements and schedules, capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the 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 schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, combining and individual nonmajor fund statements and schedules, capital assets used in the operation of governmental funds, 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 schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, combining and individual nonmajor fund statements and schedules, capital assets used in the operation of governmental funds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections 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 our report dated April 16, 2015 on our consideration of the City of Minot, North Dakota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 City of Minot's internal control over financial reporting and compliance.

Eide Sallee LLP

Bismarck, North Dakota
April 16, 2015



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Management's
Discussion
and
Analysis

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, 2014, with comparative data for the fiscal year ended December 31, 2013. We encourage readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The net position of the City increased by over \$115.8 million or 29.5%. This increase was primarily due to an increase in capital grants of over \$53.4 million. The majority of the grants were for infrastructure improvements as flooded citizen's move out of the valley and the oil industry continues to bring more people and businesses to the area. In addition, general revenue increased by over \$2.1 million due to an increase in state aid distribution of \$560,849 and an increase in property taxes levied for debt of \$626,336. The net position of governmental activities increased by over \$48.2 million or 20.4% and net position of business type activities increased by nearly \$67.6 million or 43.4%.
- Total cost of all programs was over \$101.0 million. This is an increase of \$14.2 million from 2013. The general government increased by over \$4.6 million due to the increase in activity in the Community Development Block Grant – Disaster Recovery Grant (CDBG-DR) for \$35 million. Highways and streets decreased by \$1.7 million due to 2013 road work being above normal due to the flood and increased traffic on aging roads.
- The unassigned fund balance for the General Fund was over \$22.7 million or 82.9% of the total general fund expenditures. This is an increase from 2013 of nearly \$3.4 million.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows of resources, with the difference between the assets and liabilities plus deferred inflows of resources 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).

Management's Discussion and Analysis

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.

The government-wide financial statements begin on page 16.

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 \$67.5M, special assessment debt service, highway reserves, 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 66.

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

The governmental fund financial statements begin on page 18

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

**City of Minot
Comprehensive Annual Financial Report
December 31, 2014**

Management's Discussion and Analysis

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 102. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 106. The basic proprietary fund statements begin on page 30.

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

Notes to the Financial Statements

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

statements are on pages 38-61 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 66-117 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, 2014, with comparative data for the fiscal year ended December 31, 2013. Assets exceeded liabilities and deferred inflows of resources by \$508,312,598 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (67.1%) 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 (10.3%) represents resources subject to external restrictions on how they may be used. Restricted

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 140,795,682	\$ 134,524,749	\$ 60,034,413	\$ 52,534,479	\$ 200,830,095	\$ 187,059,228
Capital assets	190,213,485	148,622,884	221,798,735	148,813,359	412,012,220	297,436,243
Total assets	331,009,167	283,147,633	281,833,148	201,347,838	612,842,315	484,495,471
Long-term debt outstanding	33,965,000	31,530,982	42,154,373	36,261,044	76,119,373	67,792,026
Other liabilities	12,156,194	14,951,298	16,254,150	9,257,748	28,410,344	24,209,046
Total liabilities	46,121,194	46,482,280	58,408,523	45,518,792	104,529,717	92,001,072
Net position						
Invested in capital assets	153,468,851	119,345,975	187,576,187	117,348,148	341,045,038	236,694,123
Restricted net position	46,466,980	47,479,292	5,781,608	5,814,454	52,248,588	53,293,746
Unrestricted net position	84,952,142	69,840,086	30,066,830	32,666,444	115,018,972	102,506,530
Total net position	\$ 284,887,973	\$ 236,665,353	\$ 223,424,625	\$ 155,829,046	\$ 508,312,598	\$ 392,494,399

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net position includes amounts restricted for debt service \$7,062,897, for passenger facility charges not spent \$651,251, for sales tax property tax relief \$4,009,260, for economic development projects \$5,750,029, for the NAWS project \$34,129,645, and for other purposes \$645,506. The unrestricted net position of \$115,018,972 to meet the government's ongoing obligations to citizens and creditors. There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use.

At the end of 2014, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for governmental and business-type activities.

Changes in Net Position. The City's net position increased \$115,818,199 during 2014. The majority of this increase was due to an increase in program revenues of nearly \$53.7 million.

Governmental Activities. Governmental program revenues increased nearly \$17.7 million due to operating and capital grants and contributions increasing by \$18.5 million. Governmental program expenses increased by nearly \$9.4 million. Overall the general government expenditures increased \$4.6 million, public safety increased over \$1.0 million, while culture and recreation increased nearly \$2.8 million.

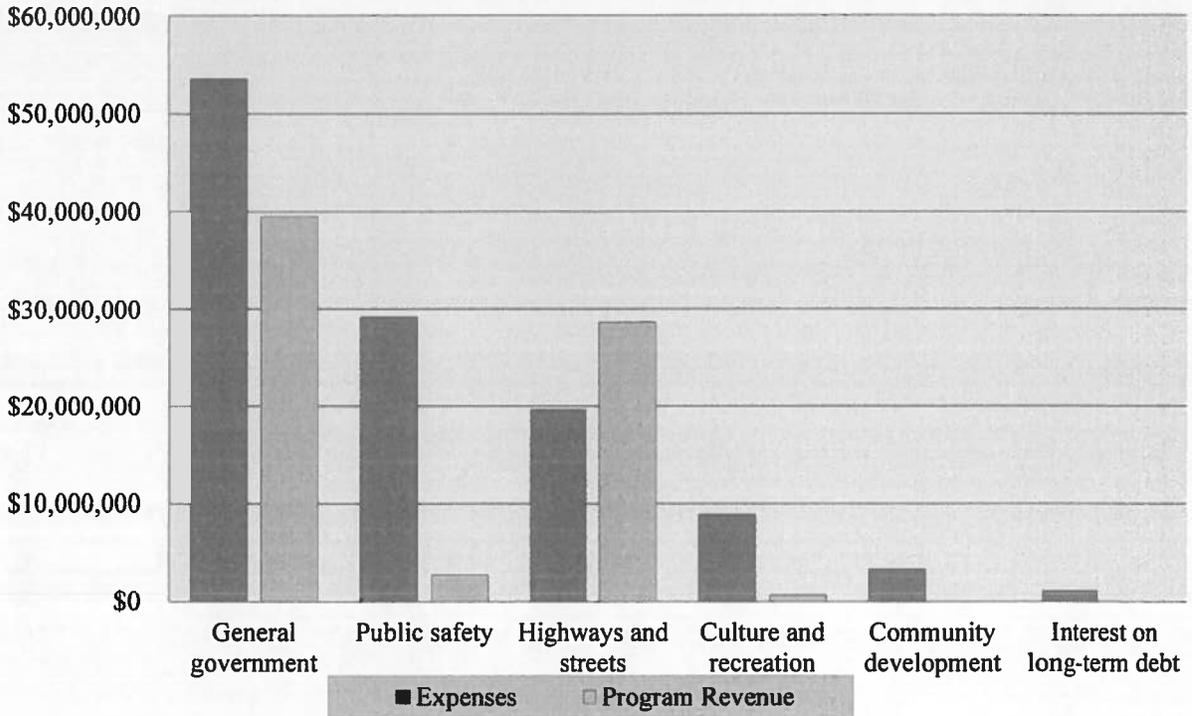
Business-Type Activities. Business-type program revenues increased by nearly \$36.0 million during 2014 due to increases in capital grants and contributions of nearly \$34.9 million. Business-type program expenses increased by \$4.8 million in 2014 due to increases in expenses in Water and Sewer of nearly \$3.2 million due to an increase in infrastructure projects, Minot International Airport of nearly \$1.3 million due to major increases in air travel related to the oil industry.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program Revenues						
Charges for services	\$ 13,553,946	\$ 14,338,491	\$ 28,313,724	\$ 27,018,963	\$ 41,867,670	\$ 41,357,454
Operating grants and contributions	14,686,073	14,761,228	1,248,307	1,418,223	15,934,380	16,179,451
Capital grants and contributions	43,098,461	24,562,258	67,427,366	32,562,063	110,525,827	57,124,321
General revenues						
Taxes	47,185,180	43,110,360	82,208	186,344	47,267,388	43,296,704
Investment earnings	471,073	251,460	114,540	88,706	585,613	340,166
Miscellaneous	604,999	2,443,339	44,404	403,908	649,403	2,847,247
Total revenues	119,599,732	99,467,136	97,230,549	61,678,207	216,830,281	161,145,343
Program Expenses						
General government	27,476,332	22,855,601	-	-	27,476,332	22,855,601
Public safety	15,297,259	14,276,698	-	-	15,297,259	14,276,698
Highways and streets	16,199,177	17,921,085	-	-	16,199,177	17,921,085
Culture and recreation	7,673,973	4,902,342	-	-	7,673,973	4,902,342
Economic development	3,292,475	1,306,170	-	-	3,292,475	1,306,170
Interest on long-term debt	1,084,587	377,420	-	-	1,084,587	377,420
Airport	-	-	6,406,365	5,127,918	6,406,365	5,127,918
Cemetery	-	-	488,825	378,717	488,825	378,717
Parking authority	-	-	72,806	123,598	72,806	123,598
Sanitation	-	-	4,461,806	4,123,633	4,461,806	4,123,633
Water and sewer	-	-	18,558,478	15,399,199	18,558,478	15,399,199
Total expenses	71,023,803	61,639,317	29,988,280	25,153,065	101,012,082	86,792,382
Excess before transfers	48,575,929	37,827,819	67,242,269	36,525,142	115,818,199	74,352,961
Transfers	(353,310)	(3,442,538)	353,310	3,442,538	-	-
Change in net position	48,222,620	34,385,281	67,595,579	39,967,680	115,818,199	74,352,961
Net position, January 1	236,665,353	202,280,072	155,829,046	115,861,366	392,494,399	318,141,438
Net position, December 31	\$ 284,887,973	\$ 236,665,353	\$ 223,424,625	\$ 155,829,046	\$ 508,312,598	\$ 392,494,399

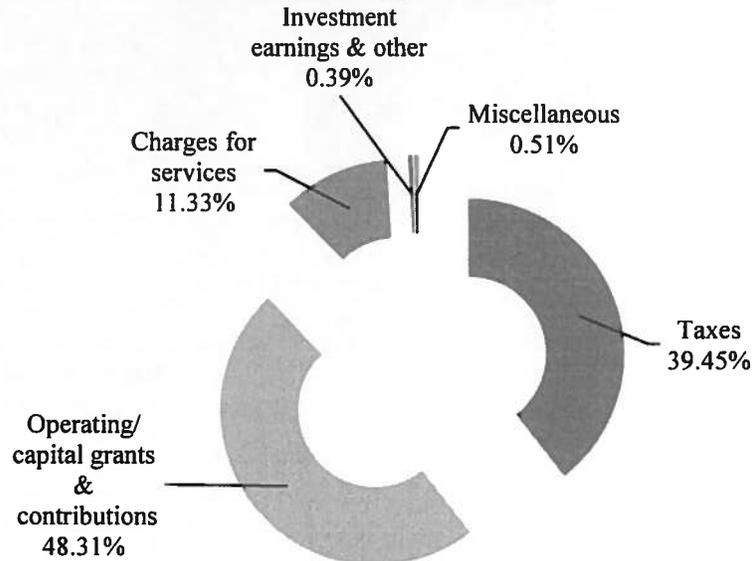
Management's Discussion and Analysis

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

**Expenses & Program Revenues
Governmental Activities**

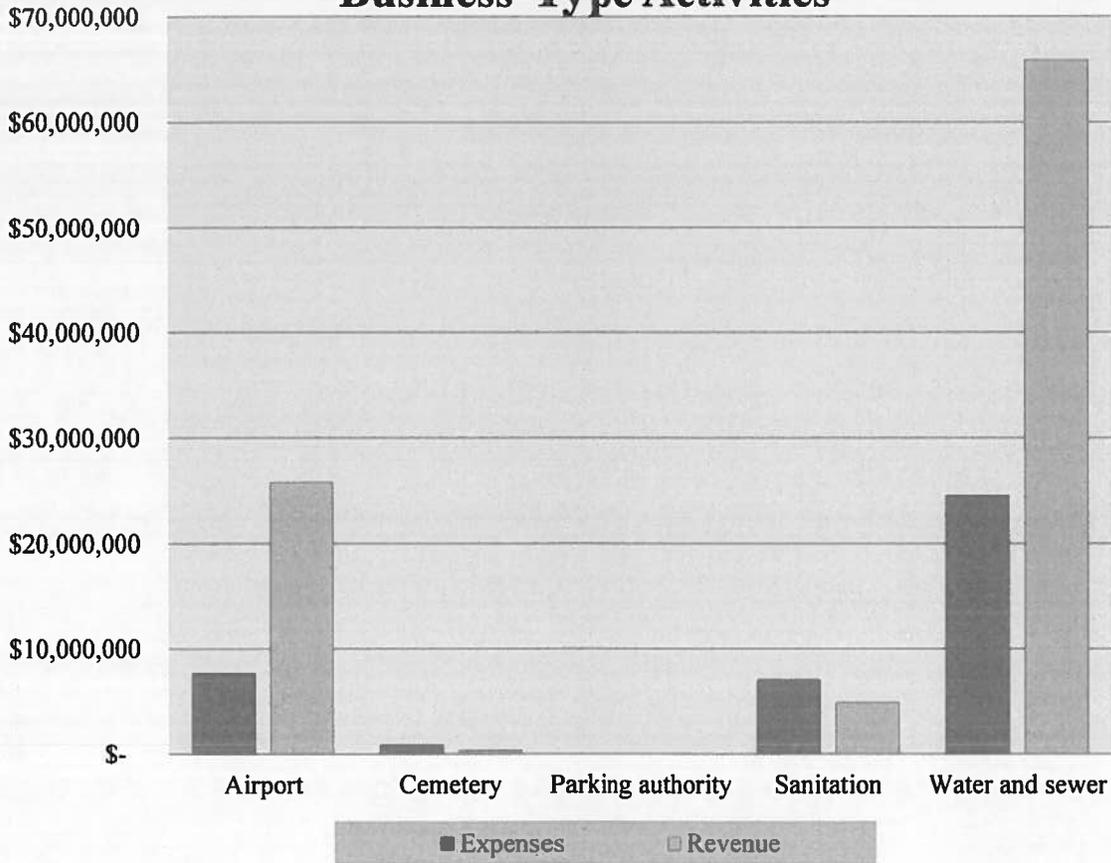


**Revenues by Source
Governmental Activities**

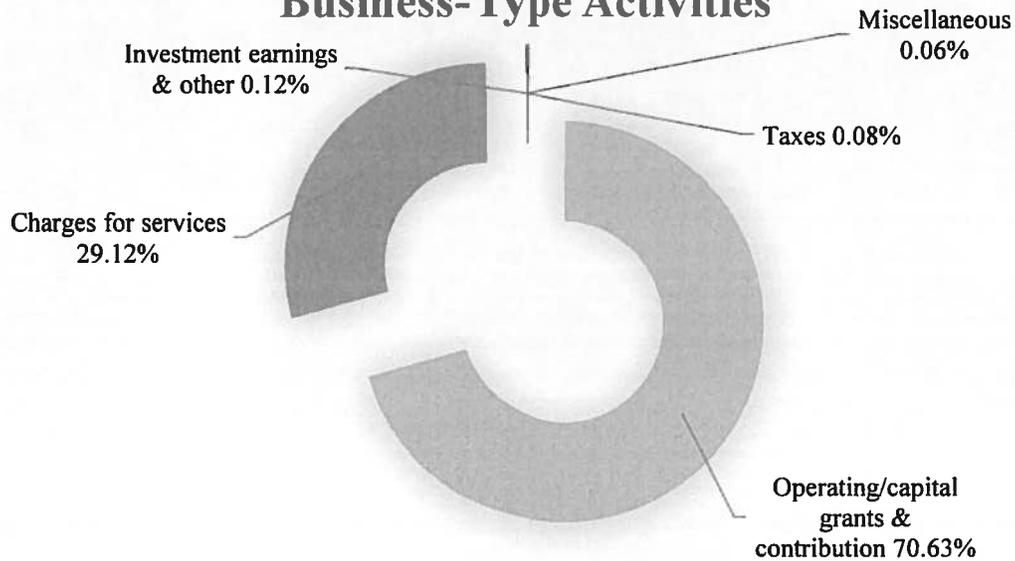


Management's Discussion and Analysis

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 2014, the City's governmental funds reported combined ending fund balances of over \$125.8 million, an increase of over \$12.0 million in comparison with 2013. Revenues for the period increased by over \$8.8 million due to an increase of \$6.0 million intergovernmental revenues, an increase in sales tax collections of \$2.4 million, an increase in special assessment collections of \$1.3 million, and an increase in property tax collections of \$0.7 million while expenditures increased by \$8.3 million due to increases in general government by \$4.3 million and public safety increased by \$1.7 million and highway and streets expenditures decreased by \$3.5 million. The City also issued over \$4.1 million in special assessment bonds in 2014 to fund expenditures for a water and sewer district and paving districts. The City also issued over \$3.9 million in general obligation bonds. The governmental funds nonspendable fund balance is \$2,077,195, restricted fund balance \$36,572,846, committed fund balance \$38,123,755, assigned fund balance \$26,648,670, and unassigned fund balance \$22,441,100.

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 \$22,706,977. 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 82.9% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$3,475,650 during the current fiscal year. This increase resulted from expenditures being lower than budgeted for the following departments: Engineering, Street, Fire Control, and Police Patrol totaling \$2.2 million. The savings were primarily due to grants encumbrances which were used in the next fiscal year and less than anticipated snow removal needed in 2014.

The **Sales Tax NAWS Fund** had a decrease in fund balance of over \$.3 million due to the reallocation of sales tax collections to other purposes.

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** increased its fund balance by \$1,734,320 due to revenues being more than expenditures during 2014 due to special assessment prepayments.

The **Highway Reserve Fund** decreased in fund balance by \$4.7 million due to capital project expenditures exceeding revenues.

The **Capital Purchases Fund** increased by nearly \$2.3 million due to a transfer in of \$1.25 million for the flood protection project, and a transfer in of \$750,000 for the Public Works building expansion.

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 \$29,597,659, of which Airport accounted for \$3,437,036, Sanitation \$3,959,830, Water and Sewer \$21,641,608 and the nonmajor funds accounted for \$559,185. Restricted net position was \$5,115,955 for bond covenants, \$651,251 for

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Management's Discussion and Analysis

passenger facility charges not spent and \$14,402 for other purposes.

The change in net position for these funds was \$67.6 million. This change was due to an increase in charges for services of nearly \$1.7 million, and increase in expenses of \$4.3 million, and an increase in capital contributions of nearly \$38.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The differences between the original budget and the final amended budget was an increase in revenues of over \$1.2 million and an increase in expenditure appropriations of nearly \$1.6 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$.4 million more than budgeted and the expenditures being \$3.3 million less than budgeted due to nearly \$1.0 million in grants carrying over to 2015, \$0.5 million less snow events than budgeted for and departments not spending the entire budget. The area with the largest budgetary difference from year to year include an increase of nearly \$.8 million in intergovernmental federal revenues due primarily to Brownsfield grants to engineering valued at \$.6 million. The actual building permits increased \$.3 million due to the increase in new construction of residential and commercial buildings. There is a total deficiency of actual revenues over expenditures of nearly \$.5 million.

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, 2014, is \$412,012,220 (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:

- Home Acquisitions
- Paving Districts
- Airport Terminal Parking Lot
- Master & Control Lift Stations
- Puppy Dog Sewer Phase IV
- 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 46-47 of this report.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 31,055,094	\$ 22,541,677	\$ 5,417,535	\$ 5,318,080	\$ 36,472,629	\$ 27,859,757
Construction in progress	8,215,463	9,532,546	48,330,342	18,805,533	56,545,805	28,338,079
Buildings	7,000,461	6,472,914	9,136,547	7,918,489	16,137,008	14,391,403
Equipment	7,359,002	7,394,388	6,142,674	4,993,226	13,501,676	12,387,614
Infrastructure	135,363,756	101,511,900	152,690,952	111,686,526	288,054,708	213,198,426
Intangible assets	374,745	426,578	80,685	91,505	455,430	518,083
Books	844,964	742,881	-	-	844,964	742,881
Total capital assets	\$ 190,213,485	\$ 148,622,884	\$ 221,798,735	\$ 148,813,359	\$ 412,012,220	\$ 297,436,243

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Long-Term Debt. At year-end, the City had total debt of \$85,207,214, an increase of \$11,426,074 over the prior year. Note 4. H on pages 50-52 of this report describes the City's long-term debt in detail.

During 2015, the City anticipates the oil industry will continue to boost the economy primarily due to the Bakken Formation.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 15,255,000	\$ 13,300,000	\$ -	\$ -	\$ 15,255,000	\$ 13,300,000
Special assessment bonds	23,160,000	20,090,000	-	-	23,160,000	20,090,000
Revenue bonds	-	-	42,395,000	36,005,000	42,395,000	36,005,000
Unamortized premium	1,185,993	935,491	439,757	437,111	1,625,750	1,372,602
Unamortized discount	(15,302)	(31,428)	(195,046)	(149,677)	(210,348)	(181,105)
Notes payable	-	-	1,209,334	1,285,015	1,209,334	1,285,015
Capital leases	6,495	265	473,392	683,680	479,887	683,945
Compensated absences	1,024,492	968,592	268,099	257,091	1,292,591	1,225,683
Total outstanding debt	\$ 40,616,678	\$ 35,262,920	\$ 44,590,536	\$ 38,518,220	\$ 85,207,214	\$ 73,781,140

The City issued new debt for special assessment bonds of \$4,135,000, general obligation bonds of \$3,950,000, water and sewer bonds of \$4,200,000, and airport bonds of \$6,710,000. The City received a rating of Aa2 from Moody's.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$179,522,790. The City's legal debt margin is \$165,487,604. The net bonded debt per capita is \$341.95.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Projects in 2014, which boosted the economy in Minot included, Ward County's construction of a new County office building \$10.3 million; St. Alexius Medical Center construction of a new medical office building \$9.3 million; RC Development LLC apartment building \$6.7 million; Beyond Shelter Inc. apartment building \$5.1 million; Beyond Shelter Inc. apartment building \$4.4 million; Gary Hill's office and maintenance building \$4.1 million; Racer's Store 201 LLC convenience store \$3.9 million, City of Minot replacement of existing lift station \$3.4 million, Somerset Court addition to existing building \$3.1 million and several other condos, apartment buildings, restaurants and business remodels.

The 2015 budget for the City of Minot includes an increase in the cemetery and water and sewer rates. The value of a mill for the City increased from \$189,000,000 to \$209,200,000 per mill.

The mill levy for the City of Minot's 2015 budget is 78.63 mills – compared to 76.76 mills in 2014, an increase of 1.87 mills. The increase in the mills is due to an increase in operating expenditures.

Total appropriations for operations for 2015 decreased over \$41.7 million dollars from 2014. This 22.2% decrease is due to the airport budget decreasing by nearly \$24.6 million due to capital projects, the CDBG-DR budget decreased by \$26.0 million, and the NAWS budget increased by \$2.3 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, 2014
With Comparative Totals for December 31, 2013

	Governmental Activities	Business-Type Activities	Total 2014	Total 2013
ASSETS				
Cash and cash equivalents	\$ 50,044,406	\$ 37,400,100	\$ 87,444,506	\$ 95,593,345
Investments	45,727,320	-	45,727,320	30,148,142
Receivables				
Taxes receivable delinquent	339,746	3,406	343,152	297,931
Special assessments delinquent	19,543	-	19,543	16,771
Accounts receivable, net of allowance	887,672	2,861,473	3,749,145	3,705,954
Loans receivable, net of allowance	60,000	-	60,000	60,000
Intergovernmental receivable	11,761,375	13,535,844	25,297,219	19,491,805
Accrued interest receivable	31,064	-	31,064	3,812
Inventory	356,951	-	356,951	360,800
Prepaid	161,904	62,394	224,298	169,105
Unamortized bond discounts	15,302	195,046	210,348	181,105
Other assets - capital credits	134,657	194,542	329,199	271,938
Negative net pension & OPEB obligation	2,092,679	-	2,092,679	2,361,295
Restricted cash and cash equivalents	23,409,912	5,781,608	29,191,520	28,792,174
Capital assets not being depreciated				
Land	31,055,094	5,417,535	36,472,629	27,859,757
Construction in progress	8,215,463	48,330,342	56,545,805	28,338,079
Capital assets net of accumulated depreciation				
Buildings	7,000,461	9,136,547	16,137,008	14,391,403
Equipment	7,359,002	6,142,674	13,501,676	12,387,614
Infrastructure	135,363,756	152,690,952	288,054,708	213,198,426
Intangible assets	374,745	80,685	455,430	518,083
Books	844,964	-	844,964	742,881
Special assessments deferred	5,753,151	-	5,753,151	5,605,051
Total assets	<u>331,009,167</u>	<u>281,833,148</u>	<u>612,842,315</u>	<u>484,495,471</u>
LIABILITIES				
Accounts payable	2,701,987	8,641,412	11,343,399	13,089,836
Retainage payable	781,607	3,690,940	4,472,547	2,288,153
Internal balances	555,173	(555,173)	-	-
Accrued salaries payable	817,680	235,491	1,053,171	918,373
Insurance claims payable	109,069	-	109,069	115,671
Accrued interest payable	263,661	493,538	757,199	553,284
Customer deposits	59,490	192,366	251,856	293,752
Current debt - due within one year				
Special assessment debt with governmental commitment	38,476	-	38,476	36,856
Compensated absences	358,572	93,835	452,407	428,988
Capital leases payable	3,403	230,825	234,228	238,752
All other debt	4,411,524	2,373,353	6,784,877	6,378,825
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	678,410	-	678,410	213,467
Compensated absences	665,920	174,264	840,184	796,695
Unamortized bond premiums	1,185,993	439,757	1,625,750	1,372,602
Capital leases payable	3,092	242,567	245,659	445,193
All other debt	33,286,590	41,230,981	74,517,571	64,050,867
Accrued MSWLF postclosure care costs	-	923,392	923,392	779,758
Unearned revenue - other	200,547	975	201,522	-
Total liabilities	<u>46,121,194</u>	<u>58,408,523</u>	<u>104,529,717</u>	<u>92,001,072</u>
NET POSITION				
Net investment in capital assets	153,468,851	187,576,187	341,045,038	236,694,123
Restricted for:				
Debt service	1,946,942	5,115,955	7,062,897	5,360,799
Passenger facility charges not spent	-	651,251	651,251	925,887
Sales tax property tax relief	4,009,260	-	4,009,260	3,226,156
Economic development	5,750,029	-	5,750,029	4,585,464
Flood control	-	-	-	4,634,140
NAWS	34,129,645	-	34,129,645	34,464,866
Other purposes	631,104	14,402	645,506	96,434
Unrestricted net position	84,952,142	30,066,830	115,018,972	102,506,530
Total net position	<u>\$ 284,887,973</u>	<u>\$ 223,424,625</u>	<u>\$ 508,312,598</u>	<u>\$ 392,494,399</u>

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

City of Minot, North Dakota
Statement of Activities
For the Year Ended December 31, 2014
With Comparative Totals for December 31, 2013

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total 2014	Total 2013
Governmental Activities								
General government	\$ 27,476,332	\$ 11,273,075	\$ 13,467,696	\$ 14,555,981	\$ 11,820,420	\$ -	\$ 11,820,420	\$ 8,528,709
Public safety	15,297,259	1,721,664	534,176	468,119	(12,573,299)	-	(12,573,299)	(10,816,475)
Highways and streets	16,199,177	793	593,703	28,049,555	12,444,874	-	12,444,874	(1,289,774)
Culture and recreation	7,673,973	558,414	90,498	24,806	(7,000,254)	-	(7,000,254)	(2,716,210)
Community development	3,292,475	-	-	-	(3,292,475)	-	(3,292,475)	(1,306,170)
Interest on long-term debt	1,084,587	-	-	-	(1,084,587)	-	(1,084,587)	(377,420)
Total governmental activities	71,023,803	13,553,946	14,686,073	43,098,461	314,678	-	314,678	(7,977,340)
Business-Type Activities								
Airport	6,406,365	4,047,237	1,248,307	20,519,210	-	19,408,389	19,408,389	13,790,265
Cemetery	488,825	330,264	-	-	-	(158,561)	(158,561)	(75,656)
Parking authority	72,806	39,259	-	(1,513)	-	(35,060)	(35,060)	(15,951)
Sanitation	4,461,806	4,679,968	-	190,550	-	408,712	408,712	2,468,844
Water and sewer	18,558,478	19,216,996	-	46,719,119	-	47,377,637	47,377,637	19,678,682
Total business-type activities	29,988,280	28,313,724	1,248,307	67,427,366	-	67,001,117	67,001,117	35,846,184
Total government	\$ 101,012,083	\$ 41,867,670	\$ 15,934,380	\$ 110,525,827	314,678	67,001,117	67,315,795	27,868,844
General Revenues								
Taxes								
Property taxes, levied for general purposes					9,668,534	82,208	9,750,742	9,666,190
Property taxes, levied for debt service					1,126,237	-	1,126,237	499,901
Sales tax					27,245,883	-	27,245,883	24,850,061
Municipal highway tax					2,952,874	-	2,952,874	2,816,975
State aid distribution-unrestricted					4,792,103	-	4,792,103	4,231,254
Franchise taxes					699,277	-	699,277	668,203
Other taxes					700,272	-	700,272	564,120
Investment earnings					471,073	114,540	585,613	340,166
Miscellaneous					604,999	44,404	649,403	2,847,247
Transfers					(353,310)	353,310	-	-
Total general revenues and transfers					47,907,942	594,462	48,502,404	46,484,117
Change in net position					48,222,620	67,595,579	115,818,199	74,352,961
Net position, January 1					236,665,353	155,829,046	392,494,399	318,141,438
Net position, December 31					\$ 284,887,973	\$ 223,424,625	\$ 508,312,598	\$ 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, 2014
With Comparative Totals for December 31, 2013

	General Fund	Sales Tax NAWS	CDBG-DR \$67.5M	Debt Service Fund Special Assessment Debt
ASSETS				
Cash and investments	\$ 2,771,553	\$ -	\$ -	\$ -
Restricted cash and investments	3,171	6,281,434	-	687,277
Investments - certificates of deposit	18,504,194	3,996,740	-	-
Taxes receivable delinquent	96,906	-	-	1,470
Special assessments receivable delinquent	725	-	-	3,243
Accounts receivable	649,404	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	637,518	-	-
Intergovernmental receivable	2,176,917	-	1,321,710	244
Accrued interest receivable	27,900	3,164	-	-
Inventory	-	-	-	-
Prepaid	151,426	1,000	-	-
Other assets - capital credits	113,981	-	-	-
Investments	-	23,219,405	-	-
Advance to other funds	-	-	-	1,565,599
Special assessments receivable uncertified	1,700	-	-	5,599,504
Total assets	<u>\$24,497,877</u>	<u>\$34,139,261</u>	<u>\$1,321,710</u>	<u>\$7,857,337</u>
LIABILITIES				
Accounts payable	\$ 608,324	\$ 8,616	\$ 568,612	\$ 15,666
Retainage payable	-	-	112,786	-
Due to other funds	-	-	637,518	-
Accrued salaries payable	719,169	-	2,794	-
Customer deposits	59,490	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue - other	61,150	-	-	-
Total liabilities	<u>1,448,133</u>	<u>8,616</u>	<u>1,321,710</u>	<u>15,666</u>
DEFERRED INFLOWS OF RESOURCES				
Uncertified special assessments	1,700	-	-	5,599,504
Unavailable revenue - property taxes	71,764	-	-	1,470
Unavailable revenue - special assessments	725	-	-	1,305
Deferred inflow of resources	<u>74,189</u>	<u>-</u>	<u>-</u>	<u>5,602,279</u>
FUND BALANCE				
Nonspendable	265,407	1,000	-	1,565,599
Restricted	3,171	34,129,645	-	673,793
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	22,706,977	-	-	-
Total fund balance	<u>22,975,555</u>	<u>34,130,645</u>	<u>-</u>	<u>2,239,392</u>
Total liabilities, inflows and fund balance	<u>\$24,497,877</u>	<u>\$34,139,261</u>	<u>\$1,321,710</u>	<u>\$7,857,337</u>

City of Minot, North Dakota
Balance Sheet
Governmental Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Capital Project Funds</u>			<u>Total</u>	<u>Total</u>
	<u>Highway Reserve</u>	<u>Capital Purchases</u>	<u>Other Governmental Funds</u>	<u>Governmental Funds 2014</u>	<u>Governmental Funds 2013</u>
ASSETS					
Cash and investments	\$3,167,538	\$ 6,038,452	\$ 36,292,145	\$ 48,269,688	\$ 56,876,754
Restricted cash and investments	-	-	16,438,030	23,409,912	23,903,607
Investments - certificates of deposit	-	-	6,981	22,507,915	7,014,802
Taxes receivable delinquent	-	-	241,370	339,746	293,103
Special assessments receivable delinquent	-	-	15,575	19,543	16,771
Accounts receivable	94,602	-	137,080	881,086	622,662
Loans receivable	-	-	75,000	75,000	75,000
Allowance for loans receivable	-	-	(15,000)	(15,000)	(15,000)
Due from other funds	-	-	1,222,754	1,860,272	939,556
Intergovernmental receivable	2,069,960	1,477,706	4,714,838	11,761,375	12,197,686
Accrued interest receivable	-	-	-	31,064	3,812
Inventory	-	-	6,590	6,590	6,703
Prepaid	-	-	6,628	159,054	147,301
Other assets - capital credits	-	-	18,444	132,425	100,292
Investments	-	-	-	23,219,405	23,133,340
Advance to other funds	-	-	213,527	1,779,126	594,236
Special assessments receivable uncertified	-	-	151,947	5,753,151	5,605,051
Total assets	<u>\$5,332,100</u>	<u>\$ 7,516,158</u>	<u>\$ 59,525,909</u>	<u>\$ 140,190,352</u>	<u>\$ 131,515,676</u>
LIABILITIES					
Accounts payable	\$ 554,182	\$ 220,157	\$ 722,031	\$ 2,697,588	\$ 8,466,357
Retainage payable	188,251	290,562	190,008	781,607	889,920
Due to other funds	-	-	1,222,754	1,860,272	939,556
Accrued salaries payable	-	-	95,717	817,680	709,022
Customer deposits	-	-	-	59,490	122,773
Advance from other funds	191,916	-	1,673,212	1,865,128	724,036
Unearned revenue - other	-	-	139,397	200,547	1,053
Total liabilities	<u>934,349</u>	<u>510,719</u>	<u>4,043,119</u>	<u>8,282,312</u>	<u>11,852,717</u>
DEFERRED INFLOWS OF RESOURCES					
Uncertified special assessments	-	-	151,947	5,753,151	5,605,051
Unavailable revenue - property taxes	-	-	202,552	275,786	212,329
Unavailable revenue - special assessments	-	-	13,507	15,537	15,939
Deferred inflow of resources	<u>-</u>	<u>-</u>	<u>368,006</u>	<u>6,044,474</u>	<u>5,833,319</u>
FUND BALANCE					
Nonspendable	-	-	245,189	2,077,195	848,532
Restricted	-	-	1,766,237	36,572,846	34,982,125
Committed	-	-	38,123,755	38,123,755	12,497,167
Assigned	4,397,751	7,005,439	15,245,480	26,648,670	48,079,550
Unassigned	-	-	(265,877)	22,441,100	17,422,266
Total fund balance	<u>4,397,751</u>	<u>7,005,439</u>	<u>55,114,784</u>	<u>125,863,566</u>	<u>113,829,640</u>
Total liabilities, inflows and fund balance	<u>\$ 5,332,100</u>	<u>\$ 7,516,158</u>	<u>\$ 59,525,909</u>	<u>\$ 140,190,352</u>	<u>\$ 131,515,676</u>

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



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City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
December 31, 2014

Total fund balances for governmental funds \$125,863,566

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	\$ 31,055,094	
Construction work in process	8,215,463	
Buildings, net of accumulated depreciation (\$7,912,987)	7,000,461	
Equipment, net of accumulated depreciation (\$10,552,739)	7,359,002	
Infrastructure, net of accumulated depreciation (\$45,195,400)	135,363,756	
Intangible assets, net of accumulated depreciation (\$223,584)	374,745	
Books, net of accumulated depreciation (\$2,949,207)	<u>844,964</u>	
Total capital assets (Note 4. D)		190,213,485

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. 2,092,679

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. 1,554,108

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. Total deferred taxes and specials not available 6,044,474

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) (\$40,880,339)

Total net position of governmental activities \$284,887,973

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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

REVENUES	General Fund	Sales Tax NAWS	CDBG-DR \$67.5M	Debt Service Fund Special Assessment Debt
Property tax collections	\$ 4,720,060	\$ -	\$ -	\$ 44,614
Special assessment collections	4,975	-	-	1,614,123
Sales tax collections	-	-	-	-
Licenses and permits	1,862,029	-	-	-
Intergovernmental	11,510,676	-	7,396,427	-
Charges for services	6,985,306	-	-	-
Fines and forfeits	1,229,088	-	-	-
Interest income	77,316	136,410	682	110,754
Contract revenue	-	-	-	-
Miscellaneous	515,538	-	21,149	-
Total revenues	26,904,988	136,410	7,418,258	1,769,491
EXPENDITURES				
Current				
General government	9,204,201	420,631	7,414,562	-
Public safety	14,376,257	-	-	-
Highways and streets	3,791,484	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	-	-	-	-
Legal	-	-	-	-
Other	-	-	-	-
Acquisitions	-	-	-	-
Engineering	-	-	-	-
Debt service				
Principal retirement	-	-	-	1,065,000
Interest and fiscal charges	-	-	-	576,101
Total expenditures	27,371,942	420,631	7,414,562	1,641,101
Excess (deficiency) of revenues over (under) expenditures	(466,954)	(284,221)	3,696	128,390
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
Capital leases	7,921	-	-	-
Sale of City property	6,125	-	-	-
Transfers in	4,023,843	-	-	1,621,892
Transfers out	(95,285)	(50,000)	(3,696)	(15,962)
Total other financing sources (uses)	3,942,604	(50,000)	(3,696)	1,605,930
Net change in fund balance	3,475,650	(334,221)	-	1,734,320
Fund balance, January 1	19,499,905	34,464,866	-	505,072
Fund balance, December 31	\$ 22,975,555	\$ 34,130,645	\$ -	\$ 2,239,392

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Capital Project Funds</u>			Total	Total
	Highway Reserve	Capital Purchases	Other Governmental Funds	Governmental Funds 2014	Governmental Funds 2013
REVENUES					
Property tax collections	\$ -	\$ -	\$ 5,785,339	\$ 10,550,013	\$ 9,816,255
Special assessment collections	-	-	411,178	2,030,276	775,793
Sales tax collections	-	-	27,245,883	27,245,883	24,850,061
Licenses and permits	-	-	-	1,862,029	2,153,400
Intergovernmental	1,979,308	12,315,603	7,206,989	40,409,003	34,430,478
Charges for services	-	-	1,761,067	8,746,373	8,413,316
Fines and forfeits	-	-	-	1,229,088	1,198,946
Interest income	15,606	11,938	118,367	471,073	251,460
Contract revenue	-	-	-	-	1,187,136
Miscellaneous	100	-	68,212	604,999	1,256,203
Total revenues	<u>1,995,014</u>	<u>12,327,541</u>	<u>42,597,035</u>	<u>93,148,737</u>	<u>84,333,048</u>
EXPENDITURES					
Current					
General government	-	-	6,641,336	23,680,730	19,335,762
Public safety	-	-	-	14,376,257	12,707,694
Highways and streets	-	-	4,766,103	8,557,587	12,090,496
Culture and recreation	-	-	7,364,051	7,364,051	4,501,165
Economic development	-	-	3,292,475	3,292,475	1,306,170
Capital outlay					
Contracted work	6,983,721	3,612,677	2,621,637	13,218,035	10,693,821
Equipment	-	-	2,489,396	2,489,396	4,450,114
Legal	-	1,292	-	1,292	-
Other	95,552	320,826	418,718	835,096	329,639
Acquisitions	364,685	8,865,427	-	9,230,112	8,905,600
Engineering	1,375,212	472,624	304,321	2,152,157	3,063,505
Debt service					
Principal retirement	-	-	1,995,000	3,060,000	2,995,000
Interest and fiscal charges	10,745	-	436,073	1,022,919	551,892
Total Expenditures	<u>8,829,915</u>	<u>13,272,846</u>	<u>30,329,110</u>	<u>89,280,107</u>	<u>80,930,858</u>
Excess (deficiency) of revenues over (under) expenditures	(6,834,901)	(945,305)	12,267,925	3,868,630	3,402,190
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	3,950,000	-	-	3,950,000	6,815,000
Special assessment bonds issued	-	-	4,135,000	4,135,000	11,595,000
Premium on bonds	226,933	-	105,427	332,360	642,825
Capital leases	-	-	-	7,921	-
Sale of City property	-	-	87,200	93,325	84,844
Transfers in	556,689	3,236,725	11,824,977	21,264,126	16,523,322
Transfers out	(2,578,334)	(11,938)	(18,862,221)	(21,617,436)	(19,965,860)
Total other financing sources (uses)	<u>2,155,288</u>	<u>3,224,787</u>	<u>(2,709,617)</u>	<u>8,165,296</u>	<u>15,695,131</u>
Net change in fund balance	(4,679,613)	2,279,482	9,558,308	12,033,926	19,097,321
Fund balance, January 1	9,077,364	4,725,957	45,556,476	113,829,640	94,732,319
Fund balance, December 31	<u>\$ 4,397,751</u>	<u>\$ 7,005,439</u>	<u>\$ 55,114,784</u>	<u>\$ 125,863,566</u>	<u>\$ 113,829,640</u>

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



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City of Minot, North Dakota
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year-to-Date as of December 31, 2014

Net change in fund balances-total governmental funds \$ 12,033,926

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) 41,397,505

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) 193,096

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	\$ (4,135,000)		
Premium on bonds issued	(332,360)		
General obligation bonds issued	(3,950,000)		
Repayments of bond principal	3,060,000		
Capital lease	(7,921)		
Payment on capital lease	1,691		
Annual amortization of leases, premiums, and discounts	<u>65,732</u>		
Net adjustment			(5,297,858)

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. (268,616)

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	(61,668)
Compensated absences	(55,900)

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	1,998,100	
Special assessment write-offs, foreclosures, and interest	242,278	
Amount shown as revenue in governmental funds	<u>(2,030,276)</u>	
Net change		210,102

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. 72,033

Change in net position of governmental activities \$ 48,222,620

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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Budgeted Amounts</u>		2014 Actual Amounts	Variance With Final Budget	2013 Actual Amounts
	Original	Final Amended			
REVENUES					
Property tax collections	\$ 4,862,427	\$ 4,803,591	\$ 4,720,060	\$ (83,531)	\$ 4,504,472
Special assessment collections	7,608	7,608	4,975	(2,633)	4,784
Licenses & permits	1,544,717	1,544,718	1,862,029	317,311	2,153,400
Intergovernmental federal					
Operating Grants	268,220	1,062,157	422,504	(639,653)	430,847
Intergovernmental state					
Highway fund	2,828,049	2,828,049	2,945,858	117,809	2,788,794
State aid distribution	4,497,680	4,547,213	4,792,103	244,890	4,231,254
Financial institution tax	-	-	373,313	373,313	256,181
Cigarette tax	126,244	126,244	134,790	8,546	127,225
Gas and oil production tax	-	-	-	-	10,116
Telecommunications tax	144,842	144,842	144,842	-	132,092
Homestead and disabled veterans tax credits	-	-	187,304	187,304	106,597
Fire insurance refund	273,607	284,705	289,597	4,892	266,994
Gambling tax revenue	29,853	29,853	26,048	(3,805)	18,535
State operating grants	406,536	497,952	77,824	(420,128)	134,756
Intergovernmental county					
Operating grants	11,347	11,347	33,848	22,501	10,696
Road and bridge	5,499	5,499	7,016	1,517	5,637
Joint communications	1,070,628	1,070,628	994,559	(76,069)	886,568
Computer maintenance	98,694	98,694	190,156	91,462	328,889
Assessed utility	19,971	19,971	21,279	1,308	19,971
Intergovernmental other					
Housing authority	46,375	46,375	54,892	8,517	54,333
Parking authority	4,515	4,515	2,562	(1,953)	2,562
Cable TV franchise fees	543,829	543,829	699,277	155,448	668,203
Policing-Central Campus	62,261	62,261	112,904	50,643	-
Total intergovernmental	10,438,150	11,384,134	11,510,676	126,542	10,480,250
Charges for services					
Engineering & administrative	509,875	509,875	677,961	168,086	585,407
Utility & special funds	2,677,562	2,677,562	2,677,563	1	2,590,906
Agency funds	3,592,585	3,642,585	3,527,496	(115,089)	2,118,634
Fleet labor	52,200	103,173	102,286	(887)	72,141
Total charges for services	6,832,222	6,933,195	6,985,306	52,111	5,367,088
Fines and forfeitures					
Parking tickets	70,722	70,722	104,659	33,937	84,410
Police court	914,280	978,491	1,124,429	145,938	1,114,536
Total fines and forfeitures	985,002	1,049,213	1,229,088	179,875	1,198,946
Interest income	204,754	204,754	77,316	(127,438)	19,874
Miscellaneous income					
Work for others	56,511	56,512	55,366	(1,146)	50,933
Miscellaneous	257,520	442,600	426,637	(15,963)	736,389
Towing fees	35,232	35,232	33,535	(1,697)	49,712
Total miscellaneous income	349,263	534,344	515,538	(18,806)	837,034
Total revenues	25,224,143	26,461,557	26,904,988	443,431	24,565,848

City of Minot, North Dakota
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Fund
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Budgeted Amounts</u>		2014 Actual Amounts	Variance With Final Budget	2013 Actual Amounts
	Original	Final Amended			
EXPENDITURES					
General government					
Mayor and city council	\$ 166,776	\$ 166,776	\$ 147,505	\$ (19,271)	\$ 159,289
City manager	370,353	370,267	358,521	(11,746)	309,970
City clerk	381,035	390,950	336,267	(54,683)	295,093
City attorney	340,041	339,976	264,371	(75,605)	330,801
Administrative and general	1,718,927	1,803,302	1,695,222	(108,080)	1,589,385
Finance	951,423	989,120	959,804	(29,316)	735,251
Information technology	614,561	696,026	662,859	(33,167)	490,191
Property assessment	547,303	547,152	521,876	(25,276)	434,352
Building inspection	928,804	938,640	830,294	(108,346)	796,458
Traffic	1,201,698	1,188,939	1,112,638	(76,301)	1,079,991
Engineering and planning	1,263,295	1,862,960	1,153,906	(709,054)	1,042,806
Vehicle maintenance	636,670	759,355	601,424	(157,931)	565,011
Property maintenance	739,262	758,893	559,514	(199,379)	473,998
Total general government	<u>9,860,148</u>	<u>10,812,356</u>	<u>9,204,201</u>	<u>(1,608,155)</u>	<u>8,302,596</u>
Public safety					
Police administration	1,189,979	1,262,956	1,192,967	(69,989)	937,301
Police patrol	5,184,275	5,488,845	5,091,868	(396,977)	4,583,552
Criminal investigation	1,383,426	1,391,857	1,321,413	(70,444)	976,971
Narcotics task force	85,240	86,110	81,357	(4,753)	53,273
Telecommunications division	1,070,628	1,072,407	994,500	(77,907)	886,568
Municipal judge	828,616	892,827	871,071	(21,756)	845,937
Fire administration	913,012	953,713	943,730	(9,983)	838,799
Fire control	4,256,841	4,412,394	3,879,351	(533,043)	3,585,293
Total public safety	<u>14,912,017</u>	<u>15,561,109</u>	<u>14,376,257</u>	<u>(1,184,852)</u>	<u>12,707,694</u>
Street & storm sewer maintenance	4,335,298	4,312,448	3,791,484	(520,964)	4,223,787
Total expenditures	<u>29,107,463</u>	<u>30,685,913</u>	<u>27,371,942</u>	<u>(3,313,971)</u>	<u>25,234,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,883,320)</u>	<u>(4,224,356)</u>	<u>(466,954)</u>	<u>3,757,402</u>	<u>(668,229)</u>
OTHER FINANCING SOURCES (USES)					
Capital leases	-	-	7,921	7,921	-
Sale of property	-	-	6,125	6,125	6,876
Transfers in	3,883,320	3,782,687	4,023,843	241,156	3,990,289
Transfers out	-	-	(95,285)	(95,285)	(58,739)
Total other financing sources (uses)	<u>3,883,320</u>	<u>3,782,687</u>	<u>3,942,604</u>	<u>159,917</u>	<u>3,938,426</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (441,669)</u>	<u>3,475,650</u>	<u>\$ 3,917,319</u>	<u>3,270,197</u>
Fund balance, January 1			19,499,905		16,229,708
Fund balance, December 31			<u>\$ 22,975,555</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Sales Tax NAWS</u>			
	<u>Original & Final Budgeted Amounts</u>	<u>2014 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2013 Actual Amounts</u>
REVENUES				
Interest income	\$188,300	\$136,410	(\$51,890)	\$84,578
EXPENDITURES				
General government	3,000,000	420,631	(2,579,369)	696,154
Excess (deficiency) of revenues over (under) expenditures	(2,811,700)	(284,221)	2,527,479	(611,576)
OTHER FINANCING SOURCES (USES)				
Transfers out	(50,000)	(50,000)	-	(8,882)
Net change in fund balance	<u>\$ (2,861,700)</u>	(334,221)	<u>\$ 2,527,479</u>	(620,458)
Fund balance, January 1		34,464,866		35,085,324
Fund balance, December 31		<u>\$ 34,130,645</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

CDBG - Disaster Recovery \$67.5M					
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Intergovernmental	\$ 17,948,706	\$ 17,948,706	\$ 7,396,427	\$(10,552,279)	\$ 8,360,002
Interest income	-	-	682	682	833
Miscellaneous	-	-	21,149	21,149	6,639
Total revenues	<u>17,948,706</u>	<u>17,948,706</u>	<u>7,418,258</u>	<u>(10,530,448)</u>	<u>8,367,474</u>
EXPENDITURES					
General government	17,948,706	48,567,236	7,414,562	(10,534,144)	8,367,474
Excess (deficiency) of revenues over (under) expenditures	-	(30,618,530)	3,696	3,696	-
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	(3,696)	(3,696)	-
Net change in fund balance	<u>\$ -</u>	<u>\$(30,618,530)</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance, January 1			<u>-</u>		<u>-</u>
Fund balance, December 31			<u>\$ -</u>		<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, 2014
With Comparative Totals for December 31, 2013

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
ASSETS				
Current assets				
Cash and cash equivalents	\$ 11,965,417	\$ 4,500,899	\$ 20,340,392	\$ 593,392
Restricted cash and cash equivalents	304,638	-	2,562,253	14,402
Taxes receivable delinquent	-	-	-	3,406
Accounts receivable	427,721	598,773	2,106,450	9,251
Allowance for doubtful accounts	-	(280,722)	-	-
Intergovernmental receivable	5,720,488	145,668	7,668,701	987
Inventory	-	-	-	-
Prepaid	11,342	23,974	26,958	120
Total current assets	<u>18,429,606</u>	<u>4,988,592</u>	<u>32,704,754</u>	<u>621,558</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,918,163	-	982,152	-
Advance from other funds	-	-	383,833	-
Unamortized bond discounts	159,445	-	35,601	-
Other assets - capital credits	9,461	43,742	139,716	1,623
Capital assets				
Land	2,890,804	367,335	1,843,495	315,901
Buildings	12,547,435	2,149,398	6,848,486	150,885
Equipment	4,607,839	3,803,816	7,538,090	623,182
Infrastructure	51,470,317	4,103,314	160,286,079	319,136
Intangible assets	-	-	454,849	-
Construction in progress	30,518,328	130	17,811,884	-
Total capital assets	<u>102,034,723</u>	<u>10,423,993</u>	<u>194,782,883</u>	<u>1,409,104</u>
Less-accumulated depreciation	<u>(24,899,762)</u>	<u>(4,081,946)</u>	<u>(57,226,852)</u>	<u>(643,408)</u>
Net capital assets	<u>77,134,961</u>	<u>6,342,047</u>	<u>137,556,031</u>	<u>765,696</u>
Total noncurrent assets	<u>79,222,030</u>	<u>6,385,789</u>	<u>139,097,333</u>	<u>767,319</u>
Total assets	<u>97,651,636</u>	<u>11,374,381</u>	<u>171,802,087</u>	<u>1,388,877</u>
LIABILITIES				
Current liabilities				
Accounts payable	2,124,705	14,802	6,493,079	8,826
Retainage payable	2,821,528	-	869,412	-
Accrued salaries payable	39,368	64,840	115,432	15,851
Compensated absences	17,145	24,315	43,864	8,511
Insurance claims payable	-	-	-	-
Bonds payable	-	-	2,295,000	-
Notes payable	-	-	78,353	-
Capital leases payable	1,077	229,748	-	-
Accrued interest payable	304,638	-	188,900	-
Unearned revenue - other	975	-	-	-
Total current liabilities	<u>5,309,436</u>	<u>333,705</u>	<u>10,084,040</u>	<u>33,188</u>
Long-term liabilities				
Customer deposits	5,334	-	186,432	600
Compensated absences	31,841	45,156	81,462	15,806
Bonds payable	19,215,000	-	20,885,000	-
Notes payable	-	-	1,130,981	-
Unamortized bond premiums	-	-	439,757	-
Capital leases payable	3,499	239,068	-	-
Advance to other funds	-	-	297,831	-
Accrued MSWLF closure and postclosure care costs	-	923,392	-	-
Total long-term liabilities	<u>19,255,674</u>	<u>1,207,616</u>	<u>23,021,463</u>	<u>16,406</u>
Total liabilities	<u>24,565,110</u>	<u>1,541,320</u>	<u>33,105,503</u>	<u>49,594</u>
NET POSITION				
Net investment in capital assets	67,426,689	5,873,231	113,510,571	765,696
Restricted for bond covenants	1,571,550	-	3,544,405	-
Restricted for passenger facility receipts not spent	651,251	-	-	-
Restricted for perpetual care	-	-	-	-
Restricted for chapel/veteran's memorial	-	-	-	14,402
Unrestricted net position	3,437,036	3,959,830	21,641,608	559,185
Total net position	<u>\$ 73,086,526</u>	<u>\$ 9,833,061</u>	<u>\$ 138,696,584</u>	<u>\$ 1,339,283</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, 2014
With Comparative Totals for December 31, 2013

	Total Enterprise Funds	Governmental Activities		Total 2014	Total 2013
		Internal Service Funds			
ASSETS					
Current assets					
Cash and cash equivalents	\$ 37,400,100	\$ 1,774,718	\$ 39,174,818	\$ 38,716,591	
Restricted cash and cash equivalents	2,881,293	-	2,881,293	3,081,999	
Taxes receivable delinquent	3,406	-	3,406	4,828	
Accounts receivable	3,142,195	6,586	3,148,781	3,372,749	
Allowance for doubtful accounts	(280,722)	-	(280,722)	(289,457)	
Intergovernmental receivable	13,535,844	-	13,535,844	7,294,119	
Inventory	-	350,361	350,361	354,097	
Prepaid	62,394	2,850	65,244	21,804	
Total current assets	<u>56,744,510</u>	<u>2,134,515</u>	<u>58,879,025</u>	<u>52,556,730</u>	
Noncurrent assets					
Restricted cash and cash equivalents	2,900,315	-	2,900,315	1,806,568	
Advance from other funds	383,833	-	383,833	496,283	
Unamortized bond discounts	195,046	-	195,046	149,677	
Other assets - capital credits	194,542	2,232	196,774	173,011	
Capital assets					
Land	5,417,535	-	5,417,535	5,318,080	
Buildings	21,696,204	-	21,696,204	19,923,392	
Equipment	16,572,927	-	16,572,927	14,687,749	
Infrastructure	216,178,846	-	216,178,846	189,350,600	
Intangible assets	454,849	-	454,849	454,849	
Construction in progress	48,330,342	-	48,330,342	18,805,533	
Total capital assets	<u>308,650,703</u>	<u>-</u>	<u>308,650,703</u>	<u>248,540,203</u>	
Less-accumulated depreciation	(86,851,968)	-	(86,851,968)	(99,726,844)	
Net capital assets	<u>221,798,735</u>	<u>-</u>	<u>221,798,735</u>	<u>148,813,359</u>	
Total noncurrent assets	<u>225,472,471</u>	<u>2,232</u>	<u>225,474,703</u>	<u>151,438,898</u>	
Total assets	<u>282,216,981</u>	<u>2,136,747</u>	<u>284,353,728</u>	<u>203,995,628</u>	
LIABILITIES					
Current liabilities					
Accounts payable	8,641,412	4,399	8,645,811	4,623,479	
Retainage payable	3,690,940	-	3,690,940	1,398,233	
Accrued salaries payable	235,491	-	235,491	209,351	
Compensated absences	93,835	-	93,835	89,981	
Insurance claims payable	-	109,069	109,069	115,671	
Bonds payable	2,295,000	-	2,295,000	2,610,000	
Notes payable	78,353	-	78,353	75,681	
Capital leases payable	230,825	-	230,825	238,487	
Accrued interest payable	493,538	-	493,538	351,291	
Unearned revenue - other	975	-	975	1,365	
Total current liabilities	<u>15,760,369</u>	<u>113,468</u>	<u>15,873,837</u>	<u>9,713,539</u>	
Long-term liabilities					
Customer deposits	192,366	-	192,366	170,979	
Compensated absences	174,264	-	174,264	167,110	
Bonds payable	40,100,000	-	40,100,000	33,395,000	
Notes payable	1,130,981	-	1,130,981	1,209,334	
Unamortized bond premiums	439,757	-	439,757	437,111	
Capital leases payable	242,567	-	242,567	445,193	
Advance to other funds	297,831	-	297,831	366,483	
Accrued MSWLF closure and postclosure care costs	923,392	-	923,392	779,758	
Total long-term liabilities	<u>43,501,158</u>	<u>-</u>	<u>43,501,158</u>	<u>36,970,968</u>	
Total liabilities	<u>59,261,527</u>	<u>113,468</u>	<u>59,374,995</u>	<u>46,684,507</u>	
NET POSITION					
Net investment in capital assets	187,576,187	-	187,576,187	116,911,037	
Restricted for bond covenants	5,115,955	-	5,115,955	4,843,540	
Restricted for passenger facility receipts not spent	651,251	-	651,251	925,887	
Restricted for perpetual care	-	-	-	38,250	
Restricted for chapel/veteran's memorial	14,402	-	14,402	6,777	
Unrestricted net position	29,597,659	2,023,279	31,620,938	34,585,630	
Total net position	<u>222,955,454</u>	<u>\$ 2,023,279</u>	<u>224,978,733</u>	<u>157,311,121</u>	
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.					
	<u>469,170</u>		<u>469,170</u>	<u>424,976</u>	
	<u>\$ 223,424,624</u>		<u>\$ 225,447,903</u>	<u>\$ 157,736,097</u>	

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
	\$	\$	\$	\$
OPERATING REVENUES				
Sales	-	-	-	-
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	4,054,181	4,665,131	19,138,800	358,974
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	-	-	52,443	-
Total operating revenues	4,054,181	4,665,131	19,191,243	358,974
OPERATING EXPENSES				
Salaries	884,977	1,381,338	2,329,639	298,959
Employee benefits	290,607	464,936	773,189	101,140
Professional services	705,683	13,318	53,914	260
Property services	328,440	536,934	3,024,625	34,131
Purchased services	106,666	49,255	454,692	7,967
Supplies	245,830	458,425	3,206,721	27,551
Sundry	191,234	617,345	1,666,868	27,363
Insurance claims	-	-	-	-
Amortization	-	-	7,107	-
MSWLF closure & postclosure care	-	143,634	-	-
Depreciation	3,208,787	796,621	6,278,595	64,260
Total operating expenses	5,962,224	4,461,806	17,795,350	561,631
Operating income (loss)	(1,908,043)	203,325	1,395,893	(202,657)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	7	-	-	82,201
Intergovernmental revenues	22,042	8,031	114,023	-
Interest income	33,028	9,791	71,140	581
Miscellaneous income (expense)	(34,381)	40,244	32,252	6,289
Gain (loss) on sale of City property	1,200	34,028	(56,148)	(1,513)
Passenger facility charge income	872,372	-	-	-
Customer facility charge income	375,935	-	-	-
Interest and fiscal charges	(444,141)	-	(763,128)	-
Total non-operating revenues (expenses)	826,062	92,094	(601,861)	87,558
Income (loss) before contributions and transfers	(1,081,981)	295,419	794,032	(115,099)
Capital contributions	20,495,968	148,491	46,661,244	-
Transfers in	-	185,012	1,141,216	280,000
Transfers out	(94,912)	(426,396)	(730,351)	(1,259)
Total contributions and transfers	20,401,056	(92,893)	47,072,109	278,741
Change in net position	19,319,075	202,526	47,866,141	163,642
Net position, January 1	53,767,451	9,630,535	90,830,443	1,175,641
Net position, December 31	\$ 73,086,526	\$ 9,833,061	\$ 138,696,584	\$ 1,339,283

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Governmental Activities		Total 2014	Total 2013
	Total Enterprise Funds	Internal Service Funds		
OPERATING REVENUES				
Sales	\$ -	\$ 1,335,788	\$ 1,335,788	\$ 1,409,923
Cost of goods sold	-	(1,241,660)	(1,241,660)	(1,311,019)
Gross margin	-	94,128	94,128	98,904
Charges for services	28,217,086	-	28,217,086	26,566,943
Employer	-	1,877,129	1,877,129	1,703,695
Employee	-	562,813	562,813	518,596
Miscellaneous	52,443	-	52,443	84,634
Total operating revenues	<u>28,269,529</u>	<u>2,534,070</u>	<u>30,803,599</u>	<u>28,972,772</u>
OPERATING EXPENSES				
Salaries	4,894,913	-	4,894,913	4,561,561
Employee benefits	1,629,872	-	1,629,872	1,390,332
Professional services	773,175	-	773,175	820,456
Property services	3,924,130	-	3,924,130	2,731,637
Purchased services	618,580	-	618,580	467,623
Supplies	3,938,527	50,529	3,989,056	3,667,484
Sundry	2,502,810	-	2,502,810	2,434,352
Insurance claims	-	2,038,201	2,038,201	1,841,316
Amortization	7,107	-	7,107	11,176
MSWLF closure & postclosure care	143,634	-	143,634	92,940
Depreciation	10,348,263	-	10,348,263	8,210,171
Total operating expenses	<u>28,781,011</u>	<u>2,088,730</u>	<u>30,869,741</u>	<u>26,229,048</u>
Operating income (loss)	(511,482)	445,340	(66,142)	2,743,724
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	82,208	-	82,208	186,344
Intergovernmental revenues	144,096	-	144,096	2,794,008
Interest income	114,540	3,962	118,502	93,435
Miscellaneous income (expense)	44,404	(333,074)	(288,670)	174,072
Gain (loss) on sale of City property	(22,433)	-	(22,433)	876,651
Passenger facility charge income	872,372	-	872,372	1,003,544
Customer facility charge income	375,935	-	375,935	391,976
Interest and fiscal charges	(1,207,269)	-	(1,207,269)	(867,189)
Total non-operating revenues (expenses)	<u>403,853</u>	<u>(329,112)</u>	<u>74,741</u>	<u>4,652,841</u>
Income (loss) before contributions and transfers	(107,629)	116,228	8,599	7,396,565
Capital contributions	67,305,703	-	67,305,703	28,914,107
Transfers in	1,606,228	-	1,606,228	4,320,284
Transfers out	(1,252,918)	-	(1,252,918)	(877,746)
Total contributions and transfers	<u>67,659,013</u>	<u>-</u>	<u>67,659,013</u>	<u>32,356,645</u>
Change in net position	67,551,384	116,228		
Net position, January 1	155,404,070	1,907,051		
Net position, December 31	<u>\$ 222,955,454</u>	<u>\$ 2,023,279</u>		
Change in net position enterprise funds only			67,551,384	39,600,294
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			44,194	367,386
Change in net position of business-type activities			<u>\$ 67,595,578</u>	<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 4,071,646	\$ 4,782,038	\$ 19,165,911	\$ 354,825
Payments to suppliers	1,479,430	(1,868,230)	(4,669,316)	(97,412)
Payments to employees	(1,187,010)	(1,830,432)	(3,080,864)	(389,331)
Due from (to) other agencies	(3,618,267)	93,411	(2,716,343)	(1,030)
Net cash provided (used) by operating activities	<u>745,799</u>	<u>1,176,787</u>	<u>8,699,388</u>	<u>(132,948)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	(12,332)	48,275	146,275	88,490
Transfers in	-	185,012	1,141,216	280,000
Transfers out	(94,912)	(426,396)	(730,351)	(1,259)
Internal activity - payments from (to) other funds	-	-	43,798	-
Net cash provided (used) by noncapital financing activities	<u>(107,244)</u>	<u>(193,109)</u>	<u>600,938</u>	<u>367,231</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	20,495,968	148,491	26,019,523	-
Passenger facility charges	872,372	-	-	-
Customer facility charges	375,935	-	-	-
Acquisition and construction of capital assets	(26,662,601)	292,895	(13,156,534)	(55,532)
Proceeds from bonds	6,710,000	-	4,200,000	-
Disposal of capital assets	(5,102,933)	(906,578)	(17,090,594)	(34,198)
Capital lease payment	(807)	(214,864)	-	-
Principal paid on capital debt	-	-	(4,595,681)	-
Interest paid on capital debt	(444,141)	-	(763,128)	-
Net cash provided (used) by capital and related financing activities	<u>(3,756,207)</u>	<u>(680,056)</u>	<u>(5,386,414)</u>	<u>(89,730)</u>
CASH FLOWS FROM INVESTING ACTIVITY				
Interest and dividends	33,028	9,791	71,140	581
Net increase (decrease) in cash and cash equivalents	(3,084,624)	313,413	3,985,052	145,134
Cash and cash equivalents, January 1	17,272,842	4,187,486	19,899,745	462,660
Cash and cash equivalents, December 31	<u>\$ 14,188,218</u>	<u>\$ 4,500,899</u>	<u>\$ 23,884,797</u>	<u>\$ 607,794</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 11,965,417	\$ 4,500,899	\$ 20,340,392	\$ 593,392
Restricted cash and cash equivalents - current	304,638	-	2,562,253	14,402
Restricted cash and cash equivalents - noncurrent	1,918,163	-	982,152	-
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 14,188,218</u>	<u>\$ 4,500,899</u>	<u>\$ 23,884,797</u>	<u>\$ 607,794</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,908,043)	\$ 203,325	\$ 1,395,893	\$ (202,657)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	3,208,787	796,621	6,278,595	64,260
Amortization expense	-	-	7,107	-
MSWLF closure and post closure care cost adjustment	-	143,634	-	-
Change in assets and liabilities				
Taxes receivable	45	-	-	1,377
Receivables, net	80,144	155,322	(21,861)	(5,406)
Inventory	-	-	-	-
Prepaid	(9,943)	(23,851)	(6,676)	(120)
Accounts payable	206,554	5,427	3,933,512	(140)
Retainage payable	2,630,551	(198,380)	(139,464)	-
Intergovernmental receivables	(3,618,267)	93,411	(2,716,343)	(526)
Accrued salaries payable	(11,426)	15,842	21,964	4,400
Insurance claims payable	-	-	-	-
Accrued interest payable	221,153	-	(78,906)	6,368
Customer deposits	(975)	-	22,362	-
Special assessment receivable	-	-	-	-
Other assets/liabilities	(52,781)	(14,564)	3,205	(504)
Deferred inflows/outflows	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 745,799</u>	<u>\$ 1,176,787</u>	<u>\$ 8,699,388</u>	<u>\$ (132,948)</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ 5,383	\$ -	\$ -	\$ -
Construction of capital assets from developers	-	-	20,641,721	-
Transfer fully depreciated capital assets to general fund	-	-	221,594	-

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Total Enterprise Funds	Governmental Activities Internal Service Funds	Total 2014	Total 2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 28,374,420	\$ 3,784,268	\$ 32,158,688	\$ 29,552,877
Payments to suppliers	(5,155,528)	(3,462,863)	(8,618,391)	(9,045,002)
Payments to employees	(6,487,637)	-	(6,487,637)	(5,873,996)
Due from (to) other agencies	(6,242,229)	-	(6,242,229)	(4,993,028)
Net cash provided (used) by operating activities	<u>10,489,026</u>	<u>321,405</u>	<u>10,810,431</u>	<u>9,640,851</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	270,708	-	270,708	3,384,260
Transfers in	1,606,228	-	1,606,228	4,320,284
Transfers out	(1,252,918)	-	(1,252,918)	(877,746)
Internal activity - payments from (to) other funds	43,798	(333,074)	(289,276)	(183,932)
Net cash provided (used) by noncapital financing activities	<u>667,816</u>	<u>(333,074)</u>	<u>334,742</u>	<u>6,642,866</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	46,663,982	-	46,663,982	28,708,430
Passenger facility charges	872,372	-	872,372	1,003,544
Customer facility charges	375,935	-	375,935	391,976
Acquisition and construction of capital assets	(39,581,772)	-	(39,581,772)	(41,084,084)
Proceeds from bonds	10,910,000	-	10,910,000	17,725,000
Disposal of capital assets	(23,134,303)	-	(23,134,303)	1,113,752
Capital lease payment	-	(215,671)	(215,671)	(247,440)
Principal paid on capital debt	(4,595,681)	-	(4,595,681)	(2,388,100)
Interest paid on capital debt	(1,207,269)	-	(1,207,269)	(867,189)
Net cash provided (used) by capital and related financing activities	<u>(9,912,407)</u>	<u>-</u>	<u>(9,912,407)</u>	<u>4,355,889</u>
CASH FLOWS FROM INVESTING ACTIVITY				
Interest and dividends	114,540	3,962	118,502	93,435
Net increase (decrease) in cash and cash equivalents	1,358,975	(7,707)	1,351,268	20,733,041
Cash and cash equivalents, January 1	41,822,733	1,782,425	43,605,158	22,872,117
Cash and cash equivalents, December 31	<u>\$ 43,181,708</u>	<u>\$ 1,774,718</u>	<u>\$ 44,956,426</u>	<u>\$ 43,605,158</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 37,400,100	\$ 1,774,718	\$ 39,174,818	\$ 38,716,591
Restricted cash and cash equivalents - current	2,881,293	-	2,881,293	3,081,999
Restricted cash and cash equivalents - noncurrent	2,900,315	-	2,900,315	1,806,568
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 43,181,708</u>	<u>\$ 1,774,718</u>	<u>\$ 44,956,426</u>	<u>\$ 43,605,158</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (511,482)	\$ 445,340	\$ (66,142)	\$ 2,743,724
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	10,348,263	-	10,348,263	8,210,171
Amortization expense	7,107	-	7,107	11,176
MSWLF closure and post closure care cost adjustment	143,634	-	143,634	92,940
Change in assets and liabilities				
Taxes receivable	1,422	-	1,422	(2,157)
Receivables, net	208,199	7,034	215,233	(639,427)
Inventory	-	3,736	3,736	15,056
Prepaid	(40,590)	(2,850)	(43,440)	(10,114)
Accounts payable	4,145,353	(123,021)	4,022,332	3,113,185
Retainage payable	2,292,707	-	2,292,707	918,882
Intergovernmental receivables	(6,241,725)	-	(6,241,725)	(4,992,396)
Accrued salaries payable	30,780	-	30,780	74,795
Insurance claims payable	-	(6,602)	(6,602)	(6,221)
Accrued interest payable	148,615	-	148,615	178,964
Customer deposits	21,387	-	21,387	27,177
Special assessment receivable	-	-	-	2,047
Other assets/liabilities	(64,644)	(2,232)	(66,876)	(149,526)
Deferred inflows/outflows	-	-	-	52,575
Net cash provided (used) by operating activities	<u>\$ 10,489,026</u>	<u>\$ 321,405</u>	<u>\$ 10,810,431</u>	<u>\$ 9,640,851</u>
NONCASH CAPITAL ACTIVITY				
Borrowing under capital lease	\$ 5,383	\$ -	\$ 5,383	\$ 440,000
Construction of capital assets from developers	20,641,721	-	20,641,721	205,677
Transfer fully depreciated capital assets to general fund	221,594	-	221,594	-

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, 2014

	<u>Pension Trust Fund</u>	<u>OPEB Trust Fund</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	\$ 137,160	\$ -	\$ 37,107
Investments			
Money market	1,716,162	62,746	
Equity/stocks	33,976,155	732,061	
Fixed income	22,781,185	476,716	
Alternative	4,952,128	97,861	
Total investments	<u>63,425,630</u>	<u>1,369,384</u>	
Taxes receivable delinquent	101,141	-	4,085
Accounts receivable	-	-	127,805
Due from other funds	-	-	227,474
Intergovernmental receivable	-	-	621,851
Total assets	<u>63,663,931</u>	<u>1,369,384</u>	<u>\$ 1,018,322</u>
LIABILITIES			
Accounts payable	-	-	\$ 1,016,912
Due to other funds	5,295	226,064	-
Total liabilities	<u>5,295</u>	<u>226,064</u>	<u>\$ 1,016,912</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>101,141</u>	-	
NET POSITION			
Restricted for Pension Benefits	63,557,495	-	
Restricted for OPEB Benefits	-	1,143,320	
Total net position	<u>\$ 63,557,495</u>	<u>\$ 1,143,320</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Pension Trust Fund	OPEB Trust Fund	2014 Total	2013 Total
ADDITIONS				
Contributions				
Employer	\$ 4,520,993	\$ 326,711	\$ 4,847,704	\$ 3,979,837
Employee	2,705,235	489,684	3,194,919	3,192,337
Total contributions	<u>7,226,228</u>	<u>816,395</u>	<u>8,042,623</u>	<u>7,172,174</u>
Investment income				
Interest and dividends	1,665,636	24,568	1,690,204	1,621,208
Net increase in the fair value of investments	2,556,598	49,076	2,605,674	4,697,368
Total investment income	<u>4,222,234</u>	<u>73,644</u>	<u>4,295,878</u>	<u>6,318,576</u>
Less investment expense	148,360	1,555	149,915	132,611
Net investment income	<u>4,073,874</u>	<u>72,089</u>	<u>4,145,963</u>	<u>6,185,965</u>
Total additions	<u>11,300,102</u>	<u>888,484</u>	<u>12,188,586</u>	<u>13,358,139</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	6,912,542	-	6,912,542	6,567,329
Refunds paid to plan member and beneficiaries	566,634	-	566,634	409,654
Retiree claims	-	549,772	549,772	477,877
Third party premiums	-	166,938	166,938	165,474
Administrative expenses	316,469	-	316,469	330,626
Total deductions	<u>7,795,645</u>	<u>716,710</u>	<u>8,512,355</u>	<u>7,950,960</u>
Change in net position	3,504,457	171,774	3,676,231	5,407,179
Net position, January 1	60,053,038	971,546	61,024,584	55,617,405
Net position, December 31	<u>\$ 63,557,495</u>	<u>\$ 1,143,320</u>	<u>\$ 64,700,815</u>	<u>\$ 61,024,584</u>

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

Notes to Financial Statements

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard setting body for establishing GAAP for governmental accounting and financial reporting. With respect to both the government-wide and proprietary fund financial statements, the City has adopted GASB statement No. 62 "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*" 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, deferred inflows of resources, 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:

CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

Notes to Financial Statements

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those 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 **Highway Reserve Fund** is used to account for the financing of highway improvement projects in the City of Minot.

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

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

revenues available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2013, from which the summarized information was derived.

**F. ASSETS, LIABILITIES, DEFERRED
INFLOWS OF RESOURCES, 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.

Method used to value investments. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For the pension and OPEB plans, independent valuation services are used along with 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

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Notes to Financial Statements

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.

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 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 average cost (first-in, first-out) in the proprietary funds and 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.

Interest occurred during the construction phase of capital assets of an enterprise fund are included as part of the capitalized value of the assets constructed. This year revenue bonds were issued for the airport to

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

finance a new access road and terminal. The interest amount capitalized was \$184,419.

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 and deferred inflows of resources 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.

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 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

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Notes to Financial Statements

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 Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue from a variety of sources in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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 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 (\$40,880,339) difference are as follows:

Bonds payable	\$ 38,415,000
Unamortized discounts/premiums	1,170,691
Accrued interest payable	263,661
Capital lease payable	6,495
Compensated absences	<u>1,024,492</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u><u>\$ 40,880,339</u></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:

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Donated capital assets	\$ 26,026,249
Capital outlay	24,697,302
Depreciation	<u>(9,326,046)</u>
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 41,397,505</u>
Proceeds from capital asset sales	\$ (93,325)
Gain/(loss) on capital asset sales	286,421
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 193,096</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.

C. NET POSITION/FUND BALANCE DEFICITS

The Special Assessment Capital fund had a deficit fund balance of \$265,877 as of December 31, 2014, which will be funded by the collection of special assessments.

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

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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, 2014, 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, 2014, the City has invested in cash and money markets \$140,132,133, \$14,500,934 of U.S. bonds, and certificates of deposit \$8,000,000, which have no credit ratings. The City also has NAWS investments valued at \$23,219,405. The fixed income securities are all United States Government Agency securities.

Investment Type	Fair Value	Rated AAA	Not-Rated
Fixed Income	\$ 21,736,621	\$12,533,707	\$ 9,202,914
Cash & Money Market	1,482,784	-	1,482,784
Total Fair Value	\$ 23,219,405	\$12,533,707	\$ 10,685,698

Maturity (Years)	Fixed Income
0-1	\$ 5,229,155
1-3	12,733,923
3-5	2,874,667
10-15	898,876
15+	-
	\$ 21,736,621

B. INTERGOVERNMENTAL RECEIVABLES

A total of \$25,297,219 is due from intergovernmental receivables. This includes \$13,914,593 due from the Federal Government, \$6,981,682 from Community Development Block Grant – Disaster Recovery grant; \$2,636,890 from the FAA; \$2,102,786 from an EDA grants; \$1,874,339 from Department of Emergency Services; \$101,332 from Federal Transit Administration; \$79,391 from the Department of Homeland Security; \$55,110 from Department of Justice; \$46,422 from EPA grants; \$30,079 for Department of Transportation grants; and \$6,562 from the Department of Health. It also includes \$11,256,253 from the State of North Dakota, \$3,083,620 from state aeronautics; \$2,768,262 for city sales taxes; \$2,398,983 for ND Trust Land Grants; \$1,417,205 for State Aid Distribution; \$932,902 from the State Water Commission for home acquisitions; \$352,137 for Municipal Highway tax; \$277,348 for ND Department of Emergency Services; and \$25,796 for NDDOT projects; and \$126,373 due from Ward county.

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	(15,000)
Total loans receivable	\$ 60,000

The only receivables not expected to be collected within one year are \$4,878,460 of special assessments deferred and the loans receivables as noted above.

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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	\$ 5,753,151
Unavailable revenue - property taxes	275,786
Unavailable revenue - special assessments	<u>15,537</u>
Total deferred inflows of resources	<u>\$ 6,044,474</u>

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

	Taxes		Specials	Specials	Accounts	Loans	Intergov't Receivable	Accrued	Gross Receivables	Less: Allow	Total Net Receivables
	Delinquent	Deferred	Delinquent	Receivable	Interest Receivable			for Uncollectible			
General	\$ 96,906	\$ 1,700	\$ 725	\$ 649,404	\$ -	\$ 2,176,917	\$ 27,900	\$ 2,953,552	\$ -	\$ 2,953,552	
Sales Tax NAWS	-	-	-	-	-	-	3,164	3,164	-	3,164	
CDBG-DR	-	-	-	-	-	1,321,710	-	1,321,710	-	1,321,710	
Assessment debt	1,470	5,599,504	3,243	-	-	244	-	5,604,461	-	5,604,461	
Highway reserve	-	-	-	94,602	-	2,069,960	-	2,164,562	-	2,164,562	
Capital Purchases	-	-	-	-	-	1,477,706	-	1,477,706	-	1,477,706	
Nonmajor governmental	241,370	151,947	15,575	137,080	75,000	4,714,838	-	5,335,810	(15,000)	5,320,810	
Airport	-	-	-	427,721	-	5,720,488	-	6,148,209	-	6,148,209	
Sanitation	-	-	-	598,773	-	145,668	-	744,441	(280,722)	463,719	
Water and sewer	-	-	-	2,106,450	-	7,668,701	-	9,775,151	-	9,775,151	
Nonmajor enterprise	3,406	-	-	9,251	-	987	-	13,644	-	13,644	
Internal service	-	-	-	6,586	-	-	-	6,586	-	6,586	
Total net receivables	\$ 343,152	\$ 5,753,151	\$ 19,543	\$ 4,029,867	\$ 75,000	\$ 25,297,219	\$ 31,064	\$ 35,548,996	\$ (295,722)	\$35,253,274	

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

Governmental Activities	Balance 01/01/14	Additions	Deletions	Transfers	Balance 12/31/14
Land	\$ 22,541,677	\$ 8,513,417	\$ -	\$ -	\$ 31,055,094
Construction in progress	9,532,546	52,558,767	53,875,850	-	8,215,463
Depreciable assets					
Buildings	14,035,700	886,269	8,521	-	14,913,448
Equipment	16,753,247	1,555,759	618,859	221,594	17,911,741
Infrastructure	149,631,053	41,315,532	10,387,429	-	180,559,156
Intangible assets	598,329	-	-	-	598,329
Books	4,099,157	155,849	460,835	-	3,794,171
Totals at historical cost	217,191,709	104,985,593	65,351,494	221,594	257,047,402
Accumulated depreciation					
Buildings	(7,562,786)	(358,722)	8,521	-	(7,912,987)
Equipment	(9,358,859)	(1,456,998)	484,712	(221,594)	(10,552,739)
Infrastructure	(48,119,153)	(7,404,727)	10,328,480	-	(45,195,400)
Intangible assets	(171,751)	(51,833)	-	-	(223,584)
Books	(3,356,276)	(53,766)	460,835	-	(2,949,207)
Total accumulated depreciation	(68,568,825)	(9,326,046)	11,282,548	(221,594)	(66,833,917)
Governmental activities capital assets, net	\$ 148,622,884	\$ 95,659,547	\$ 54,068,946	\$ -	\$ 190,213,485
Business-Type Activities	Balance 01/01/14	Additions	Deletions	Transfers	Balance 12/31/14
Land	\$ 5,318,080	\$ 99,455	\$ -	\$ -	\$ 5,417,535
Construction in progress	18,805,533	83,308,603	53,783,794	-	48,330,342
Depreciable assets					
Buildings	19,923,392	1,815,984	43,172	-	21,696,204
Equipment	14,687,749	2,425,605	318,833	(221,594)	16,572,927
Infrastructure	189,350,600	49,581,926	22,753,680	-	216,178,846
Intangible assets	454,849	-	-	-	454,849
Totals at historical cost	248,540,203	137,231,573	76,899,479	(221,594)	308,650,703
Accumulated depreciation					
Buildings	(12,004,903)	(596,413)	41,659	-	(12,559,657)
Equipment	(9,694,523)	(1,251,920)	294,596	221,594	(10,430,253)
Infrastructure	(77,664,074)	(8,496,217)	22,672,397	-	(63,487,894)
Intangible assets	(363,344)	(10,820)	-	-	(374,164)
Total accumulated depreciation	(99,726,844)	(10,355,370)	23,008,652	221,594	(86,851,968)
Business-type activities capital assets, net	148,813,359	126,876,203	53,890,827	-	221,798,735
Total capital assets, net	\$ 297,436,243	\$ 222,535,750	\$ 107,959,773	\$ -	\$ 412,012,220

**CITY OF MINOT, NORTH DAKOTA
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Depreciation expenditure or expense was charged to the following functions/programs of the City for the current fiscal year:

Governmental Activities	
General government	\$ 832,832
Public safety	858,256
Highways and streets	7,341,459
Culture and recreation	293,499
Total depreciation expenditure - governmental activities	\$ 9,326,046
Business -Type Activities	
Airport	\$ 3,208,787
Cemetery	48,683
Parking authority	15,577
Sanitation	796,621
Water and sewer	6,285,702
Total depreciation expense - business-type activities	\$ 10,355,370

E. COMMITMENTS

Construction and other significant commitments as of December 31, 2014 were \$88,607,306.

	<u>Spent to Date</u>	<u>Remaining</u>
General fund	\$ 84,883	\$ 511,117
CDBG-DR \$67.5M	210,084	43,209
Highway Reserve	22,630,711	5,843,361
Capital projects	3,277,400	15,867,692
Nonmajor governmental funds	8,305,260	10,158,534
Airport	42,135,815	36,867,821
Sanitation	659,748	233,252
Water and sewer	31,691,345	19,082,320
	<u>\$ 108,995,246</u>	<u>\$ 88,607,306</u>

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 \$41.0 million. The City has approximately \$33.1 million local share remaining on this project. This project will be funded with sales tax monies approved by the voters in March 1999. The City has encumbrance commitments of \$1,098,539 in the general fund, \$5,919,500 in CDBG-DR \$67.5M, and \$26,069,642 in nonmajor governmental funds. The City has encumbrance commitments of \$146,242 in Airport, \$114,823 in Sanitation, \$602,822 in Water and Sewer, and \$20,082 in nonmajor proprietary funds.

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

	Highway Reserve	Nonmajor Gov't	Water & Sewer	Total Advance From
Governmental funds				
Special Assessment Debt	\$ -	\$ 1,481,295	\$ 84,304	\$ 1,565,599
Nonmajor Gov	-	-	213,527	213,527
Business-type funds				
Water & Sewer	191,916	191,917	-	383,833
Total advance to	<u>\$ 191,916</u>	<u>\$ 1,673,212</u>	<u>\$ 297,831</u>	<u>\$ 2,162,959</u>

The composition of interfund advance to and from balances at December 31, 2014 is to fund outstanding special assessments and highway debt paid in annual installments for storm sewer development.

	Sales Tax NAWS	Nonmajor Gov't	Total Due From
Governmental funds			
Nonmajor governmental	\$ -	\$ 1,222,754	\$1,222,754
CDBG-DR \$67.5M	637,518	-	637,518
Total Due To	<u>\$ 637,518</u>	<u>\$ 1,222,754</u>	<u>\$1,860,272</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.

**CITY OF MINOT, NORTH DAKOTA
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The following table shows transfers out by major fund and nonmajor funds in aggregate:

Transfers Out	General Fund	Sales Tax NAWS	CDBG-DR \$67.5M	Special		Capital Projects	Nonmajor Governmental Funds			Nonmajor Enterprise Funds		Total Transfers In
				Assessment Debt	Highway Reserve		Airport	Sanitation	Water & Sewer	Funds		
General fund	\$ -	\$ 50,000	\$ -	\$ 519	\$ 65,606	\$ 11,938	\$ 3,511,933	\$ 32,671	\$ 300,310	\$ 49,650	\$ 1,216	\$ 4,023,843
Assessment debt	-	-	-	-	-	-	1,618,952	-	-	2,940	-	1,621,892
Highway Reserve	-	-	-	-	-	-	518,979	-	-	37,710	-	556,689
Capital projects	-	-	-	-	-	-	3,236,725	-	-	-	-	3,236,725
Nonmajor governmental funds	95,285	-	3,696	15,443	2,512,728	-	8,616,506	151	126,086	455,039	43	11,824,977
Sanitation	-	-	-	-	-	-	-	-	-	185,012	-	185,012
Water and sewer	-	-	-	-	-	-	1,079,126	62,090	-	-	-	1,141,216
Nonmajor enterprise funds	-	-	-	-	-	-	280,000	-	-	-	-	280,000
Total transfers out	\$ 95,285	\$ 50,000	\$ 3,696	\$ 15,962	\$ 2,578,334	\$ 11,938	\$ 18,862,221	\$ 94,912	\$ 426,396	\$ 730,351	\$ 1,259	\$ 22,870,354

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Transfers in/out consisted of the following:

\$ 211,776	Interest Distribution transfers to General Fund
15,443	Special Assessment debt transfer to Special Assessment Capital for paving projects
50,000	Highway Reserve budgeted transfers to General Fund for highway repairs
2,512,728	Highway Reserve transfer to Street Improvements
3,696	Sales Tax Capital Improvements transfer to CDBG-DR for administration
50,000	Sales Tax NA WS transfer to general fund for administration
1,250,000	Sales Tax Flood Control transfer to Capital Projects for Mouse River Emergency Flood Protection Plan project
59,786	Sales Tax Flood Control transfer to Water/Sewer for Water Treatment Plant
151	Airport transfer to Equipment Purchases for capital purchases
62,090	Airport transfer to Water/Sewer for infrastructure.
290,519	Sanitation budgeted transfers to General Fund
126,086	Sanitation budgeted equipment transfer to Equipment Purchase Fund
2,940	Water/Sewer transfers to Special Assessment Debt Fund for debt payments
37,710	Water/Sewer transfer to Highway Reserve
185,012	Water/Sewer transfer to Sanitation
6,706	Water/Sewer transfer to Special Assessment Capital
262,498	Water/Sewer budgeted equipment transfer to Equipment Purchase Fund
5,835	Water/Sewer transfers to Highway Debt Fund for debt payments
180,000	Water/Sewer transfers to Street Improvements Fund
43	Cemetery Transfer to Equipment Purchase Fund
26,076	General Fund transfers to Sidewalk Improvements
65,056	General Fund transfers to Street Improvements
50,000	MA GIC Fund administration budgeted transfers to General Fund
3,241,828	Sales Tax Property Tax Relief budgeted transfer to General Fund - Second Penny
50,000	Sales Tax Infrastructure budgeted transfer to General Fund
50,000	Sales Tax Community Facilities transfer to General Fund
10,950	Fire Equipment transfer to General Fund for noncapital purchases
25,477	Equipment Purchase transfer to General Fund for noncapital purchases
1,617,500	Storm Sewer Development transfer to Special Assessment Debt
450,000	Sales Tax Capital Improvements transfer to Highway Reserve
68,979	Highway Debt transfer to Highway Reserve
1,007	Emergency Funds transfers to Capital Projects for home demolitions
335,718	Sales Tax Capital Improvements transfer to Capital Projects for home acquisition
150,000	Sales Tax Community Facilities transfer to Capital Projects
506,640	Sales Tax Capital Improvements transfer to Water/Sewer
500,000	Sales Tax Infrastructure transfer to Water/Sewer
12,700	Storm Sewer Development transfer to Water/Sewer
280,000	Sales Tax Capital Improvements budgeted transfers to Cemetery for roads and columbarium
31,355	Library transfer to Equipment Purchase Fund for capital purchases
143,500	Recreation/Auditorium transfer to Softball Complex for capital purchases
172	Recreation/Auditorium transfer to Equipment Purchase Fund for capital purchases
298,993	Emergency Funds transfer to Demolitions
1,424,246	Sales Tax Property Tax Relief budgeted transfer to Highway Debt
23,571	Sales Tax Capital Improvements transfer to Recreation/Auditorium
161,305	Sales Tax Capital Improvements transfer to Street Improvements
73,853	Sales Tax Capital Improvements transfer to Demolitions
5,902	Sales Tax Capital Improvements transfer to Library
1,700,000	Sales Tax Capital Improvements transfer to Street Improvements
214,932	Sales Tax Capital Improvements transfer to Highway Debt
742,087	Sales Tax Capital Improvements transfer to Equipment Purchase
9,919	Street Improvements transfer to Sales Tax Community Facilities
855,412	Sales Tax Infrastructure transfer to Special Assessment Capital
750,000	Sales Tax Infrastructure transfer to Street Improvements Fund
922,363	Special Assessment Capital transfer to Street Improvements Fund
1,166,200	Special Assessment Capital transfer to Sales Tax Community Facilities
33,333	Fire Equipment transfer to Equipment Purchase for capital purchases
58,261	Sales Tax Capital Improvements transfer to Fire Equipment for capital purchases
1,500,000	Sales Tax Infrastructure transfer to Capital Projects
<u>\$22,870,354</u>	Total transfers in/out

**CITY OF MINOT, NORTH DAKOTA
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G. LEASES

Operating Leases. The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$133,246 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows:

Year Ended December 31	Amounts
2015	\$ 133,246
2016	253,121
Total minimum payments	<u>\$ 386,367</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 photo copier for the airport. The agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Proprietary Activities
Equipment	\$ 7,921	\$ 1,316,950
Less: Accumulated depreciation	(1,056)	(842,545)
Total	<u>\$ 6,865</u>	<u>\$ 474,405</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014, were as follows:

Year Ended December 31	Governmental Activities	Proprietary Activities
2015	\$ 3,403	\$ 220,497
2016	3,403	196,446
2017	1,134	96,446
2018	-	1,956
2019	-	326
Total minimum lease payments	7,940	515,671
Less: Amount representing interest	(1,445)	(42,279)
Present value of minimum lease payments	<u>\$ 6,495</u>	<u>\$ 473,392</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 \$3,950,000 of general obligation bonds in 2014 for highway projects. 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 Outstanding 12/31/2014	Interest Rate	Matures
2008	1,720,000	765,000	4.00-4.60%	10/01/2018
2009	2,005,000	1,070,000	2.25-3.10%	10/01/2019
2010	1,375,000	865,000	1.15-2.70%	10/01/2020
2012	2,900,000	2,020,000	2.00%	10/01/2023
2013	6,815,000	5,965,000	2.00-3.00%	10/01/2023
2014	3,950,000	3,950,000	2.00-4.00%	10/01/2024
	<u>\$ 20,550,000</u>	<u>\$ 15,255,000</u>		

Special assessment bonds are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. During the year, the City issued \$4,135,000 of special assessment bonds for storm sewer districts and paving districts. The City has \$23,160,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorem taxes. Interest rates on the outstanding bonds range from 0.50% to 5.00%.

Special assessment bonds currently outstanding are as follows:

Year	Original Amount	Balance Outstanding 12/31/2014	Interest Rate	Matures
2007	2,255,000	1,370,000	4.25-4.50%	10/01/2022
2007	460,000	160,000	3.88%	10/01/2017
2008	1,905,000	850,000	4.25-5.00%	10/01/2018
2011	4,285,000	3,165,000	2.00-3.00%	10/01/2021
2012	1,885,000	1,705,000	0.50-1.60%	10/01/2023
2013	11,595,000	11,595,000	2.00-4.00%	10/01/2033
2014	4,135,000	4,135,000	2-3.375%	10/01/2034
	<u>\$ 27,430,000</u>	<u>\$ 23,160,000</u>		

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

Notes outstanding as of December 31, 2014 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,209,334 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 \$6,710,000 in revenue bonds for airport new terminal projects and \$4,200,000 for sewer projects and called the 2007B bond issue with a current principal owing of \$1,910,000. By the calling of the bonds the City will save approximately \$145,313 in interest. The following are outstanding revenue bonds:

Airport

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2014		
2013	\$ 12,505,000	\$ 12,505,000		3.00-4.50%	10/01/2035
2014	6,710,000	6,710,000		2.00-4.00%	10/01/2035
	<u>\$ 19,215,000</u>	<u>\$ 19,215,000</u>			

Water & Sewer

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2014		
1972	\$ -	\$ 1,209,334		3.50%	07/01/2027
2008	1,835,000	645,000		3.75-3.90%	10/01/2017
2008	10,380,000	7,340,000		4.00-5.375%	10/01/2023
2011	2,005,000	1,475,000		2.00%	10/01/2021
2012	3,650,000	2,845,000		2.00%	10/01/2023
2012	1,955,000	1,755,000		2.00%	10/01/2024
2013	5,220,000	4,920,000		3.00-4.00%	10/01/2028
2014	4,200,000	4,200,000		2.25-3.10%	10/01/2029
	<u>\$ 29,245,000</u>	<u>\$ 24,389,334</u>			

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

Governmental Activities	General Obligation Bonds	
	Principal	Interest
2015	\$ 2,385,000	\$ 386,226
2016	2,155,000	346,739
2017	1,880,000	295,355
2018	1,710,000	247,673
2019	1,545,000	205,930
2020-2024	5,580,000	468,800
Total governmental activities	<u>\$ 15,255,000</u>	<u>\$ 1,950,723</u>

Governmental Activities	Special Assessment Bonds	
	Principal	Interest
2015	\$ 2,065,000	\$ 700,600
2016	2,105,000	657,113
2017	2,070,000	593,834
2018	2,075,000	531,915
2019	1,895,000	469,831
2020-2024	8,155,000	1,544,965
2025-2029	2,420,000	702,719
2030-2034	2,375,000	241,473
Total governmental activities	<u>\$ 23,160,000</u>	<u>\$ 5,442,450</u>

Business-Type Activities	Revenue Bonds	
	Principal	Interest
2015	\$ 2,295,000	\$ 1,510,703
2016	3,050,000	1,468,415
2017	2,820,000	1,352,125
2018	2,685,000	1,237,188
2019	2,770,000	1,149,325
2020-2024	13,335,000	4,245,086
2025-2029	8,150,000	2,376,306
2030-2034	5,950,000	1,049,406
2035	1,340,000	56,925
Total business-type activities	<u>\$ 42,395,000</u>	<u>\$ 14,445,479</u>

Business-Type Activities	Notes Payable	
	Principal	Interest
2015	\$ 78,353	\$ 42,995
2016	81,119	40,276
2017	83,983	37,461
2018	86,948	34,547
2019	90,018	31,530
2020-2024	502,451	108,483
2025-2027	286,461	21,157
Total business-type activities	<u>\$ 1,209,334</u>	<u>\$ 316,449</u>

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Changes in Long Term Liabilities. The following is a summary of the activity for long-term liabilities for the year ended December 31, 2014.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation	\$ 13,300,000	\$ 3,950,000	\$ (1,995,000)	\$ 15,255,000	\$ 2,385,000
Special assessment	20,090,000	4,135,000	(1,065,000)	23,160,000	2,065,000
Total bonds payable	33,390,000	8,085,000	(3,060,000)	38,415,000	4,450,000
Unamortized premium	935,491	332,360	(81,858)	1,185,993	107,492
Unamortized discount	(31,428)	-	16,126	(15,302)	(4,612)
Capital leases	265	7,921	(1,691)	6,495	3,403
Compensated absences	968,592	812,171	(756,271)	1,024,492	358,572
Governmental activity long-term liabilities	<u>\$ 35,262,920</u>	<u>\$ 9,237,452</u>	<u>\$ (3,883,694)</u>	<u>\$ 40,616,678</u>	<u>\$ 4,914,855</u>

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 36,005,000	\$ 10,910,000	\$ (4,520,000)	\$ 42,395,000	\$ 2,295,000
Unamortized premium	437,111	62,165	(59,519)	439,757	42,652
Unamortized discount	(149,677)	(54,674)	9,305	(195,046)	(11,692)
Notes payable	1,285,015	-	(75,681)	1,209,334	78,353
Capital leases	683,680	5,383	(215,671)	473,392	230,825
Compensated absences	257,091	191,356	(180,348)	268,099	93,835
Business-type activity long-term liabilities	<u>\$ 38,518,220</u>	<u>\$ 11,114,230</u>	<u>\$ (5,041,914)</u>	<u>\$ 44,590,536</u>	<u>\$ 2,728,973</u>

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, 2014, 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 \$179,522,790 and the legal debt margin is \$165,487,604.

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

I. FUND BALANCE

	General Fund	Sales Tax NWAWS	CDBG-DR \$67.5M	Major Debt	Major Capital Project Funds		Nonmajor Other Governmental Funds	Total
				Service Special Assessment Debt	Highway Reserve	Capital Purchases		
Fund balances								
Nonspendable								
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,590	\$ 6,590
Prepays	151,426	1,000	-	-	-	-	6,628	159,054
Other assets - capital credits	113,981	-	-	-	-	-	18,444	132,425
Advances to other funds	-	-	-	1,565,599	-	-	213,527	1,779,126
Total nonspendable	265,407	1,000	-	1,565,599	-	-	245,189	2,077,195
Restricted								
Debt service reserve	-	-	-	673,793	-	-	1,273,149	1,946,942
Law enforcement grants	3,171	-	-	-	-	-	-	3,171
Department of Emergency Services	-	-	-	-	-	-	250,157	250,157
Equipment	-	-	-	-	-	-	242,931	242,931
NAWS	-	34,129,645	-	-	-	-	-	34,129,645
Total restricted	3,171	34,129,645	-	673,793	-	-	1,766,237	36,572,846
Committed								
Library	-	-	-	-	-	-	43,661	43,661
Culture and recreation	-	-	-	-	-	-	341,341	341,341
Economic development	-	-	-	-	-	-	5,750,029	5,750,029
Sales tax improvements	-	-	-	-	-	-	5,505,095	5,505,095
Sales tax property tax relief	-	-	-	-	-	-	4,009,260	4,009,260
Sales tax infrastructure	-	-	-	-	-	-	7,677,734	7,677,734
Sales tax community facilities	-	-	-	-	-	-	7,655,275	7,655,275
Flood control	-	-	-	-	-	-	7,141,360	7,141,360
Total committed	-	-	-	-	-	-	38,123,755	38,123,755
Assigned								
Public transportation	-	-	-	-	-	-	143,752	143,752
Library	-	-	-	-	-	-	153,957	153,957
Culture and recreation	-	-	-	-	-	-	600,554	600,554
Emergency Fund	-	-	-	-	-	-	383,034	383,034
Economic development	-	-	-	-	-	-	5,067,354	5,067,354
Highways	-	-	-	-	4,397,751	-	4,981,136	9,378,887
Equipment purchases	-	-	-	-	-	-	1,551,998	1,551,998
Debt service	-	-	-	-	-	-	6,723	6,723
Capital projects	-	-	-	-	-	7,005,439	75,412	7,080,851
Storm sewer development	-	-	-	-	-	-	2,089,241	2,089,241
Other purposes	-	-	-	-	-	-	192,319	192,319
Total assigned	-	-	-	-	4,397,751	7,005,439	15,245,480	26,648,670
Unassigned	22,706,977	-	-	-	-	-	(265,877)	22,441,100
Total fund balance	\$ 22,975,555	\$ 34,130,645	\$ -	2,239,392	\$ 4,397,751	\$ 7,005,439	\$ 55,114,784	\$ 125,863,566

**CITY OF MINOT, NORTH DAKOTA
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NOTE 5-OTHER INFORMATION

A. RISK MANAGEMENT

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDRIF. During the past five years, the NDRIF returned approximately 16.3% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRIF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of \$1,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

Employee Health Benefits

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,230,300 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$1,858,583.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$109,069. 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
2012	144,988	1,498,517	1,521,613	121,892
2013	121,892	1,587,463	1,593,684	115,671
2014	115,671	1,809,265	1,815,867	109,069

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, 2014, 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.

The Equal Employment Opportunity Commission (EEOC) and Department of Justice (DOJ) will not file suit and have not made a judgement whether the charge is meritorious in a complaint of employment discrimination for wrongful termination filed by a former employee. The City has recorded the liability for the salary and benefit expense for the plaintiff has 90 days to commence civil action.

D. SUBSEQUENT EVENT

On February 11, 2015, the City of Minot issued Capital

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Financing Program Bonds for the All Seasons Arena to update the facility for \$1,945,000.

E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

The City of Minot administers a defined benefit pension plan covering all civil service full-time employees hired before January 1, 2014 and an Other Post Employment Benefit (OPEB) plan. 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. The City of Minot also administers a defined contribution plan and a deferred compensation plan for all full-time employees hired after December 31, 2013.

For the year ended December 31, 2014, the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*, which establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans. As a result of implementing this statement the City provided enhanced note disclosures on the defined benefit pension plan. The actuarial valuation was done for the year ended December 31, 2014 and applied retroactively in order to provide relevant historical information.

DEFINED BENEFIT PLAN AND OPEB PLAN

Plan Description. The City Employee Pension Plan (CEPP) 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, with a hire date before January 1, 2014, 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. Effective January 1, 2014 the Plan has been closed to new participants.

OPEB Plan Description. 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 CEPP, 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 is 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.

Plan Administration. North Dakota Century Code 40-46 grants the authority to establish and amend the benefit terms to the City Council. Management of the CEPP is vested in the CEPP Board, which consists of 10 members; the Mayor, City Auditor, Human Resource Director, Police Chief, 2 members from the Police Department elected by police plan members, 2 at large members elected by all plan members except police department members, and 2 City Council members appointed by the Mayor. Elected members serve 2-year terms.

Benefits Provided. For the CEPP, 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 prior to July 6, 2010 and 48 months after July 6, 2010, 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

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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.

Supplemental Benefits Provided. Employees who retire under the City of Minot Employee's Pension Plan before January 1, 2004 and annually provide proof of health insurance coverage receive a monthly healthcare supplement equal to the City's portion of the group-blended premium for an active employee with single coverage. Employees who retire under the City of Minot 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 following table summarizes membership information by plan at the actuarial date:

	<u>Pension</u>	<u>OPEB</u>
Retirees and beneficiaries receiving benefits	248	61
Terminated employees		
Vested	29	33
Non-vested	17	4
Total terminated employees	46	37
Active employees		
Vested	175	190
Non-vested	132	46
Total active employees	307	236
Date of annual valuation	01/01/15	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.

Investment Policy. The pension plan's policy in regard to the allocation of invested assets is established and

may be amended by the CEPP Board by a majority vote of its members. It is the policy of the CEPP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>
US Fixed Income	28%
International Fixed Income	7%
Domestic Equity	42%
International Equity	15%
Alternative Investments	8%
	<u>100%</u>

The target allocation and investment policy were last amended in April 2013.

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 \$63,425,630 and \$1,369,384, respectively. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

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Fixed Income Subclass	Pension	OPEB
US Treasuries	\$ 779,456	\$ 60,621
Government Agencies	4,537,090	174,401
Corporate Bonds	4,550,501	-
Foreign Corporate Bonds	1,179,785	-
Intl Fixed Income	1,670,622	42,421
Taxable Fixed Income	674,318	199,273
Taxable Munis	9,389,413	-
	<u>\$22,781,185</u>	<u>\$ 476,716</u>

Maturity (Years)	Pension	OPEB Fixed
1-3	\$ 2,099,939	\$ 27,706
3-5	3,356,033	64,534
10-15	2,832,684	135,934
15+	12,147,589	6,847
Not Defined	2,344,940	241,695
	<u>\$22,781,185</u>	<u>\$ 476,716</u>

Credit Rating	Pension	OPEB Fixed
AAA	\$ 6,526,975	\$ 145,688
AA+	2,377,091	-
AA	2,843,611	-
AA-	1,796,565	-
A+	1,209,967	-
A	1,006,500	-
A-	592,913	-
BBB+	1,526,670	-
BBB	518,670	-
Not Rated	2,037,283	89,333
Not Defined	2,344,940	241,695
	<u>\$22,781,185</u>	<u>\$ 476,716</u>

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

The long-term expected rate of return of 7.50% on plan investments was determined using official rates of return under the Global Investment Performance Standards in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return
US Fixed Income	3%
International Fixed Income	4%
Domestic Equity	8%
International Equity	9%
Alternative Investments	6%

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

Below is listed the various actuarial methods and significant assumptions used to determine the actuarially determined contributions, together with the schedule of funding progress for the OPEB plan:

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Notes to Financial Statements

	<u>Pension</u>	<u>OPEB</u>
Valuation date	January 1, 2015	January 1, 2013
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level percentage of pay
Remaining amortization period	29 year closed period	29 year closed period
Asset valuation method-smoothing	5 Years gains and losses	Fair market value
Actuarial assumptions:		
Investment rate of return	7.50%	7.50%
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Post retirement cost of living	1% after age 65	N/A
Inflation Rate	N/A	3.00%
Marriage Rate	N/A	85.00%
Spouse Age Differential	N/A	males 3 years older than female spouses
Health Insurance Elections	N/A	80% City employees elect medical coverage 60% City employees elect coverage for spouse

OPEB Schedule of Funding Progress

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded		Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
			Actuarial Accrued Liability (UAAL)	Funded Ratio		
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, 2014	1,044,145	2,906,678	1,862,533	35.92%	14,100,000	13.21%
January 1, 2015	1,143,320	1,045,699	(97,621)	109.34%	16,700,000	-0.58%

The City's annual OPEB cost and net OPEB obligation for 2014 is as follows:

	<u>OPEB</u>		
	2014	2013	2012
Annual required contribution (ARC)	\$ 238,913	\$ 248,901	\$ 252,590
Interest on net OPEB obligation (asset)	(1,978)	(1,955)	(1,993)
Adjustment to ARC - beginning of year	1,701	1,650	1,647
Annual OPEB cost	238,636	248,596	252,244
Employer contributions	(253,150)	(248,901)	(252,590)
Increase (decrease) in net OPEB obligation	(14,514)	(305)	(346)
Net OPEB obligation (asset) January 1	(26,371)	(26,066)	(25,720)
Net OPEB obligation (asset) December 31	\$ (40,885)	\$ (26,371)	\$ (26,066)
Percentage of annual benefit cost	106.08%	100.12%	100.14%

The OPEB was 100% funded in all three years.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Notes to Financial Statements

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	Valuation
Beginning	
2013	9.50%
2014	9.00%
2015	8.50%
2016	8.00%
2017	7.50%
2018	7.00%
2019	6.50%
2020	6.00%
2021	5.50%
2022+	5.00%

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 25.65% 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 a closed amortization period of 30 years (29 years remaining as of January 1, 2015) respectively on the unfunded liability at January 1, 2015.

Schedule of Contributions

Pension	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Actuarially determined contribution	\$ 4,772,530	\$ 3,503,687	\$ 2,514,668	\$ 2,270,161	\$ 2,109,607	\$ 2,010,737	\$ 1,793,941	\$ 1,794,229	\$ 1,350,938	\$ 1,918,301
Contributions in relation to the actuarially determined contribution	<u>4,520,993</u>	<u>3,730,936</u>	<u>3,157,460</u>	<u>3,034,945</u>	<u>2,518,191</u>	<u>1,905,577</u>	<u>1,744,902</u>	<u>1,628,716</u>	<u>1,593,998</u>	<u>1,743,340</u>
Contribution deficiency (excess)	\$ 251,537	\$ (227,249)	\$ (642,792)	\$ (764,784)	\$ (408,584)	\$ 105,160	\$ 49,039	\$ 165,513	\$ (243,060)	\$ 174,961
Covered-employee Payroll	18,018,692	17,478,994	14,432,827	15,013,531	13,762,691	13,264,828	12,515,578	11,826,269	11,174,989	11,523,110
Contributions as a percentage of covered-employee payroll	25.09%	21.35%	21.88%	20.21%	18.30%	14.37%	13.94%	13.77%	14.26%	15.13%
Percentage Contributed	94.73%	106.49%	125.56%	133.69%	119.37%	94.77%	97.27%	90.78%	117.99%	90.88%
OPEB										
Actuarially determined contribution	\$ 238,913	\$ 248,901	\$ 252,590	\$ 254,085	\$ 199,872	\$ 196,192	\$ 143,021			
Contributions in relation to the actuarially determined contribution	<u>253,150</u>	<u>248,901</u>	<u>252,590</u>	<u>279,805</u>	<u>199,872</u>	<u>196,192</u>	<u>143,021</u>			
Contribution deficiency (excess)	\$ (14,237)	\$ -	\$ -	\$ (25,720)	\$ -	\$ -	\$ -			
Percentage Contributed	105.96%	100.00%	100.00%	110.12%	100.00%	100.00%	100.00%			

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Notes to Financial Statements

In compliance with GASB No. 67, Financial Reporting for Pension Plans, presented below are the Schedule of Net Pension Liability, Schedule of Changes in Net Pension Liability, Schedule of Investment Returns and Sensitivity of the Net Pension Liability to changes in the Discount Rate.

Schedule of Net Pension Liability	2014	2013	2012	2011	2010	2009
Total Pension Liability	\$ 121,029,390	\$ 116,216,052	\$ 109,797,238	\$ 101,308,983	\$ 95,577,436	\$ 91,922,237
Plan fiduciary net position	63,557,503	60,053,038	54,850,613	50,999,831	49,849,291	45,745,057
Net pension liability (asset)	<u>\$ 57,471,887</u>	<u>\$ 56,163,014</u>	<u>\$ 54,946,625</u>	<u>\$ 50,309,152</u>	<u>\$ 45,728,145</u>	<u>\$ 46,177,180</u>

Plan fiduciary net position as a percentage of the total pension liability	52.51%	51.67%	49.96%	50.34%	52.16%	49.76%
Covered-employee Payroll	\$ 18,018,692	\$ 17,478,994	\$ 14,432,827	\$ 15,013,531	\$ 13,762,691	\$ 13,264,828

Net pension liability (asset) as a percentage of covered-employee payroll	318.96%	321.32%	380.71%	335.09%	332.26%	348.12%
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Note: Prior to 2009 the plan was split between City and Police and aggregate data is not available.

Schedule of Changes in Net Pension Liability	2014	2013	2012	2011	2010	2009
Service Cost	\$ 2,926,936	\$ 2,494,847	\$ 1,890,047	\$ 1,747,350	\$ 1,691,113	\$ 1,599,952
Interest	8,647,284	8,152,245	7,722,223	7,287,536	7,026,707	6,685,310
Changes of benefit terms	-	-	(844,807)	-	-	-
Differences between expected and actual experience	930,846	2,962,696	(953,947)	3,280,780	829,710	1,779,866
Changes of assumptions	-	-	7,789,632	-	-	-
Benefit payments, including refunds of member contributions	(7,691,728)	(7,190,974)	(7,114,893)	(6,584,119)	(5,892,331)	(5,610,006)
Net change in total pension liability	4,813,338	6,418,814	8,488,255	5,731,547	3,655,199	4,455,122
Total Pension Liability--Beginning	116,216,052	109,797,238	101,308,983	95,577,436	91,922,237	87,467,115
Total Pension Liability--Ending (a)	<u>\$ 121,029,390</u>	<u>\$ 116,216,052</u>	<u>\$ 109,797,238</u>	<u>\$ 101,308,983</u>	<u>\$ 95,577,436</u>	<u>\$ 91,922,237</u>

Plan fiduciary net position						
Contributions--employer	\$ 4,520,993	\$ 3,730,936	\$ 3,157,460	\$ 3,034,945	\$ 2,518,191	\$ 1,905,577
Contributions--member	2,705,235	2,682,638	2,270,093	2,348,218	2,073,480	1,906,527
Net investment income	4,222,235	6,215,647	5,754,509	2,546,113	5,603,313	6,486,227
Benefit payments, including refunds of member contributions	(7,691,728)	(7,190,974)	(7,114,893)	(6,584,119)	(5,892,331)	(5,610,006)
Administrative expense	(252,270)	(235,822)	(216,387)	(194,617)	(198,419)	(194,715)
Net change in plan fiduciary net position	3,504,465	5,202,425	3,850,782	1,150,540	4,104,234	4,493,610
Plan fiduciary net position--beginning	60,053,038	54,850,613	50,999,831	49,849,291	45,745,057	41,251,447
Plan fiduciary net position--ending (b)	<u>\$ 63,557,503</u>	<u>\$ 60,053,038</u>	<u>\$ 54,850,613</u>	<u>\$ 50,999,831</u>	<u>\$ 49,849,291</u>	<u>\$ 45,745,057</u>

Net Pension Liability (asset)--ending (a) - (b)	\$ 57,471,887	\$ 56,163,014	\$ 54,946,625	\$ 50,309,152	\$ 45,728,145	\$ 46,177,180
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Note: Prior to 2009 the plan was split between City and Police and aggregate data is not available.

Schedule of Investment Returns	2014	2013	2012	2011	2010	2009	2008
Annual money-weighted rate of return, net of inve:	7.1%	11.4%	11.5%	5.2%	12.5%	16.1%	-16.7%

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Notes to Financial Statements

The following presents the net pension liability of the City's calculated discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50 percent) or 1 percentage point higher (8.50 percent) than the current rate:

	Sensitivity of the Net Pension Liability to Changes in the Discount		
	1% Decrease	Current	1% Increase
	(6.5%)	Rate (7.5%)	(8.5%)
Net Pension Liability	\$ 71,607,895	\$ 57,471,887	\$ 45,595,316

DEFINED CONTRIBUTION PLAN

The City administers the City of Minot North Dakota 401(a) Retirement Plan and the City of Minot North Dakota 457 Plan, a defined contribution plan and a 457(e)(1)(A) deferred compensation plan, respectively, for all full-time employees hired after December 31, 2013. The 401(a) plan requires eligible employees to contribute 7.5 percent of their earnings to the Plan. The employee contributions meet the requirements of pick-up contributions under Internal Revenue Code 414(h) (2). The 457(b) plan is provided for those employees who elect to defer a portion of their compensation.

For each enrolled employee, the City shall contribute an amount which will equal 400 percent of the amount of the employee's contribution to the 457(e) (1) (A) plan, not to exceed 8 percent of the employee's eligible compensation. Benefit terms, including contribution requirements are established and may be amended by the City Council. For the year ended December 31, 2014, employee contributions totaled \$155,500 and the City recognized pension expense of \$94,956.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions based on the following schedule:

<u>Years of Creditable Service</u>	<u>Vested Portion</u>
Less than 1 year	0%
Less than 2 years	20%
Less than 3 years	40%
Less than 4 years	60%
Less than 5 years	80%
5 years or more	100%

Non-vested City contributions are forfeited following a five year period of severance. Such forfeitures are used to make restorations for rehired participants and

to reduce employer contributions or to correct errors, omissions and exclusions. For the year ended December 31, 2014, forfeitures reduced the City's plan expense by \$0.

F. MUNICIPAL SOLID WASTE LANDFILL

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$923,392 reported as MSWLF closure and post-closure care liability at December 31, 2014, represents the cumulative amount reported to date based on the use of 53.3% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of over \$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 2014. 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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

Special Assessment Debt					
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 53,336	\$ 53,336	\$ 44,614	\$ 8,722	\$ 23,581
Special assessment collections	1,401,075	1,401,075	1,614,123	(213,048)	633,935
Interest income	-	-	110,754	(110,754)	22,607
Total revenues	<u>1,454,411</u>	<u>1,454,411</u>	<u>1,769,491</u>	<u>(315,080)</u>	<u>680,123</u>
EXPENDITURES					
Debt service					
Principal retirement	1,267,500	1,238,750	1,065,000	173,750	1,090,000
Interest and fiscal charges	658,553	584,313	576,101	8,212	278,412
Total expenditures	<u>1,926,053</u>	<u>1,823,063</u>	<u>1,641,101</u>	<u>181,962</u>	<u>1,368,412</u>
Excess (deficiency) of revenues over (under) expenditures	(471,642)	(368,652)	128,390	(497,042)	(688,289)
OTHER FINANCING SOURCES (USES)					
Transfers in	531,219	531,219	1,621,892	(1,090,673)	5,392
Transfers out	-	-	(15,962)	15,962	(13,226)
Total other financing sources (uses)	<u>531,219</u>	<u>531,219</u>	<u>1,605,930</u>	<u>(1,074,711)</u>	<u>(7,834)</u>
Net change in fund balance	<u>\$ 59,577</u>	<u>\$ 162,567</u>	<u>1,734,320</u>	<u>\$ (1,571,753)</u>	<u>(696,123)</u>
Fund balance (deficit), January 1			<u>505,072</u>		<u>1,201,195</u>
Fund balance, December 31			<u>\$ 2,239,392</u>		<u>\$ 505,072</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2014	Total Nonmajor Governmental Funds 2013
ASSETS					
Cash and investments	\$ 30,866,800	\$ -	\$ 5,425,345	\$ 36,292,145	\$ 31,478,441
Restricted cash and investments	15,016,001	1,273,150	148,879	16,438,030	12,045,938
Investments	6,981	-	-	6,981	14,802
Taxes receivable delinquent	129,300	31,103	80,967	241,370	205,170
Special assessments receivable delinquent	15,575	-	-	15,575	12,200
Accounts receivable	72,514	-	64,566	137,080	109,856
Loans receivable	75,000	-	-	75,000	75,000
Allowance for loans receivable	(15,000)	-	-	(15,000)	(15,000)
Due from other funds	1,175,625	-	47,129	1,222,754	726,644
Intergovernmental receivable	4,577,882	548	136,408	4,714,838	5,502,017
Inventory	6,590	-	-	6,590	6,703
Prepaid	6,628	-	-	6,628	8,472
Other assets - capital credits	18,444	-	-	18,444	13,486
Advance to other funds	-	213,527	-	213,527	253,527
Special assessments receivable deferred	151,947	-	-	151,947	579,749
Total assets	<u>\$ 52,104,287</u>	<u>\$ 1,518,328</u>	<u>\$ 5,903,294</u>	<u>\$ 59,525,909</u>	<u>\$ 51,032,971</u>
LIABILITIES					
Accounts payable	\$ 598,269	\$ -	\$ 123,762	\$ 722,031	\$ 2,296,238
Retainage payable	45,098	-	144,910	190,008	177,510
Due to other funds	1,175,625	-	47,129	1,222,754	726,644
Accrued salaries payable	95,717	-	-	95,717	80,669
Advance from other funds	-	-	1,673,212	1,673,212	475,894
Unearned revenue - other	139,397	-	-	139,397	1,053
Total liabilities	<u>2,054,106</u>	<u>-</u>	<u>1,989,013</u>	<u>4,043,119</u>	<u>3,758,008</u>
DEFERRED INFLOWS OF RESOURCES					
Uncertified special assessment revenue	151,947	-	-	151,947	579,749
Unavailable revenue - property taxes	105,926	24,929	71,697	202,552	177,260
Unavailable revenue - special assessments	13,507	-	-	13,507	11,368
Total deferred inflow of resources	<u>271,380</u>	<u>24,929</u>	<u>71,697</u>	<u>368,006</u>	<u>768,377</u>
FUND BALANCE					
Nonspendable	31,662	213,527	-	245,189	282,188
Restricted	250,157	1,273,149	242,931	1,766,237	352,896
Committed	37,974,876	-	148,879	38,123,755	12,497,167
Assigned	11,522,106	6,723	3,716,651	15,245,480	34,276,229
Unassigned	-	-	(265,877)	(265,877)	(901,894)
Total fund balance	<u>49,778,801</u>	<u>1,493,399</u>	<u>3,842,584</u>	<u>55,114,784</u>	<u>46,506,586</u>
Total liabilities, inflows, and fund balance	<u>\$ 52,104,287</u>	<u>\$ 1,518,328</u>	<u>\$ 5,903,294</u>	<u>\$ 59,525,909</u>	<u>\$ 51,032,971</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2014	Total Nonmajor Governmental Funds 2013
REVENUES					
Property tax collections	\$ 3,826,553	\$ 1,081,623	\$ 877,163	\$ 5,785,339	\$ 5,288,202
Special assessment collections	411,178	-	-	411,178	137,074
Sales tax collections	27,245,883	-	-	27,245,883	24,850,061
Intergovernmental	6,715,493	-	491,496	7,206,989	6,754,629
Charges for services	589,870	-	1,171,197	1,761,067	3,027,661
Interest income	100,850	4,298	13,219	118,367	116,183
Miscellaneous	68,212	-	-	68,212	351,347
Total revenues	<u>38,958,039</u>	<u>1,085,921</u>	<u>2,553,075</u>	<u>42,597,035</u>	<u>40,525,157</u>
EXPENDITURES					
Current					
General government	6,641,336	-	-	6,641,336	1,969,538
Highways and streets	4,766,103	-	-	4,766,103	7,866,709
Culture and recreation	7,364,051	-	-	7,364,051	4,501,165
Economic Development	3,292,475	-	-	3,292,475	1,306,170
Capital outlay					
Contracted work	-	-	2,621,637	2,621,637	78,242
Equipment	-	-	2,489,396	2,489,396	4,450,114
Other	-	-	418,718	418,718	-
Engineering	-	-	304,321	304,321	-
Debt service					
Principal retirement	-	1,995,000	-	1,995,000	1,905,000
Interest and fiscal charges	-	317,252	118,821	436,073	253,505
Total expenditures	<u>22,063,965</u>	<u>2,312,252</u>	<u>5,952,893</u>	<u>30,329,110</u>	<u>22,330,443</u>
Excess (deficiency) of revenues over (under) expenditures	16,894,074	(1,226,331)	(3,399,818)	12,267,925	18,194,714
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	36,150	-	4,098,850	4,135,000	-
Premium on special assessments bonds	922	-	104,505	105,427	-
Sale of City property	700	-	86,500	87,200	77,968
Transfers in	7,700,476	1,645,013	2,479,488	11,824,977	9,863,798
Transfers out	(14,984,371)	(73,277)	(3,804,573)	(18,862,221)	(15,076,209)
Total other financing sources (uses)	<u>(7,246,123)</u>	<u>1,571,736</u>	<u>2,964,770</u>	<u>(2,709,617)</u>	<u>(5,134,443)</u>
Net change in fund balance	9,647,951	345,405	(435,048)	9,558,308	13,060,271
Fund balance, January 1	40,130,850	1,147,994	4,277,632	45,556,476	33,446,315
Fund balance, December 31	<u>\$ 49,778,801</u>	<u>\$ 1,493,399</u>	<u>\$ 3,842,584</u>	<u>\$ 55,114,784</u>	<u>\$ 46,506,586</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, 2014
With Comparative Totals for December 31, 2013

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
ASSETS						
Cash and investments	\$ 26,621	\$ 206,856	\$ 742,628	\$ 729,399	\$ 467,180	\$ 4,930,723
Restricted cash and investments	-	-	-	-	-	5,601,150
Investments	-	-	-	-	-	6,981
Taxes receivable delinquent	6,631	35,487	18,829	35,028	-	-
Special assessments delinquent	-	-	-	-	-	-
Accounts receivable	10,535	56,066	5,913	-	-	-
Loans receivable	-	-	-	-	-	75,000
Allowance for loans receivable	-	-	-	-	-	(15,000)
Due from other funds	-	-	-	-	-	-
Intergovernmental receivable	125,826	17,500	2,889	83,209	138,413	207,620
Inventory	-	-	6,590	-	-	-
Prepaid	-	4,453	2,175	-	-	-
Other assets - capital credits	15,807	346	1,818	473	-	-
Special assessments receivable deferred	-	-	-	-	-	-
Total assets	<u>\$ 185,420</u>	<u>\$ 320,708</u>	<u>\$ 780,842</u>	<u>\$ 848,109</u>	<u>\$ 605,593</u>	<u>\$ 10,806,474</u>
LIABILITIES						
Accounts payable	\$ 1,603	\$ 15,019	\$ 89,938	\$ 98,930	\$ -	\$ 137,970
Retainage payable	-	-	5,442	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries payable	18,978	37,626	37,810	-	-	-
Unearned revenue - other	-	-	15,510	123,887	-	-
Total liabilities	<u>20,581</u>	<u>52,645</u>	<u>148,700</u>	<u>222,817</u>	<u>-</u>	<u>137,970</u>
DEFERRED INFLOWS OF RESOURCES						
Uncertified special assessment revenue	-	-	-	-	-	-
Unavailable revenue - property taxes	5,280	29,289	14,922	27,985	-	-
Unavailable revenue - special assessments	-	-	-	-	-	-
Total deferred inflow of resources	<u>5,280</u>	<u>29,289</u>	<u>14,922</u>	<u>27,985</u>	<u>-</u>	<u>-</u>
FUND BALANCE						
Nonspendable	15,807	4,799	10,583	473	-	-
Restricted	-	36,357	-	213,800	-	-
Committed	-	43,661	6,083	-	605,593	5,601,150
Assigned	143,752	153,957	600,554	383,034	-	5,067,354
Unassigned	-	-	-	-	-	-
Total fund balance	<u>159,559</u>	<u>238,774</u>	<u>617,220</u>	<u>597,307</u>	<u>605,593</u>	<u>10,668,504</u>
Total liabilities, inflows and fund balance	<u>\$ 185,420</u>	<u>\$ 320,708</u>	<u>\$ 780,842</u>	<u>\$ 848,109</u>	<u>\$ 605,593</u>	<u>\$ 10,806,474</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements	Demolitions	Sales Tax Property Tax Relief-2nd Penny
ASSETS						
Cash and investments	\$ 5,493,501	\$ -	\$ 10,159	\$ 4,892,234	\$ 179,006	\$ -
Restricted cash and investments	-	6,426,423	-	-	-	2,988,428
Investments	-	-	-	-	-	-
Taxes receivable delinquent	-	571	4,265	28,309	180	-
Special assessments delinquent	-	-	960	-	14,615	-
Accounts receivable	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Intergovernmental receivable	346,852	714,871	78	226,777	470	415,239
Inventory	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-	-
Special assessments receivable deferred	-	-	3,133	-	148,814	-
Total assets	<u>\$ 5,840,353</u>	<u>\$ 7,141,865</u>	<u>\$ 18,595</u>	<u>\$ 5,147,320</u>	<u>\$ 343,085</u>	<u>\$ 3,403,667</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ 102,272	\$ 218	\$ -
Retainage payable	-	-	-	39,656	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,928</u>	<u>218</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Uncertified special assessment revenue	-	-	3,133	-	148,814	-
Unavailable revenue - property taxes	-	505	3,547	24,256	142	-
Unavailable revenue - special assessments	-	-	883	-	12,624	-
Total deferred inflow of resources	<u>-</u>	<u>505</u>	<u>7,563</u>	<u>24,256</u>	<u>161,580</u>	<u>-</u>
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	5,840,353	7,141,360	-	-	-	3,403,667
Assigned	-	-	11,032	4,981,136	181,287	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>5,840,353</u>	<u>7,141,360</u>	<u>11,032</u>	<u>4,981,136</u>	<u>181,287</u>	<u>3,403,667</u>
Total liabilities, inflows and fund balance	<u>\$ 5,840,353</u>	<u>\$ 7,141,865</u>	<u>\$ 18,595</u>	<u>\$ 5,147,320</u>	<u>\$ 343,085</u>	<u>\$ 3,403,667</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$35 M	Total 2014	Total 2013
ASSETS					
Cash and investments	\$ 7,124,082	\$ 6,064,411	\$ -	\$ 30,866,800	\$ 26,179,316
Restricted cash and investments	-	-	-	15,016,001	11,007,007
Investments	-	-	-	6,981	14,802
Taxes receivable delinquent	-	-	-	129,300	114,054
Special assessments delinquent	-	-	-	15,575	12,200
Accounts receivable	-	-	-	72,514	46,854
Loans receivable	-	-	-	75,000	75,000
Allowance for loans receivable	-	-	-	(15,000)	(15,000)
Due from other funds	-	1,175,625	-	1,175,625	726,644
Intergovernmental receivable	553,652	415,239	1,329,247	4,577,882	5,221,048
Inventory	-	-	-	6,590	6,703
Prepaid	-	-	-	6,628	8,472
Other assets - capital credits	-	-	-	18,444	13,486
Special assessments receivable deferred	-	-	-	151,947	579,749
Total assets	<u>\$ 7,677,734</u>	<u>\$ 7,655,275</u>	<u>\$ 1,329,247</u>	<u>\$ 52,104,287</u>	<u>\$ 43,990,335</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 152,319	\$ 598,269	\$ 2,276,917
Retainage payable	-	-	-	45,098	99,235
Due to other funds	-	-	1,175,625	1,175,625	726,644
Accrued salaries payable	-	-	1,303	95,717	80,669
Unearned revenue - other	-	-	-	139,397	1,053
Total liabilities	<u>-</u>	<u>-</u>	<u>1,329,247</u>	<u>2,054,106</u>	<u>3,184,518</u>
DEFERRED INFLOWS OF RESOURCES					
Uncertified special assessment revenue	-	-	-	151,947	579,749
Unavailable revenue - property taxes	-	-	-	105,926	83,850
Unavailable revenue - special assessments	-	-	-	13,507	11,368
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,380</u>	<u>674,967</u>
FUND BALANCE					
Nonspendable	-	-	-	31,662	28,661
Restricted	-	-	-	250,157	-
Committed	7,677,734	7,655,275	-	37,974,876	12,348,288
Assigned	-	-	-	11,522,106	28,655,795
Unassigned	-	-	-	-	(901,894)
Total fund balance	<u>7,677,734</u>	<u>7,655,275</u>	<u>-</u>	<u>49,778,801</u>	<u>40,130,850</u>
Total liabilities, inflows and fund balance	<u>\$ 7,677,734</u>	<u>\$ 7,655,275</u>	<u>\$ 1,329,247</u>	<u>\$ 52,104,287</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
REVENUES						
Property tax collections	\$ 244,454	\$ 1,001,115	\$ 724,682	\$ 1,248,368	\$ -	\$ -
Special assessment collections	-	-	-	-	-	-
Sales tax collections	-	-	-	-	1,362,295	3,541,644
Intergovernmental	478,853	90,498	-	-	-	-
Charges for services	108,035	43,294	438,541	-	-	-
Interest income	179	1,133	3,493	1,952	1,100	26,381
Miscellaneous	14,763	33,618	11,892	539	-	1,348
Total revenues	<u>846,284</u>	<u>1,169,658</u>	<u>1,178,608</u>	<u>1,250,859</u>	<u>1,363,395</u>	<u>3,569,373</u>
EXPENDITURES						
Current						
General government	827,679	-	-	9,149	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	1,163,900	2,098,405	-	-	-
Economic development	-	-	-	-	-	3,292,475
Total expenditures	<u>827,679</u>	<u>1,163,900</u>	<u>2,098,405</u>	<u>9,149</u>	<u>-</u>	<u>3,292,475</u>
Excess (deficiency) of revenues over (under) expenditures	18,605	5,758	(919,797)	1,241,710	1,363,395	276,898
OTHER FINANCING SOURCES (USES)						
Special assessment bond issued	-	-	-	-	-	-
Premium on bonds	-	-	-	-	-	-
Sale of City property	700	-	-	-	-	-
Transfers in	-	5,902	23,571	-	-	-
Transfers out	(179)	(31,355)	(147,044)	(301,952)	(1,425,346)	(50,000)
Total other financing sources (uses)	<u>521</u>	<u>(25,453)</u>	<u>(123,473)</u>	<u>(301,952)</u>	<u>(1,425,346)</u>	<u>(50,000)</u>
Net change in fund balance	19,126	(19,695)	(1,043,270)	939,758	(61,951)	226,898
Fund balance (deficit), January 1	140,433	258,469	1,660,490	(342,451)	667,544	10,441,606
Fund balance, December 31	<u>\$ 159,559</u>	<u>\$ 238,774</u>	<u>\$ 617,220</u>	<u>\$ 597,307</u>	<u>\$ 605,593</u>	<u>\$ 10,668,504</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements	Demolitions	Sales Tax Property Tax Relief-2nd Penny
REVENUES						
Property tax collections	\$ -	\$ 985	\$ 116,648	\$ 483,318	\$ 6,983	\$ -
Special assessment collections	-	-	2,790	-	408,388	-
Sales tax collections	4,903,938	3,815,065	-	-	-	4,086,883
Intergovernmental	-	956	-	593,703	-	-
Charges for services	-	-	-	-	-	-
Interest income	12,838	9,600	467	8,255	348	3,928
Miscellaneous	-	-	-	6,052	-	-
Total revenues	<u>4,916,776</u>	<u>3,826,606</u>	<u>119,905</u>	<u>1,091,328</u>	<u>415,719</u>	<u>4,090,811</u>
EXPENDITURES						
Current						
General government	6,725	-	160,578	-	85,722	-
Highways and streets	-	-	-	4,766,103	-	-
Culture and recreation	126,472	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<u>133,197</u>	<u>-</u>	<u>160,578</u>	<u>4,766,103</u>	<u>85,722</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	4,783,579	3,826,606	(40,673)	(3,674,775)	329,997	4,090,811
OTHER FINANCING SOURCES (USES)						
Special assessment bond issued	-	-	-	-	36,150	-
Premium on bonds	-	-	-	-	922	-
Sale of City property	-	-	-	-	-	-
Transfers in	3,696	-	26,076	6,091,451	373,661	-
Transfers out	(4,366,846)	(1,319,386)	-	(9,919)	-	(3,245,756)
Total other financing sources (uses)	<u>(4,363,150)</u>	<u>(1,319,386)</u>	<u>26,076</u>	<u>6,081,532</u>	<u>410,733</u>	<u>(3,245,756)</u>
Net change in fund balance	420,429	2,507,220	(14,597)	2,406,757	740,730	845,055
Fund balance (deficit), January 1	5,419,924	4,634,140	25,629	2,574,379	(559,443)	2,558,612
Fund balance, December 31	<u>\$ 5,840,353</u>	<u>\$ 7,141,360</u>	<u>\$ 11,032</u>	<u>\$ 4,981,136</u>	<u>\$ 181,287</u>	<u>\$ 3,403,667</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$35 M	Total 2014	Total 2013
REVENUES					
Property tax collections	\$ -	\$ -	\$ -	\$ 3,826,553	\$ 3,652,504
Special assessment collections	-	-	-	411,178	137,074
Sales tax collections	5,449,176	4,086,882	-	27,245,883	24,850,061
Intergovernmental	-	-	5,551,483	6,715,493	5,756,801
Charges for services	-	-	-	589,870	2,006,234
Interest income	15,158	16,018	-	100,850	96,301
Miscellaneous	-	-	-	68,212	349,047
Total revenues	<u>5,464,334</u>	<u>4,102,900</u>	<u>5,551,483</u>	<u>38,958,039</u>	<u>36,848,022</u>
EXPENDITURES					
Current					
General government	-	-	5,551,483	6,641,336	1,969,527
Highways and streets	-	-	-	4,766,103	7,866,709
Culture and recreation	-	3,975,274	-	7,364,051	4,501,165
Economic development	-	-	-	3,292,475	1,306,170
Total expenditures	<u>-</u>	<u>3,975,274</u>	<u>5,551,483</u>	<u>22,063,965</u>	<u>15,643,571</u>
Excess (deficiency) of revenues over (under) expenditures	5,464,334	127,626	-	16,894,074	21,204,451
OTHER FINANCING SOURCES (USES)					
Special assessment bond issued	-	-	-	36,150	-
Premium on bonds	-	-	-	922	-
Sale of City property	-	-	-	700	3,000
Transfers in	-	1,176,119	-	7,700,476	4,416,244
Transfers out	(3,870,570)	(216,018)	-	(14,984,371)	(14,658,785)
Total other financing sources (uses)	<u>(3,870,570)</u>	<u>960,101</u>	<u>-</u>	<u>(7,246,123)</u>	<u>(10,239,541)</u>
Net change in fund balance	1,593,764	1,087,727	-	9,647,951	10,964,910
Fund balance (deficit), January 1	6,083,970	6,567,548	-	40,130,850	29,165,940
Fund balance, December 31	<u>\$ 7,677,734</u>	<u>\$ 7,655,275</u>	<u>\$ -</u>	<u>\$ 49,778,801</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Public Transportation				
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 252,249	\$ 252,249	\$ 244,454	\$ (7,795)	\$ 58,114
Intergovernmental	457,556	457,556	478,853	21,297	566,027
Charges for services	85,472	85,472	108,035	22,563	97,903
Interest income	-	-	179	179	344
Miscellaneous	19,024	19,024	14,763	(4,261)	31,376
Total revenues	<u>814,301</u>	<u>814,301</u>	<u>846,284</u>	<u>31,983</u>	<u>753,764</u>
EXPENDITURES					
Current					
General government	874,301	891,002	827,679	(63,323)	934,698
Total expenditures	<u>874,301</u>	<u>891,002</u>	<u>827,679</u>	<u>(63,323)</u>	<u>934,698</u>
Excess (deficiency) of revenues over (under) expenditures	(60,000)	(76,701)	18,605	95,306	(180,934)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	700	700	3,000
Transfers in	60,000	60,000	-	(60,000)	60,000
Transfers out	-	-	(179)	(179)	(75,879)
Total other financing sources (uses)	<u>60,000</u>	<u>60,000</u>	<u>521</u>	<u>(59,479)</u>	<u>(12,879)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (16,701)</u>	19,126	<u>\$ 35,827</u>	(193,813)
Fund balance, January 1			140,433		334,246
Fund balance, December 31			<u>\$ 159,559</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Library</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2014 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2013 Actual Amounts</u>
REVENUES					
Property tax collections	\$ 1,029,312	\$ 1,029,312	\$ 1,001,115	\$ (28,197)	\$ 1,047,985
Intergovernmental	88,750	88,750	90,498	1,748	97,612
Charges for services	16,651	16,651	43,294	26,643	50,796
Interest income	976	976	1,133	157	1,738
Miscellaneous	22,929	22,929	33,618	10,689	72,816
Total revenues	<u>1,158,618</u>	<u>1,158,618</u>	<u>1,169,658</u>	<u>11,040</u>	<u>1,270,947</u>
EXPENDITURES					
Current					
Culture and recreation	1,185,618	1,283,583	1,163,900	(119,683)	1,090,362
Total expenditures	<u>1,185,618</u>	<u>1,283,583</u>	<u>1,163,900</u>	<u>(119,683)</u>	<u>1,090,362</u>
Excess (deficiency) of revenues over (under) expenditures	(27,000)	(124,965)	5,758	130,723	180,585
OTHER FINANCING SOURCES (USES)					
Transfers in	27,000	27,000	5,902	(21,098)	23,000
Transfers out	-	-	(31,355)	(31,355)	(146,787)
Total other financing sources (uses)	<u>27,000</u>	<u>27,000</u>	<u>(25,453)</u>	<u>(52,453)</u>	<u>(123,787)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (97,965)</u>	<u>(19,695)</u>	<u>\$ 78,270</u>	56,798
Fund balance, January 1			258,469		201,671
Fund balance, December 31			<u>\$ 238,774</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Recreation/Auditorium				
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 755,703	\$ 755,531	\$ 724,682	\$ (30,849)	\$ 5,348
Intergovernmental	-	-	-	-	55,381
Charges for services	340,000	340,000	438,541	98,541	1,857,535
Interest income	-	-	3,493	3,493	5,249
Miscellaneous	10,000	10,000	11,892	1,892	67,569
Total revenues	<u>1,105,703</u>	<u>1,105,531</u>	<u>1,178,608</u>	<u>73,077</u>	<u>1,991,082</u>
EXPENDITURES					
Current					
Culture and recreation	1,861,717	2,533,407	2,098,405	(435,002)	1,903,670
Total expenditures	<u>1,861,717</u>	<u>2,533,407</u>	<u>2,098,405</u>	<u>(435,002)</u>	<u>1,903,670</u>
Excess (deficiency) of revenues over (under) expenditures	(756,014)	(1,427,876)	(919,797)	508,079	87,412
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	23,571	23,571	235,000
Transfers out	-	(1,000)	(147,044)	(146,044)	(176,863)
Total other financing sources (uses)	<u>-</u>	<u>(1,000)</u>	<u>(123,473)</u>	<u>(122,473)</u>	<u>58,137</u>
Net change in fund balance	<u>\$ (756,014)</u>	<u>\$ (1,428,876)</u>	<u>(1,043,270)</u>	<u>\$ 385,606</u>	145,549
Fund balance, January 1			<u>1,660,490</u>		1,514,941
Fund balance, December 31			<u>\$ 617,220</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Emergency Levy</u>			
	<u>Original & Final Budgeted Amounts</u>	<u>2014 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2013 Actual Amounts</u>
REVENUES				
Property tax collections	\$ 1,294,500	\$ 1,248,368	\$ (46,132)	\$ 416,703
Intergovernmental	-	-	-	183,542
Interest income	-	1,952	1,952	-
Miscellaneous	-	539	539	-
Total revenues	<u>1,294,500</u>	<u>1,250,859</u>	<u>(43,641)</u>	<u>600,245</u>
EXPENDITURES				
Current				
General government	1,294,500	9,149	(1,285,351)	208,450
Total expenditures	<u>1,294,500</u>	<u>9,149</u>	<u>(1,285,351)</u>	<u>208,450</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,241,710	1,241,710	391,795
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	24,215
Transfers out	-	(301,952)	(301,952)	-
Total other financing sources (uses)	<u>-</u>	<u>(301,952)</u>	<u>(301,952)</u>	<u>24,215</u>
Net change in fund balance	<u>\$ -</u>	<u>939,758</u>	<u>\$ 939,758</u>	416,010
Fund balance (deficit), January 1		(342,451)		(758,461)
Fund balance, December 31		<u>\$ 597,307</u>		<u>\$ (342,451)</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Sales Tax Property Relief-1st Penny</u>			
	Original & Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES				
Sales tax collections	\$ 1,080,609	\$ 1,362,295	\$ 281,686	\$ 1,242,503
Interest income	-	1,100	1,100	1,783
Total revenues	<u>1,080,609</u>	<u>1,363,395</u>	<u>282,786</u>	<u>1,244,286</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,424,246)	(1,425,346)	(1,100)	(1,390,586)
Total other financing sources (uses)	<u>(1,424,246)</u>	<u>(1,425,346)</u>	<u>(1,100)</u>	<u>(1,390,586)</u>
Net change in fund balance	<u>\$ (343,637)</u>	(61,951)	<u>\$ 281,686</u>	(146,300)
Fund balance, January 1		667,544		813,844
Fund balance, December 31		<u>\$ 605,593</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Economic Development				
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Sales tax collections	\$ 2,971,676	\$ 2,971,676	\$ 3,541,644	\$ 569,968	\$ 4,970,012
Interest income	19,617	19,617	26,381	6,764	23,893
Miscellaneous	-	-	1,348	1,348	169,461
Total revenues	2,991,293	2,991,293	3,569,373	578,080	5,163,366
EXPENDITURES					
Current					
Economic development	2,991,293	8,877,877	3,292,475	(5,585,402)	1,306,170
Total expenditures	2,991,293	8,877,877	3,292,475	(5,585,402)	1,306,170
Excess (deficiency) of revenues over (under) expenditures	-	(5,886,584)	276,898	6,163,482	3,857,196
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(50,000)	(50,000)	-	(50,000)
Total other financing sources (uses)	-	(50,000)	(50,000)	-	(50,000)
Net change in fund balance	<u>\$ -</u>	<u>\$ (5,936,584)</u>	226,898	<u>\$ 6,163,482</u>	3,807,196
Fund balance, January 1			10,441,606		6,634,410
Fund balance, December 31			<u>\$ 10,668,504</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Improvements				
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Sales tax collections	\$ 4,052,285	\$ 4,052,285	\$ 4,903,938	\$ 851,653	\$ 6,212,516
Intergovernmental	-	-	-	-	12,438
Interest income	-	-	12,838	12,838	-
Total revenues	4,052,285	4,052,285	4,916,776	864,491	6,224,954
EXPENDITURES					
General government	-	-	6,725	6,725	133,069
Culture and recreation	227,000	451,505	126,472	(325,033)	129,799
Total expenditures	227,000	451,505	133,197	(318,308)	262,868
Excess (deficiency) of revenues over (under) expenditures	3,825,285	3,600,780	4,783,579	1,182,799	5,962,086
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	3,696	3,696	29,725
Transfers out	(3,825,285)	(3,852,285)	(4,366,846)	(514,561)	(5,145,511)
Total other financing sources (uses)	(3,825,285)	(3,852,285)	(4,363,150)	(510,865)	(5,115,786)
Net change in fund balance	<u>\$ -</u>	<u>\$ (251,505)</u>	420,429	<u>\$ 671,934</u>	846,300
Fund balance, January 1			5,419,924		4,573,624
Fund balance, December 31			<u>\$ 5,840,353</u>		<u>\$ 5,419,924</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

Sales Tax Flood Control

	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collection	\$ -	\$ -	\$ 985	\$ 985	\$ 78,064
Sales tax collections	2,701,523	2,701,523	3,815,065	1,113,542	-
Intergovernmental	-	-	956	956	119,487
Interest income	-	-	9,600	9,600	-
Miscellaneous	-	-	-	-	7,825
Total revenues	<u>2,701,523</u>	<u>2,701,523</u>	<u>3,826,606</u>	<u>1,125,083</u>	<u>205,376</u>
EXPENDITURES					
General government	1,451,523	3,951,523	-	(3,951,523)	25,679
Total expenditures	<u>1,451,523</u>	<u>3,951,523</u>	<u>-</u>	<u>(3,951,523)</u>	<u>25,679</u>
Excess (deficiency) of revenues over (under) expenditures	1,250,000	(1,250,000)	3,826,606	5,076,606	179,697
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	2,500,000
Transfers out	(1,250,000)	(1,250,000)	(1,319,386)	(69,386)	(7,825)
Total other financing sources (uses)	<u>(1,250,000)</u>	<u>(1,250,000)</u>	<u>(1,319,386)</u>	<u>(69,386)</u>	<u>2,492,175</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,500,000)</u>	2,507,220	<u>\$ 5,007,220</u>	2,671,872
Fund balance, January 1			4,634,140		1,962,268
Fund balance, December 31			<u>\$ 7,141,360</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

Sidewalk

	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 120,000	\$ 146,306	\$ 116,648	\$ (29,658)	\$ 115,154
Special assessment collections	-	-	2,790	2,790	2,758
Sales tax collections	-	-	-	-	-
Interest income	-	-	467	467	430
Total revenues	120,000	146,306	119,905	(26,401)	118,342
EXPENDITURES					
General government	120,000	161,306	160,578	(728)	122,433
Total expenditures	120,000	161,306	160,578	(728)	122,433
Excess (deficiency) of revenues over (under) expenditures	-	(15,000)	(40,673)	(25,673)	(4,091)
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	26,076	26,076	2,064
Transfers out	-	-	-	-	(1,129)
Total other financing sources (uses)	-	-	26,076	26,076	935
Net change in fund balance	<u>\$ -</u>	<u>\$ (15,000)</u>	(14,597)	<u>\$ 403</u>	(3,156)
Fund balance, January 1			25,629		28,785
Fund balance, December 31			<u>\$ 11,032</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Street Improvement</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2014 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2013 Actual Amounts</u>
REVENUES					
Property tax collections	\$ 470,000	\$ 470,000	\$ 483,318	\$ 13,318	\$ 1,931,136
Intergovernmental	-	289,916	593,703	593,703	4,298,363
Interest income	-	-	8,255	8,255	-
Miscellaneous income	-	-	6,052	6,052	12,850
Total revenues	<u>470,000</u>	<u>759,916</u>	<u>1,091,328</u>	<u>621,328</u>	<u>6,242,349</u>
EXPENDITURES					
Highways and streets	2,900,000	6,100,000	4,766,103	1,866,103	7,866,709
Total expenditures	<u>2,900,000</u>	<u>6,100,000</u>	<u>4,766,103</u>	<u>1,866,103</u>	<u>7,866,709</u>
Excess (deficiency) of revenues over (under) expenditures	(2,430,000)	(5,340,084)	(3,674,775)	(1,244,775)	(1,624,360)
OTHER FINANCING SOURCES (USES)					
Transfer in	2,430,000	5,432,068	6,091,451	3,661,451	1,512,694
Transfers out	-	-	(9,919)	(9,919)	(12,850)
Total other financing sources (uses)	<u>2,430,000</u>	<u>5,432,068</u>	<u>6,081,532</u>	<u>3,651,532</u>	<u>1,499,844</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 91,984</u>	2,406,757	<u>\$ 2,406,757</u>	(124,516)
Fund balance, January 1			2,574,379		2,698,895
Fund balance, December 31			<u>\$ 4,981,136</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Sales Tax Property Tax Relief - 2nd Penny</u>			
	Original & Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES				
Sales tax collections	\$ 3,241,828	\$ 4,086,883	\$ 845,055	\$ 3,727,509
Interest income	-	3,928	3,928	5,598
Total revenues	<u>3,241,828</u>	<u>4,090,811</u>	<u>848,983</u>	<u>3,733,107</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	3,241,828	(3,245,756)	(6,487,584)	(3,312,263)
Total other financing sources (uses)	<u>3,241,828</u>	<u>(3,245,756)</u>	<u>(6,487,584)</u>	<u>(3,312,263)</u>
Net change in fund balance	<u>\$ 6,483.656</u>	845,055	<u>\$ (5,638,601)</u>	420,844
Fund balance, January 1		2,558,612		2,137,768
Fund balance, December 31		<u>\$ 3,403,667</u>		<u>\$ 2,558,612</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sales Tax Infrastructure			
	Original & Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES				
Sales tax collections	\$ 4,322,437	\$ 5,449,176	\$ 1,126,739	\$ 4,970,012
Interest income	-	15,158	15,158	16,349
Total revenues	<u>4,322,437</u>	<u>5,464,334</u>	<u>1,141,897</u>	<u>4,986,361</u>
EXPENDITURES				
General government	4,272,437	-	(4,272,437)	42,158
Total expenditures	<u>4,272,437</u>	<u>-</u>	<u>(4,272,437)</u>	<u>42,158</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	5,464,334	5,414,334	4,944,203
Transfers out	(50,000)	(3,870,570)	(3,820,570)	(3,886,023)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(3,870,570)</u>	<u>(3,820,570)</u>	<u>(3,886,023)</u>
Net change in fund balance	<u>\$ -</u>	1,593,764	<u>\$ 1,593,764</u>	1,058,180
Fund balance, January 1		6,083,970		5,025,790
Fund balance, December 31		<u>\$ 7,677,734</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Sales Tax Community Facilities</u>			
	Original & Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES				
Sales tax collections	\$ 3,241,828	\$ 4,086,882	\$ 845,054	\$ 3,727,509
Interest income	-	16,018	16,018	15,629
Total revenues	<u>3,241,828</u>	<u>4,102,900</u>	<u>861,072</u>	<u>3,743,138</u>
EXPENDITURES				
Culture and recreation	7,561,361	3,975,274	(3,586,087)	1,377,334
Total expenditures	<u>7,561,361</u>	<u>3,975,274</u>	<u>(3,586,087)</u>	<u>1,377,334</u>
Excess (deficiency) of revenues over (under) expenditures	(4,319,533)	127,626	4,447,159	2,365,804
OTHER FINANCING SOURCES (USES)				
Transfer in	-	1,176,119	1,176,119	-
Transfers out	(50,000)	(216,018)	(166,018)	(453,069)
Total other financing sources (uses)	<u>(50,000)</u>	<u>960,101</u>	<u>1,010,101</u>	<u>(453,069)</u>
Net change in fund balance	<u>\$ (4,369,533)</u>	1,087,727	<u>\$ 5,457,260</u>	1,912,735
Fund balance, January 1		6,567,548		4,654,813
Fund balance, December 31		<u>\$ 7,655,275</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

CDBG - Disaster Recovery \$35M				
REVENUES	Original & Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
Intergovernmental	\$ 21,646,502	\$ 5,551,483	\$ (16,095,019)	\$ 436,389
EXPENDITURES				
General government	21,646,502	5,551,483	(16,095,019)	436,389
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund balance, January 1		<u>-</u>		<u>-</u>
Fund balance, December 31		<u>\$ -</u>		<u>\$ -</u>

**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, 2014
With Comparative Totals for December 31, 2013

	Highway Debt 2014	Highway Debt 2013
ASSETS		
Restricted cash and investments	\$ 1,273,150	\$ 890,052
Taxes receivable current	-	15,966
Taxes receivable delinquent	31,103	378
Intergovernmental receivable	548	-
Advance to other funds	213,527	253,527
Total assets	<u>\$ 1,518,328</u>	<u>\$ 1,159,923</u>
DEFERRED INFLOW OF RESOURCES		
Unavailable revenue - property taxes	\$ 24,929	\$ 11,929
Total deferred inflow of resources	<u>24,929</u>	<u>11,929</u>
FUND BALANCE		
Nonspendable	213,527	253,527
Restricted	1,273,149	352,896
Assigned	6,723	541,571
Total fund balance	<u>1,493,399</u>	<u>1,147,994</u>
Total deferred inflows and fund balance	<u>\$ 1,518,328</u>	<u>\$ 1,159,923</u>

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Fund
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Highway Debt 2014	Highway Debt 2013
REVENUES		
Property tax collections	\$ 1,081,623	\$ 476,320
Interest income	4,298	4,017
Total revenues	<u>1,085,921</u>	<u>480,337</u>
EXPENDITURES		
General government	-	11
Debt service		
Principal retirement	1,995,000	1,905,000
Interest and fiscal charges	317,252	225,282
Total expenditures	<u>2,312,252</u>	<u>2,130,293</u>
Excess (deficiency) of revenues over (under) expenditures	(1,226,331)	(1,649,956)
OTHER FINANCING SOURCES (USES)		
Transfers in	1,645,013	2,000,388
Transfers out	(73,277)	(4,017)
Total other financing sources (uses)	<u>1,571,736</u>	<u>1,996,371</u>
Net change in fund balance	345,405	346,415
Fund balance, January 1	1,147,994	801,579
Fund balance, December 31	<u>\$ 1,493,399</u>	<u>\$ 1,147,994</u>

City of Minot, North Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual
Nonmajor Debt Service Fund
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Highway Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 1,117,594	\$ 1,117,594	\$ 1,081,623	\$ (35,971)	\$ 476,320
Interest income	-	-	4,298	4,298	4,017
Total revenues	<u>1,117,594</u>	<u>1,117,594</u>	<u>1,085,921</u>	<u>(31,673)</u>	<u>480,337</u>
EXPENDITURES					
General government	148,599	149,507	-	(149,507)	11
Debt service					
Principal retirement	2,260,000	2,323,750	1,995,000	(328,750)	1,905,000
Interest and fiscal charges	394,008	360,512	317,252	(43,260)	225,282
Total expenditures	<u>2,802,607</u>	<u>2,833,769</u>	<u>2,312,252</u>	<u>(521,517)</u>	<u>2,130,293</u>
Excess (deficiency) of revenues over (under) expenditures	(1,685,013)	(1,716,175)	(1,226,331)	489,844	(1,649,956)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,685,013	1,685,013	1,645,013	(40,000)	2,000,388
Transfers out	-	-	(73,277)	(73,277)	(4,017)
Total other financing sources (uses)	<u>1,685,013</u>	<u>1,685,013</u>	<u>1,571,736</u>	<u>(113,277)</u>	<u>1,996,371</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (31,162)</u>	345,405	<u>\$ 376,567</u>	346,415
Fund balance, January 1			1,147,994		801,579
Fund balance, December 31			<u>\$ 1,493,399</u>		<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)

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.

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

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

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, 2014
With Comparative Totals for December 31, 2013

	Sertoma Sports Complex	Special Assessment Capital	Fire Equipment	Storm Sewer Development
ASSETS				
Cash and investments	\$ 75,412	\$ -	\$ 729,049	\$ 3,697,887
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	-	-	16,758	-
Accounts receivable	-	-	-	64,566
Due from other funds	-	-	47,129	-
Intergovernmental receivable	-	-	35,376	-
Total assets	<u>\$ 75,412</u>	<u>\$ -</u>	<u>\$ 828,312</u>	<u>\$ 3,762,453</u>
LIABILITIES				
Accounts payable	\$ -	\$ 75,992	\$ 18,654	\$ -
Retainage payable	-	142,756	-	-
Due to other funds	-	47,129	-	-
Advance from other funds	-	-	-	1,673,212
Total liabilities	<u>-</u>	<u>265,877</u>	<u>18,654</u>	<u>1,673,212</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	-	-	15,919	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>15,919</u>	<u>-</u>
FUND BALANCE				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	75,412	-	793,739	2,089,241
Unassigned	-	(265,877)	-	-
Total fund balance	<u>75,412</u>	<u>(265,877)</u>	<u>793,739</u>	<u>2,089,241</u>
Total liabilities, inflows and fund balance	<u>\$ 75,412</u>	<u>\$ -</u>	<u>\$ 828,312</u>	<u>\$ 3,762,453</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	CDBG and EDA	Equipment Purchase	Total 2014	Total 2013
ASSETS				
Cash and investments	\$ -	\$ 922,997	\$ 5,425,345	\$ 5,299,125
Restricted cash and investments	148,879	-	148,879	148,879
Taxes receivable delinquent	-	64,209	80,967	90,738
Accounts receivable	-	-	64,566	63,002
Due from other funds	-	-	47,129	-
Intergovernmental receivable	-	101,032	136,408	280,969
Total assets	<u>\$ 148,879</u>	<u>\$ 1,088,238</u>	<u>\$ 5,903,294</u>	<u>\$ 5,882,713</u>
LIABILITIES				
Accounts payable	\$ -	\$ 29,116	\$ 123,762	\$ 19,321
Retainage payable	-	2,154	144,910	78,275
Due to other funds	-	-	47,129	-
Advance from other funds	-	-	1,673,212	475,894
Total liabilities	<u>-</u>	<u>31,270</u>	<u>1,989,013</u>	<u>573,490</u>
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	-	55,778	71,697	81,481
Total deferred inflow of resources	<u>-</u>	<u>55,778</u>	<u>71,697</u>	<u>81,481</u>
FUND BALANCE				
Restricted	-	242,931	242,931	-
Committed	148,879	-	148,879	148,879
Assigned	-	758,259	3,716,651	5,078,863
Unassigned	-	-	(265,877)	-
Total fund balance	<u>148,879</u>	<u>1,001,190</u>	<u>3,842,584</u>	<u>5,227,742</u>
Total liabilities, inflows and fund balance	<u>\$ 148,879</u>	<u>\$ 1,088,238</u>	<u>\$ 5,903,294</u>	<u>\$ 5,882,713</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Sertoma Sports Complex	Special Assessment Capital	Fire Equipment	Storm Sewer Development
REVENUES				
Property tax collections	\$ -	\$ -	\$ 143,142	\$ -
Intergovernmental	-	39,977	35,072	-
Charges for services	-	-	-	1,171,197
Interest income	172	-	2,029	8,493
Miscellaneous	-	-	-	-
Total revenues	<u>172</u>	<u>39,977</u>	<u>180,243</u>	<u>1,179,690</u>
EXPENDITURES				
Capital outlay				
Contracted work	-	1,962,531	591,187	-
Equipment	143,500	-	989,911	-
Other	-	261,774	6,337	-
Engineering	-	122,340	89,966	-
Debt retirement				
Interest and fiscal charges	-	4,153	-	114,668
Total expenditures	<u>143,500</u>	<u>2,350,798</u>	<u>1,677,401</u>	<u>114,668</u>
Excess (deficiency) of revenues over (under) expenditures	(143,328)	(2,310,821)	(1,497,158)	1,065,022
OTHER FINANCING SOURCES (USES)				
Special assessment bonds issued	-	4,098,850	-	-
Premium on special assessments bonds	-	104,505	-	-
Sale of City property	-	-	14,000	-
Transfers in	143,500	880,262	729,833	-
Transfers out	(172)	(2,088,563)	(46,312)	(1,638,693)
Total other financing sources (uses)	<u>143,328</u>	<u>2,995,054</u>	<u>697,521</u>	<u>(1,638,693)</u>
Net change in fund balance	-	684,233	(799,637)	(573,671)
Fund balance (deficit), January 1	75,412	(950,110)	1,593,376	2,662,912
Fund balance, December 31	<u>\$ 75,412</u>	<u>\$ (265,877)</u>	<u>\$ 793,739</u>	<u>\$ 2,089,241</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Project Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	CDBG and EDA	Equipment Purchase	Total 2014	Total 2013
REVENUES				
Property tax collections	\$ -	\$ 734,021	\$ 877,163	\$ 1,159,378
Intergovernmental	-	416,447	491,496	997,828
Charges for services	-	-	1,171,197	1,021,427
Interest income	-	2,525	13,219	15,865
Miscellaneous	-	-	-	2,300
Total revenues	-	1,152,993	2,553,075	3,196,798
EXPENDITURES				
Capital outlay				
Contracted work	-	67,919	2,621,637	78,242
Equipment	-	1,355,985	2,489,396	4,450,114
Other	-	150,607	418,718	-
Engineering	-	92,015	304,321	-
Debt retirement				
Interest and fiscal charges	-	-	118,821	28,223
Total expenditures	-	1,666,526	5,952,893	4,556,579
Excess (deficiency) of revenues over (under) expenditures	-	(513,533)	(3,399,818)	(1,359,781)
OTHER FINANCING SOURCES (USES)				
Special assessment bonds issued	-	-	4,098,850	-
Premium on special assessments bonds	-	-	104,505	-
Sale of City property	-	72,500	86,500	74,968
Transfers in	-	725,893	2,479,488	3,447,166
Transfers out	-	(30,833)	(3,804,573)	(413,407)
Total other financing sources (uses)	-	767,560	2,964,770	3,108,727
Net change in fund balance	-	254,027	(435,048)	1,748,946
Fund balance (deficit), January 1	148,879	747,163	4,277,632	3,478,796
Fund balance, December 31	\$ 148,879	\$ 1,001,190	\$ 3,842,584	\$ 5,227,742

City of Minot, North Dakota
Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
Nonmajor Capital Project Fund
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

Fire Equipment

	Original Budgeted Amounts	Final Budgeted Amounts	2014 Actual Amounts	Variance with Final Budget	2013 Actual Amounts
REVENUES					
Property tax collections	\$ 148,000	\$ 137,050	\$ 143,142	\$ 6,092	\$ 86,917
Intergovernmental	1,000,000	135,300	35,072	(100,228)	426,608
Interest income	-	-	2,029	2,029	4,389
Miscellaneous	-	-	-	-	2,300
Total revenues	<u>1,148,000</u>	<u>272,350</u>	<u>180,243</u>	<u>(92,107)</u>	<u>520,214</u>
EXPENDITURES					
Capital outlay					
Contracted work	-	-	591,187	591,187	-
Equipment	1,944,500	2,657,809	989,911	(1,667,898)	1,824,122
Other	-	-	6,337	6,337	-
Engineering	-	-	89,966	89,966	-
Total expenditures	<u>1,944,500</u>	<u>2,657,809</u>	<u>1,677,401</u>	<u>(980,408)</u>	<u>1,824,122</u>
Excess (deficiency) of revenues over (under) expenditures	(796,500)	(2,385,459)	(1,497,158)	888,301	(1,303,908)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	14,000	14,000	-
Transfers in	796,500	796,500	729,833	(66,667)	1,895,353
Transfers out	-	-	(46,312)	(46,312)	(4,358)
Total other financing sources (uses)	<u>796,500</u>	<u>796,500</u>	<u>697,521</u>	<u>(98,979)</u>	<u>1,890,995</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,588,959)</u>	<u>(799,637)</u>	<u>\$ 789,322</u>	<u>587,087</u>
Fund balance, January 1			1,593,376		1,006,289
Fund balance, December 31			<u>\$ 793,739</u>		<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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	<u>Equipment Purchase</u>				
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>2014 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2013 Actual Amounts</u>
REVENUES					
Property tax collections	\$ 726,974	\$ 770,626	\$ 734,021	\$ (36,605)	\$ 1,072,461
Intergovernmental	1,630,212	3,107,479	416,447	(2,691,032)	571,220
Interest income	-	-	2,525	2,525	2,129
Miscellaneous	-	754	-	(754)	-
Total revenues	<u>2,357,186</u>	<u>3,878,859</u>	<u>1,152,993</u>	<u>(2,725,866)</u>	<u>1,645,810</u>
EXPENDITURES					
Capital outlay					
Contracted work	-	-	67,919	67,919	-
Equipment	3,032,186	5,384,756	1,355,985	(4,028,771)	2,625,992
Other	-	-	150,607	150,607	-
Engineering	-	-	92,015	92,015	-
Total expenditures	<u>3,032,186</u>	<u>5,384,756</u>	<u>1,666,526</u>	<u>(3,718,230)</u>	<u>2,625,992</u>
Excess (deficiency) of revenues over (under) expenditures	(675,000)	(1,505,897)	(513,533)	992,364	(980,182)
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	66,000	72,500	6,500	74,968
Transfers in	645,000	555,080	725,893	170,813	1,530,137
Transfers out	-	-	(30,833)	(30,833)	(10,919)
Total other financing sources (uses)	<u>645,000</u>	<u>621,080</u>	<u>767,560</u>	<u>146,480</u>	<u>1,594,186</u>
Net change in fund balance	<u>\$ (30,000)</u>	<u>\$ (884,817)</u>	254,027	<u>\$ 1,138,844</u>	614,004
Fund balance, January 1			747,163		133,159
Fund balance, December 31			<u>\$ 1,001,190</u>		<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, 2014
With Comparative Totals for December 31, 2013

	<u>Nonmajor Business-Type Activities</u>		<u>Total Nonmajor Proprietary Funds 2014</u>	<u>Total Nonmajor Proprietary Funds 2013</u>
	<u>Cemetery</u>	<u>Parking Authority</u>		
ASSETS				
Current				
Cash and cash equivalents	\$ 349,736	\$ 243,656	\$ 593,392	\$ 417,633
Restricted cash and cash equivalents	14,402	-	14,402	45,027
Taxes receivable delinquent	3,406	-	3,406	4,783
Accounts receivable	6,523	2,728	9,251	3,845
Intergovernmental receivable	987	-	987	461
Prepaid	120	-	120	-
Total current assets	<u>375,174</u>	<u>246,384</u>	<u>621,558</u>	<u>471,749</u>
Noncurrent assets				
Other assets - capital credits	1,534	89	1,623	1,119
Capital assets				
Land	179,504	136,397	315,901	315,901
Buildings	150,885	-	150,885	194,057
Equipment	280,315	342,867	623,182	533,451
Infrastructure	301,908	17,228	319,136	428,539
Total capital assets	<u>912,612</u>	<u>496,492</u>	<u>1,409,104</u>	<u>1,471,948</u>
Less-accumulated depreciation	<u>(322,649)</u>	<u>(320,759)</u>	<u>(643,408)</u>	<u>(730,209)</u>
Net capital assets	<u>589,963</u>	<u>175,733</u>	<u>765,696</u>	<u>741,739</u>
Total assets	<u>966,671</u>	<u>422,206</u>	<u>1,388,877</u>	<u>1,214,607</u>
LIABILITIES				
Current liabilities				
Accounts payable	2,726	6,100	8,826	8,966
Accrued salaries payable	15,734	117	15,851	11,451
Compensated absences	8,511	-	8,511	6,282
Total current liabilities	<u>26,971</u>	<u>6,217</u>	<u>33,188</u>	<u>26,699</u>
Long-term liabilities				
Compensated absences	15,806	-	15,806	11,667
Customer deposits	-	600	600	600
Total long-term liabilities	<u>15,806</u>	<u>600</u>	<u>16,406</u>	<u>12,267</u>
Total liabilities	<u>42,777</u>	<u>6,817</u>	<u>49,594</u>	<u>38,966</u>
NET POSITION				
Invested in capital assets, net of related debt	589,963	175,733	765,696	741,739
Restricted for perpetual care	-	-	-	38,250
Restricted for fountain, entrance, memorials	14,402	-	14,402	6,777
Assigned	319,529	239,656	559,185	388,875
Total net position	<u>\$ 923,894</u>	<u>\$ 415,389</u>	<u>\$ 1,339,283</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2014	Total Nonmajor Proprietary Funds 2013
	Cemetery	Parking Authority		
OPERATING REVENUES				
Charges for services	\$ 319,715	\$ 39,259	\$ 358,974	\$ 396,985
Total operating revenues	<u>319,715</u>	<u>39,259</u>	<u>358,974</u>	<u>396,985</u>
OPERATING EXPENSES				
Salaries	278,925	20,034	298,959	295,061
Employee benefits	88,528	12,612	101,140	65,683
Professional services	30	230	260	2,282
Property services	21,758	12,373	34,131	36,831
Purchased services	5,680	2,287	7,967	10,075
Supplies	24,935	2,616	27,551	24,959
Sundry	20,286	7,077	27,363	25,448
Depreciation	48,683	15,577	64,260	41,976
Total operating expenses	<u>488,825</u>	<u>72,806</u>	<u>561,631</u>	<u>502,315</u>
Operating income (loss)	(169,110)	(33,547)	(202,657)	(105,330)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	82,201	-	82,201	185,947
Interest income	-	581	581	1,973
Gain (loss) on sale of capital assets	-	(1,513)	(1,513)	-
Miscellaneous income (expense)	6,036	253	6,289	(17,414)
Total non-operating revenues (expenses)	<u>88,237</u>	<u>(679)</u>	<u>87,558</u>	<u>170,506</u>
Income (loss) before contributions and transfers	(80,873)	(34,226)	(115,099)	65,176
Transfers in	280,000	-	280,000	280,000
Transfers out	(678)	(581)	(1,259)	(1,823)
Total contributions and transfers	<u>279,322</u>	<u>(581)</u>	<u>278,741</u>	<u>278,177</u>
Change in net position	198,449	(34,807)	163,642	343,353
Net position, January 1	725,445	450,196	1,175,641	832,288
Net position, December 31	<u>\$ 923,894</u>	<u>\$ 415,389</u>	<u>\$ 1,339,283</u>	<u>\$ 1,175,641</u>

City of Minot, North Dakota
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2014	Total Nonmajor Proprietary Funds 2013
	Cemetery	Parking Authority		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 318,294	\$ 36,531	\$ 354,825	\$ 391,594
Payments to suppliers	(74,312)	(23,100)	(97,412)	(103,740)
Payments to employees	(355,546)	(33,785)	(389,331)	(356,061)
Due from (to) other agencies	(1,030)	-	(1,030)	25,754
Net cash provided (used) by operating activities	<u>(112,594)</u>	<u>(20,354)</u>	<u>(132,948)</u>	<u>(42,453)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	88,237	253	88,490	168,533
Transfers in	280,000	-	280,000	280,000
Transfers out	(678)	(581)	(1,259)	(1,823)
Net cash provided (used) by noncapital financing activities	<u>367,559</u>	<u>(328)</u>	<u>367,231</u>	<u>446,710</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(35,533)	(19,999)	(55,532)	(347,876)
Disposal of capital asset	(34,198)	-	(34,198)	(6,859)
Net cash provided (used) by capital and related financing activities	<u>(69,731)</u>	<u>(19,999)</u>	<u>(89,730)</u>	<u>(354,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	581	581	1,973
Net cash provided by investing activities	<u>-</u>	<u>581</u>	<u>581</u>	<u>1,973</u>
Net increase (decrease) in cash and cash equivalents	185,234	(40,100)	145,134	51,495
Cash and investments, January 1	178,904	283,756	462,660	411,165
Cash and investments, December 31	<u>\$ 364,138</u>	<u>\$ 243,656</u>	<u>\$ 607,794</u>	<u>\$ 462,660</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 349,736	\$ 243,656	\$ 593,392	\$ 417,633
Restricted cash and cash equivalents	14,402	-	14,402	45,027
Total cash and equivalents on the Statement of Net Position	<u>\$ 364,138</u>	<u>\$ 243,656</u>	<u>\$ 607,794</u>	<u>\$ 462,660</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (169,110)	\$ (33,547)	\$ (202,657)	\$ (105,330)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	48,683	15,577	64,260	41,976
Change in assets and liabilities:				
Taxes receivable	1,377	-	1,377	(4,779)
Receivables, net	(2,678)	(2,728)	(5,406)	(710)
Intergovernmental receivable	(526)	-	(526)	26,386
Prepaid	(120)	-	(120)	98
Accounts payable	(1,623)	1,483	(140)	(4,145)
Accrued salaries payable	5,539	(1,139)	4,400	1,581
Accrued interest payable	6,368	-	6,368	3,102
Other assets	(504)	-	(504)	(632)
Net cash provided (used) by operating activities	<u>\$ (112,594)</u>	<u>\$ (20,354)</u>	<u>\$ (132,948)</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, 2014
With Comparative Totals for December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2014	Total Internal Service Funds 2013
ASSETS				
Cash and investments	\$ 129,471	\$ 1,645,247	\$ 1,774,718	\$ 1,782,425
Accounts receivable	6,086	500	6,586	13,620
Inventory	350,361	-	350,361	354,097
Other assets - capital credits	2,232	-	2,232	-
Prepaid	-	2,850	2,850	-
Total assets	<u>488,150</u>	<u>1,648,597</u>	<u>2,136,747</u>	<u>2,150,142</u>
LIABILITIES				
Accounts payable	4,399	-	4,399	127,420
Insurance claims payable	-	109,069	109,069	115,671
Total liabilities	<u>4,399</u>	<u>109,069</u>	<u>113,468</u>	<u>243,091</u>
NET POSITION				
Unrestricted	483,751	1,539,528	2,023,279	1,907,051
Total net position	<u>\$ 483,751</u>	<u>\$ 1,539,528</u>	<u>\$ 2,023,279</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-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2014	Total Internal Service Funds 2013
OPERATING REVENUES				
Sales	\$ 1,335,788	\$ -	\$ 1,335,788	\$ 1,409,923
Cost of goods sold	(1,241,660)	-	(1,241,660)	(1,311,019)
Gross margin	94,128	-	94,128	98,904
Charges for services				
Employer	-	1,877,129	1,877,129	1,703,695
Employee	-	562,813	562,813	518,596
Total operating revenues	94,128	2,439,942	2,534,070	2,321,195
OPERATING EXPENSES				
Professional and technical	-	-	-	198
Supplies	50,529	-	50,529	101,658
Insurance claims	-	2,038,201	2,038,201	1,841,316
Total operating expenses	50,529	2,038,201	2,088,730	1,943,172
Operating income (loss)	43,599	401,741	445,340	378,023
NON-OPERATING REVENUES (EXPENSES)				
Interest income	241	3,721	3,962	4,729
Miscellaneous income (expense)	(19,426)	(313,648)	(333,074)	(229,836)
Total non-operating revenues (expenses)	(19,185)	(309,927)	(329,112)	(225,107)
Income (loss) before transfers	24,414	91,814	116,228	152,916
Change in net position	24,414	91,814	116,228	152,916
Net position, January 1	459,337	1,447,714	1,907,051	1,754,135
Net position, December 31	\$ 483,751	\$ 1,539,528	\$ 2,023,279	\$ 1,907,051

City of Minot, North Dakota
Combining Statement of Cash Flows
Internal Service Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Central Garage	Self Insurance	Total Internal Service Funds 2014	Total Internal Service Funds 2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,339,570	\$ 2,444,698	\$ 3,784,268	\$ 3,641,356
Payments to suppliers	(1,350,084)	(2,112,779)	(3,462,863)	(3,157,000)
Net cash provided (used) by operating activities	<u>(10,514)</u>	<u>331,919</u>	<u>321,405</u>	<u>484,356</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Internal activity - payments from (to) other funds	(19,426)	(313,648)	(333,074)	(229,836)
Net cash provided (used) by noncapital financing activities	<u>(19,426)</u>	<u>(313,648)</u>	<u>(333,074)</u>	<u>(229,836)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	241	3,721	3,962	4,729
Net cash provided by investing activities	<u>241</u>	<u>3,721</u>	<u>3,962</u>	<u>4,729</u>
Net increase in cash and cash equivalents	(29,699)	21,992	(7,707)	259,249
Cash and investments, January 1	159,170	1,623,255	1,782,425	1,523,176
Cash and investments, December 31	<u>\$ 129,471</u>	<u>\$ 1,645,247</u>	<u>\$ 1,774,718</u>	<u>\$ 1,782,425</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 43,599	\$ 401,741	\$ 445,340	\$ 378,023
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	2,278	4,756	7,034	(5,914)
Inventory	3,736	-	3,736	15,056
Other assets - capital credits	(2,232)	-	(2,232)	-
Prepaid	-	(2,850)	(2,850)	-
Accounts payable	(57,895)	(65,126)	(123,021)	103,412
Insurance claims payable	-	(6,602)	(6,602)	(6,221)
Net cash provided (used) by operating activities	<u>\$ (10,514)</u>	<u>\$ 331,919</u>	<u>\$ 321,405</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, 2014
With Comparative Totals for December 31, 2013

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2014	Total Fiduciary Funds 2013
ASSETS				
Cash and cash equivalents	\$ 137,160	\$ -	\$ 137,160	\$ (3,686)
Investments				
Money market	1,716,162	62,746	1,778,908	65,150
Equity/stocks	33,976,155	732,061	34,708,216	34,536,575
Fixed income	22,781,185	476,716	23,257,901	21,444,981
Alternative	4,952,128	97,861	5,049,989	5,083,725
Total investments	63,425,630	1,369,384	64,795,014	61,130,431
Taxes receivable delinquent	101,141	-	101,141	60,743
Due from other funds	-	-	-	689
Total assets	<u>63,663,931</u>	<u>1,369,384</u>	<u>65,033,315</u>	<u>61,188,177</u>
LIABILITIES				
Due to other funds	<u>5,295</u>	<u>226,064</u>	<u>231,359</u>	<u>102,850</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>101,141</u>	<u>-</u>	<u>101,141</u>	<u>60,743</u>
NET POSITION				
Assets held in trust for pension benefits	63,557,495	-	63,557,495	60,113,781
Assets held in trust for OPEB benefits	-	1,143,320	1,143,320	971,546
Total net position	<u>\$ 63,557,495</u>	<u>\$ 1,143,320</u>	<u>\$ 64,700,815</u>	<u>\$ 61,024,584</u>

City of Minot, North Dakota
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2014	Total Fiduciary Funds 2013
ADDITIONS				
Contributions				
Employer	\$ 4,520,993	\$ 326,711	\$ 4,847,704	\$ 3,979,837
Employee	2,705,235	489,684	3,194,919	3,192,337
Total contributions	<u>7,226,228</u>	<u>816,395</u>	<u>8,042,623</u>	<u>7,172,174</u>
Investment income				
Interest and dividends	1,665,636	24,568	1,690,204	1,621,208
Net increase in the fair value of investments	2,556,598	49,076	2,605,674	4,697,368
Total investment income	<u>4,222,234</u>	<u>73,644</u>	<u>4,295,878</u>	<u>6,318,576</u>
Less investment expense	148,360	1,555	149,915	132,611
Net investment income	<u>4,073,874</u>	<u>72,089</u>	<u>4,145,963</u>	<u>6,185,965</u>
Total additions	<u>11,300,102</u>	<u>888,484</u>	<u>12,188,586</u>	<u>13,358,139</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	6,912,542	-	6,912,542	6,567,329
Refunds paid to plan member and beneficiaries	566,634	-	566,634	409,654
Retiree claims	-	549,772	549,772	477,877
Third party premiums	-	166,938	166,938	165,474
Administrative expenses	316,469	-	316,469	330,626
Total deductions	<u>7,795,645</u>	<u>716,710</u>	<u>8,512,355</u>	<u>7,950,960</u>
Change in net position	3,504,457	171,774	3,676,231	5,407,179
Net position, January 1	60,053,038	971,546	61,024,584	55,617,405
Net position, December 31	<u>\$ 63,557,495</u>	<u>\$ 1,143,320</u>	<u>\$ 64,700,815</u>	<u>\$ 61,024,584</u>

City of Minot, North Dakota
Combining Statement of Net Position
Agency Funds
December 31, 2014
With Comparative Totals for December 31, 2013

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	CDBG/ EDA	Total Agency Funds 2014	Total Agency Funds 2013
ASSETS						
Cash and investments	\$ 37,107	\$ -	\$ -	\$ -	\$ 37,107	\$ 187,444
Taxes receivable delinquent	-	4,085	-	-	4,085	3,584
Accounts receivable	5,591	-	122,214	-	127,805	150,178
Intergovernmental receivable	-	72	2,661	619,118	621,851	42,094
Due from other funds	43,692	-	183,782	-	227,474	-
Total assets	<u>\$ 86,390</u>	<u>\$ 4,157</u>	<u>\$ 308,657</u>	<u>\$ 619,118</u>	<u>\$ 1,018,322</u>	<u>\$ 383,300</u>
LIABILITIES						
Accounts payable	\$ 86,390	\$ 4,157	\$ 308,657	\$ 617,708	\$ 1,016,912	\$ 383,300
Due to other funds	-	-	-	1,410	1,410	-
Total liabilities	<u>\$ 86,390</u>	<u>\$ 4,157</u>	<u>\$ 308,657</u>	<u>\$ 619,118</u>	<u>\$ 1,018,322</u>	<u>\$ 383,300</u>

City of Minot, North Dakota
Combining Statements of Changes in Assets and Liabilities - Agency Funds
For the Year-to-Date as of December 31, 2014
With Comparative Totals for December 31, 2013

	Beginning	Additions	Deletions	Ending
PAYROLL DEDUCTIONS				
Assets				
Cash and investments	\$ 82,000	\$ 4,864,095	\$ 4,908,988	\$ 37,107
Accounts receivable	744	7,189	2,342	5,591
Due from other funds	-	43,692	-	43,692
Total assets	<u>\$ 82,744</u>	<u>\$ 4,914,976</u>	<u>\$ 4,911,330</u>	<u>\$ 86,390</u>
Liabilities				
Accounts payable	\$ 82,744	\$ 432,577	\$ 436,223	\$ 86,390
Total liabilities	<u>\$ 82,744</u>	<u>\$ 432,577</u>	<u>\$ 436,223</u>	<u>\$ 86,390</u>
EMPLOYER SOCIAL SECURITY				
Assets				
Cash and investments	\$ -	\$ 124,926	\$ 124,926	\$ -
Taxes receivable current	-	130,461	130,461	-
Taxes receivable delinquent	3,584	3,164	2,663	4,085
Intergovernmental receivable	85	72	85	72
Total assets	<u>\$ 3,669</u>	<u>\$ 258,623</u>	<u>\$ 258,135</u>	<u>\$ 4,157</u>
Liabilities				
Accounts payable	\$ 3,669	\$ 258,623	\$ 259,111	\$ 4,157
Total liabilities	<u>\$ 3,669</u>	<u>\$ 258,623</u>	<u>\$ 259,111</u>	<u>\$ 4,157</u>
HOTEL/MOTEL TAX				
Assets				
Cash and investments	\$ 136,556	\$ 1,737,562	\$ 1,874,118	\$ -
Accounts receivable	149,224	1,788,345	1,815,355	122,214
Intergovernmental receivable	5,950	2,660	5,949	2,661
Due from other funds	-	183,782	-	183,782
Total assets	<u>\$ 291,730</u>	<u>\$ 3,712,349</u>	<u>\$ 3,695,422</u>	<u>\$ 308,657</u>
Liabilities				
Accounts payable	\$ 291,730	\$ 1,646,081	\$ 1,663,008	\$ 308,657
Total liabilities	<u>\$ 291,730</u>	<u>\$ 1,646,081</u>	<u>\$ 1,663,008</u>	<u>\$ 308,657</u>
CDBG/EDA				
Assets				
Cash and investments	\$ (31,112)	\$ 5,514,706	\$ 5,483,594	\$ -
Accounts receivable	210	215	425	-
Intergovernmental receivable	36,059	2,034,097	1,451,038	619,118
Total assets	<u>\$ 5,157</u>	<u>\$ 7,549,018</u>	<u>\$ 6,935,057</u>	<u>\$ 619,118</u>
Liabilities				
Accounts payable	\$ 5,157	\$ 2,130,670	\$ 2,743,221	\$ 617,708
Due to other funds	-	-	1,410	1,410
Total liabilities	<u>\$ 5,157</u>	<u>\$ 2,130,670</u>	<u>\$ 2,744,631</u>	<u>\$ 619,118</u>
TOTAL DECEMBER 31, 2014				
Assets				
Cash and investments	\$ 187,444	\$ 12,241,289	\$ 12,391,626	\$ 37,107
Taxes receivable current	-	130,461	130,461	-
Taxes receivable delinquent	3,584	3,164	2,663	4,085
Accounts receivable	150,178	1,795,749	1,818,122	127,805
Intergovernmental receivable	42,094	2,036,829	1,457,072	621,851
Due to other funds	-	227,474	-	227,474
Total assets	<u>\$ 383,300</u>	<u>\$ 16,434,966</u>	<u>\$ 15,799,944</u>	<u>\$ 1,018,322</u>
Liabilities				
Accounts payable	\$ 383,300	\$ 4,467,951	\$ 5,101,563	\$ 1,016,912
Due to other funds	-	-	1,410	1,410
Total liabilities	<u>\$ 383,300</u>	<u>\$ 4,467,951</u>	<u>\$ 5,102,973</u>	<u>\$ 1,018,322</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
Comparative Schedule by Source December 30, 2014 and 2013

GOVERNMENTAL FUNDS CAPITAL ASSETS	2014	2013
Land	\$ 31,055,094	\$ 22,541,677
Buildings	14,913,448	14,035,700
Equipment	17,911,741	16,753,247
Infrastructure	180,559,156	149,631,053
Intangible assets	598,329	598,329
Books	3,794,171	4,099,157
Construction in progress	8,215,463	9,532,546
Total governmental funds capital assets	<u>\$257,047,402</u>	<u>\$217,191,709</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
Capital project funds		
General obligation bonds and levies	\$ 21,120,985	\$ 12,576,842
Revenue bonds	3,554,141	3,531,595
Sales tax	17,348,617	15,000,497
Federal grants	90,051,872	73,006,066
State grants	19,929,061	14,369,193
County grants	1,216,423	1,216,423
Contributions from others	59,418,892	53,980,610
General fund	24,588,029	24,236,164
Special revenue	17,389,897	17,103,187
Urban renewal	465,739	465,739
Enterprise fund	1,963,746	1,705,393
Total governmental funds capital assets	<u>\$257,047,402</u>	<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, 2014
With Comparative Totals for December 31, 2013

FUNCTION AND ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets		Books	Construction in Process	2014	2013
					Assets	Books				
General Government										
Civic center/property maintenance	\$ 49,374	\$ 3,429,528	\$ 276,386	\$ 305,527	\$ -	\$ -	\$ -	\$ -	\$ 4,060,815	\$ 3,893,660
Clerk	-	-	7,999	-	-	-	-	-	7,999	7,999
Finance	-	-	26,888	-	-	-	-	-	26,888	26,888
Information technology	-	-	199,865	-	220,899	-	-	-	420,764	307,204
Assessor	-	-	116,285	-	32,500	-	-	-	148,785	154,868
Engineering	-	421,334	328,022	-	-	-	-	8,217	757,573	741,872
Inspection	-	-	254,988	-	33,000	-	-	-	287,988	347,622
Traffic control	-	-	719,415	-	-	-	-	27,149	3,443,491	6,290,212
Public works	-	1,432,856	97,183	-	-	-	-	-	1,530,039	1,544,939
General	29,343,594	362,138	1,135,062	-	-	-	-	4,015,153	34,855,947	24,517,722
Total general government	29,392,968	5,645,856	3,162,093	3,002,454	286,399	-	-	4,050,519	45,540,289	37,832,986
Public Safety										
Police	-	161,536	3,995,200	339,344	-	-	-	644,987	5,141,067	4,734,169
Fire	243,861	3,665,190	3,779,435	1,368,520	-	-	-	920,885	9,977,891	8,224,168
Total public safety	243,861	3,826,726	7,774,635	1,707,864	-	-	-	1,565,872	15,118,958	12,958,337
Street	988,264	385,576	3,090,364	175,137,608	311,930	-	-	2,533,060	182,446,802	151,684,122
Shop	-	-	277,165	-	-	-	-	-	277,165	199,497
Library	7,624	3,128,995	22,965	-	-	-	3,794,171	66,012	7,019,767	7,248,550
Public transportation	-	853,027	2,343,327	-	-	-	-	-	3,196,354	3,280,113
Recreation	422,377	1,073,268	1,241,192	711,230	-	-	-	-	3,448,067	3,988,104
Total governmental funds	\$ 31,055,094	\$ 14,913,448	\$ 17,911,741	\$ 180,559,156	\$ 598,329	\$ 3,794,171	\$ 8,215,463	\$ 257,047,402	\$ 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, 2014

FUNCTION AND ACTIVITY	Governmental Fund					Governmental Fund
	Capital Assets January 1, 2014	Additions	Deletions	Transfers	Construction in Process	Capital Assets December 31, 2014
GENERAL GOVERNMENT						
Civic center/property maintenance	\$ 3,893,660	\$ -	\$ 18,250	\$ 185,405	\$ -	\$ 4,060,815
Clerk	7,999	-	-	-	-	7,999
Finance	26,888	-	-	-	-	26,888
Information technology	307,204	113,586	26	-	-	420,764
Assessor	154,868	-	20,983	14,900	-	148,785
Engineering	741,872	7,921	33,437	33,000	8,217	757,573
Inspection	347,622	29,047	63,166	(25,515)	-	287,988
Traffic control	6,290,212	523,701	3,416,929	19,358	27,149	3,443,491
Public works	1,544,939	-	-	(14,900)	-	1,530,039
General	24,517,722	8,583,891	2,275,809	14,990	4,015,153	34,855,947
Total general government	<u>37,832,986</u>	<u>9,258,146</u>	<u>5,828,600</u>	<u>227,238</u>	<u>4,050,519</u>	<u>45,540,289</u>
PUBLIC SAFETY						
Police	4,734,169	465,290	652,903	(50,476)	644,987	5,141,067
Fire	8,224,168	2,349,778	1,540,573	23,633	920,885	9,977,891
Total public safety	<u>12,958,337</u>	<u>2,815,068</u>	<u>2,193,476</u>	<u>(26,843)</u>	<u>1,565,872</u>	<u>15,118,958</u>
Street	151,684,122	39,919,854	11,711,433	21,199	2,533,060	182,446,802
Shop	199,497	77,673	5	-	-	277,165
Library	7,248,550	167,641	462,436	-	66,012	7,019,767
Public transportation	3,280,113	37,102	120,861	-	-	3,196,354
Recreation	3,988,104	151,341	691,378	-	-	3,448,067
Total governmental funds	<u>\$217,191,709</u>	<u>\$52,426,825</u>	<u>\$21,008,189</u>	<u>\$ 221,594</u>	<u>\$ 8,215,463</u>	<u>\$257,047,402</u>



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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
(accrual basis of accounting)
unaudited

	Restated					Restated				
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 153,468,851
Restricted for:										
Debt service	442,745	1,910,960	2,617,579	2,025,734	2,643,771	812,051	1,230,207	960,352	517,259	1,946,942
Sales tax property tax relief	-	-	-	-	-	-	1,205,472	2,951,612	3,226,156	4,009,260
Capital projects	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	5,750,029
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	34,129,645
Other purposes	-	735,412	715,775	14,186,277	466,931	157,398	739	16,989	51,407	631,104
Unrestricted	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	84,952,142
Total governmental activities net position	\$ 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	\$ 284,887,973
Business-type activities										
Net investment in capital assets	\$ 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	\$ 187,576,187
Restricted for:										
Debt service	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	5,115,955
Passenger facility charges not spent	-	-	-	-	-	-	-	1,041,086	925,887	651,251
Other purposes	42,163	43,474	43,874	44,714	40,664	48,349	54,277	61,593	45,027	14,402
Unrestricted	-	-	-	6,319,775	3,589,808	6,859,415	12,827,960	17,512,758	32,666,444	30,066,830
Total business-type activities net position	\$ 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	\$ 223,424,625
Government-wide activities										
Net investment in capital assets	\$ 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	\$ 341,045,038
Restricted	16,484,024	22,264,931	28,110,403	56,793,748	43,729,087	44,218,764	50,703,633	46,905,476	53,293,746	52,248,588
Unrestricted	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	115,018,972
Total government net position	\$ 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	\$ 508,312,598

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

	2005	Restated 2006	2007	2008	2009	2010	2011	Restated 2012	2013	2014
EXPENSES										
Governmental activities										
General government	\$ 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	\$ 27,476,332
Public safety	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	15,297,259
Highways and streets	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	16,199,177
Culture and recreation	1,952,237	1,952,705	3,709,916	3,603,029	2,977,935	3,122,273	3,605,205	3,682,272	4,902,342	7,673,973
Community development	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475
Interest on long-term debt	559,525	727,521	806,265	939,131	952,970	684,342	599,608	670,777	377,420	1,084,587
Total governmental activities expenses	22,400,539	23,294,913	30,926,082	35,763,678	37,110,482	34,987,456	41,805,797	46,548,495	61,639,316	71,023,803
Business-type activities										
Airport	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	6,406,365
Cemetery	228,538	222,159	213,392	226,999	245,719	305,368	304,502	323,301	378,717	488,825
Parking authority	165,161	178,147	115,667	113,232	121,475	118,367	118,367	123,938	123,598	72,806
Sanitation	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	4,461,806
Water and sewer	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	18,558,478
Total business-type activities expenses	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	29,988,280
Total government expenses	34,552,797	36,759,563	45,041,397	52,100,070	54,802,670	52,106,247	63,486,531	69,397,454	86,792,381	101,012,083
PROGRAM REVENUES										
Governmental activities										
Charges for services										
General government	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	11,273,075
Public safety	835,844	917,002	907,811	1,166,387	1,147,007	1,382,128	1,637,161	1,344,251	2,068,420	1,721,664
Highways and streets	38,913	-	-	467,716	63,523	-	84,164	15,554	112,496	793
Culture and recreation	44,472	54,016	474,985	442,346	-	534,353	1,150,392	2,010,063	2,021,129	558,414
Operating grants and contributions										
General government	414,555	299,813	675,890	1,051,271	2,313,214	1,066,608	6,686,784	1,782,240	9,665,447	13,467,696
Public safety	70,360	103,032	70,435	78,953	99,507	676,006	364,666	338,479	576,299	534,176
Highways and streets	-	-	-	-	547,985	630,630	4,604	9,511,871	4,366,489	593,703
Culture and recreation	-	-	-	-	-	-	-	-	152,993	90,498
Capital grants and contributions										
General government	126,655	55,949	726,303	2,635,216	1,182,924	120,720	5,354	2,397,534	11,582,417	14,555,981
Public safety	-	-	-	1,136,547	-	604,476	181,340	268,620	815,504	468,119
Highways and streets	-	3,539,693	11,784,624	8,600,269	1,809,135	4,713,115	1,165,700	14,271,317	12,152,326	28,049,555
Culture and recreation	-	-	-	4,737	-	-	6,673	-	12,011	24,806
Community development	-	-	-	555,519	-	-	-	-	-	-
Total governmental activities program revenues	6,431,976	10,032,707	18,822,133	21,738,572	13,216,631	16,168,314	19,922,624	43,071,677	53,661,977	71,338,480
Business-type activities										
Charges for services										
Airport	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	4,047,237
Cemetery	172,847	225,234	200,333	235,546	251,298	291,230	261,460	268,427	303,061	330,264
Parking authority	160,299	123,237	136,713	145,125	136,618	126,065	143,438	149,343	107,647	39,259
Sanitation	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	4,679,968
Water and sewer	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	19,216,996
Operating grants and contributions										
Airport	295,190	282,857	263,381	262,539	241,680	328,837	604,989	977,359	1,418,223	1,248,307

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

	2005	Restated 2006	2007	2008	2009	2010	2011	Restated 2012	2013	2014
Capital grants and contributions										
Airport	\$ 1,326,349	\$ 683,772	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789	\$ 8,103,553	\$ 13,489,126	\$ 20,519,210
Cemetery	99	309	-	-	(5,080)	61,853	10,964	26,508	-	-
Parking authority	-	-	-	-	52,921	-	-	89,053	-	(1,513)
Sanitation	-	-	10,165	248,926	1,400	2,197	407,443	298,497	1,540,548	190,550
Water and sewer	519,377	1,294,055	1,965,477	1,805,074	4,871,427	495,267	4,582,021	21,310,811	17,532,389	46,719,119
Total business-type activities program revenues	12,576,531	13,343,710	15,250,546	16,802,408	21,318,947	16,901,101	25,129,768	52,974,001	60,999,249	96,989,397
Total government program revenues	19,008,507	23,376,417	34,072,679	38,540,980	34,535,578	33,069,416	45,052,393	96,045,678	114,661,226	168,327,877
Net revenue (expense)										
Governmental activities	(15,968,563)	(5,015,283)	(12,103,949)	(14,025,106)	(23,893,851)	(18,819,142)	(21,883,173)	(3,476,818)	(7,977,339)	314,678
Business-type activities	424,273	(120,940)	1,135,230	466,016	3,626,759	(217,689)	3,449,034	30,125,042	35,846,184	67,001,117
Total government net expense	(15,544,290)	(5,136,223)	(10,968,718)	(13,559,090)	(20,267,092)	(19,036,831)	(18,434,139)	26,648,224	27,868,845	67,315,795
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	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	9,668,534
Property taxes, levied for debt service	1,065,170	998,952	1,142,353	1,152,519	1,064,857	749,233	800,683	735,488	499,901	1,126,237
Sales taxes	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	27,245,883
State aid distribution-unrestricted	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	2,952,874
Municipal highway tax	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	4,792,103
Franchise taxes	348,019	370,158	400,264	442,420	483,377	517,894	525,180	588,414	668,203	699,277
Other taxes	321,245	309,801	287,113	298,025	292,845	425,536	450,630	1,729,453	564,120	700,272
Grants and contributions not restricted to specific programs	892,061	1,643,502	2,282,098	1,468,090	961,136	474,228	950,457	480,932	251,460	471,073
Investment earnings	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	604,999
Miscellaneous	(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)	(353,310)
Transfers	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	47,907,942
Total governmental activities	39,515	47,185	34,608	73,047	281,001	305,389	480,909	687	186,344	82,208
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	182,858	322,184	164,724	78,526	65,609	88,318	108,670	-	-	-
Other taxes	144,680	91,364	226,834	139,967	215,446	98,049	105,260	91,147	88,706	114,540
Investment earnings	877,341	134,667	106,857	(15,535)	72,223	307,387	442,812	247,280	403,908	44,404
Miscellaneous	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	353,310
Transfers	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	594,462
Total business-type activities	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	48,502,404
Change in net position										
Governmental activities	2,747,080	13,738,142	20,662,120	19,975,728	3,456,252	14,350,870	15,959,518	36,254,196	34,385,282	48,222,620
Business-type activities	6,876,966	(201,353)	209,606	(1,611,439)	7,686,662	1,234,228	8,863,351	36,336,602	39,967,680	67,595,579
Total government ¹	\$ 9,624,046	\$ 13,536,789	\$ 20,871,725	\$ 18,364,289	\$ 11,142,914	\$ 15,585,098	\$ 24,822,869	\$ 72,590,798	\$ 74,352,962	\$ 115,818,199

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

	2005	2006	2007	2008	2009*	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 6,734	\$ -	\$ 66,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,260,512	3,643,208	4,978,325	-	-	-	-	-	-	-
Nonspendable	-	-	-	39,225	4,746	26,691	114,184	39,167	225,635	265,407
Restricted	-	-	-	-	41,532	50,077	739	6,039	-	3,171
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	22,706,977
Total general fund	\$ 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	\$ 22,975,555
All other governmental funds										
Reserved	\$ 17,512,029	\$ 21,126,377	\$ 27,285,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,823,207	7,797,181	8,493,078	-	-	-	-	-	-	-
Debt service funds	442,745	1,910,960	2,617,579	-	-	-	-	-	-	-
Capital project funds	2,515,273	2,908,277	2,503,510	-	-	-	-	-	-	-
Nonspendable	-	-	-	3,322,160	1,748,428	419,517	109,535	67,299	622,897	1,811,788
Restricted	-	-	-	30,645,782	37,780,280	40,463,027	41,771,170	36,048,453	34,982,125	36,569,675
Committed	-	-	-	8,318,890	2,531,471	1,703,715	3,972,645	6,011,986	12,497,167	38,123,755
Assigned	-	-	-	5,403,633	7,731,362	14,424,926	26,310,329	38,012,025	48,079,550	26,648,670
Unassigned	-	-	-	(111,496)	(622,965)	(353,393)	(726,084)	(1,637,152)	(1,852,004)	(265,877)
Total all other governmental funds	\$ 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	\$ 102,888,011

*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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
REVENUES										
Property taxes	\$ 7,331,800	\$ 7,995,420	\$ 8,730,892	\$ 8,855,449	\$ 9,123,666	\$ 9,324,583	\$ 10,148,857	\$ 7,391,659	\$ 9,816,255	\$ 10,550,013
Special assessment collections	884,137	702,392	669,155	779,292	1,216,553	845,259	805,084	753,755	775,793	2,030,276
Sales tax collections	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	27,245,883
Licenses and permits	607,474	647,390	607,708	744,303	701,740	836,065	1,486,521	2,311,025	2,153,400	1,862,029
Intergovernmental	4,612,249	4,695,404	5,348,836	6,716,698	8,123,997	9,539,038	14,840,183	23,708,545	34,430,478	40,409,003
Charges for services	3,788,077	4,281,728	3,821,965	4,540,984	5,018,590	4,868,019	6,755,299	8,311,975	8,413,316	8,746,373
Fines and forfeits	520,615	524,050	540,046	471,653	490,864	659,823	852,821	1,117,060	1,198,946	1,229,088
Interest income	892,061	1,643,502	2,282,098	1,468,090	961,136	454,200	958,300	546,393	251,460	471,073
Contract Revenue	-	-	-	-	-	-	1,698,584	1,200,000	1,187,136	-
Miscellaneous	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,106,373	1,027,307	607,263	1,256,203	604,999
Total revenues	30,663,121	33,374,299	38,139,972	40,227,940	41,765,054	44,833,751	60,185,141	72,653,029	84,333,048	93,148,737
EXPENDITURES										
General government	6,962,816	8,001,249	8,709,351	11,048,600	14,714,972	10,245,057	15,569,025	17,366,238	19,335,762	23,680,730
Public safety	7,311,855	7,501,383	7,828,236	8,191,065	8,736,792	10,045,515	10,619,643	10,790,276	12,707,694	14,376,257
Highways and streets	2,450,835	2,210,048	2,069,635	2,777,822	3,342,302	4,201,481	4,398,650	6,145,446	12,090,496	8,557,587
Culture and recreation	1,858,446	1,859,266	3,292,295	3,377,216	2,493,537	2,642,299	3,195,012	3,356,958	4,501,165	7,364,051
Economic development	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475
Capital outlay	2,321,872	4,854,425	7,898,663	5,517,661	4,521,395	6,618,990	4,921,732	14,347,097	27,442,679	27,926,088
Debt retirement	-	-	-	-	-	-	-	-	-	-
Principal	2,395,000	2,415,000	2,520,000	2,655,000	2,420,000	2,730,000	2,225,000	5,510,000	2,995,000	3,060,000
Interest and fiscal charges	583,438	707,286	627,917	773,958	787,850	700,606	600,808	696,720	551,892	1,022,919
Total expenditures	24,435,469	27,956,665	35,663,252	38,224,184	37,948,848	38,306,756	42,433,848	59,064,156	80,930,858	89,280,107
Excess (deficiency) of revenues over (under) expenditures	6,227,652	5,417,634	2,476,720	2,003,756	3,816,206	6,526,995	17,751,293	13,588,873	3,402,190	3,868,630
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	-	2,900,000	6,815,000	3,950,000
Special assessment bonds issued	-	910,000	2,715,000	1,905,000	-	-	4,285,000	1,885,000	11,595,000	4,135,000
Premium (discount) on debt issued	-	(15,658)	100	10,265	6,180	(6,875)	200,025	95,838	642,825	332,360
Capital leases	-	-	-	-	-	15,392	-	-	-	7,921
Principal retirement on current refunding	-	-	17,540	-	-	-	-	-	-	-
Sale of City Property	-	-	27,043	33,617	20,053	312,939	89,751	79,600	84,844	93,325
Transfers In	6,105,360	5,191,192	5,834,714	5,999,009	5,494,389	5,702,692	4,132,386	16,158,598	16,523,322	21,264,126
Transfers Out	(5,579,751)	(4,487,665)	(4,297,199)	(3,603,009)	(8,920,013)	(6,355,466)	(8,409,052)	(22,031,044)	(19,965,860)	(21,617,436)
Total other financing sources (uses)	2,880,609	4,407,869	6,082,198	6,064,882	(1,394,391)	1,043,682	298,110	(912,008)	15,695,131	8,165,296
Net change in fund balances	\$ 9,108,261	\$ 9,825,503	\$ 8,558,918	\$ 8,068,638	\$ 2,421,815	\$ 7,570,677	\$ 18,049,403	\$ 12,676,865	\$ 19,097,321	\$ 12,033,926
Debt service as a percentage of noncapital expenditures	13.47%	13.52%	11.34%	10.48%	9.60%	10.83%	7.53%	13.88%	6.63%	6.65%

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 *
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
2014	9,750,742	1,126,237	27,248,673	2,952,874	4,792,103	699,277	700,272	47,270,178	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		First Penny		June 1998 to October 2011		Second Penny		Property Tax		Total Sales Tax Collections									
			10%	15%	20%	25%	30%	40%	50%	55%	60%	65%	70%	75%	80%	85%	90%	95%	100%	Total Sales Tax Collections		
2005	36,567	2%	\$ 632,611,203	\$ 2,204,283	\$ 2,755,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,021,415	33.51%
2006	36,567	2%	673,620,128	2,384,118	2,980,148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,920,592	33.16%
2007	36,567	2%	741,745,928	2,648,554	3,310,692	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,242,768	33.51%
2008	36,567	2%	839,876,644	2,914,868	3,643,585	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,574,340	32.92%
2009	36,567	2%	906,784,178	2,969,183	3,711,479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,845,915	31.10%
2010	40,888	2%	1,072,382,163	3,440,078	4,300,098	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,200,391	32.30%
2011	40,888	2%	1,443,645,118	4,322,437	5,403,047	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,612,185	32.50%
2012	40,888	2%	1,692,043,875	5,341,071	6,676,338	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,705,354	30.89%
2013	40,888	2%	1,557,674,234	4,970,012	6,212,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,850,061	30.07%
2014	40,888	2%	1,565,003,471	3,541,644	4,903,938	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,245,883	27.20%

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 at 50%, economic development at 40%, and property tax relief at 10%. 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.

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%.

(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	2014
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	\$ 49,665,915
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	44,013,113
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	290,304,871
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	787,848,046
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	5,062,171
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	5,369,904
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	56,370,723
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	6,201,488
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	4,529,547
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	5,852,922
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	202,218,462
Mining and Oil Extraction	21,582,457	21,041,752	20,765,032	22,544,992	26,373,761	112,311,540	111,271,321	93,540,551	45,172,738
Other services	5,874,822	7,068,913	6,405,800	12,659,014	16,499,272	35,124,654	39,632,295	38,369,378	60,426,019
Miscellaneous						2,467,460	8,493,288	2,279,552	1,967,552
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	\$ 1,565,003,471

* Industry taxable sales and purchases figures are from the State of ND Sales Tax Department

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
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
2014	1,000,617,300	1,227,636,250	15,781,324	2,244,034,874	4,488,069,748	50.00%	77.90

(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					
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
2014	46.01	24.40	7.49	77.90	27.09	92.41	71.22	268.62

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
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	13,803,849	95.16%	264,952	14,068,802	96.99%	351,294	448,378	3.09%
2014	16,451,633	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, 2014
unaudited

TAXPAYER	2014			2005		
	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value
Investor's Real Estate Trust (IRET)	\$ 6,580,650	1	2.93%	\$ 1,190,790	2	1.77%
Minot Dakota Mall, LLC (includes Sleep Inn Complex)	3,943,950	2	1.76%	3,112,090	1	4.63%
ARHC MMMINND01, LLC (Medical Arts/Wellington)	1,244,700	3	0.55%			
Northdale Apartments III LLC	980,200	4	0.44%			
SUSO 3 Southgate LP	954,950	5	0.43%			
Southwood Apartments	946,800	6	0.42%			
Wal-Mart Real Estate	907,100	7	0.40%	333,270	11	0.50%
Prairie Heights Apartments	902,100	8	0.40%			
Hartland Hospitality Fund LLC	880,550	9	0.39%			
The Pines on 37th LLC	869,850	10	0.39%			
Stonebridge Development Company LLC	859,700	11	0.38%			
Northern Plains Apartments	833,250	12	0.37%			
Meadow Ridge, LLC (Apartments)	821,900	13	0.37%			
Menard's Inc.	811,350	14	0.36%	364,000	7	0.54%
Woodridge Mobile Home Park LLC	791,400	15	0.35%			
International Inn	773,150	16	0.34%	353,770	8	0.53%
Cambridge Capital Management	758,200	17	0.34%	344,440	10	0.51%
Cognizant Technology Solutions	730,900	18	0.33%			
Gill Corporation	721,550	19	0.32%			
Baker Hughes Oilfield Operations, LLC	715,850	20	0.32%			
Kadima Medial Properties (Former Unimed Clinic)				597,150	3	0.89%
Northern States Power (Xcel)				555,740	4	0.83%
Glacial Holdings (Apartments)				377,450	5	0.56%
ReliaStar (ING)				393,870	6	0.59%
Trinity				345,570	9	0.51%
Minot Vista Properties (Edgewood Vista)				317,380	12	0.47%
L & S Family (MLT)				308,870	13	0.46%
Dayton-Hudson (Target)				285,040	14	0.42%
Riverside Inc. (Holiday Inn)				280,360	15	0.42%
Philadelphia Macaroni				278,410	16	0.41%
Johannesson's Property (Marketplace)				253,540	17	0.38%
Wells Fargo Bank ND				235,570	18	0.35%
Farmers Union				234,560	19	0.35%
Community Care Group				230,920	20	0.34%
All Others	198,375,387		88.40%	56,882,328		84.55%
Total Taxable Assessed Value	<u>\$224,403,487</u>		<u>100.00%</u>	<u>\$67,275,118</u>		<u>100.00%</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			
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
2014	15,255,000	23,160,000	6,495	42,395,000	1,209,334	-	473,392	82,499,221	16.74%	2,017.69

(1) \$49,296 (ND Job Service Q3 2014)

(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
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
2014	40,888	2,244,034,874	15,255,000	1,273,150	13,981,850	0.62%	341.95

(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, 2014
 unaudited

Governmental Unit	Outstanding Debt	Sinking Funds	Net Debt	Ratio	City's Share of Debt
Minot School District (1)	\$ 23,932,568	\$ 64,501	\$ 23,868,067	99.19%	\$23,675,393
Minot Park District	10,391,036	-	10,391,036	100.00%	10,391,036
Ward County (2)	34,640,765	-	34,640,765	66.53%	<u>23,047,733</u>
Overlapping Debt					57,114,162
City of Minot (General Obligation Direct Debt)			15,255,000	100.00%	15,255,000
City of Minot (Special Assessment Direct Debt)			23,160,000	100.00%	23,160,000
City of Minot (Capital Lease)			6,495	100.00%	<u>6,495</u>
Total Direct and Overlapping Debt					<u><u>\$ 95,535,657</u></u>

Ratios Used	2014 Assessed Value	2014 City's Assessed Value	Percentage
Minot School District (2)	\$ 2,262,297,173	\$2,244,034,874	99.19%
Minot Park District (2)	2,244,034,874	2,244,034,874	100.00%
Ward County (2)	3,372,786,588	2,244,034,874	66.53%

(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, 2014
unaudited

True and full value of taxable property - 2013	\$ 4,488,069,748
Debt limit - 8% of 50% of true and full value	179,522,790
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 15,255,000
Special Assessment bonds with Government Commitment	53,336
Less: cash in debt service sinking funds	<u>1,273,150</u>
Total net debt applicable to limit	<u>14,035,186</u>
Legal debt margin	<u><u>\$ 165,487,604</u></u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 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	\$ 179,522,790
Less total net debt applicable to limit	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	14,035,186
Legal debt margin	\$ 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	\$ 165,487,604
Total net debt applicable to the limit as a percentage of debt limit	13.16%	13.99%	12.08%	11.68%	11.10%	10.91%	9.09%	6.22%	7.92%	7.82%

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

Year	Charges For Services	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			
							(2) Principal	Interest & Fiscal Charges	Total	Coverage
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
2014	4,054,181	20,518,010	7	2,758,673	-	21,813,525	-	444,141	444,141	49.11

(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	
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
2014	19,191,243	11,520,824	1,050,000	8,720,419	4,520,000	717,507	5,237,507	1.66

(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	(3) Median Age	(2) Education Levels in Years of Formal Schooling	School Enrollment	Unemployment Rate
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%
2014	40,888	2,015,614,848	49,296	30.4	13.50	7,783	2.8%

(1) U.S. Census Bureau

(2) Job Services, North Dakota

(3) Minot Area Development Corporation Community Profile

Principal Employers
Current Year and Nine Years Ago
 unaudited

Employer	2014			2005		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	6,700	1	27.96%			
Trinity Health	2,778	2	11.59%	2,500	1	8.00%
Minot Public Schools	1,030	3	4.30%	1,400	2	4.48%
Minot State University	453	4	1.89%	850	4	2.72%
Cognizant (ING Minot Service Center)	400	5	1.67%	765	5	2.45%
City of Minot	355	6	1.48%	295	11	0.94%
Marketplace Foods	327	7	1.36%	190	14	0.61%
Wal-Mart	290	8	1.21%			
Kalix (MVAW)	284	9	1.19%	400	8	1.28%
MLT Inc.	243	10	1.01%	300	10	0.96%
Ward County	227	11	0.95%	200	13	0.64%
SRT Communications	213	12	0.89%	202	12	0.65%
Menards	190	13	0.79%			
Pumpco	173	14	0.72%			
Westlie Motors	167	15	0.70%			
Central Trenching	164	16	0.68%			
Ryan Family Dealerships-Minot	162	17	0.68%			
Cameron Oil	150	18	0.63%			
Colter Energy	140	19	0.58%			
Pure Energy/FMC Technology Completion Services	120	20	0.50%			
Enbridge	110	21	0.46%			
First Western Bank	110	22	0.46%			
Weatherford	110	23	0.46%			
Dakota Square Mall				1,350	3	4.32%
Choice Hotels International, Inc.				500	6	1.60%
Sykes, Inc.				435	7	1.39%
Miracle Mart				378	9	1.21%
Dakota Boys & Girls Ranch				180	15	0.58%
International Inn				170	16	0.54%
US Post Office				135	17	0.43%
Minot Daily News				130	18	0.42%
Farstad Oil/Superpumper				120	19	0.38%
Total	14,896		62.16%	10,500		33.60%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	32	31	31	31	33	33	33	38	44.84	48.34
Public safety										
Police										
Officers	65	63	64	64	63	67	69	70	75.00	79.00
Civilians	20	20	20	20	20	20	20	22	25.00	25.00
Fire										
Firefighters and officers	49	49	49	49	49	49	50	47	50.00	50.00
Civilians	1	1	1	1	1	1	1	1	2.00	2.00
Highways and streets										
Engineering	9	9	9	9	9	9	10	11	12.00	12.00
Maintenance	36	35	36	36	36	36	38	35	36.68	36.68
Culture and recreation	24	24	25	25	24	24	24	24	25.00	25.00
Airport	13	13	13	13	13	11	12	16	18.00	18.00
Cemetery	3	3	3	3	3	3	3	3	4.21	4.21
Parking authority	1	1	1	1	1	1	1	1	1.00	1.00
Sanitation	19	20	20	20	22	22	22	23	27.15	30.15
Water and sewer	39	39	39	39	39	39	38	41	42.62	48.62
Total	311	308	311	311	313	315	321	332	363.50	380.00

(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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Assessors										
Properties reviewed	1,390	1,575	1,203	775	1,600	1,500	950	150	922	4,148
Properties photographed	1,435	1,899	1,800	2,800	3,500	2,200	900	2,790	1,944	4,557
Building inspections										
Permits issued	690	600	502	540	486	447	873	1,227	996	654
City bus										
Bus ridership	146,047	151,594	152,314	151,169	131,062	123,139	123,744	136,951	128,184	130,866
Public safety										
Police										
Parking tickets issued	7,019	8,155	8,330	6,804	6,914	6,072	6,957	9,619	9,032	7,368
Criminal citations issued	5,421	5,454	5,695	5,605	5,697	6,035	6,206	6,781	7,492	6,057
Traffic citations issued	4,809	4,556	5,021	3,895	3,551	4,251	4,194	4,901	4,239	4,990
Alarms-patrol & parking division	647	671	675	693	716	839	939	1,348	1,172	1,410
Fire										
# of fire incidents	371	350	373	405	381	432	498	594	660	751
# of rescue incidents	1,781	1,907	2,003	1,924	1,867	1,957	1,920	2,052	2,175	2,043
Inspections made	1,792	1,640	1,645	1,593	1,393	1,514	1,137	1,514	2,370	2,812
Highways and streets										
Traffic										
Signs installed	862	1,194	1,112	1,503	1,430	1,419	1,207	1,497	1,314	1,331
Signs/posts repaired	851	817	1,302	2,118	2,138	2,005	1,776	1,543	1,582	1,401
Traffic light repairs	592	369	458	568	273	241	441	569	861	276
Street light repairs	199	174	243	301	253	186	373	396	892	274
Culture and recreation										
Auditorium										
Event days	1,833	1,551	1,895	1,996	1,539	1,362	1,137	714	746	590
Attendance	218,666	203,641	246,596	256,041	256,439	194,067	211,608	199,435	186,914	78,531
Library										
Registered borrowers	23,245	24,371	24,007	23,384	22,933	24,079	24,039	23,105	21,994	21,874
Circulation and activity	301,721	292,785	304,531	294,441	273,182	274,665	232,471	268,444	302,028	292,676
Airport										
Gallons airline fuel dispensed	985,647	815,120	748,825	870,578	1,078,256	1,714,587	2,676,456	3,829,885	3,129,913	3,999,072
Airline boarding's	79,654	78,854	74,921	75,972	72,219	96,599	306,403	444,921	222,083	222,144
Sanitation										
# of customers	10,210	10,279	10,392	10,497	10,769	10,884	10,825	15,453	11,044	11,504
Landfill tonnage	88,343	94,757	95,216	113,936	114,685	115,812	215,860	191,326	161,131	151,913
Water and Sewer										
# of consumers	11,801	11,858	11,970	12,142	12,472	13,640	13,671	13,708	14,320	14,649
Gallons pumped/treated	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	2,422,130,000

Source: Various city departments

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

FUNCTION	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government										
Public works building	1	1	1	1	1	1	1	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	33	33	31	31	31	31	33	35	36	40
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (square miles)	15.047	16.170	16.395	16.73	17.31	18.78	19.72	25.14	27.32	27.36
Street lights	2,225	2,273	2,311	2,375	2,504	2,672	2,604	2,897	3,229	3,400
Traffic signals	43	44	50	50	50	51	51	52	53	53
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	2	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	10	10	10	10	10	2	2
Indoor tennis center	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	7	7	8	8	8	8	8	8	8	9
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	160	160	210	210	210	245	269	292	302	315
Maximum daily capacity (millions of gallons)	11.90	13.13	12.91	11.96	10.56	9.93	8.2	11.5	10.95	11.3

Sources: Various city departments



**Independent Auditor's Report on Compliance with Requirements Applicable to the
Passenger Facility Charge Program and Internal Control over Compliance**

To the Honorable Mayor and City Council
City of 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, 2014.

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, 2014.

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.

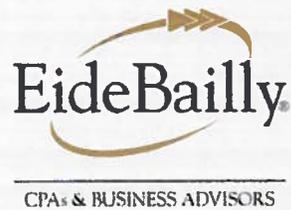
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Guide 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 the Guide 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 the *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Bismarck, North Dakota
April 16, 2015



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*

To the Honorable Mayor and City Council
City of 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 16, 2015.

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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

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. 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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*.

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.

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

Bismarck, North Dakota
April 16, 2015



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Minot, North Dakota'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's major federal programs for the year ended December 31, 2014. The City'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'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'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's compliance.

Opinion on Each Major Federal Program

In our opinion, the City 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, 2014.

Report on Internal Control over Compliance

Management of the City 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'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'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.



Bismarck, North Dakota
April 16, 2015

City of Minot, North Dakota
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>Department of Commerce</u>			
<i>Passed through ND Department of Commerce, Division of Community Services</i>			
Investments for Public Works and Economic Development Facilities	** 11.300	05-01-04803	\$ 184
Economic Adjustment Assistance	** 11.307	05-79-05271	91,819
Economic Adjustment Assistance	** 11.307		<u>1,716,495</u>
Total Department of Commerce			<u>1,808,498</u>
<u>Department of Defense</u>			
North Dakota Environmental Infrastructure	12.118		<u>298,236</u>
<u>Department of Housing and Urban Development</u>			
North Dakota Environmental Infrastructure	14.218		24,565,887
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	* 14.269		8,473,003
<i>Passed through ND Department of Commerce, Division of Community Services</i>			
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	* 14.269	B-13-DS-38-0001	<u>1,925,469</u>
Total Department of Housing and Urban Development			<u>34,964,359</u>
<u>Department of Justice</u>			
<i>Passed through ND Department of Health</i>			
Violence Against Women Formula Grants	** 16.588	G13.1164	6,562
Violence Against Women Formula Grants	** 16.588	G13-399	29,489
Bulletproof Vest Partnership Program	16.607		5,470
Public Safety Partnership and Community Policing Grants	16.710		9,380
<i>Passed through ND Attorney General's Office</i>			
Edward Byrne Memorial Justice Assistance Grant Program	** 16.738	1/1/14 - 12/31/14	14,950
Edward Byrne Memorial Justice Assistance Grant Program	** 16.738		<u>29,750</u>
Total Department of Justice			<u>95,601</u>

City of Minot, North Dakota
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>Department of Transportation</u>			
Airport Improvement Program <i>Passed through ND Department of Transportation</i>	20.106		9,815,137
Highway Planning and Construction	20.205	SPR-P036(006) and SER-4-002(100)906	135,704
Formula Grants for Rural Areas	20.509	38131751 and 38141500	354,610
State and Community Highway Safety	** 20.600	PHSPSC1407-02-07	4,500
Alcohol Impaired Driving Countermeasures Incentive Grants I	** 20.601	PHSPOP1405-05-15	6,186
Alcohol Impaired Driving Countermeasures Incentive Grants I	** 20.601	PHSPID1410-03-70	3,946
Alcohol Impaired Driving Countermeasures Incentive Grants I	** 20.601	PHSPID1510-02-60	731
National Priority Safety Programs	** 20.616	PHSPID1410-03-15	16,725
National Priority Safety Programs	** 20.616	PHSPDE1408-04-07	5,321
National Priority Safety Programs	** 20.616	PHSPID1410-05-04	12,000
National Priority Safety Programs	** 20.616	PHSPID1510-02-12	2,877
National Priority Safety Programs	** 20.616	PHSPOP1505-05-13	1,962
Total Department of Transportation			10,359,699
<u>Environmental Protection Agency</u>			
Brownsfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814		39,717
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		47,363
Total Environmental Protection Agency			87,080
<u>Department of Homeland Security</u>			
<i>Passed through ND Department of Emergency Services</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 4A	96,553
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 19B	36,506
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 16C PW-4242	4,019
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 1EPW4746(0)	7,207
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	PA-08-ND-1981-PW-03071(2)	3,558
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 13F	11,574

City of Minot, North Dakota
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>Department of Homeland Security (continued)</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 13F	35,551
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 14F	11,803
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 14F	37,232
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 15F	45,145
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 16F	149,149
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 16F	42,038
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 17F PW4694	15,349
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 17F PW4694	107,202
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 17F PW4694	2,037
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 18F PW4744(2)	30,526
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 23F PW4745(2)	3,295
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 6G	9,496
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	FEMA-1981-DR-ND 7G PW4898(1)	32,293
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	PA-08-ND-4190-PW-0036(0)	1,256
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	PA-08-ND-4190-PW-0037(0)	1,723
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	** 97.036	PA-08-ND-4190-PW-0038(0)	237
Hazard Mitigation Grant	* 97.039	ND-DR-1981-39-R	45,816
Hazard Mitigation Grant	* 97.039	ND-DR-1981-59F	70,826
Hazard Mitigation Grant	* 97.039	ND-DR-1981-27R	380,590
Hazard Mitigation Grant	* 97.039	ND-DR-1981-26R	1,392,730

City of Minot, North Dakota
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
<u>Department of Homeland Security (continued)</u>			
Homeland Security Grant Program	** 97.067	A0771-003-2012-RQ	20,217
Homeland Security Grant Program	** 97.067	A0771-001-2012-RE	5,301
Homeland Security Grant Program	** 97.067	A0771-001-2013-RQ	35,300
Homeland Security Grant Program	** 97.067	A0771-002-2013-RT	37,433
Homeland Security Grant Program	** 97.067	A0751-001-2012-RQ	1,329
Homeland Security Grant Program	** 97.067	A1171-001-2013-RQ	67,007
Homeland Security Grant Program	** 97.067	A0751-001-2013-RQ	10,746
Homeland Security Grant Program	** 97.067	A1171-002-2013-RT	19,974
Homeland Security Grant Program	** 97.067	A0751-002-2013-RT	5,410
Homeland Security Grant Program	** 97.067	A0456-001-2013-HQ	23,405
Homeland Security Grant Program	** 97.067	A0751-001-21014-RQ	<u>3,898</u>
Total Department of Homeland Security			<u>2,803,731</u>
Total Federal Financial Assistance			<u><u>\$ 50,417,204</u></u>

* Denotes a major program cluster

** Denotes a program cluster

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Minot, North Dakota, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

Note B – Significant Accounting Policies

Governmental and proprietary fund types account for the City's federal grant activity. Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

Note C – Subrecipients of Grant Awards

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the City provided federal awards to subrecipients as follows:

Department of Justice

Edward Byrne Memorial Justice Assistance Grant Program
(CFDA No. 16.738)

\$ 14,950

No federal findings reported in the prior year

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	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 OMB Circular A-133 §.510(a):	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
North Dakota Environmental Infrastructure	14.218
Hurricane Sandy Community Development	
Block Grant Disaster Recovery Grants	14.269
Hazard Mitigation Grant	97.039

Dollar threshold used to distinguish between type A and type B programs:	\$ 1,512,516
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings and Questioned Costs

None reported.