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**CITY OF MINOT,**  
**NORTH DAKOTA**

***COMPREHENSIVE ANNUAL***

***FINANCIAL REPORT***

***FOR THE FISCAL YEAR***

***ENDED DECEMBER 31, 2001***

PREPARED BY:

DEPARTMENT OF FINANCE

ROBERT E. FRANTSVOG, CITY AUDITOR

CITY OF MINOT, NORTH DAKOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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June 5, 2002

To the Honorable Mayor,  
City Council, City Manager, and  
Citizens of the  
City of Minot, North Dakota 58701

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, 2001. This set of financial statements was prepared by the City's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Minot has established a comprehensive internal control framework that is 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 of Minot's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, 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 of Minot's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Minot, North Dakota for the fiscal year ended December 31, 2001, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. This requirement has been complied with and the independent auditor's report has been included as the first component of the financial section of this report.

## The Honorable Mayor, City Council and City Manager

The independent audit of the financial statements of the City of Minot, North Dakota was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor 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 require that management 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 MD&A and should be read in conjunction with it. The City of Minot's MD&A can be found immediately following the report of the independent auditors.

With the December 31, 2001 financial statements, the City is electing to early implement a dramatic change in governmental financial reporting. The format and purpose of these changes are addressed in the Management's Discussion and Analysis. Additionally, the notes to the financial statement discuss the change, and reflect and explain the effects and results of these changes. We believe this new presentation will provide better information to the users of these statements.

### ***Profile of the Government***

The City of Minot, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City of Minot currently occupies a land area of approximately 15 square miles and serves a population of 36,567. Located twelve miles north of the City of Minot, 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 of Minot during 2001 was \$261.3 million. During 2001, the Minot Air Force Base had over \$54.2 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 10,088 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City of Minot during their tour of duty and after their discharge. The relationship between the citizens of Minot and those of the base is one of mutual cooperation and friendliness.

The City of Minot 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.

The City of Minot operates under Home Rule Charter, established July 23, 1909, with a council-manager form of government. Policy-making and legislative authority are vested in a city council consisting of the mayor and 14 aldermen. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and city attorney. The city manager is responsible for carrying out the policies and ordinances of the council, and for overseeing the day-to-day operations of the city government. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with 7 council members elected every two years. The mayor is

## The Honorable Mayor, City Council and City Manager

elected to serve a four-year term and is elected at large. The aldermen are elected by ward.

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

The annual budget serves as the foundation for the City of Minot's financial planning and control. All departments and agencies of the City of Minot submit requests for appropriation to the city manager in May of each year for the ensuing year's budget, which begins on January 1<sup>st</sup>. 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 18 through 21 as part of the basic financial statements for the governmental funds. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 61.

### ***Factors Affecting Financial Condition***

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

**Local economy.** Minot is an extremely cost-efficient and cost-effective business location. Services, utilities, real estate – almost every cost involved in doing business is significantly lower in Minot than anywhere else in the United States.

Minot's centralized location in North America and its high-quality transportation make it an excellent site for both businesses and manufacturers.

The community and the local government are pro-business as well, offering needed resources, business counseling, and innovative financing opportunities. A growing sales tax base, a strong labor force, and a solid foundation of business and industry assistance makes Minot a dynamic and attractive place to do business.

The City has a variety of industrial sites and industrial parks that are adaptable to virtually every business need. Minot can offer industrial and commercial property, as well as existing buildings, at very reasonable costs. One of the community's strengths is its room to grow a business: from a small enterprise to a major international firm.

The City continues with the practice of maintaining current levels of service, building cash reserves, and preserving our basic infrastructure in a responsible manner. To pursue that practice, the City will continue to obtain the maximum use of each dollar expended, and with an attitude of achieving and maintaining those objectives in an orderly and responsible manner.

The Honorable Mayor, City Council and City Manager

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

**Long-term financial planning.** The City of Minot continually plans into the future for anticipated construction projects and infrastructure needs. One of our largest projects is the Northwest Area Water Supply Project (NAWS)-which will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future. Construction is scheduled to begin in early 2002, with anticipated completion to Minot in 2007. The project will extend to Northwest North Dakota with that phase expected to last until 2014. Funding for the NAWS project is from a 1% City Sales Tax dedicated to this project, along with state and federal funding.

There are several highway projects anticipated. Beginning in 2002, the 16<sup>th</sup> Street underpass is scheduled to begin with completion anticipated by the spring of 2003. Broadway reconstruction will continue. The majority of funding will be from the highway fund.

Several facilities are scheduled for remodeling. The old fire station located at City Hall will be remodeled for additional space for the police department. This is scheduled to begin in 2003. In 2002, the Landfill will begin construction of cell #3. They also anticipate the purchase of a new baling system and building. The police department remodel will be funded with Sales Tax-Capital Improvement funds. The landfill will be funded with sanitation utility funds.

**Cash management policies and practices.** Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury, and various Federal Agency securities. The maturities of the investments range from 3 months to 2 years, with an average maturity of 8 months. The average yield on investments was 4.28 percent. (Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.)

**Risk management.** The City of Minot provides for health insurance claims with a self-funded insurance plan. A third party administrator operates the self-funded insurance plan. The financial statements of the plan are shown in the internal service funds of the City.

The City is a member of the North Dakota Insurance Reserve Fund. NDIRF is a self-insurance pool established to provide general liability, public official's errors and omissions, and auto and inland marine coverage for North Dakota state agencies and political subdivisions. The Fund also provides loss control and claim service.

Other risk management achievements include the implementation of a city-wide safety program, which provides for safety training, an accident review board, and accident prevention techniques. Additional information on the City of Minot's risk management activity can be found in Note V. A of the notes to the

The Honorable Mayor, City Council and City Manager

financial statements.

**Pension and other postemployment benefits.** The City of Minot participates in two separate defined benefit pension plans. The City of Minot also provides postretirement health care benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 25 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Additional information on the City of Minot's pension arrangements and postemployment benefits can be found in Notes V, C & D in the notes to the financial statements.

**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, 2000. This was the 18<sup>th</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government 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 that 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 of Minot's finances.

Respectfully submitted,



Robert Frantsvog  
City Auditor

# 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, 2000

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

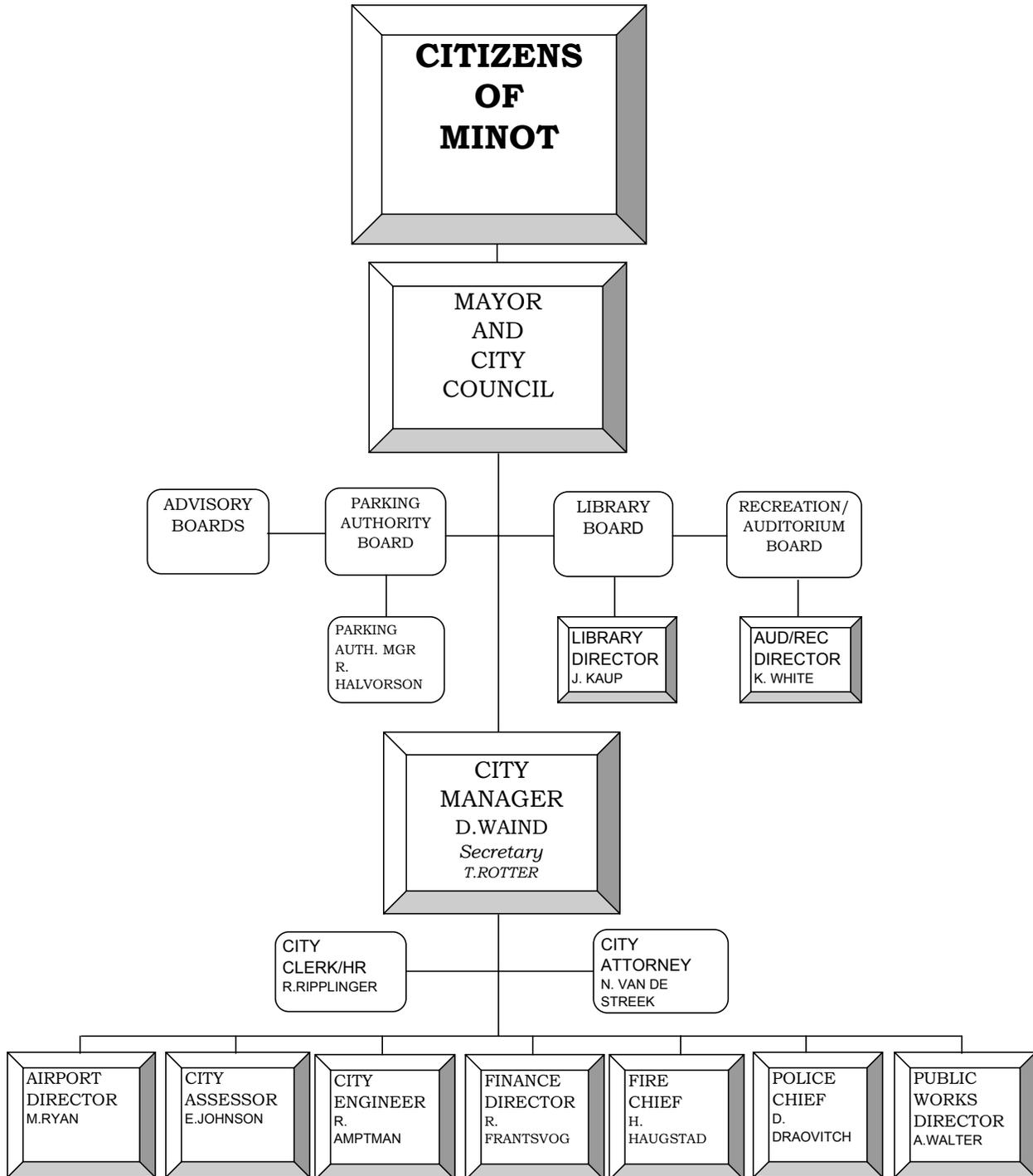


*Imelda Cruz*  
President

*Jeffrey L. Esser*  
Executive Director

# CITY OF MINOT

## ORGANIZATIONAL CHART



***PRINCIPAL OFFICERS***

**CITY OF MINOT,  
NORTH DAKOTA**

***MAYOR***

***CARROLL W. ERICKSON***

***MEMBERS OF THE CITY COUNCIL***

|         |                                                  |
|---------|--------------------------------------------------|
| WARD 1: | LARRY FREY<br>ED KUHN                            |
| WARD 2: | NEIL LEIGH<br>LEE SNYDER                         |
| WARD 3: | JIM HATLELID-VICE PRESIDENT<br>STEPHAN PODRYGULA |
| WARD 4: | CHUCK BARNEY<br>ALLEN BUTZ                       |
| WARD 5: | RONALD GARCIA<br>SANDRA ROGGENBUCK               |
| WARD 6: | ERNEST MEDALEN<br>CURT ZIMBELMAN                 |
| WARD 7: | RON BOEN<br>BLAKE KRABSETH-PRESIDENT             |

***CITY MANAGER***

***DAVID W. WAIND***

***CITY AUDITOR***

***ROBERT E. FRANTSVOG***

## INDEPENDENT AUDITOR'S REPORT

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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, 2001, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2001, as listed in the table of contents. These financial statements are the responsibility of the **City of Minot's** management. Our responsibility is to express opinions on these financial statements based on our audit.

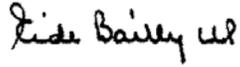
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note V F., the City has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as of December 31, 2001.

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, 2001, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Sales Tax-Economic Development Fund, and the Sales Tax-NW Area Water Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary funds of the **City of Minot, North Dakota**, as of December 31, 2001, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3 through 9 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards are required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Lisa Bailey" followed by a stylized flourish.

Minot, North Dakota  
April 5, 2002

# CITY OF MINOT, NORTH DAKOTA

## 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, 2001. We encourage readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements and the notes to the financial statements.

### **FINANCIAL HIGHLIGHTS**

- The net assets of the City of Minot increased by \$ 11,422,065 as a result of the current year's operations.
- Total revenues from all sources were \$ 42,404,866.
- Total cost of all programs was \$ 30,982,801.
- Governmental net assets totaled \$18,358,087.
- Governmental revenues exceeded expenditures by \$ 6,500,119.
- Unreserved fund balance for the General Fund was \$ 3,033,506, 26% of the total general fund expenditures.

### **USING THIS ANNUAL REPORT**

This annual 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 that is essential to understanding the government-wide and fund statements

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

Fiscal year 2001 is the first year the City has implemented GASB 34, therefore only current year information is provided on the financial statements. Comparative analysis of the financial statement data will be presented in future years when the information is available.

### **Government-wide financial statements**

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

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

The *Statement of Activities* presents information on how the government's net assets changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

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

- Governmental activities – This includes most of the City’s basic services which are primarily supported by property and sales taxes, interest income, user fees and intergovernmental revenues.
- 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 11.

### **Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Minot, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the City’s significant funds – not the City as a whole. The City’s funds can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. 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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the government-wide financial statements.

The City of Minot maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: sales tax economic development fund, sales tax NAWS fund, highway debt service fund, and special assessment debt service fund. Data from the 21 other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, which begin on page 53.

The City of Minot adopts an annual budget for the general fund, sales tax economic development fund, and sales tax NAWS fund. A budgetary comparison statement has been provided to demonstrate compliance.

The governmental fund financial statements begin on page 14.

Proprietary funds. The City of Minot maintains two types of proprietary funds. Enterprise funds are used to report activities that charge for services it provides to outside customers. The Enterprise funds are presented as business-type activities in the government-wide statements. Internal Service funds are used to report activities that provide supplies and services to other City programs and activities. The Internal Service funds are reported with the governmental activities in the government-wide statements.

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Sanitation and Water and Sewer funds, all of which are considered to be major funds of the City of Minot. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Individual fund data for the non-major proprietary funds is provided in the form of combining statements which begin on page 75.

The basic proprietary fund statements begin on page 22.

Fiduciary Funds. The City of Minot is a trustee for its employees' pension plans. It is also responsible for other assets that are held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities have been excluded from the City's other financial statements since the City cannot use these assets to finance its operations.

The basic fiduciary fund statements begin on page 26.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-52 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 53-90 of this report.

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

The following two tables present condensed information on the City's Net Assets and Changes in Net Assets for the fiscal year ended December 31, 2001.

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Minot, assets exceeded liabilities by \$61,852,752 at the close of the most recent fiscal year.

By far the largest portion of the City of Minot's net assets (55%) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Minot uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City of Minot's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

| <b>City of Minot<br/>Net Assets</b>             |                            |                             |                   |
|-------------------------------------------------|----------------------------|-----------------------------|-------------------|
|                                                 | Governmental<br>Activities | Business-type<br>Activities | Total             |
| Current and other assets                        | 23,260,892                 | 6,190,293                   | 29,451,185        |
| Capital Assets                                  | 13,547,104                 | 48,904,345                  | 62,451,449        |
| <b>Total Assets</b>                             | <b>36,807,996</b>          | <b>55,094,638</b>           | <b>91,902,634</b> |
| Long-term debt outstanding                      | 17,679,810                 | 11,109,310                  | 28,789,120        |
| Other liabilities                               | 770,099                    | 490,663                     | 1,260,762         |
| <b>Total liabilities</b>                        | <b>18,449,909</b>          | <b>11,599,973</b>           | <b>30,049,882</b> |
| Net Assets                                      |                            |                             |                   |
| Invested in capital assets, net of related debt | (4,132,706)                | 37,972,659                  | 33,839,953        |
| Restricted                                      | 6,422,345                  | 39,605                      | 6,461,950         |
| Unrestricted                                    | 16,068,448                 | 5,482,401                   | 21,550,849        |
| <b>Total net assets</b>                         | <b>18,358,087</b>          | <b>43,494,665</b>           | <b>61,852,752</b> |

An additional portion of the City of Minot's net assets (10%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$21,550,849) may be used to meet the government's ongoing obligations to citizens and creditors.

| <b>City of Minot<br/>Changes in Net Assets</b> |                            |                             |                     |
|------------------------------------------------|----------------------------|-----------------------------|---------------------|
|                                                | Governmental<br>Activities | Business-type<br>Activities | Total               |
| Revenues                                       |                            |                             |                     |
| Program Revenues:                              |                            |                             |                     |
| Charges for Services                           | \$ 3,506,927               | \$ 9,288,196                | \$12,795,123        |
| Operating Grants and Contributions             | 1,670,318                  | 167,182                     | 1,837,500           |
| Capital Grants and Contributions               | 1,478,747                  | 4,899,936                   | 6,378,683           |
| General Revenues:                              |                            |                             |                     |
| Taxes                                          | 18,904,588                 | 381,199                     | 19,285,787          |
| Investments Earnings                           | 848,083                    | 278,405                     | 1,126,488           |
| Miscellaneous                                  | 957,633                    | 23,652                      | 981,285             |
| <b>Total Revenues</b>                          | <b>27,366,296</b>          | <b>15,038,570</b>           | <b>42,404,866</b>   |
| Expenses                                       |                            |                             |                     |
| General Government                             | 6,703,291                  |                             | 6,703,291           |
| Public Safety                                  | 6,349,105                  |                             | 6,349,105           |
| Highways and Streets                           | 2,431,141                  |                             | 2,431,141           |
| Culture and Recreation                         | 1,937,281                  |                             | 1,937,281           |
| Community Development                          | 2,717,852                  |                             | 2,717,852           |
| Interest on Long-Term Debt                     | 900,023                    |                             | 900,023             |
| Airport                                        |                            | 1,889,375                   | 1,889,375           |
| Cemetery                                       |                            | 214,164                     | 214,164             |
| Parking Authority                              |                            | 174,108                     | 174,108             |
| Sanitation                                     |                            | 1,649,318                   | 1,649,318           |
| Water and Sewer                                |                            | 6,017,143                   | 6,017,143           |
| <b>Total Expenses</b>                          | <b>21,038,693</b>          | <b>9,944,108</b>            | <b>30,982,801</b>   |
| Excess (deficiency) before transfers           | 6,327,603                  | 5,094,462                   | 11,422,065          |
| Transfers                                      | 172,516                    | (172,516)                   | -                   |
| <b>Change in net assets</b>                    | <b>6,500,119</b>           | <b>4,921,946</b>            | <b>11,422,065</b>   |
| <b>Ending Net Assets</b>                       | <b>\$18,358,087</b>        | <b>\$ 43,494,665</b>        | <b>\$61,852,752</b> |

### Financial Analysis of the Government's Funds

As noted earlier, the City of Minot uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds.**

The focus of the City of Minot'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 of Minot's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City of Minot's governmental funds reported combined ending fund balances of \$12,435,902, an increase of \$826,667 in comparison with the prior year. The majority of this increase is attributable to sales tax collections in the Sales Tax-NWAWS fund. Sales Tax-NWAWS will spend sales tax revenues collected as the project is completed. The *unreserved/ undesignated fund balance* is \$204,966, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate

that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$35,671), 2) to pay debt service (\$136,142), 3) for capital improvements (\$6,724,188), or 4) for a variety of other purposes (\$5,334,935).

The general fund is the chief operating fund of the City of Minot. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,033,506, while total fund balance reached \$3,060,987. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26% of total general fund expenditures, while total fund balance represents 27% of that same amount.

The fund balance of the City of Minot's general fund decreased by (\$437,804) during the current fiscal year. Some key factors of this decrease were that State tax collections were lower than anticipated for State Aid Distribution, Cigarette Tax, and Estate Tax. Interest income was also lower than anticipated.

The debt service fund has a total fund balance of \$136,142, all of which is reserved for the payment of debt service.

### **Proprietary funds.**

The City of Minot's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Airport at the end of the year amounted to \$1,117,579, for Sanitation \$1,212,564, and for Water and Sewer \$2,988,195. The non-major funds amounted to \$143,319 for a total unrestricted net assets of \$5,461,657. Total growth in net assets for these funds was \$4,901,202. The majority of this increase is attributable to an increase in capital contributions for the Airport and additional collections in user fees at the City's landfill.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor (\$11,254 in appropriations) and can be briefly summarized as follows:

- \$600 in administration increases in general government activities
- \$10,654 in police patrol increases in public safety

These appropriations were to have been funded from available fund balance. During the year, however, for these appropriations expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balances.

### **CAPITAL ASSET AND DEBT ADMINISTRATION**

#### **Capital Assets**

The City of Minot's investment in capital assets for its governmental and business-type activities as of December 31, 2001, amounts to \$62,451,449 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and work in progress.

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

- Construction began on the Northwest Area Water Supply Project; \$1,852,418.
- The 4<sup>th</sup> to 5<sup>th</sup> Street Transition was completed; \$224,195.

- The Library Expansion was completed; \$2,320,058.
- The South Hill Fire Station was completed; \$1,977,388.
- A variety of street construction projects in the City continued; construction costs were \$1,841,691.

| CITY OF MINOT<br>CAPITAL ASSETS<br>(net of depreciation) |                            |                             |                      |
|----------------------------------------------------------|----------------------------|-----------------------------|----------------------|
|                                                          | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| Land                                                     | \$ 4,909,325               | \$ 2,715,421                | \$ 7,624,746         |
| Buildings                                                | 599,919                    | 4,638,578                   | 5,238,497            |
| Improvements                                             | 113,923                    | 27,567,913                  | 27,681,836           |
| Equipment                                                | 3,428,678                  | 1,587,677                   | 5,016,355            |
| Construction in<br>Progress                              | 4,495,259                  | 12,394,756                  | 17,097,610           |
| <b>Total</b>                                             | <b>\$ 13,547,104</b>       | <b>\$ 48,904,345</b>        | <b>\$ 62,451,449</b> |

Additional information on the City of Minot's capital assets can be found in note IV. D on pages 38-40 of this report.

#### Long-term Debt

At year-end the City had total debt of \$ 28,789,120, a (decrease) of \$2,523,992 over the prior year. Note IV. H to the financial statements describes the City's long-term debt to greater detail.

The City issued new debt for Special Assessments in the amount of \$1,530,000, and for Revenue Bonds in the amount of \$400,000. The City refinanced \$1,725,000 of General Obligation debt by issuing \$1,740,000 General Obligation Highway Refunding Bonds. The City will realize reduced debt payments of \$33,221 over the next seven years by refinancing this debt. In addition, the City refinanced \$1,770,00 of Water and Sewerage Reserve Revenue debt by issuing \$1,785,000 in Water and Sewerage Utility Reserve Revenue Refunding Bonds. The City will realize reduced debt payments of \$62,983 over the next eight years by refinancing this debt.

The City continues to receive ratings of AA- and A1 from the rating agencies for their bonds.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$ 52,443,648. The City's legal debt margin is \$46,677,734. The net bonded debt per capita is \$125.16.

| City of Minot Outstanding Debt |                         |                     |                          |                      |                     |                     |
|--------------------------------|-------------------------|---------------------|--------------------------|----------------------|---------------------|---------------------|
|                                | Governmental Activities |                     | Business-type Activities |                      | Total               |                     |
|                                | 2001                    | 2000                | 2001                     | 2000                 | 2001                | 2000                |
| General Obligation Bonds       | \$ 4,925,000            | \$ 5,590,000        |                          |                      | \$ 4,925,000        | \$ 5,590,000        |
| Special Assessment Bonds       | 8,905,000               | 8,985,000           |                          |                      | 8,905,000           | 8,985,000           |
| Revenue Bonds                  |                         |                     | \$ 8,174,386             | \$ 8,659,386         | 8,174,386           | 8,659,386           |
| Notes                          |                         |                     | 2,015,029                | 2,043,747            | 2,015,029           | 2,043,747           |
| Loans                          | 1,190,000               | 1,410,000           | 742,271                  | 850,894              | 1,932,271           | 2,260,894           |
| Grants                         | 2,107,950               | 3,104,000           | -                        | -                    | 2,107,950           | 3,104,000           |
| Compensated Absences           | 551,860                 | 511,559             | 177,624                  | 158,526              | 729,484             | 670,085             |
| <b>Totals</b>                  | <b>\$17,679,810</b>     | <b>\$19,600,559</b> | <b>\$11,109,310</b>      | <b>\$ 11,712,553</b> | <b>\$28,789,120</b> | <b>\$31,313,112</b> |

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Projects in 2001 that boosted the economy in Minot included an addition to the ING office of \$15 million, the addition and remodeling of the Minot State University Old Main building of \$3 million, and the remodeling of a floor in the Trinity East Hospital.

In addition to the above items, the MAGIC Fund (Minot's economic development growth fund) provided direct assistance for 10 projects in 7 communities during the year and contributed to the economic development activities of 45 area communities.

Effective January 1, 2002, rate increases were approved for cemetery lots and interments, and for water and sewer usage. These rate increases are anticipated to generate \$8,000 in the Cemetery and \$366,500 in the Water and Sewer Utility. The City of Minot negotiated a new contract with Northwest Airlines for the rents and fees related to the Airport operations. This rate increase will become effective June 1, 2002 and will generate approximately \$43,500. In addition to these rate increases, the Passenger Facility Charge (PFC) for the airport will increase to \$4.50 per passenger. The PFC revenues will be used for improvement projects at the Airport.

Total appropriations for 2002 increased by approximately \$1.4 million dollars over 2001. These increases are primarily funded with the above mentioned increases, as well as an additional \$500,000 in sales tax revenues, \$225,000 in bus grants, and \$288,000 in police fines. The City Council held the tax levy fairly constant with only a minor increase.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives to the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 515 2<sup>nd</sup> Avenue SW, Minot, ND 58701 or visit us online at [web.ci.minot.nd.us](http://web.ci.minot.nd.us).

**City of Minot, North Dakota**  
Statement of Net Assets  
December 31, 2001

|                                                 | <i>Primary Government</i>  |                             |                      |
|-------------------------------------------------|----------------------------|-----------------------------|----------------------|
|                                                 | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>ASSETS</b>                                   |                            |                             |                      |
| Cash and cash equivalents                       | \$ 2,634,824               | \$ 1,646,187                | \$ 4,281,011         |
| Investments                                     | 7,192,357                  | 1,300,000                   | 8,492,357            |
| Receivables                                     |                            |                             |                      |
| Taxes Receivable Deferred                       | 5,314,950                  | -                           | 5,314,950            |
| Taxes Receivable Delinquent                     | 366,878                    | 6,489                       | 373,367              |
| Special Assessments Deferred                    | 3,705,568                  | -                           | 3,705,568            |
| Special Assessments Delinquent                  | 124,928                    | -                           | 124,928              |
| Accounts Receivable                             | 280,298                    | 782,680                     | 1,062,978            |
| Loans Receivable, net of Allowance              | 1,659,767                  | -                           | 1,659,767            |
| Accrued Interest Receivable                     | 125,452                    | -                           | 125,452              |
| Internal Balances                               | 254,003                    | (254,003)                   | -                    |
| Due From Other Agencies                         | 1,327,312                  | 253,433                     | 1,580,745            |
| Merchandise Inventory                           | 274,555                    | 54,981                      | 329,536              |
| Restricted Cash and cash equivalents            | -                          | 2,115,587                   | 2,115,587            |
| Capital Assets, net                             | 13,547,104                 | 48,904,345                  | 62,451,449           |
| Unamortized Issue Costs                         | -                          | 196,671                     | 196,671              |
| Unamortized Interest on Refunding               | -                          | 88,268                      | 88,268               |
| Total Assets                                    | <u>36,807,996</u>          | <u>55,094,638</u>           | <u>91,902,634</u>    |
| <b>LIABILITIES</b>                              |                            |                             |                      |
| Accounts Payable                                | 30                         | 550                         | 580                  |
| Due To Other Agencies                           | 225,650                    | 12,151                      | 237,801              |
| Accrued Salaries Payable                        | 318,755                    | 90,998                      | 409,753              |
| Insurance Claims Payable                        | 86,589                     | -                           | 86,589               |
| Long-term Liabilities (Note IV. H)              |                            |                             |                      |
| Portion due or payable within one year:         | 6,326,278                  | 1,332,807                   | 7,659,085            |
| Portion due or payable after one year:          | 11,353,532                 | 9,776,503                   | 21,130,035           |
| Accrued Interest Payable                        | 139,075                    | 89,469                      | 228,544              |
| Customer Deposits                               | -                          | 89,369                      | 89,369               |
| Accrued MSWLF Postcare Costs                    | -                          | 208,126                     | 208,126              |
| Total Liabilities                               | <u>18,449,909</u>          | <u>11,599,973</u>           | <u>30,049,882</u>    |
| <b>NET ASSETS</b>                               |                            |                             |                      |
| Invested in capital assets, net of related debt | (4,132,706)                | 37,972,659                  | 33,839,953           |
| Restricted for:                                 |                            |                             |                      |
| Debt Service                                    | 136,142                    | -                           | 136,142              |
| Capital Projects                                | 6,286,203                  | -                           | 6,286,203            |
| Other Purposes                                  | -                          | 39,605                      | 39,605               |
| Unrestricted                                    | 16,068,448                 | 5,482,401                   | 21,550,849           |
| TOTAL NET ASSETS                                | <u>\$ 18,358,087</u>       | <u>\$ 43,494,665</u>        | <u>\$ 61,852,752</u> |

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

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| Functions/Programs                                           | PROGRAM REVENUES |                         |                                          |                                        | Net (Expense) Revenue and<br>Changes in Net Assets |                             |               |
|--------------------------------------------------------------|------------------|-------------------------|------------------------------------------|----------------------------------------|----------------------------------------------------|-----------------------------|---------------|
|                                                              | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                 |                             | Total         |
|                                                              |                  |                         |                                          |                                        | Governmental<br>Activities                         | Business-Type<br>Activities |               |
| Primary government:                                          |                  |                         |                                          |                                        |                                                    |                             |               |
| Governmental Activities:                                     |                  |                         |                                          |                                        |                                                    |                             |               |
| General Government                                           | \$ 6,703,291     | \$ 2,929,596            | \$ 1,534,042                             | \$ 1,478,747                           | \$ (760,906)                                       | -                           | \$ (760,906)  |
| Public Safety                                                | 6,349,105        | 559,843                 | 136,276                                  | -                                      | (5,652,986)                                        | -                           | (5,652,986)   |
| Highways and Streets                                         | 2,431,141        | 5,696                   | -                                        | -                                      | (2,425,445)                                        | -                           | (2,425,445)   |
| Culture and Recreation                                       | 1,937,281        | 11,792                  | -                                        | -                                      | (1,925,489)                                        | -                           | (1,925,489)   |
| Community Development                                        | 2,717,852        | -                       | -                                        | -                                      | (2,717,852)                                        | -                           | (2,717,852)   |
| Interest on Long-Term Debt                                   | 900,023          | -                       | -                                        | -                                      | (900,023)                                          | -                           | (900,023)     |
| Total Governmental Activities                                | 21,038,693       | 3,506,927               | 1,670,318                                | 1,478,747                              | (14,382,701)                                       | -                           | (14,382,701)  |
| Business-Type Activities:                                    |                  |                         |                                          |                                        |                                                    |                             |               |
| Airport                                                      | 1,889,375        | 870,528                 | 167,182                                  | 4,899,936                              | -                                                  | 4,048,271                   | 4,048,271     |
| Cemetery                                                     | 214,164          | 148,694                 | -                                        | -                                      | -                                                  | (65,470)                    | (65,470)      |
| Parking Authority                                            | 174,108          | 193,422                 | -                                        | -                                      | -                                                  | 19,314                      | 19,314        |
| Sanitation                                                   | 1,649,318        | 1,992,773               | -                                        | -                                      | -                                                  | 343,455                     | 343,455       |
| Water and Sewer                                              | 6,017,143        | 6,082,779               | -                                        | -                                      | -                                                  | 65,636                      | 65,636        |
| Total Business-Type Activities                               | 9,944,108        | 9,288,196               | 167,182                                  | 4,899,936                              | -                                                  | 4,411,206                   | 4,411,206     |
| Total Primary Government                                     | \$ 30,982,801    | \$ 12,795,123           | \$ 1,837,500                             | \$ 6,378,683                           | (14,382,701)                                       | 4,411,206                   | (9,971,495)   |
| General Revenues:                                            |                  |                         |                                          |                                        |                                                    |                             |               |
| Taxes:                                                       |                  |                         |                                          |                                        |                                                    |                             |               |
| Property Taxes, levied for general purposes                  |                  |                         |                                          |                                        | 5,890,594                                          | 130,384                     | 6,020,978     |
| Property Taxes, levied for debt service                      |                  |                         |                                          |                                        | 953,223                                            | -                           | 953,223       |
| Sales Tax                                                    |                  |                         |                                          |                                        | 8,993,959                                          | -                           | 8,993,959     |
| State Aid Distribution                                       |                  |                         |                                          |                                        | 1,083,818                                          | 3,800                       | 1,087,618     |
| Municipal Highway Tax                                        |                  |                         |                                          |                                        | 1,443,352                                          | -                           | 1,443,352     |
| Franchise Taxes                                              |                  |                         |                                          |                                        | 259,244                                            | -                           | 259,244       |
| Other Taxes                                                  |                  |                         |                                          |                                        | 280,398                                            | 247,015                     | 527,413       |
| Grants and contributions not restricted to specific programs |                  |                         |                                          |                                        | -                                                  | -                           | -             |
| Investment earnings                                          |                  |                         |                                          |                                        | 848,083                                            | 278,405                     | 1,126,488     |
| Miscellaneous                                                |                  |                         |                                          |                                        | 957,633                                            | 23,652                      | 981,285       |
| Transfers                                                    |                  |                         |                                          |                                        | 172,516                                            | (172,516)                   | -             |
| Total general revenues and transfers                         |                  |                         |                                          |                                        | 20,882,820                                         | 510,740                     | 21,393,560    |
| Change in Net Assets                                         |                  |                         |                                          |                                        | 6,500,119                                          | 4,921,946                   | 11,422,065    |
| Net Assets-January 1                                         |                  |                         |                                          |                                        | 11,857,968                                         | 38,572,719                  | 50,430,687    |
| Net Assets-December 31                                       |                  |                         |                                          |                                        | \$ 18,358,087                                      | \$ 43,494,665               | \$ 61,852,752 |

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, 2001**

| ASSETS                                    | SPECIAL REVENUE FUNDS |                         |                    | DEBT SERVICE FUNDS |                    | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|-------------------------------------------|-----------------------|-------------------------|--------------------|--------------------|--------------------|--------------------------------|--------------------------------|
|                                           | GENERAL FUND          | SALES TAX               | SALES TAX          | HIGHWAY<br>DEBT    | ASSESSMENT<br>DEBT |                                |                                |
|                                           |                       | ECONOMIC<br>DEVELOPMENT | NW AREA<br>WATER   |                    |                    |                                |                                |
| Cash And Cash Equivalents                 | \$1,179,048           | \$0                     | \$161,378          | \$168,986          | \$0                | \$1,082,559                    | \$2,591,971                    |
| Investments                               | 1,500,000             | 290,000                 | 4,000,000          | 50,000             | -                  | 852,357                        | 6,692,357                      |
| Taxes Receivable Deferred                 | -                     | -                       | -                  | 4,925,000          | 389,950            | -                              | 5,314,950                      |
| Taxes Receivable Delinquent               | 199,004               | -                       | -                  | 30,913             | 26,072             | 110,889                        | 366,878                        |
| Special Assessments Deferred              | 10,351                | -                       | -                  | -                  | 3,687,968          | 7,249                          | 3,705,568                      |
| Special Assessments Delinquent            | 4,291                 | -                       | -                  | -                  | 117,582            | 3,055                          | 124,928                        |
| Accounts Receivable                       | 158,409               | -                       | -                  | -                  | -                  | 120,063                        | 278,472                        |
| Loans Receivable                          | -                     | 2,325,168               | -                  | -                  | -                  | -                              | 2,325,168                      |
| Allowance For Loans Receivable            | -                     | (665,401)               | -                  | -                  | -                  | -                              | (665,401)                      |
| Accrued Interest Receivable               | 125,452               | -                       | -                  | -                  | -                  | -                              | 125,452                        |
| Advance To Other Funds                    | -                     | -                       | -                  | -                  | -                  | 2,964,000                      | 2,964,000                      |
| Due From Other Funds                      | -                     | -                       | 1,819,777          | 124,527            | 277,797            | 1,269,014                      | 3,491,115                      |
| Due From Other Agencies                   | 580,722               | 124,586                 | 305,048            | -                  | -                  | 316,956                        | 1,327,312                      |
| Merchandise Inventory                     | -                     | -                       | -                  | -                  | 5,414              | -                              | 5,414                          |
| <b>TOTAL ASSETS</b>                       | <b>\$3,757,277</b>    | <b>\$2,074,353</b>      | <b>\$6,286,203</b> | <b>\$5,299,426</b> | <b>\$4,499,369</b> | <b>\$6,731,556</b>             | <b>\$28,648,184</b>            |
| <b>LIABILITIES AND FUND BALANCE</b>       |                       |                         |                    |                    |                    |                                |                                |
| <b>LIABILITIES</b>                        |                       |                         |                    |                    |                    |                                |                                |
| Accounts Payable                          | \$0                   | \$0                     | \$0                | \$0                | \$0                | \$30                           | \$30                           |
| Advance From Other Funds                  | -                     | 2,595,000               | -                  | -                  | 369,000            | -                              | 2,964,000                      |
| Due To Other Funds                        | -                     | 1,819,777               | -                  | -                  | 124,527            | 1,292,808                      | 3,237,112                      |
| Due To Other Agencies                     | 222,461               | -                       | -                  | -                  | -                  | 3,189                          | 225,650                        |
| Accrued Salaries Payable                  | 289,811               | -                       | -                  | -                  | -                  | 28,944                         | 318,755                        |
| Deferred Revenue                          | 184,018               | -                       | -                  | 4,951,278          | 4,217,848          | 113,591                        | 9,466,735                      |
| <b>TOTAL LIABILITIES</b>                  | <b>696,290</b>        | <b>4,414,777</b>        | <b>-</b>           | <b>4,951,278</b>   | <b>4,711,375</b>   | <b>1,438,562</b>               | <b>16,212,282</b>              |
| <b>FUND BALANCE</b>                       |                       |                         |                    |                    |                    |                                |                                |
| Reserved For Encumbrances                 | 27,481                | -                       | -                  | -                  | -                  | 8,190                          | 35,671                         |
| Reserved For Advances                     | -                     | -                       | -                  | -                  | -                  | 2,964,000                      | 2,964,000                      |
| Reserved For Merchandise Inventory        | -                     | -                       | -                  | -                  | -                  | 5,414                          | 5,414                          |
| Reserved For Economic Development         | -                     | 290,000                 | -                  | -                  | -                  | -                              | 290,000                        |
| Reserved For Property Tax Relief          | -                     | -                       | -                  | -                  | -                  | 174,492                        | 174,492                        |
| Reserved For Capital Improvements         | -                     | -                       | 6,286,203          | -                  | -                  | 437,985                        | 6,724,188                      |
| Reserved For Loans Receivable             | -                     | 1,659,767               | -                  | -                  | -                  | -                              | 1,659,767                      |
| Unreserved                                |                       |                         |                    |                    |                    |                                |                                |
| Designated                                |                       |                         |                    |                    |                    |                                |                                |
| Memorial                                  | -                     | -                       | -                  | -                  | -                  | 1,316                          | 1,316                          |
| Maintenance and Operations                | -                     | -                       | -                  | -                  | -                  | 239,946                        | 239,946                        |
| Debt Retirement                           | -                     | -                       | -                  | 348,148            | (212,006)          | -                              | 136,142                        |
| Undesignated                              | 3,033,506             | (4,290,191)             | -                  | -                  | -                  | -                              | (1,256,685)                    |
| Undesignated-Nonmajor Funds               |                       |                         |                    |                    |                    |                                |                                |
| Special Revenue Funds                     | -                     | -                       | -                  | -                  | -                  | 1,065,704                      | 1,065,704                      |
| Capital Project Funds                     | -                     | -                       | -                  | -                  | -                  | 395,947                        | 395,947                        |
| <b>TOTAL FUND BALANCE (DEFICIT)</b>       | <b>3,060,987</b>      | <b>(2,340,424)</b>      | <b>6,286,203</b>   | <b>348,148</b>     | <b>(212,006)</b>   | <b>5,292,994</b>               | <b>12,435,902</b>              |
| <b>TOTAL LIABILITIES AND FUND BALANCE</b> | <b>\$3,757,277</b>    | <b>\$2,074,353</b>      | <b>\$6,286,203</b> | <b>\$5,299,426</b> | <b>\$4,499,369</b> | <b>\$6,731,556</b>             | <b>\$28,648,184</b>            |

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

**City of Minot, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets**  
**December 31, 2001**

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Total *fund balances* for governmental funds (Exhibit 3) \$ 12,435,902

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

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

|                                                             |           |            |
|-------------------------------------------------------------|-----------|------------|
| Land                                                        | 4,909,325 |            |
| Construction in progress                                    | 4,495,259 |            |
| Buildings and improvements, net of accumulated depreciation | 713,842   |            |
| Equipment, net of accumulated depreciation                  | 3,428,678 |            |
| Total Capital Assets (See Note IV.D)                        |           | 13,547,104 |

Internal Service Funds are used by the City to charge the cost of the central garage and the City's Self Insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. Internal service fund net assets are: 727,231

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, and therefore are reported as deferred revenue in the funds 9,466,735

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term-are reported in the statement of net assets. (17,818,885)

Total net assets of governmental activities (Exhibit 1): \$ 18,358,087

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

**CITY OF MINOT, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| REVENUES                                    | GENERAL FUND        | SALES TAX<br>ECONOMIC<br>DEVELOPMENT | SALES TAX<br>NW AREA<br>WATER | HIGHWAY<br>DEBT  | ASSESSMENT<br>DEBT | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---------------------------------------------|---------------------|--------------------------------------|-------------------------------|------------------|--------------------|--------------------------------|--------------------------------|
| Property Tax Collections                    | \$3,751,461         | \$0                                  | \$0                           | \$565,948        | \$387,275          | \$2,070,648                    | \$6,775,332                    |
| Special Assessment Collections              | 12,220              | -                                    | -                             | -                | 622,387            | 9,697                          | 644,304                        |
| Sales Tax Collections                       | -                   | 1,814,193                            | 4,458,477                     | -                | -                  | 2,721,289                      | 8,993,959                      |
| Licenses and Permits                        | 344,806             | -                                    | -                             | -                | -                  | -                              | 344,806                        |
| Intergovernmental                           | 3,589,089           | -                                    | -                             | -                | -                  | 1,534,042                      | 5,123,131                      |
| Charges For Services                        | 1,861,809           | -                                    | -                             | -                | -                  | 434,040                        | 2,295,849                      |
| Fines and Forfeits                          | 444,103             | -                                    | -                             | -                | -                  | -                              | 444,103                        |
| Interest Income                             | 251,540             | 8,915                                | 262,894                       | 40,436           | 89,415             | 194,883                        | 848,083                        |
| Miscellaneous                               | 134,232             | 52,806                               | -                             | -                | -                  | 770,595                        | 957,633                        |
| <b>TOTAL REVENUES</b>                       | <b>\$10,389,260</b> | <b>\$1,875,914</b>                   | <b>\$4,721,371</b>            | <b>\$606,384</b> | <b>\$1,099,077</b> | <b>\$7,735,194</b>             | <b>\$26,427,200</b>            |
| <b>EXPENDITURES</b>                         |                     |                                      |                               |                  |                    |                                |                                |
| Current                                     |                     |                                      |                               |                  |                    |                                |                                |
| General Government                          | 3,967,158           | -                                    | 1,727,262                     | -                | -                  | 832,409                        | 6,526,829                      |
| Public Safety                               | 6,084,587           | -                                    | -                             | -                | -                  | -                              | 6,084,587                      |
| Highways and Streets                        | 1,469,768           | -                                    | -                             | -                | -                  | 852,441                        | 2,322,209                      |
| Culture and Recreation                      | -                   | -                                    | -                             | -                | -                  | 1,901,854                      | 1,901,854                      |
| Economic Development                        | -                   | 2,717,852                            | -                             | -                | -                  | -                              | 2,717,852                      |
| Capital Outlay                              |                     |                                      |                               |                  |                    |                                |                                |
| Contracted Work                             | -                   | -                                    | -                             | -                | -                  | 2,390,457                      | 2,390,457                      |
| Equipment                                   | -                   | -                                    | -                             | -                | -                  | 1,089,133                      | 1,089,133                      |
| Legal                                       | -                   | -                                    | -                             | -                | -                  | 23,622                         | 23,622                         |
| Other                                       | -                   | -                                    | -                             | -                | -                  | 427,416                        | 427,416                        |
| Architect                                   | -                   | -                                    | -                             | -                | -                  | 73,969                         | 73,969                         |
| Acquisitions                                | -                   | -                                    | -                             | -                | -                  | 85,692                         | 85,692                         |
| Engineering                                 | -                   | -                                    | -                             | -                | -                  | 404,970                        | 404,970                        |
| Debt Retirement                             |                     |                                      |                               |                  |                    |                                |                                |
| Principal Retirement                        | -                   | 220,000                              | -                             | 680,000          | 1,610,000          | -                              | 2,510,000                      |
| Interest and Fiscal Charges                 | -                   | 110,414                              | -                             | 263,421          | 386,981            | 132                            | 760,948                        |
| <b>TOTAL EXPENDITURES</b>                   | <b>11,521,513</b>   | <b>3,048,266</b>                     | <b>1,727,262</b>              | <b>943,421</b>   | <b>1,996,981</b>   | <b>8,082,095</b>               | <b>27,319,538</b>              |
| Revenues Over (Under) Expenditures          | (1,132,253)         | (1,172,352)                          | 2,994,109                     | (337,037)        | (897,904)          | (346,901)                      | (892,338)                      |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                     |                                      |                               |                  |                    |                                |                                |
| Proceeds from G.O. Bonds                    | -                   | -                                    | -                             | -                | -                  | 1,530,000                      | 1,530,000                      |
| Refunding Bonds Issued                      | -                   | -                                    | -                             | 1,740,000        | -                  | -                              | 1,740,000                      |
| Payment to refunded bond escrow agen        | -                   | -                                    | -                             | (1,725,000)      | -                  | -                              | (1,725,000)                    |
| Transfers IN                                | 937,687             | 30,636                               | -                             | 376,065          | 159,709            | 2,436,735                      | 3,940,832                      |
| Transfers OUT                               | (243,238)           | (145,123)                            | (262,894)                     | (86,441)         | (52,130)           | (2,977,001)                    | (3,766,827)                    |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>694,449</b>      | <b>(114,487)</b>                     | <b>(262,894)</b>              | <b>304,624</b>   | <b>107,579</b>     | <b>989,734</b>                 | <b>1,719,005</b>               |
| Change in Fund Balance                      | (437,804)           | (1,286,839)                          | 2,731,215                     | (32,413)         | (790,325)          | 642,833                        | 826,667                        |
| FUND BALANCE(DEFICIT), JANUARY 1            | 3,498,791           | (1,053,585)                          | 3,554,988                     | 380,561          | 578,319            | 4,650,161                      | 11,609,235                     |
| <b>FUND BALANCE(DEFICIT), DECEMBER 31</b>   | <b>\$3,060,987</b>  | <b>(\$2,340,424)</b>                 | <b>\$6,286,203</b>            | <b>\$348,148</b> | <b>(\$212,006)</b> | <b>\$5,292,994</b>             | <b>\$12,435,902</b>            |

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

**City of Minot, North Dakota**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
**For the Fiscal Year Ended December 31, 2001**

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Net change in *fund balances* -total governmental funds (Exhibit 4) \$ 826,667

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. (See Note IV. D)  
 In the current period, these amounts are:

|                                                    |           |           |
|----------------------------------------------------|-----------|-----------|
| Capital Outlay                                     | 4,495,259 |           |
| Current Year Depreciation Expense                  | (545,038) |           |
| Excess of capital outlay over depreciation expense |           | 3,950,221 |

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

|                                         |             |         |
|-----------------------------------------|-------------|---------|
| Debt issued:                            |             |         |
| General Obligation Highway Bonds        | (1,740,000) |         |
| Special Assessment Refunding            | (1,530,000) |         |
| Repayments:                             |             |         |
| To paying agent-refinance of G.O. Bonds | 1,725,000   |         |
| For bond principal                      | 2,510,000   |         |
| Net Adjustment                          |             | 965,000 |

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are 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, rather than as it accrues.

|                          |           |
|--------------------------|-----------|
| Accrued Interest Payable | (139,075) |
| Compensated Absences     | (40,301)  |

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 that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues-unavailable revenues at the end of the year exceed beginning revenues by this amount

|                                                                      |           |         |
|----------------------------------------------------------------------|-----------|---------|
| New Special Assessment Districts-to be billed and collected annually | 1,478,747 |         |
| Amount shown as revenue in governmental funds                        | (644,304) |         |
| Net Adjustment                                                       |           | 834,443 |

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.

103,164

Change in net assets of governmental activities (Exhibit 2) \$ 6,500,119

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

**CITY OF MINOT, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE, BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| REVENUES                           | BUDGETED AMOUNTS |             | ACTUAL AMOUNTS | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|------------------------------------|------------------|-------------|----------------|------------------------------------------------|
|                                    | ORIGINAL         | FINAL       |                |                                                |
| PROPERTY TAX COLLECTIONS           | \$3,721,200      | \$3,721,200 | \$3,751,461    | \$30,261                                       |
| SPECIAL ASSESSMENTS COLLECTIONS    | -                | -           | 12,220         | 12,220                                         |
| LICENSES AND PERMITS               |                  |             |                |                                                |
| Licenses                           | 200,000          | 200,000     | 174,940        | (25,060)                                       |
| Permits                            | 210,000          | 210,000     | 169,866        | (40,134)                                       |
| TOTAL LICENSES AND PERMITS         | 410,000          | 410,000     | 344,806        | (65,194)                                       |
| INTERGOVERNMENTAL                  |                  |             |                |                                                |
| FEDERAL:                           |                  |             |                |                                                |
| Drug Task Force                    | 107,669          | 107,669     | 90,647         | (17,022)                                       |
| Universal Hiring Cops              | 48,832           | 48,832      | 45,629         | (3,203)                                        |
| STATE:                             |                  |             |                |                                                |
| Highway Fund                       | 1,400,000        | 1,400,000   | 1,443,352      | 43,352                                         |
| State Aid Distribution             | 1,400,000        | 1,400,000   | 1,083,818      | (316,182)                                      |
| Cigarette Tax                      | 107,200          | 107,200     | 102,572        | (4,628)                                        |
| Estate Tax                         | 110,000          | 110,000     | 59,941         | (50,059)                                       |
| Gas and Oil Production Tax         | 6,400            | 6,400       | 9,264          | 2,864                                          |
| Telecommunications Tax             | 104,500          | 104,500     | 104,417        | (83)                                           |
| Senior Citizen Property Tax Credit | 40,000           | 40,000      | 33,508         | (6,492)                                        |
| Fire Insurance Refund              | 40,000           | 40,000      | 51,313         | 11,313                                         |
| Gambling Tax Revenue               | 16,000           | 16,000      | 4,204          | (11,796)                                       |
| COUNTY:                            |                  |             |                |                                                |
| Road And Bridge                    | 2,500            | 2,500       | 2,981          | 481                                            |
| Joint Communications               | 181,997          | 181,997     | 182,847        | 850                                            |
| Information Services               | 62,400           | 62,400      | 63,223         | 823                                            |
| OTHER:                             |                  |             |                |                                                |
| Housing Authority                  | 30,000           | 30,000      | 27,996         | (2,004)                                        |
| Parking Authority                  | 4,000            | 4,000       | 4,000          | -                                              |
| Cable TV                           | 260,000          | 260,000     | 259,244        | (756)                                          |
| Damage Claims                      | 7,000            | 7,000       | 12,642         | 5,642                                          |
| Public Schools                     | 2,000            | 2,000       | 2,000          | -                                              |
| Policing-Central Campus            | -                | -           | 5,491          | 5,491                                          |
| TOTAL INTERGOVERNMENTAL            | 3,930,498        | 3,930,498   | 3,589,089      | (341,409)                                      |
| CHARGES FOR SERVICES               |                  |             |                |                                                |
| Engineering & Administrative       | 278,500          | 278,500     | 123,231        | (155,269)                                      |
| Utility & Special Funds            | 854,447          | 854,447     | 854,448        | 1                                              |
| Agency Funds                       | 852,833          | 852,833     | 835,479        | (17,354)                                       |
| Fleet Labor                        | 59,210           | 59,210      | 48,651         | (10,559)                                       |
| TOTAL CHARGES FOR SERVICES         | 2,044,990        | 2,044,990   | 1,861,809      | (183,181)                                      |

**CITY OF MINOT, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE, BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                     | BUDGETED AMOUNTS  |                   | ACTUAL<br>AMOUNTS | VARIANCE<br>WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|-------------------------------------|-------------------|-------------------|-------------------|------------------------------------------------------------|
|                                     | ORIGINAL          | FINAL             |                   |                                                            |
| <b>REVENUES</b>                     |                   |                   |                   |                                                            |
| <b>FINES AND FORFEITS</b>           |                   |                   |                   |                                                            |
| Parking Tickets                     | \$75,000          | \$75,000          | \$86,197          | \$11,197                                                   |
| Police Court                        | 320,000           | 320,000           | 357,906           | 37,906                                                     |
| TOTAL FINES AND FORFEITS            | 395,000           | 395,000           | 444,103           | 49,103                                                     |
| INTEREST INCOME                     | 750,000           | 750,000           | 251,540           | (498,460)                                                  |
| <b>MISCELLANEOUS REVENUES</b>       |                   |                   |                   |                                                            |
| Work For Others                     | 10,000            | 10,000            | 15,505            | 5,505                                                      |
| Miscellaneous                       | 100,800           | 100,800           | 103,282           | 2,482                                                      |
| Towing Fees                         | 12,500            | 12,500            | 15,445            | 2,945                                                      |
| TOTAL MISCELLANEOUS REVENUES        | 123,300           | 123,300           | 134,232           | 10,932                                                     |
| <b>TOTAL REVENUES</b>               | <b>11,374,988</b> | <b>11,374,988</b> | <b>10,389,260</b> | <b>(985,728)</b>                                           |
| <b>EXPENDITURES</b>                 |                   |                   |                   |                                                            |
| <b>GENERAL GOVERNMENT</b>           |                   |                   |                   |                                                            |
| Mayor and City Council              | 106,885           | 106,885           | 106,367           | 518                                                        |
| City Manager                        | 140,216           | 140,216           | 138,812           | 1,404                                                      |
| City Clerk                          | 135,631           | 135,631           | 136,586           | (955)                                                      |
| City Attorney                       | 63,981            | 63,981            | 79,028            | (15,047)                                                   |
| Administrative and General          | 199,000           | 199,600           | 188,503           | 11,097                                                     |
| Finance                             | 334,188           | 334,188           | 333,005           | 1,183                                                      |
| Information Technology              | 244,501           | 244,501           | 231,346           | 13,155                                                     |
| Property Assessment                 | 242,801           | 242,801           | 238,928           | 3,873                                                      |
| Building Inspection                 | 279,615           | 279,615           | 268,783           | 10,832                                                     |
| Traffic and Planning                | 632,615           | 632,615           | 652,093           | (19,478)                                                   |
| Engineering                         | 467,958           | 467,958           | 460,569           | 7,389                                                      |
| Vehicle Maintenance                 | 444,591           | 444,591           | 401,644           | 42,947                                                     |
| Property Maintenance                | 234,032           | 234,032           | 232,743           | 1,289                                                      |
| Public Works Administration         | 239,536           | 239,536           | 217,319           | 22,217                                                     |
| Social Services                     | 280,351           | 280,351           | 281,432           | (1,081)                                                    |
| TOTAL GENERAL GOVERNMENT            | 4,045,901         | 4,046,501         | 3,967,158         | 79,343                                                     |
| <b>PUBLIC SAFETY</b>                |                   |                   |                   |                                                            |
| Police Administration               | 494,537           | 494,537           | 531,816           | (37,279)                                                   |
| Police Patrol                       | 2,078,707         | 2,089,361         | 2,039,318         | 50,043                                                     |
| Narcotics & Criminal Investigations | 503,156           | 503,156           | 488,460           | 14,696                                                     |
| Narcotics Task Force                | 125,197           | 125,197           | 103,726           | 21,471                                                     |
| Telecommunications Division         | 519,993           | 519,993           | 492,512           | 27,481                                                     |
| Municipal Judge                     | 114,000           | 114,000           | 99,039            | 14,961                                                     |
| Fire Administration                 | 258,075           | 258,075           | 256,749           | 1,326                                                      |
| Fire Control                        | 2,160,174         | 2,160,174         | 2,072,967         | 87,207                                                     |
| TOTAL PUBLIC SAFETY                 | 6,253,839         | 6,264,493         | 6,084,587         | 179,906                                                    |

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                             | BUDGETED AMOUNTS |             | ACTUAL<br>AMOUNTS  | VARIANCE<br>WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) |
|---------------------------------------------|------------------|-------------|--------------------|------------------------------------------------------------|
|                                             | ORIGINAL         | FINAL       |                    |                                                            |
| <b>EXPENDITURES</b>                         |                  |             |                    |                                                            |
| HIGHWAYS AND STREETS                        |                  |             |                    |                                                            |
| Street & Storm Sewer Mtce                   | \$1,435,412      | \$1,435,412 | \$1,469,768        | (\$34,356)                                                 |
| <b>TOTAL EXPENDITURES</b>                   | 11,735,152       | 11,746,406  | 11,521,513         | 224,893                                                    |
| Revenues (Under) Expenditures               | (360,164)        | (371,418)   | (1,132,253)        | (11,254)                                                   |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                  |             |                    |                                                            |
| Transfers In                                | 176,200          | 176,200     | 937,687            | 761,487                                                    |
| Transfers Out                               | -                | (22,100)    | (243,238)          | (221,138)                                                  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | 176,200          | 154,100     | 694,449            | 518,249                                                    |
| Change in Fund Balance                      | (\$183,964)      | (\$217,318) | (437,804)          | \$506,995                                                  |
| FUND BALANCE, JANUARY 1                     |                  |             | 3,498,791          |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>            |                  |             | <b>\$3,060,987</b> |                                                            |

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

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL  
MAJOR SPECIAL REVENUE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                            | SALES TAX-ECONOMIC DEVELOPMENT               |                             |                                                            | SALES TAX-NW AREA WATER                      |                           |                                                            |                            |
|--------------------------------------------|----------------------------------------------|-----------------------------|------------------------------------------------------------|----------------------------------------------|---------------------------|------------------------------------------------------------|----------------------------|
|                                            | ORIGINAL AND<br>FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS           | VARIANCE<br>WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) | ORIGINAL AND<br>FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS         | VARIANCE<br>WITH<br>FINAL BUDGET<br>POSITIVE<br>(NEGATIVE) | ACTUAL<br>TOTALS           |
| <b>REVENUES</b>                            |                                              |                             |                                                            |                                              |                           |                                                            |                            |
| Sales Tax Collections                      | \$1,740,000                                  | \$1,814,193                 | \$74,193                                                   | \$4,350,000                                  | \$4,458,477               | \$108,477                                                  | \$6,272,670                |
| Interest Income                            | -                                            | 8,915                       | 8,915                                                      | -                                            | 262,894                   | 262,894                                                    | 271,809                    |
| Miscellaneous                              | -                                            | 52,806                      | 52,806                                                     | -                                            | -                         | -                                                          | 52,806                     |
| <b>TOTAL REVENUES</b>                      | <b>1,740,000</b>                             | <b>1,875,914</b>            | <b>135,914</b>                                             | <b>4,350,000</b>                             | <b>4,721,371</b>          | <b>371,371</b>                                             | <b>6,597,285</b>           |
| <b>EXPENDITURES</b>                        |                                              |                             |                                                            |                                              |                           |                                                            |                            |
| Current                                    |                                              |                             |                                                            |                                              |                           |                                                            |                            |
| General Government                         | -                                            | -                           | -                                                          | -                                            | 1,727,262                 | (1,727,262)                                                | 1,727,262                  |
| Economic Development                       | 1,690,000                                    | 2,717,852                   | (1,027,852)                                                | -                                            | -                         | -                                                          | 2,717,852                  |
| Debt Retirement                            |                                              |                             |                                                            |                                              |                           |                                                            |                            |
| Principal Retirement                       | -                                            | 220,000                     | (220,000)                                                  | -                                            | -                         | -                                                          | 220,000                    |
| Interest and Fiscal Charges                | -                                            | 110,414                     | (110,414)                                                  | -                                            | -                         | -                                                          | 110,414                    |
| Intergovernmental                          | -                                            | -                           | -                                                          | 4,350,000                                    | -                         | 4,350,000                                                  | -                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>1,690,000</b>                             | <b>3,048,266</b>            | <b>(1,358,266)</b>                                         | <b>4,350,000</b>                             | <b>1,727,262</b>          | <b>2,622,738</b>                                           | <b>4,775,528</b>           |
| Revenues Over (Under) Expenditures         | 50,000                                       | (1,172,352)                 | 1,222,352                                                  | -                                            | 2,994,109                 | (2,994,109)                                                | 1,821,757                  |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                             |                                                            |                                              |                           |                                                            |                            |
| Transfers In                               | -                                            | 30,636                      | 30,636                                                     | -                                            | -                         | -                                                          | 30,636                     |
| Transfers Out                              | (50,000)                                     | (145,123)                   | (95,123)                                                   | -                                            | (262,894)                 | (262,894)                                                  | (408,017)                  |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>(50,000)</b>                              | <b>(114,487)</b>            | <b>(64,487)</b>                                            | <b>-</b>                                     | <b>(262,894)</b>          | <b>(262,894)</b>                                           | <b>(377,381)</b>           |
| Change in Fund Balance                     | <u>\$0</u>                                   | (1,286,839)                 |                                                            | <u>\$0</u>                                   | 2,731,215                 |                                                            | 1,444,376                  |
| FUND BALANCE(DEFICIT), JANUARY 1           |                                              | <u>(1,053,585)</u>          |                                                            |                                              | <u>3,554,988</u>          |                                                            | <u>2,501,403</u>           |
| <b>FUND BALANCE(DEFICIT), DECEMBER 31</b>  |                                              | <u><b>(\$2,340,424)</b></u> |                                                            |                                              | <u><b>\$6,286,203</b></u> |                                                            | <u><b>\$ 3,945,779</b></u> |

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

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2001**

|                                               | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                    |                     | NON MAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS | GOVERNMENTAL<br>ACTIVITIES   |
|-----------------------------------------------|------------------------------------------------|--------------------|---------------------|----------------------------------|------------------------------|------------------------------|
|                                               | AIRPORT                                        | SANITATION         | WATER<br>& SEWER    |                                  |                              | INTERNAL<br>SERVICE<br>FUNDS |
| <b>ASSETS</b>                                 |                                                |                    |                     |                                  |                              |                              |
| <b>CURRENT ASSETS</b>                         |                                                |                    |                     |                                  |                              |                              |
| Cash And Cash Equivalents                     | \$246,360                                      | \$849,441          | \$349,883           | \$179,759                        | \$1,625,443                  | \$63,597                     |
| Investments                                   | 200,000                                        | 500,000            | 600,000             | -                                | 1,300,000                    | 500,000                      |
| Taxes Receivable Delinquent                   | 4,939                                          | -                  | -                   | 1,550                            | 6,489                        | -                            |
| Accounts Receivable                           | 65,160                                         | 135,797            | 564,158             | 17,565                           | 782,680                      | 1,826                        |
| Due From Other Agencies                       | 240,835                                        | -                  | 12,598              | -                                | 253,433                      | -                            |
| Merchandise Inventory                         | 54,981                                         | -                  | -                   | -                                | 54,981                       | 269,141                      |
| <b>TOTAL CURRENT ASSETS</b>                   | <b>812,275</b>                                 | <b>1,485,238</b>   | <b>1,526,639</b>    | <b>198,874</b>                   | <b>4,023,026</b>             | <b>834,564</b>               |
| <b>RESTRICTED ASSETS</b>                      |                                                |                    |                     |                                  |                              |                              |
| Cash And Cash Equivalents                     | 313,985                                        | -                  | 1,801,602           | -                                | 2,115,587                    | -                            |
| <b>PROPERTY, PLANT, AND EQUIPMENT</b>         |                                                |                    |                     |                                  |                              |                              |
| Land                                          | 1,109,583                                      | 337,335            | 1,054,707           | 213,796                          | 2,715,421                    | -                            |
| Buildings                                     | 6,552,249                                      | 114,278            | 3,344,620           | 332,499                          | 10,343,646                   | -                            |
| Improvements Other Than Buildings             | 12,134,785                                     | 1,517,023          | 46,097,840          | 171,241                          | 59,920,889                   | -                            |
| Machinery And Equipment                       | 2,088,062                                      | 912,939            | 3,012,379           | 435,494                          | 6,448,874                    | -                            |
| Construction In Progress                      | 12,394,756                                     | -                  | -                   | -                                | 12,394,756                   | -                            |
| <b>TOTAL PROPERTY, PLANT, &amp; EQUIPMENT</b> | <b>34,279,435</b>                              | <b>2,881,575</b>   | <b>53,509,546</b>   | <b>1,153,030</b>                 | <b>91,823,586</b>            | <b>-</b>                     |
| Less-Accumulated Depreciation                 | (10,062,222)                                   | (1,368,897)        | (30,998,942)        | (489,180)                        | (42,919,241)                 | -                            |
| <b>NET PROPERTY, PLANT &amp; EQUIPMENT</b>    | <b>24,217,213</b>                              | <b>1,512,678</b>   | <b>22,510,604</b>   | <b>663,850</b>                   | <b>48,904,345</b>            | <b>-</b>                     |
| <b>OTHER DEBITS</b>                           |                                                |                    |                     |                                  |                              |                              |
| Unamortized Issue Costs                       | 64,852                                         | -                  | 131,819             | -                                | 196,671                      | -                            |
| Unamortized Interest on Refunding             | -                                              | -                  | 88,268              | -                                | 88,268                       | -                            |
| <b>TOTAL OTHER DEBITS</b>                     | <b>64,852</b>                                  | <b>-</b>           | <b>220,087</b>      | <b>-</b>                         | <b>284,939</b>               | <b>-</b>                     |
| <b>TOTAL ASSETS</b>                           | <b>\$25,408,325</b>                            | <b>\$2,997,916</b> | <b>\$26,058,932</b> | <b>\$862,724</b>                 | <b>\$55,327,897</b>          | <b>\$834,564</b>             |

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2001**

|                                                 | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                     |                      | NON MAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS | GOVERNMENTAL<br>ACTIVITIES   |
|-------------------------------------------------|------------------------------------------------|---------------------|----------------------|----------------------------------|------------------------------|------------------------------|
|                                                 | AIRPORT                                        | SANITATION          | WATER<br>& SEWER     |                                  |                              | INTERNAL<br>SERVICE<br>FUNDS |
| <b>LIABILITIES</b>                              |                                                |                     |                      |                                  |                              |                              |
| LIABILITIES                                     |                                                |                     |                      |                                  |                              |                              |
| Accounts Payable                                | \$500                                          | \$50                | \$0                  | \$0                              | \$550                        | \$0                          |
| Due To Other Funds                              | -                                              | -                   | 254,003              | -                                | 254,003                      | -                            |
| Due To Other Agencies                           | 4,448                                          | 186                 | 7,212                | 305                              | 12,151                       | -                            |
| Accrued Vacation Payable                        | 33,128                                         | 43,619              | 92,372               | 8,505                            | 177,624                      | -                            |
| Accrued Salaries Payable                        | 15,188                                         | 20,693              | 49,514               | 5,603                            | 90,998                       | -                            |
| Insurance Claims Payable                        | -                                              | -                   | -                    | -                                | -                            | 86,589                       |
| Bonds Payable-Current                           | 135,000                                        | -                   | 805,000              | 50,000                           | 990,000                      | -                            |
| Notes Payable-Current                           | -                                              | -                   | 49,907               | -                                | 49,907                       | -                            |
| Loans Payable-Current                           | -                                              | -                   | 115,276              | -                                | 115,276                      | -                            |
| Accrued Interest Payable                        | 20,269                                         | -                   | 67,663               | 1,537                            | 89,469                       | -                            |
| Customer Deposits                               | -                                              | -                   | 89,369               | -                                | 89,369                       | -                            |
| Bonds Payable-Long Term                         | 1,910,000                                      | -                   | 5,039,386            | 235,000                          | 7,184,386                    | -                            |
| Notes Payable-Long Term                         | -                                              | -                   | 1,965,122            | -                                | 1,965,122                    | -                            |
| Loans Payable-Long Term                         | -                                              | -                   | 626,995              | -                                | 626,995                      | -                            |
| Accrued MSWLF Postcare Costs                    | -                                              | 208,126             | -                    | -                                | 208,126                      | -                            |
| <b>TOTAL LIABILITIES</b>                        | <b>2,118,533</b>                               | <b>272,674</b>      | <b>9,161,819</b>     | <b>300,950</b>                   | <b>11,853,976</b>            | <b>86,589</b>                |
| <b>NET ASSETS</b>                               |                                                |                     |                      |                                  |                              |                              |
| Invested in Capital Assets, net of related debt | 22,172,213                                     | 1,512,678           | 13,908,918           | 378,850                          | 37,972,659                   | -                            |
| Restricted for Perpetual Care                   | -                                              | -                   | -                    | 38,250                           | 38,250                       | -                            |
| Restricted for Chapel                           | -                                              | -                   | -                    | 1,355                            | 1,355                        | -                            |
| Unrestricted                                    | 1,117,579                                      | 1,212,564           | 2,988,195            | 143,319                          | 5,461,657                    | 747,975                      |
| <b>TOTAL NET ASSETS</b>                         | <b>\$ 23,289,792</b>                           | <b>\$ 2,725,242</b> | <b>\$ 16,897,113</b> | <b>\$ 561,774</b>                | <b>43,473,921</b>            | <b>\$ 747,975</b>            |

Some amounts reported for business-type activities in the statement of net assets (Exhibit 1) are different because certain internal service fund assets and liabilities are included with business-type activities.

20,744

\$ 43,494,665

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

**CITY OF MINOT, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                                          | BUSINESS-TYPE ACTIVITIES -<br>ENTERPRISE FUNDS |                    |                     | NON MAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS | GOVERNMENTAL<br>ACTIVITIES   |
|----------------------------------------------------------|------------------------------------------------|--------------------|---------------------|----------------------------------|------------------------------|------------------------------|
|                                                          | AIRPORT                                        | SANITATION         | WATER<br>& SEWER    |                                  |                              | INTERNAL<br>SERVICE<br>FUNDS |
| <b>OPERATING REVENUES</b>                                |                                                |                    |                     |                                  |                              |                              |
| Sales                                                    | \$899,809                                      | \$0                | \$0                 | \$0                              | \$899,809                    | \$353,100                    |
| Cost of Goods Sold                                       | (568,893)                                      | -                  | -                   | -                                | (568,893)                    | (336,937)                    |
| Gross Margin On Sales                                    | 330,916                                        | -                  | -                   | -                                | 330,916                      | 16,163                       |
| Charges For Services                                     | 539,612                                        | 1,985,536          | 6,063,666           | 339,586                          | 8,928,400                    | -                            |
| Employer                                                 | -                                              | -                  | -                   | -                                | -                            | 807,300                      |
| Employee                                                 | -                                              | -                  | -                   | -                                | -                            | 528,599                      |
| Miscellaneous                                            | -                                              | -                  | 4,065               | 2,530                            | 6,595                        | -                            |
| <b>TOTAL OPERATING REVENUES</b>                          | <b>870,528</b>                                 | <b>1,985,536</b>   | <b>6,067,731</b>    | <b>342,116</b>                   | <b>9,265,911</b>             | <b>1,352,062</b>             |
| <b>OPERATING EXPENSES</b>                                |                                                |                    |                     |                                  |                              |                              |
| Salaries                                                 | 379,876                                        | 639,042            | 1,343,963           | 178,851                          | 2,541,732                    | -                            |
| Employee Benefits                                        | 59,113                                         | 148,175            | 249,638             | 33,740                           | 490,666                      | -                            |
| Professional Services                                    | 563                                            | 9,088              | 19,701              | 20                               | 29,372                       | -                            |
| Property Services                                        | 252,602                                        | 427,549            | 652,750             | 42,641                           | 1,375,542                    | -                            |
| Purchased Services                                       | 36,457                                         | 20,734             | 59,318              | 7,115                            | 123,624                      | -                            |
| Supplies                                                 | 146,212                                        | 101,482            | 1,225,044           | 22,373                           | 1,495,111                    | 7,115                        |
| Capital Purchases                                        | 16,033                                         | 1,040              | -                   | 2,950                            | 20,023                       | -                            |
| Sundry                                                   | 60,487                                         | 107,907            | 480,207             | 26,893                           | 675,494                      | -                            |
| Insurance Claims                                         |                                                |                    |                     |                                  |                              |                              |
| Employer                                                 | -                                              | -                  | -                   | -                                | -                            | 675,522                      |
| Employee                                                 | -                                              | -                  | -                   | -                                | -                            | 450,348                      |
| Bad Debt Expense                                         | -                                              | 3,075              | 8,688               | -                                | 11,763                       | -                            |
| Amortization                                             | 7,356                                          | -                  | 16,588              | -                                | 23,944                       | -                            |
| MSWLF Closure & Postclosure Care                         | -                                              | 32,523             | -                   | -                                | 32,523                       | -                            |
| Depreciation                                             | 842,380                                        | 158,703            | 1,521,379           | 53,976                           | 2,576,438                    | -                            |
| <b>TOTAL OPERATING EXPENSES</b>                          | <b>1,801,079</b>                               | <b>1,649,318</b>   | <b>5,577,276</b>    | <b>368,559</b>                   | <b>9,396,232</b>             | <b>1,132,985</b>             |
| <b>OPERATING INCOME (LOSS)</b>                           | <b>(930,551)</b>                               | <b>336,218</b>     | <b>490,455</b>      | <b>(26,443)</b>                  | <b>(130,321)</b>             | <b>219,077</b>               |
| <b>NON-OPERATING REVENUES(EXPENSES)</b>                  |                                                |                    |                     |                                  |                              |                              |
| State Aid Distribution                                   | 1,900                                          | -                  | -                   | 1,900                            | 3,800                        | -                            |
| Telecommunications Tax                                   | 1,247                                          | -                  | -                   | 450                              | 1,697                        | -                            |
| Property Tax Collections                                 | 91,247                                         | -                  | -                   | 39,137                           | 130,384                      | -                            |
| State Collected Taxes                                    | 245,318                                        | -                  | -                   | -                                | 245,318                      | -                            |
| Interest Income                                          | 42,039                                         | 60,683             | 165,067             | 10,616                           | 278,405                      | 23,500                       |
| Miscellaneous Income                                     | 13,317                                         | 2,235              | 7,561               | 539                              | 23,652                       | 1,216                        |
| Passenger Facility Charge Income                         | 167,182                                        | -                  | -                   | -                                | 167,182                      | -                            |
| Interest And Fiscal Charges                              | (86,755)                                       | -                  | (425,118)           | (19,713)                         | (531,586)                    | (1,035)                      |
| Miscellaneous Expense                                    | -                                              | -                  | (14,749)            | -                                | (14,749)                     | (22)                         |
| <b>TOTAL NON-OPERATING REVENUES(EXPENSES)</b>            | <b>475,495</b>                                 | <b>62,918</b>      | <b>(267,239)</b>    | <b>32,929</b>                    | <b>304,103</b>               | <b>23,659</b>                |
| <b>INCOME(LOSS) BEFORE CONTRIBUTIONS &amp; TRANSFERS</b> | <b>(455,056)</b>                               | <b>399,136</b>     | <b>223,216</b>      | <b>6,486</b>                     | <b>173,782</b>               | <b>242,736</b>               |
| <b>CAPITAL CONTRIBUTIONS</b>                             | <b>4,899,936</b>                               | <b>-</b>           | <b>-</b>            | <b>-</b>                         | <b>4,899,936</b>             | <b>-</b>                     |
| <b>TRANSFERS IN</b>                                      | <b>150,000</b>                                 | <b>99,000</b>      | <b>315,000</b>      | <b>-</b>                         | <b>564,000</b>               | <b>22,011</b>                |
| <b>TRANSFERS OUT</b>                                     | <b>(50,664)</b>                                | <b>(307,358)</b>   | <b>(373,121)</b>    | <b>(5,373)</b>                   | <b>(736,516)</b>             | <b>(23,500)</b>              |
| <b>TOTAL CONTRIBUTIONS &amp; TRANSFERS</b>               | <b>4,999,272</b>                               | <b>(208,358)</b>   | <b>(58,121)</b>     | <b>(5,373)</b>                   | <b>4,727,420</b>             | <b>(1,489)</b>               |
| <b>CHANGE IN NET ASSETS</b>                              | <b>4,544,216</b>                               | <b>190,778</b>     | <b>165,095</b>      | <b>1,113</b>                     | <b>4,901,202</b>             | <b>241,247</b>               |
| <b>NET ASSETS, JANUARY 1</b>                             | <b>18,745,576</b>                              | <b>2,534,464</b>   | <b>16,732,018</b>   | <b>560,661</b>                   |                              | <b>506,728</b>               |
| <b>NET ASSETS, DECEMBER 31</b>                           | <b>\$23,289,792</b>                            | <b>\$2,725,242</b> | <b>\$16,897,113</b> | <b>\$561,774</b>                 |                              | <b>\$747,975</b>             |

Some amounts reported for business-type activities in the statement of activities (Exhibit 2) are different because the net revenue (expense) of certain internal service funds is reported with business-type activities.

20,744

Change in net assets of business-type activities

\$ 4,921,946

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

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                                                                                              | BUSINESS-TYPE ACTIVITIES<br>ENTERPRISE FUNDS |              |                    | NON MAJOR<br>ENTERPRISE<br>FUNDS | TOTAL<br>ENTERPRISE<br>FUNDS | GOVERNMENTAL<br>ACTIVITIES-<br>INTERNAL SERVICE<br>FUNDS |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|--------------------|----------------------------------|------------------------------|----------------------------------------------------------|
|                                                                                                              | AIRPORT                                      | SANITATION   | WATER AND<br>SEWER |                                  |                              |                                                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                  |                                              |              |                    |                                  |                              |                                                          |
| Receipts from customers and users                                                                            | \$ 1,464,128                                 | \$ 1,996,597 | \$ 6,079,043       | \$ 342,336                       | \$ 9,882,104                 | \$ 1,697,123                                             |
| Payments to suppliers                                                                                        | (1,078,147)                                  | (670,955)    | (2,635,828)        | (102,256)                        | (4,487,186)                  | (995,621)                                                |
| Payments to employees                                                                                        | (435,192)                                    | (777,343)    | (1,582,911)        | (213,307)                        | (3,008,753)                  | (450,348)                                                |
| Internal activity - payments from (to) other funds                                                           | -                                            | -            | -                  | -                                | -                            | -                                                        |
| Other                                                                                                        | (239,053)                                    | -            | (13,554)           | -                                | (252,607)                    | -                                                        |
| Net cash provided (used) by operating activities                                                             | (288,264)                                    | 548,299      | 1,846,750          | 26,773                           | 2,133,558                    | 251,154                                                  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                                   |                                              |              |                    |                                  |                              |                                                          |
| Taxes Received                                                                                               | 339,712                                      | -            | -                  | (918)                            | 338,794                      | -                                                        |
| Operating Transfers In                                                                                       | 150,000                                      | 99,000       | 315,000            | -                                | 564,000                      | 22,011                                                   |
| Operating Transfers Out                                                                                      | (50,664)                                     | (307,358)    | (373,121)          | (5,373)                          | (736,516)                    | (23,500)                                                 |
| Other                                                                                                        | -                                            | -            | (14,749)           | -                                | (14,749)                     | -                                                        |
| Net cash provided (used) by noncapital financing activities                                                  | 439,048                                      | (208,358)    | (72,870)           | (6,291)                          | 151,529                      | (1,489)                                                  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>                                          |                                              |              |                    |                                  |                              |                                                          |
| Proceeds from capital debt                                                                                   | 400,000                                      | -            | 1,785,000          | -                                | 2,185,000                    | -                                                        |
| Capital Contributions                                                                                        | 4,899,936                                    | -            | -                  | -                                | 4,899,936                    | -                                                        |
| Passenger Facility Charges                                                                                   | 167,182                                      | -            | -                  | -                                | 167,182                      | -                                                        |
| Acquisition And Construction Of Capital Assets                                                               | (5,386,588)                                  | (86,594)     | (650,813)          | (19,455)                         | (6,143,450)                  | -                                                        |
| Principal Paid on Capital Debt                                                                               | (105,000)                                    | -            | (2,652,341)        | (50,000)                         | (2,807,341)                  | -                                                        |
| Interest Paid on Capital Debt                                                                                | (86,755)                                     | -            | (425,118)          | (19,713)                         | (531,586)                    | (1,035)                                                  |
| Net cash (used) by capital and<br>related financing activities                                               | (111,225)                                    | (86,594)     | (1,943,272)        | (89,168)                         | (2,230,259)                  | (1,035)                                                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                  |                                              |              |                    |                                  |                              |                                                          |
| Proceeds from sales and maturities of investments                                                            | 100,000                                      | 400,000      | -                  | -                                | 500,000                      | -                                                        |
| Purchase of Investments                                                                                      | -                                            | -            | -                  | -                                | -                            | (300,000)                                                |
| Interest and dividends                                                                                       | 55,356                                       | 62,918       | 172,628            | 52,642                           | 343,544                      | 24,694                                                   |
| Net cash provided (used) by investing activities                                                             | 155,356                                      | 462,918      | 172,628            | 52,642                           | 843,544                      | (275,306)                                                |
| Net increase (decrease) in cash and cash equivalents                                                         | 194,915                                      | 716,265      | 3,236              | (16,044)                         | 898,372                      | (26,676)                                                 |
| Cash and cash equivalents, January 1                                                                         | 365,430                                      | 133,176      | 2,148,249          | 195,803                          | 2,842,658                    | 90,273                                                   |
| Cash and cash equivalents, December 31                                                                       | \$ 560,345                                   | \$ 849,441   | \$ 2,151,485       | \$ 179,759                       | \$ 3,741,030                 | \$ 63,597                                                |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                                              |              |                    |                                  |                              |                                                          |
| Operating Income (Loss)                                                                                      | (\$930,551)                                  | \$336,218    | \$490,455          | (\$26,443)                       | (\$130,321)                  | \$219,077                                                |
| Adjustments To Reconcile Operating Income (Loss) To<br>Net Cash Provided By Operating Activities             |                                              |              |                    |                                  |                              |                                                          |
| Depreciation Expense                                                                                         | 842,380                                      | 158,703      | 1,521,379          | 53,976                           | 2,576,438                    | -                                                        |
| Amortization Expense                                                                                         | 7,356                                        | -            | 16,588             | -                                | 23,944                       | -                                                        |
| Change In Assets And Liabilities                                                                             |                                              |              |                    |                                  |                              |                                                          |
| Taxes Receivable                                                                                             | (1,258)                                      | -            | -                  | -                                | (1,258)                      | -                                                        |
| Receivables, net                                                                                             | 25,178                                       | 11,061       | 11,244             | 220                              | 47,703                       | 75                                                       |
| Credit Cards                                                                                                 | 787                                          | -            | -                  | -                                | 787                          | -                                                        |
| Due From Other Agencies                                                                                      | (240,835)                                    | -            | 11,937             | -                                | (228,898)                    | -                                                        |
| Merchandise Inventory                                                                                        | (1,338)                                      | -            | -                  | -                                | (1,338)                      | 8,049                                                    |
| Accounts Payable                                                                                             | 500                                          | (95)         | (17,063)           | -                                | (16,658)                     | (174)                                                    |
| Insurance Claims Payable                                                                                     | -                                            | -            | -                  | -                                | -                            | 24,127                                                   |
| Due To Other Agencies                                                                                        | 1,782                                        | 15           | (25,491)           | (10)                             | (23,704)                     | -                                                        |
| Due To (From) Other Funds                                                                                    | -                                            | -            | (170,523)          | -                                | (170,523)                    | -                                                        |
| Accrued Vacation Payable                                                                                     | 3,306                                        | 7,832        | 8,847              | (887)                            | 19,098                       | -                                                        |
| Accrued Salaries Payable                                                                                     | 491                                          | 2,042        | 1,843              | 171                              | 4,547                        | -                                                        |
| Accrued Interest Payable                                                                                     | 3,938                                        | -            | (2,534)            | (254)                            | 1,150                        | -                                                        |
| Accrued MSWLF Postcare Costs                                                                                 | -                                            | 32,523       | -                  | -                                | 32,523                       | -                                                        |
| Customer Deposits                                                                                            | -                                            | -            | 68                 | -                                | 68                           | -                                                        |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES                                                             | (288,264)                                    | 548,299      | 1,846,750          | 26,773                           | 2,133,558                    | 251,154                                                  |

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

**City of Minot, North Dakota**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2001

|                                    | Pension<br>Trust<br>Funds | Agency<br>Funds |
|------------------------------------|---------------------------|-----------------|
| <b>ASSETS</b>                      |                           |                 |
| Cash and cash equivalents          | \$ 381,827                | \$ 111,368      |
| Investments                        | 41,039,242                | 100,000         |
| Taxes Receivable Delinquent        | -                         | 5,869           |
| Accrued Interest Receivable        | 566,659                   | -               |
| Total Assets                       | 41,987,728                | 217,237         |
| <b>LIABILITIES</b>                 |                           |                 |
| Due To Other Funds                 | -                         | 876             |
| Due To Other Agencies              | -                         | 211,368         |
| Other Deferred Credits             | -                         | 4,993           |
| Total Liabilities                  | -                         | \$ 217,237      |
| <b>NET ASSETS</b>                  |                           |                 |
| Held in trust for pension benefits |                           |                 |
| City Employee's Pension Plan       | 32,554,970                |                 |
| Police Pension Plan                | 9,432,758                 |                 |
| <b>NET ASSETS</b>                  | \$ 41,987,728             |                 |

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

**CITY OF MINOT, NORTH DAKOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                               | <b>PENSION<br/>TRUST<br/>FUNDS</b> |
|-----------------------------------------------|------------------------------------|
| <b>ADDITIONS</b>                              |                                    |
| Contributions:                                |                                    |
| Employer                                      | \$974,780                          |
| Employee                                      | 808,896                            |
| Total Contributions                           | 1,783,676                          |
| Investment earnings:                          |                                    |
| Interest                                      | 2,551,911                          |
| Net increase in the fair value of investments | 1,132,338                          |
| Total Investment earnings                     | 3,684,249                          |
| Less investment expense                       | 221,863                            |
| Net Investment earnings                       | 3,462,386                          |
| <b>TOTAL ADDITIONS</b>                        | <b>5,246,062</b>                   |
| <b>DEDUCTIONS:</b>                            |                                    |
| Benefits Paid to Participants                 | 1,871,038                          |
| Refunds                                       | 51,618                             |
| Administrative Expenses                       | 91,702                             |
| <b>TOTAL DEDUCTIONS</b>                       | <b>2,014,358</b>                   |
| <b>Change in Net Assets</b>                   | 3,231,704                          |
| Net Assets - January 1                        | 38,756,024                         |
| <b>Net Assets- December 31</b>                | <b>\$41,987,728</b>                |

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

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A: Reporting entity**

The City of Minot was incorporated on July 16, 1887. The City has operated under a council/manager form of government since 1933 and 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.

**B: Government-wide and fund financial statements**

Government-wide statements: The statement of net assets display information on the financial activities of the City, with the exception of the fiduciary activities. Reporting of the internal activities have been eliminated to avoid duplication on the statements. The statements distinguish between governmental activities - which are normally financed through taxes and intergovernmental revenues - and business-type activities - which are normally financed in whole or in part by fees and charges for services.

The statement of activities compares the direct expenses and program revenues for both the functions of the governmental activities and the business-type activities of the City. Direct expenses are clearly identifiable with a specific function. Indirect expense allocations have been eliminated for the statement of financial activities. Program revenues include 1) fines, fees, and charges for services to customers that benefit from the services provided, and 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

Fund financial statements: The fund financial statements provide detailed information for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide statements. The fund statements emphasis is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

**C: Measurement focus, basis of accounting, and financial statement presentation**

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. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the related cash flows. 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. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. An exception to this general rule is that unmatured principal and interest on general long-term debt is recognized when payment is due.

Property taxes, sales taxes and municipal highway taxes are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when received in cash.

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 funds, 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 postclosure care, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

*General Fund:* This fund is used to account for the financial resources of the general government that are not required to be accounted for in another fund.

*Sales Tax Economic Development:* This fund is used to account for the portion of the sales tax collections dedicated to economic development and payments that are made towards economic development projects.

*Sales Tax NAWS:* This fund is used to account for the portion of the sales tax collections dedicated to the Northwest Area Water Supply projects and the payments that are made towards the NWAWS project.

*Highway Debt Service:* This fund is used to account for the resources accumulated and payments made for principal and interest on general long-term debt associated with various highway projects within the City.

*Special Assessment Debt Service:* This fund is used to account for the resources accumulated and payments made for principal and interest on special assessment long-term debt associated with various special assessment districts within the City.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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The City reports the following major enterprise funds:

*Airport:* This fund is used to account for the provision of airline services to the residents of the City and the surrounding areas.

*Sanitation:* This fund is used to account for the provisions of garbage pickup and landfill services to the residents of the City.

*Water and Sewer:* This fund is used to account for the provisions of water and sewer services to the residents of the City.

In addition, the City reports the following funds types:

*Internal Service Funds:* These funds are used to account for services provided to other City departments, or other governments, on a cost reimbursement basis.

*Agency Funds:* These funds are used to account for assets held by the City as agent for other individuals, private organizations, or other governmental units and/or funds.

*Pension Trust Funds:* These funds are used to account for the activities of the City Employee's Pension Plan and the Police Pension Plan, which accumulates resources for the pension benefit payments to qualified employees.

The City follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing generally accepted accounting principals for governmental entities. For the government-wide and proprietary fund financial statements, the City follows all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with GASB pronouncements.

**D: Assets, liabilities and equity**

**1: Deposits and Investments:**

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

North Dakota state statute authorizes municipalities to invest their surplus funds in a) bonds, treasury bills or notes, or other securities which are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality, or organizations created by an act of

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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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 the type listed above, c) certificates of deposit fully insured by the federal deposit insurance corporation or the state, d) obligation of the state. In addition to the above mentioned investments, 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.

2: *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as 'advances to/from other funds'. All other outstanding balances between funds are referred to as 'due to/from other funds'. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between governmental funds, as reported in the fund financial statements, are offset by a reserved fund balance to indicate that they are not available for appropriation and are not available financial resources.

All real estate is assessed as of the current value on February 1<sup>st</sup> of each year. Property taxes are attached as an enforceable lien on the real estate and become due on January 1<sup>st</sup> 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<sup>th</sup>.

Penalty and interest are added on March 1<sup>st</sup> if the first half of the taxes are not paid. Additional penalty and interest are added October 15<sup>th</sup> to those taxes that are 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.

3: *Inventories*

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

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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*4: Restricted Assets*

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.

*5: Capital Assets*

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. GASB #34 allows the reporting of infrastructure to occur within four years of the required implementation date of this statement. As such infrastructure has not been reported in these statements. Capital assets are defined as having an individual cost of \$5,000 or more and have a useful life in excess of two years. 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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings 20-40 years, Improvements 10-40 years, Equipment 3-10 years

*6: 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 is payable upon termination. Accumulated unpaid vacation is accrued when earned in the government-wide, and proprietary fund statements.

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

**CITY OF MINOT, NORTH DAKOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2001**

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*7: Long-term obligations*

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

In the fund financial statements, governmental fund types recognize bond discounts, as well as bond issuance costs, during the current period.

*8: Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally segregated for a specific future use or are not available for appropriation for expenditures or expenses. Designations of fund balance are tentative management segregation for a specific future use.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A:** Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$17,818,885) difference are as follows:

|                                                                                                                    |                      |
|--------------------------------------------------------------------------------------------------------------------|----------------------|
| Bonds payable                                                                                                      | \$ 13,830,000        |
| Loans payable                                                                                                      | 1,190,000            |
| Grants payable                                                                                                     | 2,107,950            |
| Accrued interest payable                                                                                           | 139,075              |
| Compensated absences                                                                                               | <u>551,860</u>       |
| Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities | <u>\$ 17,818,885</u> |

**B:** Explanation of certain differences between the governmental fund statement of revenue, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets

**CITY OF MINOT, NORTH DAKOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2001**

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of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$3,950,221 difference are as follows:

|                                                                                                                                                                |                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Capital outlay                                                                                                                                                 | \$ 4,495,259        |
| Depreciation-Current Year                                                                                                                                      | <u>(545,038)</u>    |
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 3,950,221</u> |

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A: Budgetary information**

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

By the first Monday in August, the City Manager submits to the City Council a proposed operating budget for the calendar year beginning January 1<sup>st</sup>. The City Council holds public hearings on the proposed budget and the final budget is prepared and passed on first reading on or before October 1<sup>st</sup>. The budget is prepared by fund, by department within each fund, and by line item within each department. The legal level of 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.

Supplemental appropriations were approved for Recreation/Auditorium, and Equipment Purchase.

**B: Excess of expenditures over appropriations**

Expenditures in nonmajor funds for the fiscal year 2001 exceed appropriations in Equipment Purchase by \$128,260. Additional revenues received as a trade in on the equipment purchased funded the overpayment in Equipment Purchase. All expenditures were approved by City Council.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**C: Deficit fund equity**

Three nonmajor funds had deficit fund balances as of December 31, 2001. The deficits of \$73,672 in Capital–Highway Reserve, \$894,918 in Capital–Fire Equipment and \$234,015 in Capital–Library will be reimbursed with funds from future sales tax collections dedicated to these funds.

**IV. DETAILED NOTES ON ALL FUNDS**

**A: Deposits and investments**

The following summary presents the amount of the City’s deposits which are fully insured or collateralized with securities held by the City or its agent in the City’s name (category 1), those deposits which are collateralized with securities held by the pledging financial institutions’ trust department or agent in the City’s name (category 2), and those deposits which are not collateralized or are collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the City’s name (category 3) at December 31, 2001. The following does not include petty cash of \$15,860.

|                                                | CATEGORY 1        | CATEGORY 2          | CATEGORY 3  | BANK BALANCE         | CARRYING AMOUNT     |
|------------------------------------------------|-------------------|---------------------|-------------|----------------------|---------------------|
| Cash Deposits                                  | \$ 582,522        | \$ 934,367          | \$ 0        | \$ 1,516,889         | \$ 473,933          |
| Cert. Of Deposit<br>Recorded as Deposits       | 0                 | 6,400,000           | 0           | 6,400,000            | 6,400,000           |
| Cert. Of Deposit<br>Recorded as<br>Investments | 0                 | 3,000,000           | 0           | 3,000,000            | 3,000,000           |
| <b>Total</b>                                   | <b>\$ 582,522</b> | <b>\$10,334,367</b> | <b>\$ 0</b> | <b>\$ 10,916,889</b> | <b>\$ 9,873,933</b> |

The City of Minot’s investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured, registered, or securities held by the City, or its agent, in the City’s name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the City’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City’s name.

|                          | CATEGORY 1    | CATEGORY 2 | CATEGORY 3 | FAIR VALUE           | HISTORICAL COST      |
|--------------------------|---------------|------------|------------|----------------------|----------------------|
| US Treasury Obligations  | \$ 5,861,125  | \$ 0       | \$ 0       | \$ 5,861,125         | \$ 5,848,856         |
| US Agency Obligations    | 40,135,974    | 0          | 0          | 40,135,974           | 38,842,541           |
|                          | \$ 45,997,099 | \$ 0       | \$ 0       | \$ 45,997,099        | 44,691,397           |
| Non Security Investments |               |            |            | 290,000              | 290,000              |
| Limited Partnerships     |               |            |            | 344,500              | 488,150              |
| <b>Total Investments</b> |               |            |            | <b>\$ 46,631,599</b> | <b>\$ 45,469,547</b> |

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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U.S. Treasury & Agency Obligations & the limited partnerships were determined on the quoted-market price on 12-31-01. Non-security investment is a stock option in a closely held entity and there is no readily available market value.

Reconciliation:

| STATEMENT OF NET ASSETS            |               | NOTE IV A                  |               |
|------------------------------------|---------------|----------------------------|---------------|
| Cash & cash equivalents            | \$ 4,281,011  | Deposits – carrying amount | \$ 9,873,933  |
| Investments                        | 8,492,357     | Investments – fair value   | 46,631,599    |
| Restricted cash & cash equivalents | 2,115,587     | Petty cash                 | 15,860        |
| Statement of Net Assets Total      | \$ 14,888,955 | Totals                     | \$ 56,521,392 |
| <b>FIDUCIARY FUNDS</b>             |               |                            |               |
| Cash & cash equivalents            | 493,195       |                            |               |
| Investments                        | 41,139,242    |                            |               |
| Fiduciary Fund Totals              | 41,632,437    |                            |               |
| Totals                             | \$ 56,521,392 |                            |               |

**B: Due From Other Agencies**

A total of \$1,580,745 is due from other agencies. This includes \$1,181,287 due from the State of North Dakota, - \$169,628 for highway user taxes, \$616,514 for city sales taxes, \$41,752 for narcotics task force, \$323,579 for State Aid Distribution and \$29,814 for an EDA grant. Other amounts due are \$100,262 from the United States Government for a Public Transportation subsidy and \$240,835 from the United States Government for a FFA project, \$12,598 from Ward County for their share of a jointly purchased computer system, and \$44,887 for reimbursement of expenses from various entities and individuals. In addition, \$876 due from the fiduciary funds has been reclassified in the government wide statements to due from other agencies.

**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:                | \$ 1,128,607        |
| Due after one year:                 | 1,196,561           |
| Less: Allowance for uncollectibles: | <u>(665,401)</u>    |
| Total Loans Receivable:             | <u>\$ 1,659,767</u> |

**CITY OF MINOT, NORTH DAKOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2001**

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**D: Capital assets**

Capital asset activity for the year ended December 31, 2001 was as follows:

|                                                 | BALANCE<br>1/1/01 | ADDITIONS | DELETIONS | BALANCE<br>12/31/01 |
|-------------------------------------------------|-------------------|-----------|-----------|---------------------|
| Governmental Activities:                        |                   |           |           |                     |
| Capital Assets,<br>Not being depreciated:       |                   |           |           |                     |
| Land                                            | \$ 4,909,325      | \$ 0      | \$ 0      | \$ 4,909,325        |
| Construction in progress                        | 0                 | 4,495,259 | 0         | 4,495,259           |
| Total capital assets,<br>Not being depreciated  | 4,909,325         | 4,495,259 | 0         | 9,404,584           |
| Capital Assets,<br>Being depreciated            |                   |           |           |                     |
| Buildings                                       | 4,822,525         | 0         | 0         | 4,822,525           |
| Improvements                                    | 700,783           | 0         | 0         | 700,783             |
| Equipment                                       | 5,930,784         | 1,107,531 | (606,562) | 6,431,753           |
| Total capital assets<br>Being depreciated       | 11,454,092        | 1,107,531 | (606,562) | 11,955,061          |
| Less accumulated<br>depreciation for:           |                   |           |           |                     |
| Buildings                                       | (4,168,325)       | ( 54,281) | 0         | (4,222,606)         |
| Improvements                                    | (563,373)         | (23,487)  | 0         | (586,860)           |
| Equipment                                       | (3,142,367)       | (467,270) | 606,562   | (3,003,075)         |
| Total accumulated<br>depreciation               | (7,874,065)       | (545,038) | 606,562   | (7,812,541)         |
| Total capital assets,<br>Being depreciated, net | 3,580,027         | 562,493   | 0         | 4,142,520           |
|                                                 |                   |           |           |                     |
| Governmental activities<br>capital assets, net  | 8,489,352         | 5,057,752 | 0         | 13,547,104          |

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

|                                                 | BALANCE<br>1/1/01 | ADDITIONS   | DELETIONS   | BALANCE<br>12/31/01 |
|-------------------------------------------------|-------------------|-------------|-------------|---------------------|
| Business-type Activities:                       |                   |             |             |                     |
| Capital Assets,<br>Not being depreciated:       |                   |             |             |                     |
| Land                                            | \$ 2,715,421      | \$ -        | \$ -        | \$ 2,715,421        |
| Construction in progress                        | 8,985,805         | 5,457,229   | (2,048,278) | 12,394,756          |
| Total capital assets,<br>Not being depreciated  | 11,701,226        | 5,457,229   | (2,048,278) | 15,110,177          |
| Capital Assets,<br>Being depreciated            |                   |             |             |                     |
| Buildings                                       | 10,343,646        | 0           | 0           | 10,343,646          |
| Improvements                                    | 57,952,984        | 1,967,905   | 0           | 59,920,889          |
| Equipment                                       | 5,629,066         | 901,429     | (81,621)    | 6,448,874           |
| Total capital assets<br>Being depreciated       | 73,925,696        | 2,869,334   | (81,621)    | 76,713,409          |
|                                                 |                   |             |             |                     |
| Less accumulated<br>depreciation for:           |                   |             |             |                     |
| Buildings                                       | (5,440,406)       | (264,662)   | 0           | (5,705,068)         |
| Improvements                                    | (30,409,153)      | (1,943,823) | 0           | (32,352,976)        |
| Equipment                                       | (4,416,205)       | (525,762)   | 80,770      | (4,861,197)         |
| Total accumulated<br>depreciation               | (40,265,764)      | (2,734,247) | 80,770      | (42,919,242)        |
| Total capital assets<br>being depreciated, net  | 33,659,932        | 135,087     | (851)       | 33,794,168          |
|                                                 |                   |             |             |                     |
| Business-type activities<br>capital assets, net | 45,361,158        | 5,592,316   | (2,049,129) | 48,904,345          |

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

|                                                      |                   |
|------------------------------------------------------|-------------------|
| Governmental activities:                             |                   |
| General Government                                   | \$ 167,273        |
| Public Safety                                        | 239,482           |
| Highways and Streets                                 | 107,267           |
| Culture and Recreation                               | <u>31,016</u>     |
| Total depreciation expense – governmental activities | \$ <u>545,038</u> |

**CITY OF MINOT, NORTH DAKOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2001**

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|                                                     |                     |
|-----------------------------------------------------|---------------------|
| Business-type activities:                           |                     |
| Airport                                             | \$ 842,380          |
| Cemetery                                            | 14,972              |
| Parking Authority                                   | 39,004              |
| Sanitation                                          | 158,703             |
| Water and Sewer                                     | <u>1,521,379</u>    |
| Total depreciation expense-business-type activities | <u>\$ 2,576,438</u> |

**E: Construction commitments**

Construction commitments as of December 31, 2001 were approximately \$664,000. The City is also committed to approximately \$23 million local share in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot. This project will be funded with sales tax monies approved by the voters in March 1999. The NAWS project began the first phase in the spring of 2002. Although there are various other commitments, it is the opinion of the City that they will not have a material effect on the financial statements.

**F: Interfund Receivables, Payables, and Transfers**

The composition of interfund balances at December 31, 2001 were:

| DUE TO/ FROM OTHER FUNDS |                                  |             |
|--------------------------|----------------------------------|-------------|
| RECEIVABLE FUND          | PAYABLE FUND                     | AMOUNT      |
| Sales Tax – NWAWS        | Sales Tax – Economic Development | 1,819,777   |
| Highway Debt             | Assessment Debt                  | 124,527     |
| Assessment Debt          | Water and Sewer                  | 254,003     |
|                          | Nonmajor Governmental            | 23,794      |
| Nonmajor Governmental    | Nonmajor Governmental            | 1,269,014   |
| Totals                   |                                  | \$3,491,115 |

| ADVANCES TO/FROM OTHER FUNDS   |                       |             |
|--------------------------------|-----------------------|-------------|
| ADVANCE TO:                    | ADVANCE FROM:         | AMOUNT      |
| Assessment Debt                | Nonmajor Governmental | \$ 369,000  |
| Sales Tax Economic Development | Nonmajor Governmental | 2,595,000   |
| Totals                         |                       | \$2,964,000 |

The advances to/from other funds have scheduled repayment plans through 2006.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

| Transfers In – Governmental Funds |              |                                  |                   |              |                 |                             |
|-----------------------------------|--------------|----------------------------------|-------------------|--------------|-----------------|-----------------------------|
| Transfer Out:                     | General Fund | Sales Tax – Economic Development | Sales Tax – NWAWS | Highway Debt | Assessment Debt | Nonmajor Governmental Funds |
| General Fund                      |              | 19,363                           | 262,894           | 40,436       | 45,044          | 199,494                     |
| Sales Tax – Economic Development  | 30,636       |                                  |                   |              |                 |                             |
| Highway Debt                      |              |                                  |                   |              |                 | 376,065                     |
| Assessment Debt                   |              | 95,124                           |                   |              |                 |                             |
| Nonmajor Governmental Funds       | 242,203      |                                  |                   | 46,005       | 7,086           | 1,936,442                   |
| Airport                           |              |                                  |                   |              |                 | 150,000                     |
| Sanitation                        |              |                                  |                   |              |                 |                             |
| Water and Sewer                   |              |                                  |                   |              |                 | 315,000                     |
| Internal Service Funds            | 1,035        |                                  |                   |              |                 |                             |
| Total transfers out               | 273,874      | 114,487                          | 262,894           | 86,441       | 52,130          | 2,977,001                   |

| Transfer In – Business-type Funds |         |            |               |                              |                        |           |
|-----------------------------------|---------|------------|---------------|------------------------------|------------------------|-----------|
| Transfer Out:                     | Airport | Sanitation | Water & Sewer | Nonmajor Business-type Funds | Internal Service Funds | Totals    |
| General Fund                      | 26,262  | 151,883    | 163,438       | 5,373                        | 23,500                 | 937,687   |
| Sales Tax – Economic Development  |         |            |               |                              |                        | 30,636    |
| Highway Debt                      |         |            |               |                              |                        | 376,065   |
| Assessment Debt                   | 24,402  | 4,500      | 35,683        |                              |                        | 159,709   |
| Nonmajor Governmental Funds       |         | 129,999    | 75,000        |                              |                        | 2,436,735 |
| Airport                           |         |            |               |                              |                        | 150,000   |
| Sanitation                        |         |            | 99,000        |                              |                        | 99,000    |
| Water and Sewer                   |         |            |               |                              |                        | 315,000   |
| Internal Service Funds            |         | 20,976     |               |                              |                        | 22,011    |
| Total transfers out               | 50,664  | 307,358    | 373,121       | 5,373                        | 23,500                 | 4,526,843 |

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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Transfers in/out consisted of the following:

|                  |                                                                                                                                                                                                    |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$ 91,200        | To General Fund from Sanitation to supplement other fund sources.                                                                                                                                  |
| 50,000           | To General Fund from Sales Tax-Economic Development for Administration.                                                                                                                            |
| 35,000           | To General Fund from Capital Projects-Highway Reserve for debt.                                                                                                                                    |
| 689              | To General Fund from Advertising and Promotion to close the fund.                                                                                                                                  |
| 50,000           | To Recreation/Auditorium from Sales Tax Capital Improvements for Maintenance.                                                                                                                      |
| 130,000          | To Equipment Purchase from Sanitation for Equipment Purchases transfer.                                                                                                                            |
| 75,000           | To Equipment Purchase from Water & Sewer for Equipment Purchases transfer.                                                                                                                         |
| 376,065          | To Debt Service-Highway from Sales Tax-Property Tax Relief for debt payments.                                                                                                                      |
| 159,709          | To Debt Service-Assessment Debt from Airport (\$24,402), Sanitation (\$4,500),<br>Water & Sewer (\$35,683), and Sales Tax-Economic Development (\$95,124) for<br>Special Assessment debt payments. |
| 513,273          | To Capital Projects-Highway from Debt Service-Highway (\$46,005), Sales Tax-Property<br>Tax Relief (\$58,935), Sales Tax-Capital Improvements (\$408,333) for debt payments.                       |
| 60,000           | To Capital Projects-Assessment from Capital Projects-Highway for paving project.                                                                                                                   |
| 7,086            | To Capital Projects-Assessment from Debt Service-Assessment for debt payments.                                                                                                                     |
| 259,476          | To Capital Projects-Fire Equipment from Sales Tax-Capital Projects (\$190,000), Fire<br>Equipment (\$60,948), & Sirens (8,528) for Fire equipment purchases.                                       |
| 550,283          | To Capital Projects-Sales Tax Capital from Sales Tax-Capital Improvements for<br>Capital construction projects.                                                                                    |
| 549,998          | To Capital-Library from Sales Tax-Capital Improvements for Library construction.                                                                                                                   |
| 150,000          | To Airport from Sales Tax-Capital Improvements for debt service.                                                                                                                                   |
| 99,000           | To Sanitation from Water & Sewer for debt service.                                                                                                                                                 |
| 315,000          | To Water & Sewer from Sales Tax-Capital for debt service.                                                                                                                                          |
| 20,975           | To Central Garage from Sanitation to supplement other fund sources.                                                                                                                                |
| <u>1,034,089</u> | Between funds for annual interest distribution.                                                                                                                                                    |
| \$ 4,576,843     |                                                                                                                                                                                                    |

**G: Leases**

*Operating Leases.* The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$184,650 for the year ended December 31, 2001. The future minimum lease payments for these leases are as follows:

| YEAR ENDED DECEMBER 31              | AMOUNTS             |
|-------------------------------------|---------------------|
| 2002                                | \$ 184,650          |
| 2003                                | 184,650             |
| 2004                                | 257,755             |
| 2005                                | 172,650             |
| 2006                                | 481,849             |
| <b>Total Minimum Lease Payments</b> | <b>\$ 1,281,554</b> |

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**H: Long-Term Debt**

Governmental activities include the following type 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 generally issued as 10-year bonds and the outstanding bonds have varying interest rates ranging from 4.0% to 4.8%.

*Special assessment bonds* are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. The City has \$1,059,899 of special assessment bonds outstanding, with \$7,845,101 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 vary from 3.0% to 5.9%.

*Loans* outstanding as of December 31, 2001 include \$1,190,000 to First Western Bank for an economic development loan to MedVision. This loan has a quarterly variable interest rate of 1% above prime.

*Grants payable* are direct obligations of the City of Minot as the result of economic development projects within the City of Minot and the surrounding area. Payment of these commitments is dependent upon meeting certain criteria. Management presumes it is probable that the criteria will be met and therefore has recorded these accounts as liabilities. These grants are interest free.

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

*Revenue Bonds.* The City of Minot issues bonds and pledges all revenues from the Enterprise Funds to pay the debt service. Interest rates on the outstanding bonds vary from 2.5% to 6.6%.

*Notes* outstanding at December 31, 2001 include the Bureau of Reclamation note for \$2,015,029, with a 3.5% interest rate, maturing January 1, 2027.

*Loans* outstanding as of December 31, 2001 include \$41,790 to IBM for the purchase of IBM hardware. This loan has an interest rate of 6.49% and matures February 1, 2003. Also included is a loan from Norwest Investment Services for \$160,856 which has an interest rate of 5.98% and matures June 3, 2006, and a loan from Zion's Bank for \$539,625 which has an interest rate of 5.77% and matures July 1, 2010.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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

| Governmental activities       | General obligation bonds |            | Special assessment bonds |             | Loans        |            | Grants       |
|-------------------------------|--------------------------|------------|--------------------------|-------------|--------------|------------|--------------|
|                               | Principal                | Interest   | Principal                | Interest    | Principal    | Interest   | Principal    |
| 2002                          | \$ 720,000               | \$ 210,548 | \$ 1,560,000             | \$ 374,655  | \$ 127,500   | \$ 79,419  | \$ 1,357,950 |
| 2003                          | 725,000                  | 180,828    | 1,460,000                | 316,288     | 250,000      | 62,775     | 750,000      |
| 2004                          | 750,000                  | 150,553    | 1,275,000                | 253,755     | 250,000      | 46,131     |              |
| 2005                          | 690,000                  | 119,040    | 1,115,000                | 200,355     | 250,000      | 29,487     |              |
| 2006                          | 720,000                  | 89,685     | 885,000                  | 153,018     | 250,000      | 12,844     |              |
| 2007-2011                     | 1,320,000                | 98,061     | 2,610,000                | 283,953     | 62,500       | 610        |              |
| Total governmental activities | \$ 4,925,000             | \$ 848,715 | \$ 8,905,000             | \$1,582,024 | \$ 1,190,000 | \$ 231,266 | \$ 2,107,950 |

| Business-type activities | Revenue bonds |              | Notes       |             | Loans      |            |  |
|--------------------------|---------------|--------------|-------------|-------------|------------|------------|--|
|                          | Principal     | Interest     | Principal   | Interest    | Principal  | Interest   |  |
| 2002                     | \$ 990,000    | \$ 367,392   | \$ 49,907   | \$ 70,093   | \$ 115,046 | \$ 41,652  |  |
| 2003                     | 980,000       | 328,534      | 51,669      | 68,331      | 90,384     | 34,989     |  |
| 2004                     | 885,000       | 287,195      | 53,493      | 66,507      | 89,181     | 29,927     |  |
| 2005                     | 944,386       | 247,898      | 55,382      | 64,618      | 94,479     | 24,629     |  |
| 2006                     | 850,000       | 205,503      | 57,337      | 62,663      | 79,442     | 19,016     |  |
| 2007-2011                | 3,300,000     | 476,141      | 318,519     | 281,481     | 273,739    | 36,809     |  |
| 2012-2016                | 225,000       | 10,395       | 378,860     | 221,140     |            |            |  |
| 2017-2021                |               |              | 450,633     | 149,367     |            |            |  |
| 2022-2026                |               |              | 540,445     | 63,695      |            |            |  |
| 2027                     |               |              | 58,784      | 1,028       |            |            |  |
| Totals                   | \$8,174,386   | \$ 1,923,058 | \$2,015,029 | \$1,048,923 | \$ 742,271 | \$ 187,022 |  |

*Current refundings.* The City of Minot issued \$1,740,000 of general obligation highway refunding bonds for a current refunding of \$1,725,000 general obligation highway bonds. The reacquisition price exceeded the net carrying amount by \$15,000. This current refunding resulted in the reduction of future debt service payments of \$33,221 and an economic gain of \$51,828.

The City of Minot also issued \$1,785,000 of water and sewerage utility reserve revenue refunding bonds to current refund \$1,770,000 of water and sewerage utility reserve revenue bonds. The reacquisition price exceeded the net carrying amount by \$15,000. This current refunding resulted in the reduction of future debt service payments of \$62,983 and an economic gain of \$57,870.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

*Changes in Long Term Liabilities.* The following is a summary of the activity in long-term liabilities for the year ended December 31, 2001.

| <b>Governmental activities:</b>                | BALANCE<br>1/1/01 | ADDITIONS    | DELETIONS       | BALANCE<br>12/31/01 | DUE WITHIN<br>ONE YEAR |
|------------------------------------------------|-------------------|--------------|-----------------|---------------------|------------------------|
| Bonds payable:                                 |                   |              |                 |                     |                        |
| General obligation                             | \$ 5,590,000      | \$ 1,740,000 | \$ ( 2,405,000) | \$ 4,925,000        | \$ 720,000             |
| Special assessment                             | 8,985,000         | 1,530,000    | (1,610,000)     | 8,905,000           | 1,560,000              |
| Total bonds payable                            | 14,575,000        | 3,270,000    | (4,015,000)     | 13,830,000          | 2,280,000              |
| Loans                                          | 1,410,000         | 0            | (220,000)       | 1,190,000           | 250,000                |
| Grants                                         | 3,104,000         | 687,500      | (1,683,550)     | 2,107,950           | 1,357,950              |
| Compensated absences                           | 511,559           | 500,363      | (460,062)       | 551,860             | 158,328                |
| Governmental activity<br>Long-term liabilities | \$ 19,600,559     | \$ 4,457,863 | \$ (6,378,612)  | \$ 17,679,810       | \$ 6,326,278           |

| <b>Business-type activities</b>                 |              |              |                |               |              |
|-------------------------------------------------|--------------|--------------|----------------|---------------|--------------|
| Bonds payable:                                  |              |              |                |               |              |
| Revenue                                         | \$ 8,659,386 | \$ 2,185,000 | \$ (2,670,000) | \$ 8,174,386  | \$ 990,000   |
| Notes                                           | 2,043,747    | 0            | (28,718)       | 2,015,029     | 49,907       |
| Loans                                           | 850,894      | 0            | (108,623)      | 742,271       | 115,276      |
| Compensated absences                            | 158,526      | 160,160      | (141,062)      | 177,624       | 68,076       |
| Business-type activity<br>Long-term liabilities | \$11,712,553 | \$ 2,345,160 | \$ (2,948,403) | \$ 11,109,310 | \$ 1,223,259 |

Compensated absences for governmental activities are generally liquidated by the general fund. Grants are liquidated from the Sales Tax-economic development 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, 2001, the aggregate principal amount payable for the nine outstanding series issued prior to July 1, 1995, could not be determined, however, their original issue amounts totaled \$41,500,000.

The City's debt limit is \$52,443,648 and the legal debt margin is \$46,677,734.

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**I: Segment information**

The City issued revenue bonds through the North Dakota Municipal Bond Bank to fund parking lot improvements. Summary information for the Parking Authority is presented below:

**CONDENSED STATEMENT OF NET ASSETS**

**Assets:**

|                |                |
|----------------|----------------|
| Current assets | \$ 58,472      |
| Capital assets | <u>429,720</u> |
| Total assets   | <u>488,192</u> |

**Liabilities:**

|                       |                |
|-----------------------|----------------|
| Current Liabilities   | 52,783         |
| Long-term liabilities | <u>235,000</u> |
| Total liabilities     | <u>287,783</u> |

**Net Assets:**

|                                                 |                   |
|-------------------------------------------------|-------------------|
| Invested in capital assets, net of related debt | 144,720           |
| Unrestricted                                    | <u>55,689</u>     |
| Total net assets                                | <u>\$ 200,409</u> |

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**

|                                  |                   |
|----------------------------------|-------------------|
| Parking charges                  | \$ 193,422        |
| Depreciation expense             | (39,004)          |
| Other operating expenses         | <u>(115,391)</u>  |
| Operating Income                 | <u>39,027</u>     |
| Nonoperating revenues (expenses) |                   |
| Interest income                  | 2,857             |
| Interest expense                 | (19,713)          |
| Transfers in (out)               | <u>(614)</u>      |
| Change in net assets             | 21,557            |
| Beginning net assets             | <u>178,852</u>    |
| Ending net assets                | <u>\$ 200,409</u> |

**CONDENSED STATEMENT OF CASH FLOWS**

**Net cash provided (used) by:**

|                                          |                  |
|------------------------------------------|------------------|
| Operating activities                     | \$ 77,865        |
| Noncapital financing activities          | ( 614)           |
| Capital and related financing activities | (69,713)         |
| Investing activities                     | <u>2,857</u>     |
| Net increase in cash/cash equivalents    | 10,395           |
| Beginning cash and cash equivalents      | <u>48,077</u>    |
| Ending cash and cash equivalents         | <u>\$ 58,472</u> |

**CITY OF MINOT, NORTH DAKOTA  
 NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2001**

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**V. 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 - 1980's, the City was not able to obtain general liability insurance at a cost it considered to be economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDRF. During the past five years, the NDRF returned 20% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRF is limited to losses of \$1,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions.

The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

**Employee health benefits**

Effective 1-1-1999, 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 Health Committee and a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,000,000 lifetime employee maximum. All aggregate claims in excess of \$1,077,876 are paid by the City's insurer.

Claims, which have been incurred at year-end but not yet reported, have been recorded as insurance claims payable in the amount of \$86,589. This reserve requirement was calculated by the City and it is what is payable within 90 days of year-end. A summary of the claim liabilities and related claim payments is shown below:

|      | BEGINNING FISCAL YEAR LIABILITY | CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES | CLAIM PAYMENTS | BALANCE AT FISCAL YEAR-END |
|------|---------------------------------|----------------------------------------------|----------------|----------------------------|
| 1999 | \$ 0                            | \$ 800,356                                   | \$ 750,346     | \$ 50,010                  |
| 2000 | 50,010                          | 743,994                                      | 731,542        | 62,462                     |
| 2001 | 62,462                          | 788,756                                      | 764,629        | 86,589                     |

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

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**B: Contingent liabilities**

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

**C: Other postemployment benefits**

The City provides a pay-as-you-go postretirement health care benefits plan for retirees between the ages of 60 and 65 at the same rate provided to current employees. City ordinance #3021 provides that contributions shall be deducted from the wages of those persons who are required to contribute to the pension plans at a percentage not to exceed one and one-half percent. The City will match employee contributions.

During 2001, 22 retired employees met the eligibility requirements for the health supplement. Once a retired employee reaches the age of 65 and is eligible for Medicare, they will no longer receive the health care supplement but will receive a cost of living percentage to be determined at that time. At December 31, 2001, 95 retirees and/or their spouses were eligible for the cost of living percentage. During 2001, expenditures of \$44,163 were incurred for the health insurance supplement and \$155,353 for the cost of living percentage.

**D: Employee retirement systems and plans**

The City of Minot administers two defined benefit pension plans substantially covering all of its employees. Both plans are included in the City's financial reports as Pension Trust Funds, and do not issue stand-alone reports.

*Plan Description.* The City Employee Pension Plan (CEPP) is a cost sharing, multiple employer public employee retirement system. The Police Pension Plan (PPP) is a single-employer public employee retirement system. City ordinances #2553 and #2893 provide that all employees of the City of Minot or the Minot Park District shall become a member of one of the pension plans at the time they begin employment. There are no provisions or policies with respect to automatic and ad hoc post retirement benefit increases.

These benefit provisions, amendments, and all requirements are established by City ordinance. City employees who retire at or after the age of 60 with 240 months of employment are eligible for full benefits, 66% of the employee's average monthly earnings, payable monthly for life. The average monthly earnings are considered to be the average of the highest 36 months earnings for Police Pension participants. The average monthly earnings for the City Employee Pension participants are considered to the average of highest 60 months earnings.

Benefits vest after 15 years of service. Vested employees may retire after 15 years of employment. Reduced retirement benefits will commence when the employee reaches age 60. Disability benefits are equal to normal retirement benefits for both plans and commence immediately. Both plans provide the

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
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same death benefits. If death is not in the course of employment and the participant has less than 10 years of service, then a refund of contributions is made. In all other cases, the plan pays survivor benefits that are allocated on a percentage dependent upon if there is a surviving spouse and/or children or other beneficiaries. For participants who die in the course of employment or deferred vested or active participants with 20 years of service, the benefit amount is equal to the full normal retirement benefit.

For all other participants, the benefit amount is equal to the normal retirement benefit multiplied by a fraction of the number of months employed over 240. Cost of living increases may be made to monthly amounts paid to beneficiaries.

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

|                                                         | CEPP            | PPP             |
|---------------------------------------------------------|-----------------|-----------------|
| Retirees and Beneficiaries Currently Receiving Benefits | 101             | 21              |
| Terminated Employees:                                   |                 |                 |
| Vested                                                  | 8               | 7               |
| Nonvested                                               | 0               | 0               |
| Total Terminated Employees                              | 8               | 7               |
| Active Employees:                                       |                 |                 |
| Vested                                                  | 106             | 30              |
| Nonvested                                               | 127             | 48              |
| Total Active Employees                                  | 233             | 78              |
| Date of Annual Valuation                                | January 1, 2002 | January 1, 2002 |

*Summary of Significant Accounting Policies and Plan Asset Matters.*

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

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

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NOTES TO THE FINANCIAL STATEMENTS  
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Funding Status and Progress. The actuarial methods and assumptions together with the schedule of funding progress are presented by plan below. The information is based upon the actuary reports generated by the studies conducted by DCA, Inc. For government backed securities maturing in less than 5 years, these securities for actuarial purposes are at book value. Remaining assets are at fair market value.

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

|                                            | CEPP                                                                                                             | PPP                                                                                                              |
|--------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Valuation Date                             | January 1, 2002                                                                                                  | January 1, 2002                                                                                                  |
| Actuarial Cost Method                      | Projected Unit Credit                                                                                            | Projected Unit Credit                                                                                            |
| Amortization Method                        | Level Percentage of Pay - Closed                                                                                 | Level Percentage of Pay - Closed                                                                                 |
| Remaining Amortization Period              | 35 Years                                                                                                         | 35 Years                                                                                                         |
| Asset Valuation Method                     | Government backed securities maturing in less than 5 years at book value. All other assets at fair market value. | Government backed securities maturing in less than 5 years at book value. All other assets at fair market value. |
| Actuarial Assumptions:                     |                                                                                                                  |                                                                                                                  |
| Investment Rate of Return                  | 7.25% effective 12-31-98                                                                                         | 7.25% effective 12-31-98                                                                                         |
| Projected Salary Increases                 | 4.0%                                                                                                             | 4.0%                                                                                                             |
| Includes Inflation at                      | 3.0%                                                                                                             | 3.0%                                                                                                             |
| Post Retirement Cost of Living Adjustments | None                                                                                                             | None                                                                                                             |

**Schedule of Funding Progress**

| ACTUARIAL VALUATION DATE | ACTUARIAL VALUE OF PLAN ASSETS | ACTUARIAL ACCRUED LIABILITY (AAL) | UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) | FUNDED RATIO | ANNUAL COVERED PAYROLL | UAAL AS A PERCENTAGE OF ANNUAL COVERED PAYROLL |
|--------------------------|--------------------------------|-----------------------------------|---------------------------------------------|--------------|------------------------|------------------------------------------------|
| <b>CEEP</b>              |                                |                                   |                                             |              |                        |                                                |
| Jan 1, 1997              | \$24,004,733                   | \$ 30,307,070                     | \$ 6,302,337                                | 79.2%        | \$ 6,301,922           | 100.0%                                         |
| Jan 1, 1998              | 25,518,434                     | 35,095,160                        | 9,576,726                                   | 72.7%        | 6,531,647              | 146.6%                                         |
| Jan 1, 1999              | 27,024,923                     | 36,710,650                        | 9,685,727                                   | 73.6%        | 6,775,697              | 142.9%                                         |
| Jan 1, 2000              | 28,433,357                     | 39,099,147                        | 10,451,040                                  | 73.3%        | 6,968,780              | 150.0%                                         |
| Jan 1, 2001              | 30,158,849                     | 40,728,839                        | 10,569,990                                  | 74.0%        | 7,233,855              | 146.1%                                         |
| Jan 1, 2002              | 31,634,986                     | 43,107,821                        | 11,472,835                                  | 73.4%        | 7,442,963              | 154.1%                                         |

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001**

| ACTUARIAL VALUATION DATE | ACTUARIAL VALUE OF PLAN ASSETS | ACTUARIAL ACCRUED LIABILITY (AAL) | UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL) | FUNDED RATIO | ANNUAL COVERED PAYROLL | UAAL AS A PERCENTAGE OF ANNUAL COVERED PAYROLL |
|--------------------------|--------------------------------|-----------------------------------|---------------------------------------------|--------------|------------------------|------------------------------------------------|
| <b>PPP</b>               |                                |                                   |                                             |              |                        |                                                |
| Jan 1, 1997              | \$6,579,836                    | \$7,915,305                       | \$1,335,469                                 | 83.1%        | \$2,034,612            | 65.6%                                          |
| Jan 1, 1998              | 7,010,896                      | 9,409,685                         | 2,398,789                                   | 74.5%        | 2,179,893              | 110.0%                                         |
| Jan 1, 1999              | 7,486,902                      | 10,164,702                        | 2,677,800                                   | 73.7%        | 2,243,099              | 119.4%                                         |
| Jan 1, 2000              | 8,036,441                      | 10,871,266                        | 2,834,825                                   | 73.9%        | 2,373,042              | 119.5%                                         |
| Jan 1, 2001              | 8,535,571                      | 11,402,953                        | 2,867,384                                   | 74.9%        | 2,486,833              | 115.3%                                         |
| Jan 1, 2002              | 9,193,333                      | 12,136,548                        | 2,943,215                                   | 75.7%        | 2,502,175              | 117.6%                                         |

For the PPP, annual pension cost equals the employer contributions for the fiscal years ending December 31<sup>st</sup> of 2001, 2000, and 1999. The percentage funded was 100% for each year. NPO for the end of each year was zero.

Contributions Required and Contributions Made. The actuary does not determine the contribution rates, rather by employer recommendations that are within the limits established by state statute. Employees are required to contribute 7.7% of their gross earnings. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on an actuarial valuation CEPP and PPP contributions are providing for an amortization of 25 and 17 years respectively on the unfunded liability at January 1, 2002.

For the PPP, a single employer plan, contributions for the years ended December 31, 2001, 2000, 1999, 1998, 1997, and 1996 were \$207,463, \$204,318, \$200,883, \$178,819, \$133,495, and \$122,913 respectively which are equal to the required contribution for the respective years.

**Schedule of Employer Contributions.**

| CEPP | ANNUAL REQUIRED CONTRIBUTION | PERCENTAGE CONTRIBUTED |
|------|------------------------------|------------------------|
| 1996 | \$ 408,386                   | 100.0%                 |
| 1997 | 555,345                      | 100.0%                 |
| 1998 | 554,933                      | 122.6%                 |
| 1999 | 613,282                      | 117.5%                 |
| 2000 | 655,405                      | 113.0%                 |
| 2001 | 696,161                      | 99.9%                  |

**E: Municipal solid waste landfill**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2001**

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portion of these closure and postclosure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$208,126 reported as MSWLF closure and postclosure care liability at December 31, 2001, represents the cumulative amount reported to date based on the use of 11.6 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1.7 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2001. The City expects the landfill will be operated for another 65 years with closure anticipated in the year 2066. 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 postclosure care. Mechanisms used to demonstrate financial assurance must ensure that the amount of funds assured are adequate to cover the costs of closure and postclosure care and that 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.

**F: Change in Accounting Principle**

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain of the significant changes in the Statement include the following:

For the first time the financial statements include: A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements). The City has elected to implement the general provisions of the Statement in the current year and plans to retroactively report infrastructure (assets acquired prior to 2001) in the fiscal year ending 2005.

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2001**

|                                            | SPECIAL<br>REVENUE<br>FUNDS | CAPITAL<br>PROJECT<br>FUNDS | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------|-----------------------------|-----------------------------|--------------------------------------------|
|                                            |                             |                             | 2001                                       |
| <b>ASSETS</b>                              |                             |                             |                                            |
| Cash And Cash Equivalents                  | \$910,324                   | \$172,235                   | \$1,082,559                                |
| Investments                                | 722,496                     | 129,861                     | 852,357                                    |
| Taxes Receivable Delinquent                | 107,890                     | 2,999                       | 110,889                                    |
| Special Assessments Deferred               | 7,249                       | -                           | 7,249                                      |
| Special Assessments Delinquent             | 3,055                       | -                           | 3,055                                      |
| Accounts Receivable                        | 23,692                      | 96,371                      | 120,063                                    |
| Advance To Other Funds                     | 2,964,000                   | -                           | 2,964,000                                  |
| Due From Other Funds                       | -                           | 1,269,014                   | 1,269,014                                  |
| Due From Other Agencies                    | 287,142                     | 29,814                      | 316,956                                    |
| Merchandise Inventory                      | 5,414                       | -                           | 5,414                                      |
| <b>TOTAL ASSETS</b>                        | <b>\$5,031,262</b>          | <b>\$1,700,294</b>          | <b>\$6,731,556</b>                         |
| <b>LIABILITIES AND FUND BALANCE</b>        |                             |                             |                                            |
| <b>LIABILITIES</b>                         |                             |                             |                                            |
| Accounts Payable                           | \$30                        | \$0                         | \$30                                       |
| Due To Other Funds                         | -                           | 1,292,808                   | 1,292,808                                  |
| Due To Other Agencies                      | 3,189                       | -                           | 3,189                                      |
| Accrued Salaries Payable                   | 28,944                      | -                           | 28,944                                     |
| Deferred Revenue                           | 102,052                     | 11,539                      | 113,591                                    |
| <b>TOTAL LIABILITIES</b>                   | <b>134,215</b>              | <b>1,304,347</b>            | <b>1,438,562</b>                           |
| <b>FUND BALANCE</b>                        |                             |                             |                                            |
| Reserved For Encumbrances                  | 8,190                       | -                           | 8,190                                      |
| Reserved For Advances                      | 2,964,000                   | -                           | 2,964,000                                  |
| Reserved For Merchandise Inventory         | 5,414                       | -                           | 5,414                                      |
| Reserved For Property Tax Relief           | 174,492                     | -                           | 174,492                                    |
| Reserved For Capital Improvements          | 437,985                     | -                           | 437,985                                    |
| Unreserved                                 |                             |                             |                                            |
| Designated                                 |                             |                             |                                            |
| Memorial                                   | 1,316                       | -                           | 1,316                                      |
| Maintenance and Operations                 | 239,946                     | -                           | 239,946                                    |
| Undesignated                               | 1,065,704                   | 395,947                     | 1,461,651                                  |
| <b>TOTAL FUND BALANCES</b>                 | <b>4,897,047</b>            | <b>395,947</b>              | <b>5,292,994</b>                           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$5,031,262</b>          | <b>\$1,700,294</b>          | <b>\$6,731,556</b>                         |

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

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                             | SPECIAL<br>REVENUE<br>FUNDS | CAPITAL<br>PROJECT<br>FUNDS | TOTAL<br>NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|---------------------------------------------|-----------------------------|-----------------------------|--------------------------------------------|
|                                             |                             |                             | 2001                                       |
| <b>REVENUES</b>                             |                             |                             |                                            |
| Property Tax Collections                    | \$2,013,622                 | \$57,026                    | \$2,070,648                                |
| Special Assessment Collections              | 9,697                       | -                           | 9,697                                      |
| Sales Tax Collections                       | 2,721,289                   | -                           | 2,721,289                                  |
| Intergovernmental                           | 731,466                     | 802,576                     | 1,534,042                                  |
| Charges For Services                        | 434,040                     | -                           | 434,040                                    |
| Interest Income                             | 178,138                     | 16,745                      | 194,883                                    |
| Miscellaneous                               | 268,582                     | 502,013                     | 770,595                                    |
| <b>TOTAL REVENUES</b>                       | <b>\$6,356,834</b>          | <b>\$1,378,360</b>          | <b>\$7,735,194</b>                         |
| <b>EXPENDITURES</b>                         |                             |                             |                                            |
| Current                                     |                             |                             |                                            |
| General Government                          | 832,409                     | -                           | \$832,409                                  |
| Highways and Streets                        | 852,441                     | -                           | 852,441                                    |
| Culture and Recreation                      | 1,901,854                   | -                           | 1,901,854                                  |
| Capital Outlay                              |                             |                             |                                            |
| Contracted Work                             | -                           | 2,390,457                   | 2,390,457                                  |
| Equipment                                   | 954,452                     | 134,681                     | 1,089,133                                  |
| Legal                                       | -                           | 23,622                      | 23,622                                     |
| Other                                       | -                           | 427,416                     | 427,416                                    |
| Architect                                   | -                           | 73,969                      | 73,969                                     |
| Acquisitions                                | -                           | 85,692                      | 85,692                                     |
| Engineering                                 | -                           | 404,970                     | 404,970                                    |
| Debt Retirement                             |                             |                             |                                            |
| Interest and Fiscal Charges                 | 132                         | -                           | 132                                        |
| <b>TOTAL EXPENDITURES</b>                   | <b>4,541,288</b>            | <b>3,540,807</b>            | <b>8,082,095</b>                           |
| Revenues Over (Under) Expenditures          | 1,815,546                   | (2,162,447)                 | (346,901)                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                             |                             |                                            |
| Proceeds From G.O. Bonds                    | 49,000                      | 1,481,000                   | 1,530,000                                  |
| Operating Transfers IN                      | 415,131                     | 2,021,604                   | 2,436,735                                  |
| Operating Transfers OUT                     | (2,849,718)                 | (127,283)                   | (2,977,001)                                |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(2,385,587)</b>          | <b>3,375,321</b>            | <b>989,734</b>                             |
| Change in Fund Balance                      | (570,041)                   | 1,212,874                   | 642,833                                    |
| FUND BALANCE(DEFICIT), JANUARY 1            | 5,467,088                   | (816,927)                   | 4,650,161                                  |
| <b>FUND BALANCE, DECEMBER 31</b>            | <b>4,897,047</b>            | <b>\$395,947</b>            | <b>5,292,994</b>                           |

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

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2001**

| ASSETS                                     | PUBLIC           |                 | RECREATION\     | EMERGENCY        | EQUIPMENT      | FIRE                  |
|--------------------------------------------|------------------|-----------------|-----------------|------------------|----------------|-----------------------|
|                                            | TRANSPORTATION   | LIBRARY         | AUDITORIUM      | LEVY             | PURCHASE       | EQUIPMENT<br>PURCHASE |
| Cash And Cash Equivalents                  | \$68,850         | \$38,076        | \$41,051        | \$108,375        | \$0            | \$60,312              |
| Investments                                | -                | -               | -               | -                | -              | -                     |
| Taxes Receivable Delinquent                | 8,232            | 37,497          | 24,041          | 3,142            | 3,438          | 4,893                 |
| Special Assessments Deferred               | -                | -               | -               | -                | -              | -                     |
| Special Assessments Delinquent             | -                | -               | -               | -                | -              | -                     |
| Accounts Receivable                        | 100              | 92              | 23,500          | -                | -              | -                     |
| Advance To Other Funds                     | -                | -               | -               | -                | -              | -                     |
| Due From Other Agencies                    | 100,262          | -               | -               | -                | -              | -                     |
| Merchandise Inventory                      | -                | -               | 5,414           | -                | -              | -                     |
| <b>TOTAL ASSETS</b>                        | <b>\$177,444</b> | <b>\$75,665</b> | <b>\$94,006</b> | <b>\$111,517</b> | <b>\$3,438</b> | <b>\$65,205</b>       |
| <b>LIABILITIES AND FUND BALANCE</b>        |                  |                 |                 |                  |                |                       |
| <b>LIABILITIES</b>                         |                  |                 |                 |                  |                |                       |
| Accounts Payable                           | \$0              | \$0             | \$30            | \$0              | \$0            | \$0                   |
| Due To Other Agencies                      | -                | -               | 2,231           | -                | -              | 958                   |
| Accrued Salaries Payable                   | 2,156            | 13,778          | 13,010          | -                | -              | -                     |
| Deferred Revenue                           | 7,024            | 31,844          | 20,424          | 2,673            | 3,072          | 4,158                 |
| <b>TOTAL LIABILITIES</b>                   | <b>9,180</b>     | <b>45,622</b>   | <b>35,695</b>   | <b>2,673</b>     | <b>3,072</b>   | <b>5,116</b>          |
| <b>FUND BALANCE</b>                        |                  |                 |                 |                  |                |                       |
| Reserved For Encumbrances                  | 1,000            | -               | 7,190           | -                | -              | -                     |
| Reserved For Advances                      | -                | -               | -               | -                | -              | -                     |
| Reserved For Merchandise Inventory         | -                | -               | 5,414           | -                | -              | -                     |
| Reserved For Property Tax Relief           | -                | -               | -               | -                | -              | -                     |
| Reserved For Capital Improvements          | -                | -               | -               | -                | -              | -                     |
| Unreserved                                 |                  |                 |                 |                  |                |                       |
| Designated                                 |                  |                 |                 |                  |                |                       |
| Memorial                                   | -                | 1,316           | -               | -                | -              | -                     |
| Maintenance and Operations                 | -                | -               | -               | -                | -              | -                     |
| Undesignated                               | 167,264          | 28,727          | 45,707          | 108,844          | 366            | 60,089                |
| <b>TOTAL FUND BALANCE(DEFICIT)</b>         | <b>168,264</b>   | <b>30,043</b>   | <b>58,311</b>   | <b>108,844</b>   | <b>366</b>     | <b>60,089</b>         |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$177,444</b> | <b>\$75,665</b> | <b>\$94,006</b> | <b>\$111,517</b> | <b>\$3,438</b> | <b>\$65,205</b>       |

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2001**

| <b>ASSETS</b>                              | <b>SALES TAX<br/>PROPERTY<br/>TAX RELIEF</b> | <b>SALES TAX<br/>CAPITAL<br/>IMPROVEMENTS</b> | <b>SALES TAX<br/>FLOOD<br/>CONTROL</b> | <b>SIDEWALK<br/>IMPROVEMENTS</b> |
|--------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------|----------------------------------|
| Cash And Cash Equivalents                  | \$43,345                                     | \$182,252                                     | \$39,946                               | \$38,352                         |
| Investments                                | 100,000                                      | 100,000                                       | 200,000                                | -                                |
| Taxes Receivable Delinquent                | -                                            | -                                             | -                                      | -                                |
| Special Assessments Deferred               | -                                            | -                                             | -                                      | -                                |
| Special Assessments Delinquent             | -                                            | -                                             | -                                      | 212                              |
| Accounts Receivable                        | -                                            | -                                             | -                                      | -                                |
| Advance To Other Funds                     | -                                            | -                                             | 1,704,000                              | -                                |
| Due From Other Agencies                    | 31,147                                       | 155,733                                       | -                                      | -                                |
| Merchandise Inventory                      | -                                            | -                                             | -                                      | -                                |
| <b>TOTAL ASSETS</b>                        | <b>\$174,492</b>                             | <b>\$437,985</b>                              | <b>\$1,943,946</b>                     | <b>\$38,564</b>                  |
| <br><b>LIABILITIES AND FUND BALANCE</b>    |                                              |                                               |                                        |                                  |
| <b>LIABILITIES</b>                         |                                              |                                               |                                        |                                  |
| Accounts Payable                           | \$0                                          | \$0                                           | \$0                                    | \$0                              |
| Due To Other Agencies                      | -                                            | -                                             | -                                      | -                                |
| Accrued Salaries Payable                   | -                                            | -                                             | -                                      | -                                |
| Deferred Revenue                           | -                                            | -                                             | -                                      | 212                              |
| <b>TOTAL LIABILITIES</b>                   | <b>-</b>                                     | <b>-</b>                                      | <b>-</b>                               | <b>212</b>                       |
| <br><b>FUND BALANCE</b>                    |                                              |                                               |                                        |                                  |
| Reserved For Encumbrances                  | -                                            | -                                             | -                                      | -                                |
| Reserved For Advances                      | -                                            | -                                             | 1,704,000                              | -                                |
| Reserved For Merchandise Inventory         | -                                            | -                                             | -                                      | -                                |
| Reserved For Property Tax Relief           | 174,492                                      | -                                             | -                                      | -                                |
| Reserved For Capital Improvements          | -                                            | 437,985                                       | -                                      | -                                |
| Unreserved                                 |                                              |                                               |                                        |                                  |
| Designated                                 |                                              |                                               |                                        |                                  |
| Memorial                                   | -                                            | -                                             | -                                      | -                                |
| Maintenance and Operations                 | -                                            | -                                             | 239,946                                | -                                |
| Undesignated                               | -                                            | -                                             | -                                      | 38,352                           |
| <b>TOTAL FUND BALANCE(DEFICIT)</b>         | <b>174,492</b>                               | <b>437,985</b>                                | <b>1,943,946</b>                       | <b>38,352</b>                    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$174,492</b>                             | <b>\$437,985</b>                              | <b>\$1,943,946</b>                     | <b>\$38,564</b>                  |

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2001**

| <b>ASSETS</b>                              | <b>STREET<br/>RESERVE</b> | <b>SPECIAL<br/>ASSESSMENT<br/>DEFICIENCY</b> | <b>DEMOLITIONS</b> | <b>TOTAL</b>       |
|--------------------------------------------|---------------------------|----------------------------------------------|--------------------|--------------------|
| Cash And Cash Equivalents                  | \$255,262                 | \$25,773                                     | \$8,730            | \$910,324          |
| Investments                                | 222,496                   | 100,000                                      | -                  | 722,496            |
| Taxes Receivable Delinquent                | 26,618                    | 23                                           | 6                  | 107,890            |
| Special Assessments Deferred               | -                         | -                                            | 7,249              | 7,249              |
| Special Assessments Delinquent             | -                         | 289                                          | 2,554              | 3,055              |
| Accounts Receivable                        | -                         | -                                            | -                  | 23,692             |
| Advance To Other Funds                     | 510,000                   | 750,000                                      | -                  | 2,964,000          |
| Due From Other Agencies                    | -                         | -                                            | -                  | 287,142            |
| Merchandise Inventory                      | -                         | -                                            | -                  | 5,414              |
| <b>TOTAL ASSETS</b>                        | <b>\$1,014,376</b>        | <b>\$876,085</b>                             | <b>\$18,539</b>    | <b>\$5,031,262</b> |
| <b>LIABILITIES AND FUND BALANCE</b>        |                           |                                              |                    |                    |
| <b>LIABILITIES</b>                         |                           |                                              |                    |                    |
| Accounts Payable                           | \$0                       | \$0                                          | \$0                | \$30               |
| Due To Other Agencies                      | -                         | -                                            | -                  | 3,189              |
| Accrued Salaries Payable                   | -                         | -                                            | -                  | 28,944             |
| Deferred Revenue                           | 22,528                    | 310                                          | 9,807              | 102,052            |
| <b>TOTAL LIABILITIES</b>                   | <b>22,528</b>             | <b>310</b>                                   | <b>9,807</b>       | <b>134,215</b>     |
| <b>FUND BALANCE</b>                        |                           |                                              |                    |                    |
| Reserved For Encumbrances                  | -                         | -                                            | -                  | 8,190              |
| Reserved For Advances                      | 510,000                   | 750,000                                      | -                  | 2,964,000          |
| Reserved For Merchandise Inventory         | -                         | -                                            | -                  | 5,414              |
| Reserved For Property Tax Relief           | -                         | -                                            | -                  | 174,492            |
| Reserved For Capital Improvements          | -                         | -                                            | -                  | 437,985            |
| Unreserved                                 |                           |                                              |                    |                    |
| Designated                                 |                           |                                              |                    |                    |
| Memorial                                   | -                         | -                                            | -                  | 1,316              |
| Maintenance and Operations                 | -                         | -                                            | -                  | 239,946            |
| Undesignated                               | 481,848                   | 125,775                                      | 8,732              | 1,065,704          |
| <b>TOTAL FUND BALANCE(DEFICIT)</b>         | <b>991,848</b>            | <b>875,775</b>                               | <b>8,732</b>       | <b>4,897,047</b>   |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$1,014,376</b>        | <b>\$876,085</b>                             | <b>\$18,539</b>    | <b>\$5,031,262</b> |

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

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| REVENUES                                    | PUBLIC           |                  | RECREATION\      | EMERGENCY        | EQUIPMENT        | FIRE             |
|---------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                             | TRANSPORTATION   | LIBRARY          | AUDITORIUM       | LEVY             | PURCHASE         | EQUIPMENT        |
| Property Tax Collections                    | \$141,345        | \$696,073        | \$443,676        | \$57,901         | \$32,727         | \$95,786         |
| Special Assessment Collections              | -                | -                | -                | -                | -                | -                |
| Sales Tax Collections                       | -                | -                | -                | -                | -                | -                |
| Intergovernmental                           | 623,698          | 74,318           | 29,650           | -                | -                | 3,800            |
| Charges For Services                        | 61,870           | 18,670           | 353,500          | -                | -                | -                |
| Interest Income                             | 5,592            | 13,338           | 17,110           | 5,853            | 11,804           | 6,016            |
| Miscellaneous                               | 5,853            | 46,081           | 65,330           | -                | 115,500          | -                |
| <b>TOTAL REVENUES</b>                       | <b>\$838,358</b> | <b>\$848,480</b> | <b>\$909,266</b> | <b>\$63,754</b>  | <b>\$160,031</b> | <b>\$105,602</b> |
| <b>EXPENDITURES</b>                         |                  |                  |                  |                  |                  |                  |
| Current                                     |                  |                  |                  |                  |                  |                  |
| General Government                          | 405,036          | -                | -                | 13,276           | 74,405           | 64,056           |
| Highways and Streets                        | -                | -                | -                | -                | -                | -                |
| Culture and Recreation                      | -                | 833,012          | 1,068,842        | -                | -                | -                |
| Capital Outlay                              |                  |                  |                  |                  |                  |                  |
| Equipment                                   | 476,500          | -                | -                | -                | 477,952          | -                |
| Debt Retirement                             |                  |                  |                  |                  |                  |                  |
| Interest and Fiscal Charges                 | -                | -                | -                | -                | -                | -                |
| <b>TOTAL EXPENDITURES</b>                   | <b>881,536</b>   | <b>833,012</b>   | <b>1,068,842</b> | <b>13,276</b>    | <b>552,357</b>   | <b>64,056</b>    |
| Revenues Over (Under) Expenditures          | (43,178)         | 15,468           | (159,576)        | 50,478           | (392,326)        | 41,546           |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                  |                  |                  |                  |                  |                  |
| Proceeds From G.O. Bonds                    | -                | -                | -                | -                | -                | -                |
| Transfers IN                                | -                | -                | 50,000           | -                | 364,310          | -                |
| Transfers OUT                               | (3,592)          | (2,868)          | (3,679)          | (5,853)          | -                | (66,966)         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(3,592)</b>   | <b>(2,868)</b>   | <b>46,321</b>    | <b>(5,853)</b>   | <b>364,310</b>   | <b>(66,966)</b>  |
| Change in Fund Balance                      | (46,770)         | 12,600           | (113,255)        | 44,625           | (28,016)         | (25,420)         |
| <b>FUND BALANCE, JANUARY 1</b>              | <b>215,034</b>   | <b>17,443</b>    | <b>171,566</b>   | <b>64,219</b>    | <b>28,382</b>    | <b>85,509</b>    |
| <b>FUND BALANCE, DECEMBER 31</b>            | <b>\$168,264</b> | <b>\$30,043</b>  | <b>\$58,311</b>  | <b>\$108,844</b> | <b>\$366</b>     | <b>\$60,089</b>  |

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| <b>REVENUES</b>                             | <b>SALES TAX<br/>PROPERTY<br/>TAX RELIEF</b> | <b>SALES TAX<br/>CAPITAL<br/>IMPROVEMENTS</b> | <b>SALES TAX<br/>FLOOD<br/>CONTROL</b> | <b>SIDEWALK<br/>IMPROVEMENTS</b> | <b>STREET<br/>RESERVE</b> |
|---------------------------------------------|----------------------------------------------|-----------------------------------------------|----------------------------------------|----------------------------------|---------------------------|
| Property Tax Collections                    | \$0                                          | \$0                                           | \$0                                    | \$0                              | \$517,780                 |
| Special Assessment Collections              | -                                            | -                                             | -                                      | 390                              | -                         |
| Sales Tax Collections                       | 453,548                                      | 2,267,741                                     | -                                      | -                                | -                         |
| Intergovernmental                           | -                                            | -                                             | -                                      | -                                | -                         |
| Charges For Services                        | -                                            | -                                             | -                                      | -                                | -                         |
| Interest Income                             | 18,329                                       | 20,086                                        | 11,182                                 | 156                              | 60,455                    |
| Miscellaneous                               | -                                            | -                                             | -                                      | -                                | 35,818                    |
| <b>TOTAL REVENUES</b>                       | <b>\$471,877</b>                             | <b>\$2,287,827</b>                            | <b>\$11,182</b>                        | <b>\$546</b>                     | <b>\$614,053</b>          |
| <br>                                        |                                              |                                               |                                        |                                  |                           |
| <b>EXPENDITURES</b>                         |                                              |                                               |                                        |                                  |                           |
| Current                                     |                                              |                                               |                                        |                                  |                           |
| General Government                          | -                                            | 245,949                                       | 31                                     | -                                | -                         |
| Highways and Streets                        | -                                            | -                                             | -                                      | 35,657                           | 816,784                   |
| Culture and Recreation                      | -                                            | -                                             | -                                      | -                                | -                         |
| Capital Outlay                              |                                              |                                               |                                        |                                  |                           |
| Equipment                                   | -                                            | -                                             | -                                      | -                                | -                         |
| Debt Retirement                             |                                              |                                               |                                        |                                  |                           |
| Interest and Fiscal Charges                 | -                                            | -                                             | -                                      | 132                              | -                         |
| <b>TOTAL EXPENDITURES</b>                   | <b>-</b>                                     | <b>245,949</b>                                | <b>31</b>                              | <b>35,789</b>                    | <b>816,784</b>            |
| Revenues Over (Under) Expenditures          | 471,877                                      | 2,041,878                                     | 11,151                                 | (35,243)                         | (202,731)                 |
| <br>                                        |                                              |                                               |                                        |                                  |                           |
| OTHER FINANCING SOURCES (USES)              |                                              |                                               |                                        |                                  |                           |
| Proceeds From G.O. Bonds                    | -                                            | -                                             | -                                      | 49,000                           | -                         |
| Transfers IN                                | -                                            | -                                             | -                                      | 132                              | -                         |
| Transfers OUT                               | (453,328)                                    | (2,233,699)                                   | (11,182)                               | -                                | (60,455)                  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(453,328)</b>                             | <b>(2,233,699)</b>                            | <b>(11,182)</b>                        | <b>49,132</b>                    | <b>(60,455)</b>           |
| Change in Fund Balance                      | 18,549                                       | (191,821)                                     | (31)                                   | 13,889                           | (263,186)                 |
| <b>FUND BALANCE, JANUARY 1</b>              | <b>155,943</b>                               | <b>629,806</b>                                | <b>1,943,977</b>                       | <b>24,463</b>                    | <b>1,255,034</b>          |
| <b>FUND BALANCE, DECEMBER 31</b>            | <b>\$174,492</b>                             | <b>\$437,985</b>                              | <b>\$1,943,946</b>                     | <b>\$38,352</b>                  | <b>\$991,848</b>          |

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| REVENUES                                    | SPECIAL ASSESSMENT |                | ADVERTISING & PROMOTION | TOTAL              |
|---------------------------------------------|--------------------|----------------|-------------------------|--------------------|
|                                             | DEFICIENCY         | DEMOLITIONS    |                         |                    |
| Property Tax Collections                    | \$150              | \$152          | \$28,032                | \$2,013,622        |
| Special Assessment Collections              | 7,859              | 1,448          | -                       | 9,697              |
| Sales Tax Collections                       | -                  | -              | -                       | 2,721,289          |
| Intergovernmental                           | -                  | -              | -                       | 731,466            |
| Charges For Services                        | -                  | -              | -                       | 434,040            |
| Interest Income                             | 6,999              | 484            | 734                     | 178,138            |
| Miscellaneous                               | -                  | -              | -                       | 268,582            |
| <b>TOTAL REVENUES</b>                       | <b>\$15,008</b>    | <b>\$2,084</b> | <b>\$28,766</b>         | <b>\$6,356,834</b> |
| <b>EXPENDITURES</b>                         |                    |                |                         |                    |
| Current                                     |                    |                |                         |                    |
| General Government                          | 856                | -              | 28,800                  | 832,409            |
| Highways and Streets                        | -                  | -              | -                       | 852,441            |
| Culture and Recreation                      | -                  | -              | -                       | 1,901,854          |
| Capital Outlay                              |                    |                |                         |                    |
| Equipment                                   | -                  | -              | -                       | 954,452            |
| Debt Retirement                             |                    |                |                         |                    |
| Interest and Fiscal Charges                 | -                  | -              | -                       | 132                |
| <b>TOTAL EXPENDITURES</b>                   | <b>856</b>         | <b>-</b>       | <b>28,800</b>           | <b>4,541,288</b>   |
| Revenues Over (Under) Expenditures          | 14,152             | 2,084          | (34)                    | 1,815,546          |
| OTHER FINANCING SOURCES (USES)              |                    |                |                         |                    |
| Proceeds From G.O. Bonds                    | -                  | -              | -                       | 49,000             |
| Transfers IN                                | -                  | -              | 689                     | 415,131            |
| Transfers OUT                               | (6,904)            | (458)          | (734)                   | (2,849,718)        |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(6,904)</b>     | <b>(458)</b>   | <b>(45)</b>             | <b>(2,385,587)</b> |
| Change in Fund Balance                      | 7,248              | 1,626          | (79)                    | (570,041)          |
| FUND BALANCE, JANUARY 1                     | 868,527            | 7,106          | 79                      | 5,467,088          |
| <b>FUND BALANCE, DECEMBER 31</b>            | <b>\$875,775</b>   | <b>\$8,732</b> | <b>\$0</b>              | <b>4,897,047</b>   |

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

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | PUBLIC TRANSPORTATION                        |                         |                                                            |
|--------------------------------------------|----------------------------------------------|-------------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS       | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                         |                                                            |
| Property Tax Collections                   | \$145,800                                    | \$141,345               | (\$4,455)                                                  |
| Sales Tax Collections                      | -                                            | -                       | -                                                          |
| Intergovernmental                          | 326,109                                      | 623,698                 | 297,589                                                    |
| Charges For Services                       | 65,000                                       | 61,870                  | (3,130)                                                    |
| Interest Income                            | 2,000                                        | 5,592                   | 3,592                                                      |
| Miscellaneous                              | 2,500                                        | 5,853                   | 3,353                                                      |
| <b>TOTAL REVENUES</b>                      | <b>541,409</b>                               | <b>838,358</b>          | <b>296,949</b>                                             |
| <b>EXPENDITURES</b>                        |                                              |                         |                                                            |
| Current                                    |                                              |                         |                                                            |
| General Government                         | 415,015                                      | 405,036                 | 9,979                                                      |
| Culture And Recreation                     | -                                            | -                       | -                                                          |
| Capital Outlay                             |                                              |                         |                                                            |
| Equipment                                  | 506,350                                      | 476,500                 | 29,850                                                     |
| <b>TOTAL EXPENDITURES</b>                  | <b>921,365</b>                               | <b>881,536</b>          | <b>39,829</b>                                              |
| Revenues Over (Under) Expenditures         | (379,956)                                    | (43,178)                | 336,778                                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                         |                                                            |
| Transfers In                               | -                                            | -                       | -                                                          |
| Transfers Out                              | -                                            | (3,592)                 | (3,592)                                                    |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>-</b>                                     | <b>(3,592)</b>          | <b>(3,592)</b>                                             |
| Change in Fund Balance                     | <u>(\$379,956)</u>                           | <u>(46,770)</u>         | <u>\$333,186</u>                                           |
| FUND BALANCE, JANUARY 1                    |                                              | <u>215,034</u>          |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><b>\$168,264</b></u> |                                                            |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | LIBRARY                                      |                        |                                                            |
|--------------------------------------------|----------------------------------------------|------------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS      | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                        |                                                            |
| Property Tax Collections                   | \$720,600                                    | \$696,073              | (\$24,527)                                                 |
| Sales Tax Collections                      | -                                            | -                      | -                                                          |
| Intergovernmental                          | 73,750                                       | 74,318                 | 568                                                        |
| Charges For Services                       | 22,000                                       | 18,670                 | (3,330)                                                    |
| Interest Income                            | 7,000                                        | 13,338                 | 6,338                                                      |
| Miscellaneous                              | 28,820                                       | 46,081                 | 17,261                                                     |
| <b>TOTAL REVENUES</b>                      | <b>852,170</b>                               | <b>848,480</b>         | <b>(3,690)</b>                                             |
| <b>EXPENDITURES</b>                        |                                              |                        |                                                            |
| Current                                    |                                              |                        |                                                            |
| General Government                         | -                                            | -                      | -                                                          |
| Culture And Recreation                     | 852,170                                      | 833,012                | 19,158                                                     |
| Capital Outlay                             |                                              |                        |                                                            |
| Equipment                                  | -                                            | -                      | -                                                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>852,170</b>                               | <b>833,012</b>         | <b>19,158</b>                                              |
| Revenues Over (Under) Expenditures         | -                                            | 15,468                 | 15,468                                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                        |                                                            |
| Transfers In                               | -                                            | -                      | -                                                          |
| Transfers Out                              | -                                            | (2,868)                | (2,868)                                                    |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>-</b>                                     | <b>(2,868)</b>         | <b>(2,868)</b>                                             |
| Change in Fund Balance                     | <u>\$0</u>                                   | 12,600                 | <u>\$12,600</u>                                            |
| FUND BALANCE, JANUARY 1                    |                                              | <u>17,443</u>          |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><u>\$30,043</u></u> |                                                            |

**CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                            | <b>RECREATION/AUDITORIUM</b>             |                                       |                           | <b>VARIANCE<br/>WITH FINAL<br/>BUDGET<br/>POSITIVE<br/>(NEGATIVE)</b> |
|--------------------------------------------|------------------------------------------|---------------------------------------|---------------------------|-----------------------------------------------------------------------|
|                                            | <b>ORIGINAL<br/>BUDGETED<br/>AMOUNTS</b> | <b>FINAL<br/>BUDGETED<br/>AMOUNTS</b> | <b>ACTUAL<br/>AMOUNTS</b> |                                                                       |
| <b>REVENUES</b>                            |                                          |                                       |                           |                                                                       |
| Property Tax Collections                   | \$459,000                                | \$459,000                             | \$443,676                 | (\$15,324)                                                            |
| Sales Tax Collections                      | -                                        | -                                     | -                         | -                                                                     |
| Intergovernmental                          | 29,650                                   | 29,650                                | 29,650                    | -                                                                     |
| Charges For Services                       | 405,000                                  | 405,000                               | 353,500                   | (51,500)                                                              |
| Interest Income                            | 9,400                                    | 9,400                                 | 17,110                    | 7,710                                                                 |
| Miscellaneous                              | 14,595                                   | 92,195                                | 65,330                    | (26,865)                                                              |
| <b>TOTAL REVENUES</b>                      | <b>917,645</b>                           | <b>995,245</b>                        | <b>909,266</b>            | <b>(85,979)</b>                                                       |
| <b>EXPENDITURES</b>                        |                                          |                                       |                           |                                                                       |
| Current                                    |                                          |                                       |                           |                                                                       |
| General Government                         | -                                        | -                                     | -                         | -                                                                     |
| Culture And Recreation                     | 1,019,232                                | 1,085,993                             | 1,068,842                 | 17,151                                                                |
| Capital Outlay                             |                                          |                                       |                           |                                                                       |
| Equipment                                  | -                                        | -                                     | -                         | -                                                                     |
| <b>TOTAL EXPENDITURES</b>                  | <b>1,019,232</b>                         | <b>1,085,993</b>                      | <b>1,068,842</b>          | <b>17,151</b>                                                         |
| Revenues Over (Under) Expenditures         | (101,587)                                | (90,748)                              | (159,576)                 | (68,828)                                                              |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                          |                                       |                           |                                                                       |
| Transfers In                               | 50,000                                   | 50,000                                | 50,000                    | -                                                                     |
| Transfers Out                              | -                                        | -                                     | (3,679)                   | (3,679)                                                               |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>50,000</b>                            | <b>50,000</b>                         | <b>46,321</b>             | <b>(3,679)</b>                                                        |
| Change in Fund Balance                     | <u>(\$51,587)</u>                        | <u>(\$40,748)</u>                     | <u>(113,255)</u>          | <u>(\$72,507)</u>                                                     |
| FUND BALANCE, JANUARY 1                    |                                          |                                       | <u>171,566</u>            |                                                                       |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                          |                                       | <u><b>\$58,311</b></u>    |                                                                       |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | EMERGENCY LEVY                               |                         |                                                            |
|--------------------------------------------|----------------------------------------------|-------------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS       | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                         |                                                            |
| Property Tax Collections                   | \$60,000                                     | \$57,901                | (\$2,099)                                                  |
| Sales Tax Collections                      | -                                            | -                       | -                                                          |
| Intergovernmental                          | -                                            | -                       | -                                                          |
| Charges For Services                       | -                                            | -                       | -                                                          |
| Interest Income                            | -                                            | 5,853                   | 5,853                                                      |
| Miscellaneous                              | -                                            | -                       | -                                                          |
| <b>TOTAL REVENUES</b>                      | <b>60,000</b>                                | <b>63,754</b>           | <b>3,754</b>                                               |
| <b>EXPENDITURES</b>                        |                                              |                         |                                                            |
| Current                                    |                                              |                         |                                                            |
| General Government                         | 60,000                                       | 13,276                  | 46,724                                                     |
| Culture And Recreation                     | -                                            | -                       | -                                                          |
| Capital Outlay                             |                                              |                         |                                                            |
| Equipment                                  | -                                            | -                       | -                                                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>60,000</b>                                | <b>13,276</b>           | <b>46,724</b>                                              |
| Revenues Over (Under) Expenditures         | -                                            | 50,478                  | 50,478                                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                         |                                                            |
| Transfers In                               | -                                            | -                       | -                                                          |
| Transfers Out                              | -                                            | (5,853)                 | (5,853)                                                    |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>-</b>                                     | <b>(5,853)</b>          | <b>(5,853)</b>                                             |
| Change in Fund Balance                     | <u>\$0</u>                                   | 44,625                  | <u>\$44,625</u>                                            |
| FUND BALANCE, JANUARY 1                    |                                              | <u>64,219</u>           |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><b>\$108,844</b></u> |                                                            |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | EQUIPMENT PURCHASE              |                              |                     | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
|--------------------------------------------|---------------------------------|------------------------------|---------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>BUDGETED<br>AMOUNTS | FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS   |                                                            |
| <b>REVENUES</b>                            |                                 |                              |                     |                                                            |
| Property Tax Collections                   | \$32,400                        | \$32,400                     | \$32,727            | \$327                                                      |
| Sales Tax Collections                      | -                               | -                            | -                   | -                                                          |
| Intergovernmental                          | -                               | -                            | -                   | -                                                          |
| Charges For Services                       | -                               | -                            | -                   | -                                                          |
| Interest Income                            | -                               | -                            | 11,804              | 11,804                                                     |
| Miscellaneous                              | -                               | -                            | 115,500             | 115,500                                                    |
| <b>TOTAL REVENUES</b>                      | <b>32,400</b>                   | <b>32,400</b>                | <b>160,031</b>      | <b>127,631</b>                                             |
| <b>EXPENDITURES</b>                        |                                 |                              |                     |                                                            |
| Current                                    |                                 |                              |                     |                                                            |
| General Government                         | -                               | -                            | 74,405              | (74,405)                                                   |
| Culture And Recreation                     | -                               | -                            | -                   | -                                                          |
| Capital Outlay                             |                                 |                              |                     |                                                            |
| Equipment                                  | 387,400                         | 424,097                      | 477,952             | (53,855)                                                   |
| <b>TOTAL EXPENDITURES</b>                  | <b>387,400</b>                  | <b>424,097</b>               | <b>552,357</b>      | <b>(128,260)</b>                                           |
| Revenues Over (Under) Expenditures         | (355,000)                       | (391,697)                    | (392,326)           | (629)                                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                 |                              |                     |                                                            |
| Transfers In                               | 355,000                         | 355,000                      | 364,310             | 9,310                                                      |
| Transfers Out                              | -                               | -                            | -                   | -                                                          |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>355,000</b>                  | <b>355,000</b>               | <b>364,310</b>      | <b>9,310</b>                                               |
| Change in Fund Balance                     | <u>\$0</u>                      | <u>(\$36,697)</u>            | <u>(28,016)</u>     | <u>\$8,681</u>                                             |
| FUND BALANCE, JANUARY 1                    |                                 |                              | <u>28,382</u>       |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                 |                              | <u><u>\$366</u></u> |                                                            |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | FIRE EQUIPMENT PURCHASE                      |                        |                                                            |
|--------------------------------------------|----------------------------------------------|------------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS      | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                        |                                                            |
| Property Tax Collections                   | \$98,400                                     | \$95,786               | (\$2,614)                                                  |
| Sales Tax Collections                      | -                                            | -                      | -                                                          |
| Intergovernmental                          | 3,800                                        | 3,800                  | -                                                          |
| Charges For Services                       | -                                            | -                      | -                                                          |
| Interest Income                            | -                                            | 6,016                  | 6,016                                                      |
| Miscellaneous                              | -                                            | -                      | -                                                          |
| <b>TOTAL REVENUES</b>                      | <b>102,200</b>                               | <b>105,602</b>         | <b>3,402</b>                                               |
| <b>EXPENDITURES</b>                        |                                              |                        |                                                            |
| Current                                    |                                              |                        |                                                            |
| General Government                         | 65,000                                       | 64,056                 | 944                                                        |
| Culture And Recreation                     | -                                            | -                      | -                                                          |
| Capital Outlay                             |                                              |                        |                                                            |
| Equipment                                  | -                                            | -                      | -                                                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>65,000</b>                                | <b>64,056</b>          | <b>944</b>                                                 |
| Revenues Over (Under) Expenditures         | 37,200                                       | 41,546                 | 4,346                                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                        |                                                            |
| Transfers In                               | -                                            | -                      | -                                                          |
| Transfers Out                              | (37,200)                                     | (66,966)               | (29,766)                                                   |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>(37,200)</b>                              | <b>(66,966)</b>        | <b>(29,766)</b>                                            |
| Change in Fund Balance                     | <u>\$0</u>                                   | <u>(25,420)</u>        | <u>(\$25,420)</u>                                          |
| FUND BALANCE, JANUARY 1                    |                                              | <u>85,509</u>          |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><b>\$60,089</b></u> |                                                            |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | SALES TAX PROPERTY TAX RELIEF                |                         |                                                            |
|--------------------------------------------|----------------------------------------------|-------------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS       | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                         |                                                            |
| Property Tax Collections                   | \$0                                          | \$0                     | \$0                                                        |
| Sales Tax Collections                      | 435,000                                      | 453,548                 | 18,548                                                     |
| Intergovernmental                          | -                                            | -                       | -                                                          |
| Charges For Services                       | -                                            | -                       | -                                                          |
| Interest Income                            | -                                            | 18,329                  | 18,329                                                     |
| Miscellaneous                              | -                                            | -                       | -                                                          |
| <b>TOTAL REVENUES</b>                      | <b>435,000</b>                               | <b>471,877</b>          | <b>36,877</b>                                              |
| <b>EXPENDITURES</b>                        |                                              |                         |                                                            |
| Current                                    |                                              |                         |                                                            |
| General Government                         | -                                            | -                       | -                                                          |
| Culture And Recreation                     | -                                            | -                       | -                                                          |
| Capital Outlay                             |                                              |                         |                                                            |
| Equipment                                  | -                                            | -                       | -                                                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>-</b>                                     | <b>-</b>                | <b>-</b>                                                   |
| Revenues Over (Under) Expenditures         | 435,000                                      | 471,877                 | 36,877                                                     |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                         |                                                            |
| Transfers In                               | -                                            | -                       | -                                                          |
| Transfers Out                              | (435,000)                                    | (453,328)               | (18,328)                                                   |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>(435,000)</b>                             | <b>(453,328)</b>        | <b>(18,328)</b>                                            |
| Change in Fund Balance                     | <u>\$0</u>                                   | <u>18,549</u>           | <u>\$18,549</u>                                            |
| FUND BALANCE, JANUARY 1                    |                                              | <u>155,943</u>          |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><u>\$174,492</u></u> |                                                            |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | <b>SALES TAX CAPITAL IMPROVEMENTS</b>                  |                           |                                                                       |
|--------------------------------------------|--------------------------------------------------------|---------------------------|-----------------------------------------------------------------------|
|                                            | <b>ORIGINAL<br/>AND FINAL<br/>BUDGETED<br/>AMOUNTS</b> | <b>ACTUAL<br/>AMOUNTS</b> | <b>VARIANCE<br/>WITH FINAL<br/>BUDGET<br/>POSITIVE<br/>(NEGATIVE)</b> |
| <b>REVENUES</b>                            |                                                        |                           |                                                                       |
| Property Tax Collections                   | \$0                                                    | \$0                       | \$0                                                                   |
| Sales Tax Collections                      | 2,175,000                                              | 2,267,741                 | 92,741                                                                |
| Intergovernmental                          | -                                                      | -                         | -                                                                     |
| Charges For Services                       | -                                                      | -                         | -                                                                     |
| Interest Income                            | -                                                      | 20,086                    | 20,086                                                                |
| Miscellaneous                              | -                                                      | -                         | -                                                                     |
| <b>TOTAL REVENUES</b>                      | <b>2,175,000</b>                                       | <b>2,287,827</b>          | <b>112,827</b>                                                        |
| <b>EXPENDITURES</b>                        |                                                        |                           |                                                                       |
| Current                                    |                                                        |                           |                                                                       |
| General Government                         | -                                                      | 245,949                   | (245,949)                                                             |
| Culture And Recreation                     | -                                                      | -                         | -                                                                     |
| Capital Outlay                             |                                                        |                           |                                                                       |
| Equipment                                  | 310,000                                                | -                         | 310,000                                                               |
| <b>TOTAL EXPENDITURES</b>                  | <b>310,000</b>                                         | <b>245,949</b>            | <b>64,051</b>                                                         |
| Revenues Over (Under) Expenditures         | 1,865,000                                              | 2,041,878                 | 176,878                                                               |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                                        |                           |                                                                       |
| Transfers In                               | -                                                      | -                         | -                                                                     |
| Transfers Out                              | (2,091,279)                                            | (2,233,699)               | (142,420)                                                             |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>(2,091,279)</b>                                     | <b>(2,233,699)</b>        | <b>(142,420)</b>                                                      |
| Change in Fund Balance                     | <u>(\$226,279)</u>                                     | <u>(191,821)</u>          | <u>\$34,458</u>                                                       |
| FUND BALANCE, JANUARY 1                    |                                                        | <u>629,806</u>            |                                                                       |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                                        | <u><b>\$437,985</b></u>   |                                                                       |

CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

|                                            | ADVERTISING & PROMOTION                      |                   |                                                            |
|--------------------------------------------|----------------------------------------------|-------------------|------------------------------------------------------------|
|                                            | ORIGINAL<br>AND FINAL<br>BUDGETED<br>AMOUNTS | ACTUAL<br>AMOUNTS | VARIANCE<br>WITH FINAL<br>BUDGET<br>POSITIVE<br>(NEGATIVE) |
| <b>REVENUES</b>                            |                                              |                   |                                                            |
| Property Tax Collections                   | \$29,400                                     | \$28,032          | (\$1,368)                                                  |
| Sales Tax Collections                      | -                                            | -                 | -                                                          |
| Intergovernmental                          | -                                            | -                 | -                                                          |
| Charges For Services                       | -                                            | -                 | -                                                          |
| Interest Income                            | -                                            | 734               | 734                                                        |
| Miscellaneous                              | -                                            | -                 | -                                                          |
| <b>TOTAL REVENUES</b>                      | <b>29,400</b>                                | <b>28,766</b>     | <b>(634)</b>                                               |
| <b>EXPENDITURES</b>                        |                                              |                   |                                                            |
| Current                                    |                                              |                   |                                                            |
| General Government                         | 29,050                                       | 28,800            | 250                                                        |
| Culture And Recreation                     | -                                            | -                 | -                                                          |
| Capital Outlay                             |                                              |                   |                                                            |
| Equipment                                  | -                                            | -                 | -                                                          |
| <b>TOTAL EXPENDITURES</b>                  | <b>29,050</b>                                | <b>28,800</b>     | <b>250</b>                                                 |
| Revenues Over (Under) Expenditures         | 350                                          | (34)              | (384)                                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                              |                   |                                                            |
| Transfers In                               | -                                            | 689               | 689                                                        |
| Transfers Out                              | -                                            | (734)             | (734)                                                      |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>-</b>                                     | <b>(45)</b>       | <b>(45)</b>                                                |
| Change in Fund Balance                     | <u>\$350</u>                                 | <u>(79)</u>       | <u>(\$429)</u>                                             |
| FUND BALANCE, JANUARY 1                    |                                              | <u>79</u>         |                                                            |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                              | <u><u>\$0</u></u> |                                                            |

**CITY OF MINOT, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| <b>REVENUES</b>                            | <b>ORIGINAL<br/>BUDGETED<br/>AMOUNTS</b> | <b>FINAL<br/>BUDGETED<br/>AMOUNTS</b> | <b>2001<br/>ACTUAL<br/>AMOUNTS</b> | <b>VARIANCE<br/>WITH FINAL<br/>BUDGET<br/>POSITIVE<br/>(NEGATIVE)</b> |
|--------------------------------------------|------------------------------------------|---------------------------------------|------------------------------------|-----------------------------------------------------------------------|
| Property Tax Collections                   | \$1,545,600                              | \$1,545,600                           | \$1,495,540                        | (\$50,060)                                                            |
| Sales Tax Collections                      | 2,610,000                                | 2,610,000                             | 2,721,289                          | 111,289                                                               |
| Intergovernmental                          | 433,309                                  | 433,309                               | 731,466                            | 298,157                                                               |
| Charges For Services                       | 492,000                                  | 492,000                               | 434,040                            | (57,960)                                                              |
| Interest Income                            | 18,400                                   | 18,400                                | 98,862                             | 80,462                                                                |
| Miscellaneous                              | 45,915                                   | 123,515                               | 232,764                            | 109,249                                                               |
| <b>TOTAL REVENUES</b>                      | <b>5,145,224</b>                         | <b>5,222,824</b>                      | <b>5,713,961</b>                   | <b>491,137</b>                                                        |
| <b>EXPENDITURES</b>                        |                                          |                                       |                                    |                                                                       |
| Current                                    |                                          |                                       |                                    |                                                                       |
| General Government                         | 569,065                                  | 569,065                               | 831,522                            | (262,457)                                                             |
| Culture And Recreation                     | 1,871,402                                | 1,938,163                             | 1,901,854                          | 36,309                                                                |
| Capital Outlay                             |                                          |                                       |                                    |                                                                       |
| Equipment                                  | 1,203,750                                | 1,240,447                             | 954,452                            | (53,855)                                                              |
| <b>TOTAL EXPENDITURES</b>                  | <b>3,644,217</b>                         | <b>3,747,675</b>                      | <b>3,687,828</b>                   | <b>(280,003)</b>                                                      |
| Revenues Over (Under) Expenditures         | 1,501,007                                | 1,475,149                             | 2,026,133                          | 550,984                                                               |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                                          |                                       |                                    |                                                                       |
| Transfers In                               | 405,000                                  | 405,000                               | 414,999                            | 9,999                                                                 |
| Transfers Out                              | (2,563,479)                              | (2,563,479)                           | (2,770,719)                        | (207,240)                                                             |
| <b>TOTAL OTHER FINANCING SOURCES(USES)</b> | <b>(2,158,479)</b>                       | <b>(2,158,479)</b>                    | <b>(2,355,720)</b>                 | <b>(197,241)</b>                                                      |
| Change in Fund Balance                     | (\$657,472)                              | (\$683,330)                           | (329,587)                          | \$353,743                                                             |
| FUND BALANCE, JANUARY 1                    |                                          |                                       | 4,373,116                          |                                                                       |
| <b>FUND BALANCE, DECEMBER 31</b>           |                                          |                                       | <b>\$4,043,529</b>                 |                                                                       |

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

**CITY OF MINOT, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECT FUNDS  
 DECEMBER 31, 2001**

| <b>ASSETS</b>                              | <b>CIVIL</b>   | <b>HIGHWAY</b>  | <b>SERTOMA</b>  | <b>ASSESSMENT</b>  |
|--------------------------------------------|----------------|-----------------|-----------------|--------------------|
|                                            | <b>DEFENSE</b> | <b>RESERVE</b>  | <b>SPORTS</b>   | <b>CAPITAL</b>     |
|                                            | <b>SIRENS</b>  |                 | <b>COMPLEX</b>  |                    |
| Cash And Cash Equivalents                  | \$4,810        | \$0             | \$18,359        | \$0                |
| Investments                                | -              | -               | -               | 129,861            |
| Taxes Receivable Delinquent                | -              | 2,999           | -               | -                  |
| Accounts Receivable                        | -              | 74,949          | -               | -                  |
| Due From Other Funds                       | -              | -               | -               | 1,128,933          |
| Due From Other Agencies                    | -              | -               | -               | 29,814             |
| <b>TOTAL ASSETS</b>                        | <b>\$4,810</b> | <b>\$77,948</b> | <b>\$18,359</b> | <b>\$1,288,608</b> |
| <b>LIABILITIES AND FUND BALANCE</b>        |                |                 |                 |                    |
| <b>LIABILITIES</b>                         |                |                 |                 |                    |
| Due To Other Funds                         | \$0            | \$140,081       | \$0             | \$0                |
| Deferred Revenue                           | -              | 11,539          | -               | -                  |
| <b>TOTAL LIABILITIES</b>                   | <b>-</b>       | <b>151,620</b>  | <b>-</b>        | <b>-</b>           |
| <b>FUND BALANCE</b>                        |                |                 |                 |                    |
| Undesignated                               | 4,810          | (73,672)        | 18,359          | 1,288,608          |
| <b>TOTAL FUND BALANCE(DEFICIT)</b>         | <b>4,810</b>   | <b>(73,672)</b> | <b>18,359</b>   | <b>1,288,608</b>   |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$4,810</b> | <b>\$77,948</b> | <b>\$18,359</b> | <b>\$1,288,608</b> |

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
DECEMBER 31, 2001**

| <b>ASSETS</b>                              | <b>FIRE<br/>EQUIPMENT</b> | <b>SALES TAX<br/>CAPITAL</b> | <b>LIBRARY</b>   | <b>STORM SEWER<br/>DEVELOPMENT</b> | <b>TOTAL</b>       |
|--------------------------------------------|---------------------------|------------------------------|------------------|------------------------------------|--------------------|
| Cash And Cash Equivalents                  | \$0                       | \$68,188                     | \$0              | \$80,878                           | \$172,235          |
| Investments                                | -                         | -                            | -                | -                                  | 129,861            |
| Taxes Receivable Delinquent                | -                         | -                            | -                | -                                  | 2,999              |
| Accounts Receivable                        | -                         | -                            | -                | 21,422                             | 96,371             |
| Due From Other Funds                       | -                         | -                            | -                | 140,081                            | 1,269,014          |
| Due From Other Agencies                    | -                         | -                            | -                | -                                  | 29,814             |
| <b>TOTAL ASSETS</b>                        | <b>\$0</b>                | <b>\$68,188</b>              | <b>\$0</b>       | <b>\$242,381</b>                   | <b>\$1,700,294</b> |
| <b>LIABILITIES AND FUND BALANCE</b>        |                           |                              |                  |                                    |                    |
| <b>LIABILITIES</b>                         |                           |                              |                  |                                    |                    |
| Due To Other Funds                         | \$894,918                 | \$0                          | \$234,015        | \$23,794                           | \$1,292,808        |
| Deferred Revenue                           | -                         | -                            | -                | -                                  | 11,539             |
| <b>TOTAL LIABILITIES</b>                   | <b>894,918</b>            | <b>-</b>                     | <b>234,015</b>   | <b>23,794</b>                      | <b>1,304,347</b>   |
| <b>FUND BALANCE</b>                        |                           |                              |                  |                                    |                    |
| Undesignated                               | (894,918)                 | 68,188                       | (234,015)        | 218,587                            | 395,947            |
| <b>TOTAL FUND BALANCE(DEFICIT)</b>         | <b>(894,918)</b>          | <b>68,188</b>                | <b>(234,015)</b> | <b>218,587</b>                     | <b>395,947</b>     |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$0</b>                | <b>\$68,188</b>              | <b>\$0</b>       | <b>\$242,381</b>                   | <b>\$1,700,294</b> |

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

CITY OF MINOT, NORTH DAKOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                             | CIVIL          |                   | SERTOMA         |                    |
|---------------------------------------------|----------------|-------------------|-----------------|--------------------|
|                                             | DEFENSE        | HIGHWAY           | SPORTS          | ASSESSMENT         |
|                                             | SIRENS         | RESERVE           | COMPLEX         | CAPITAL            |
| <b>REVENUES</b>                             |                |                   |                 |                    |
| Property Tax Collections                    | \$0            | \$57,026          | \$0             | \$0                |
| Intergovernmental                           | -              | 155,309           | -               | 566,466            |
| Interest Income                             | 688            | -                 | 572             | 574                |
| Miscellaneous                               | -              | -                 | 8,125           | 42,601             |
| <b>TOTAL REVENUES</b>                       | <b>\$688</b>   | <b>\$212,335</b>  | <b>\$8,697</b>  | <b>\$609,641</b>   |
| <b>EXPENDITURES</b>                         |                |                   |                 |                    |
| Capital Outlay                              |                |                   |                 |                    |
| Contracted Work                             | -              | 355,901           | -               | 856,848            |
| Equipment                                   | -              | -                 | -               | -                  |
| Legal                                       | -              | 4,749             | -               | 18,873             |
| Other                                       | 2,845          | 51,658            | -               | 8,884              |
| Architect                                   | -              | -                 | -               | -                  |
| Acquisitions                                | -              | 47,192            | -               | 38,500             |
| Engineering                                 | -              | 289,677           | -               | 114,584            |
| <b>TOTAL EXPENDITURES</b>                   | <b>2,845</b>   | <b>749,177</b>    | <b>-</b>        | <b>1,037,689</b>   |
| Revenues Over (Under) Expenditures          | (2,157)        | (536,842)         | 8,697           | (428,048)          |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                |                   |                 |                    |
| Proceeds From G.O. Bonds                    | -              | -                 | -               | 1,481,000          |
| Transfers IN                                | -              | 513,273           | -               | 67,086             |
| Transfers OUT                               | (9,216)        | (92,578)          | (572)           | (12,204)           |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>(9,216)</b> | <b>420,695</b>    | <b>(572)</b>    | <b>1,535,882</b>   |
| Change in Fund Balance                      | (11,373)       | (116,147)         | 8,125           | 1,107,834          |
| <b>FUND BALANCE(DEFICIT), JANUARY 1</b>     | <b>16,183</b>  | <b>42,475</b>     | <b>10,234</b>   | <b>180,774</b>     |
| <b>FUND BALANCE(DEFICIT), DECEMBER 31</b>   | <b>\$4,810</b> | <b>(\$73,672)</b> | <b>\$18,359</b> | <b>\$1,288,608</b> |

CITY OF MINOT, NORTH DAKOTA  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                             | FIRE               |                 | SALES TAX          |                  | STORM SEWER |  | TOTAL              |
|---------------------------------------------|--------------------|-----------------|--------------------|------------------|-------------|--|--------------------|
|                                             | EQUIPMENT          | CAPITAL         | LIBRARY            | DEVELOPMENT      |             |  |                    |
| <b>REVENUES</b>                             |                    |                 |                    |                  |             |  |                    |
| Property Tax Collections                    | \$0                | \$0             | \$0                | \$0              |             |  | \$57,026           |
| Intergovernmental                           | 30,835             | -               | 49,966             | -                |             |  | 802,576            |
| Interest Income                             | -                  | 1,493           | 2,198              | 11,220           |             |  | 16,745             |
| Miscellaneous                               | 500                | -               | 146,574            | 304,213          |             |  | 502,013            |
| <b>TOTAL REVENUES</b>                       | <b>\$31,335</b>    | <b>\$1,493</b>  | <b>\$198,738</b>   | <b>\$315,433</b> |             |  | <b>\$1,378,360</b> |
| <b>EXPENDITURES</b>                         |                    |                 |                    |                  |             |  |                    |
| Capital Outlay                              |                    |                 |                    |                  |             |  |                    |
| Contracted Work                             | -                  | 308,015         | 869,693            | -                |             |  | 2,390,457          |
| Equipment                                   | 114,681            | 20,000          | -                  | -                |             |  | 134,681            |
| Legal                                       | -                  | -               | -                  | -                |             |  | 23,622             |
| Other                                       | 82,614             | 19,663          | -                  | 261,752          |             |  | 427,416            |
| Architect                                   | 2,523              | 22,407          | 49,039             | -                |             |  | 73,969             |
| Acquisitions                                | -                  | -               | -                  | -                |             |  | 85,692             |
| Engineering                                 | -                  | -               | 709                | -                |             |  | 404,970            |
| <b>TOTAL EXPENDITURES</b>                   | <b>199,818</b>     | <b>370,085</b>  | <b>919,441</b>     | <b>261,752</b>   |             |  | <b>3,540,807</b>   |
| Revenues Over (Under) Expenditures          | (168,483)          | (368,592)       | (720,703)          | 53,681           |             |  | (2,162,447)        |
| OTHER FINANCING SOURCES (USES)              |                    |                 |                    |                  |             |  |                    |
| Proceeds From G.O. Bonds                    | -                  | -               | -                  | -                |             |  | 1,481,000          |
| Transfers IN                                | 317,729            | 550,283         | 573,233            | -                |             |  | 2,021,604          |
| Transfers OUT                               | -                  | (1,493)         | -                  | (11,220)         |             |  | (127,283)          |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b> | <b>317,729</b>     | <b>548,790</b>  | <b>573,233</b>     | <b>(11,220)</b>  |             |  | <b>3,375,321</b>   |
| Change in Fund Balance                      | 149,246            | 180,198         | (147,470)          | 42,461           |             |  | 1,212,874          |
| FUND BALANCE(DEFICIT), JANUARY 1            | (1,044,164)        | (112,010)       | (86,545)           | 176,126          |             |  | (816,927)          |
| <b>FUND BALANCE(DEFICIT), DECEMBER 31</b>   | <b>(\$894,918)</b> | <b>\$68,188</b> | <b>(\$234,015)</b> | <b>\$218,587</b> |             |  | <b>\$395,947</b>   |

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

**CITY OF MINOT, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR PROPRIETARY FUNDS  
DECEMBER 31, 2001**

|                                                 | NON-MAJOR<br>BUSINESS-TYPE ACTIVITIES |                      | TOTAL<br>NONMAJOR<br>PROPRIETARY<br>FUNDS |
|-------------------------------------------------|---------------------------------------|----------------------|-------------------------------------------|
|                                                 | CEMETERY                              | PARKING<br>AUTHORITY |                                           |
| <b>ASSETS</b>                                   |                                       |                      |                                           |
| CURRENT ASSETS                                  |                                       |                      |                                           |
| Cash And Cash Equivalents                       | \$121,287                             | \$58,472             | \$179,759                                 |
| Taxes Receivable Delinquent                     | 1,550                                 | -                    | 1,550                                     |
| Accounts Receivable                             | 17,565                                | -                    | 17,565                                    |
| TOTAL CURRENT ASSETS                            | 140,402                               | 58,472               | 198,874                                   |
| PROPERTY, PLANT, AND EQUIPMENT                  |                                       |                      |                                           |
| Land                                            | 118,396                               | 95,400               | 213,796                                   |
| Buildings                                       | 149,327                               | 183,172              | 332,499                                   |
| Improvements Other Than Buildings               | 39,526                                | 131,715              | 171,241                                   |
| Machinery And Equipment                         | 126,781                               | 308,713              | 435,494                                   |
| TOTAL PROPERTY, PLANT, & EQUIPMENT              | 434,030                               | 719,000              | 1,153,030                                 |
| Less-Accumulated Depreciation                   | (199,900)                             | (289,280)            | (489,180)                                 |
| NET PROPERTY, PLANT & EQUIPMENT                 | 234,130                               | 429,720              | 663,850                                   |
| <b>TOTAL ASSETS</b>                             | <b>\$374,532</b>                      | <b>\$488,192</b>     | <b>\$862,724</b>                          |
| <b>LIABILITIES</b>                              |                                       |                      |                                           |
| Due To Other Agencies                           | \$305                                 | \$0                  | \$305                                     |
| Bonds Payable-Current                           | -                                     | 50,000               | 50,000                                    |
| Accrued Vacation Payable                        | 8,505                                 | -                    | 8,505                                     |
| Accrued Salaries Payable                        | 4,357                                 | 1,246                | 5,603                                     |
| Accrued Interest Payable                        | -                                     | 1,537                | 1,537                                     |
| Bonds Payable-Long Term                         | -                                     | 235,000              | 235,000                                   |
| TOTAL LIABILITIES                               | 13,167                                | 287,783              | 300,950                                   |
| <b>NET ASSETS</b>                               |                                       |                      |                                           |
| Invested in capital assets, net of related debt | 234,130                               | 144,720              | 378,850                                   |
| Restricted for Perpetual Care                   | 38,250                                | -                    | 38,250                                    |
| Restricted for Chapel                           | 1,355                                 | -                    | 1,355                                     |
| Unrestricted                                    | 87,630                                | 55,689               | 143,319                                   |
| TOTAL NET ASSETS                                | \$361,365                             | \$200,409            | \$561,774                                 |

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

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**NONMAJOR PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                               | NON-MAJOR<br>BUSINESS-TYPE ACTIVITIES |                      | TOTAL<br>NONMAJOR<br>PROPRIETARY<br>FUNDS |
|-----------------------------------------------|---------------------------------------|----------------------|-------------------------------------------|
|                                               | CEMETERY                              | PARKING<br>AUTHORITY |                                           |
| <b>OPERATING REVENUES</b>                     |                                       |                      |                                           |
| Charges For Services                          | \$146,164                             | \$193,422            | \$339,586                                 |
| Miscellaneous                                 | 2,530                                 | -                    | 2,530                                     |
| <b>TOTAL OPERATING REVENUES</b>               | <b>148,694</b>                        | <b>193,422</b>       | <b>342,116</b>                            |
| <b>OPERATING EXPENSES</b>                     |                                       |                      |                                           |
| Salaries                                      | 130,090                               | 48,761               | 178,851                                   |
| Employee Benefits                             | 25,035                                | 8,705                | 33,740                                    |
| Professional Services                         | -                                     | 20                   | 20                                        |
| Property Services                             | 10,625                                | 32,016               | 42,641                                    |
| Purchased Services                            | 4,772                                 | 2,343                | 7,115                                     |
| Supplies                                      | 7,559                                 | 14,814               | 22,373                                    |
| Capital Purchases                             | 2,950                                 | -                    | 2,950                                     |
| Sundry                                        | 18,161                                | 8,732                | 26,893                                    |
| Depreciation                                  | 14,972                                | 39,004               | 53,976                                    |
| <b>TOTAL OPERATING EXPENSES</b>               | <b>214,164</b>                        | <b>154,395</b>       | <b>368,559</b>                            |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(65,470)</b>                       | <b>39,027</b>        | <b>(26,443)</b>                           |
| <b>NON-OPERATING REVENUES(EXPENSES)</b>       |                                       |                      |                                           |
| State Aid Distribution                        | 1,900                                 | -                    | 1,900                                     |
| Telecommunications Tax                        | 450                                   | -                    | 450                                       |
| Property Tax Collections                      | 39,137                                | -                    | 39,137                                    |
| Interest Income                               | 7,759                                 | 2,857                | 10,616                                    |
| Miscellaneous Income                          | 539                                   | -                    | 539                                       |
| Interest And Fiscal Charges                   | -                                     | (19,713)             | (19,713)                                  |
| <b>TOTAL NON-OPERATING REVENUES(EXPENSES)</b> | <b>49,785</b>                         | <b>(16,856)</b>      | <b>32,929</b>                             |
| <b>INCOME(LOSS) BEFORE TRANSFERS</b>          | <b>(15,685)</b>                       | <b>22,171</b>        | <b>6,486</b>                              |
| <b>TRANSFERS OUT</b>                          | <b>(4,759)</b>                        | <b>(614)</b>         | <b>(5,373)</b>                            |
| <b>TOTAL TRANSFERS (OUT)</b>                  | <b>(4,759)</b>                        | <b>(614)</b>         | <b>(5,373)</b>                            |
| <b>CHANGE IN NET ASSETS</b>                   | <b>(20,444)</b>                       | <b>21,557</b>        | <b>1,113</b>                              |
| <b>NET ASSETS, JANUARY 1</b>                  | <b>381,809</b>                        | <b>178,852</b>       | <b>560,661</b>                            |
| <b>NET ASSETS, DECEMBER 31</b>                | <b>\$361,365</b>                      | <b>\$200,409</b>     | <b>\$561,774</b>                          |

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

**CITY OF MINOT, NORTH DAKOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                                                                                              | <b>NON-MAJOR<br/>BUSINESS-TYPE ACTIVITIES</b> |                              | <b>TOTAL<br/>NONMAJOR<br/>PROPRIETARY<br/>FUNDS</b> |
|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------|-----------------------------------------------------|
|                                                                                                              | <b>CEMETERY</b>                               | <b>PARKING<br/>AUTHORITY</b> |                                                     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                                  |                                               |                              |                                                     |
| Receipts from customers and users                                                                            | \$ 148,914                                    | \$ 193,422                   | \$ 342,336                                          |
| Payments to suppliers                                                                                        | (44,077)                                      | (58,179)                     | (102,256)                                           |
| Payments to employees                                                                                        | (155,929)                                     | (57,378)                     | (213,307)                                           |
| Net cash provided (used) by operating activities                                                             | (51,092)                                      | 77,865                       | 26,773                                              |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                                   |                                               |                              |                                                     |
| Taxes Received                                                                                               | (918)                                         | -                            | (918)                                               |
| Operating Transfers Out                                                                                      | (4,759)                                       | (614)                        | (5,373)                                             |
| Net cash (used) by noncapital financing activities                                                           | (5,677)                                       | (614)                        | (6,291)                                             |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>                                          |                                               |                              |                                                     |
| Acquisition And Construction Of Capital Assets                                                               | (19,455)                                      | -                            | (19,455)                                            |
| Principal Paid on Capital Debt                                                                               | -                                             | (50,000)                     | (50,000)                                            |
| Interest Paid on Capital Debt                                                                                | -                                             | (19,713)                     | (19,713)                                            |
| Net cash (used) by capital and<br>related financing activities                                               | (19,455)                                      | (69,713)                     | (89,168)                                            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                                  |                                               |                              |                                                     |
| Interest and dividends                                                                                       | 49,785                                        | 2,857                        | 52,642                                              |
| Net cash provided by investing activities                                                                    | 49,785                                        | 2,857                        | 52,642                                              |
| Net increase (decrease) in cash and cash equivalents                                                         | (26,439)                                      | 10,395                       | (16,044)                                            |
| Cash and cash equivalents, January 1                                                                         | 147,726                                       | 48,077                       | 195,803                                             |
| Cash and cash equivalents, December 31                                                                       | \$ 121,287                                    | \$ 58,472                    | \$ 179,759                                          |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS)<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                                               |                              |                                                     |
| Operating Income (Loss)                                                                                      | (\$65,470)                                    | \$39,027                     | (\$26,443)                                          |
| Adjustments To Reconcile Operating Income (Loss) To<br>Net Cash Provided By Operating Activities             |                                               |                              |                                                     |
| Depreciation Expense                                                                                         | 14,972                                        | 39,004                       | 53,976                                              |
| Change In Assets And Liabilities                                                                             |                                               |                              |                                                     |
| Receivables, net                                                                                             | 220                                           | -                            | 220                                                 |
| Due To Other Agencies                                                                                        | (10)                                          | -                            | (10)                                                |
| Accrued Vacation Payable                                                                                     | (887)                                         | -                            | (887)                                               |
| Accrued Salaries Payable                                                                                     | 83                                            | 88                           | 171                                                 |
| Accrued Interest Payable                                                                                     | -                                             | (254)                        | (254)                                               |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES                                                             | (51,092)                                      | 77,865                       | 26,773                                              |

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

**City of Minot, North Dakota**  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2001

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|                           | CENTRAL<br>GARAGE | SELF<br>INSURANCE | TOTAL             |
|---------------------------|-------------------|-------------------|-------------------|
| <b>ASSETS</b>             |                   |                   |                   |
| CURRENT ASSETS            |                   |                   |                   |
| Cash and cash equivalents | \$ -              | \$ 63,597         | \$ 63,597         |
| Investments               | -                 | 500,000           | 500,000           |
| Accounts Receivable       | 1,826             | -                 | 1,826             |
| Merchandise Inventory     | 269,141           | -                 | 269,141           |
| Total Assets              | 270,967           | 563,597           | 834,564           |
| <b>LIABILITIES</b>        |                   |                   |                   |
| Insurance Claims Payable  | -                 | 86,589            | 86,589            |
| Total Liabilities         | -                 | 86,589            | 86,589            |
| <b>NET ASSETS</b>         |                   |                   |                   |
| Unrestricted              | 270,967           | 477,008           | 747,975           |
| <b>TOTAL NET ASSETS</b>   | <b>\$ 270,967</b> | <b>\$ 477,008</b> | <b>\$ 747,975</b> |

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

**CITY OF MINOT, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                               | <b>CENTRAL<br/>GARAGE</b> | <b>SELF<br/>INSURANCE</b> | <b>TOTAL</b>     |
|-----------------------------------------------|---------------------------|---------------------------|------------------|
| <b>OPERATING REVENUES</b>                     |                           |                           |                  |
| Sales                                         | \$353,100                 | \$0                       | \$353,100        |
| Cost of Goods Sold                            | (336,937)                 | -                         | (336,937)        |
| Gross Margin On Sales                         | 16,163                    | -                         | 16,163           |
| Charges For Services                          |                           |                           |                  |
| Employer                                      | -                         | 807,300                   | 807,300          |
| Employee                                      | -                         | 528,599                   | 528,599          |
| <b>TOTAL OPERATING REVENUES</b>               | <b>16,163</b>             | <b>1,335,899</b>          | <b>1,352,062</b> |
| <b>OPERATING EXPENSES</b>                     |                           |                           |                  |
| Supplies                                      | 7,115                     | -                         | 7,115            |
| Insurance Claims                              |                           |                           |                  |
| Employer                                      | -                         | 675,522                   | 675,522          |
| Employee                                      | -                         | 450,348                   | 450,348          |
| <b>TOTAL OPERATING EXPENSES</b>               | <b>7,115</b>              | <b>1,125,870</b>          | <b>1,132,985</b> |
| <b>OPERATING INCOME</b>                       | <b>9,048</b>              | <b>210,029</b>            | <b>219,077</b>   |
| <b>NON-OPERATING REVENUES(EXPENSES)</b>       |                           |                           |                  |
| Interest Income                               | -                         | 23,500                    | 23,500           |
| Miscellaneous Income                          | -                         | 1,216                     | 1,216            |
| Interest And Fiscal Charges                   | (1,035)                   | -                         | (1,035)          |
| Miscellaneous Expense                         | -                         | (22)                      | (22)             |
| <b>TOTAL NON-OPERATING REVENUES(EXPENSES)</b> | <b>(1,035)</b>            | <b>24,694</b>             | <b>23,659</b>    |
| <b>INCOME BEFORE TRANSFERS</b>                | <b>8,013</b>              | <b>234,723</b>            | <b>242,736</b>   |
| TRANSFERS IN                                  | 22,011                    | -                         | 22,011           |
| TRANSFERS OUT                                 | -                         | (23,500)                  | (23,500)         |
| <b>TOTAL TRANSFERS IN (OUT)</b>               | <b>22,011</b>             | <b>(23,500)</b>           | <b>(1,489)</b>   |
| <b>CHANGE IN NET ASSETS</b>                   | <b>30,024</b>             | <b>211,223</b>            | <b>241,247</b>   |
| NET ASSETS, JANUARY 1                         | 240,943                   | 265,785                   | 506,728          |
| <b>NET ASSETS, DECEMBER 31</b>                | <b>\$270,967</b>          | <b>\$477,008</b>          | <b>\$747,975</b> |

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

**CITY OF MINOT, NORTH DAKOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

|                                                                                                       | <b>CENTRAL<br/>GARAGE</b> | <b>SELF<br/>INSURANCE</b> | <b>TOTAL</b> |
|-------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                           |                           |                           |              |
| Receipts from customers and users                                                                     | \$ 361,224                | \$ 1,335,899              | \$ 1,697,123 |
| Payments to suppliers                                                                                 | (344,226)                 | (651,395)                 | (995,621)    |
| Payments to employees                                                                                 | -                         | (450,348)                 | (450,348)    |
| Internal activity - payments from (to) other funds                                                    | (37,974)                  | 37,974                    | -            |
| Net cash provided (used) by operating activities                                                      | (20,976)                  | 272,130                   | 251,154      |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>                                            |                           |                           |              |
| Operating Transfers In                                                                                | 22,011                    | -                         | 22,011       |
| Operating Transfers Out                                                                               | -                         | (23,500)                  | (23,500)     |
| Net cash provided (used) by noncapital financing activities                                           | 22,011                    | (23,500)                  | (1,489)      |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b>                                   |                           |                           |              |
| Interest Paid on Capital Debt                                                                         | (1,035)                   | -                         | (1,035)      |
| Net cash (used) by capital and related financing activities                                           | (1,035)                   | -                         | (1,035)      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                           |                           |                           |              |
| Purchase of Investments                                                                               | -                         | (300,000)                 | (300,000)    |
| Interest and dividends                                                                                | -                         | 24,694                    | 24,694       |
| Net cash (used) by investing activities                                                               | -                         | (275,306)                 | (275,306)    |
| Net (decrease) in cash and cash equivalents                                                           | -                         | (26,676)                  | (26,676)     |
| Cash and cash equivalents, January 1                                                                  | -                         | 90,273                    | 90,273       |
| Cash and cash equivalents, December 31                                                                | \$ -                      | \$ 63,597                 | \$ 63,597    |
| <b>RECONCILIATION OF OPERATING INCOME<br/>TO NET CASH PROVIDED (USED) BY OPERATING<br/>ACTIVITIES</b> |                           |                           |              |
| Operating Income                                                                                      | \$9,048                   | \$210,029                 | \$219,077    |
| Adjustments To Reconcile Operating Income To<br>Net Cash Provided (Used) By Operating Activities      |                           |                           |              |
| Change In Assets And Liabilities                                                                      |                           |                           |              |
| Receivables, net                                                                                      | 75                        | -                         | 75           |
| Merchandise Inventory                                                                                 | 8,049                     | -                         | 8,049        |
| Accounts Payable                                                                                      | (174)                     | -                         | (174)        |
| Insurance Claims Payable                                                                              | -                         | 24,127                    | 24,127       |
| Due To (From) Other Funds                                                                             | (37,974)                  | 37,974                    | -            |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES                                                      | (20,976)                  | 272,130                   | 251,154      |

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

**City of Minot, North Dakota**  
Combining Statement of Fiduciary Net Assets  
Fiduciary Funds  
December 31, 2001

|                                                          | City Employee<br>Pension<br>Plan | Police<br>Pension<br>Plan | Agency<br>Funds   | Total                |
|----------------------------------------------------------|----------------------------------|---------------------------|-------------------|----------------------|
| <b>ASSETS</b>                                            |                                  |                           |                   |                      |
| Cash and cash equivalents                                | \$ 195,384                       | \$ 186,443                | \$ 111,368        | \$ 493,195           |
| Investments                                              | 31,929,909                       | 9,109,333                 | 100,000           | 41,139,242           |
| Taxes Receivable Delinquent                              | -                                | -                         | 5,869             | 5,869                |
| Accrued Interest Receivable                              | 429,677                          | 136,982                   | -                 | 566,659              |
| Total Assets                                             | <u>32,554,970</u>                | <u>9,432,758</u>          | <u>217,237</u>    | <u>42,204,965</u>    |
| <b>LIABILITIES</b>                                       |                                  |                           |                   |                      |
| Due To Other Funds                                       | -                                | -                         | 876               | 876                  |
| Due To Other Agencies                                    | -                                | -                         | 211,368           | 211,368              |
| Other Deferred Credits                                   | -                                | -                         | 4,993             | 4,993                |
| Total Liabilities                                        | <u>-</u>                         | <u>-</u>                  | <u>\$ 217,237</u> | <u>\$ 217,237</u>    |
| <b>NET ASSETS</b>                                        |                                  |                           |                   |                      |
| Held in trust for pension benefits<br>and other purposes | 32,554,970                       | 9,432,758                 |                   | 41,987,728           |
| <b>TOTAL NET ASSETS</b>                                  | <u>\$ 32,554,970</u>             | <u>\$ 9,432,758</u>       |                   | <u>\$ 42,204,965</u> |

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

**CITY OF MINOT, NORTH DAKOTA  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| <b>ADDITIONS</b>                              | <b>CITY EMPLOYEE<br/>PENSION<br/>PLAN</b> | <b>POLICE<br/>PENSION<br/>PLAN</b> | <b>TOTAL</b> |
|-----------------------------------------------|-------------------------------------------|------------------------------------|--------------|
| <b>Contributions:</b>                         |                                           |                                    |              |
| Employer                                      | \$695,538                                 | \$279,242                          | \$974,780    |
| Employee                                      | 601,433                                   | 207,463                            | 808,896      |
| Total Contributions                           | 1,296,971                                 | 486,705                            | 1,783,676    |
| <b>Investment earnings:</b>                   |                                           |                                    |              |
| Interest                                      | 1,984,240                                 | 567,671                            | 2,551,911    |
| Net increase in the fair value of investments | 874,009                                   | 258,329                            | 1,132,338    |
| Total Investment earnings                     | 2,858,249                                 | 826,000                            | 3,684,249    |
| Less investment expense                       | 169,233                                   | 52,630                             | 221,863      |
| Net Investment earnings                       | 2,689,016                                 | 773,370                            | 3,462,386    |
| <b>TOTAL ADDITIONS</b>                        | 3,985,987                                 | 1,260,075                          | 5,246,062    |
| <b>DEDUCTIONS:</b>                            |                                           |                                    |              |
| Benefits Paid to Participants                 | 1,559,701                                 | 311,337                            | 1,871,038    |
| Refunds                                       | 20,427                                    | 31,191                             | 51,618       |
| Administrative Expenses                       | 71,164                                    | 20,538                             | 91,702       |
| <b>TOTAL DEDUCTIONS</b>                       | 1,651,292                                 | 363,066                            | 2,014,358    |
| <b>Change in Net Assets</b>                   | 2,334,695                                 | 897,009                            | 3,231,704    |
| Net Assets - January 1                        | 30,220,275                                | 8,535,749                          | 38,756,024   |
| <b>Net Assets- December 31</b>                | \$32,554,970                              | \$9,432,758                        | \$41,987,728 |

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

CITY OF MINOT, NORTH DAKOTA  
 COMBINING STATEMENT OF NET ASSETS  
 AGENCY FUNDS  
 DECEMBER 31, 2001

|                             | AGENCY FUNDS   |                 |                | AGENCY FUNDS     |                          |                 | TOTALS           |
|-----------------------------|----------------|-----------------|----------------|------------------|--------------------------|-----------------|------------------|
|                             | MAINTENANCE    | PAYROLL         | EMPLOYER       | HOTEL/<br>MOTEL  | CDBG<br>PASS-<br>THROUGH |                 |                  |
|                             | BOND           |                 | SOCIAL         |                  |                          |                 |                  |
| ASSETS                      | AGREEMENT      | DEDUCTIONS      | SECURITY       | C.O.L.A.F.       | TAX                      |                 |                  |
| Cash And Cash Equivalents   | \$4,277        | \$31,265        | \$0            | \$29,388         | \$22,784                 | \$23,654        | \$111,368        |
| Investments                 | -              | -               | -              | 100,000          | -                        | -               | 100,000          |
| Taxes Receivable Delinquent | -              | -               | 3,245          | 2,624            | -                        | -               | 5,869            |
| <b>TOTAL ASSETS</b>         | <b>\$4,277</b> | <b>\$31,265</b> | <b>\$3,245</b> | <b>\$132,012</b> | <b>\$22,784</b>          | <b>\$23,654</b> | <b>\$217,237</b> |
| <b>LIABILITIES</b>          |                |                 |                |                  |                          |                 |                  |
| Due To Other Funds          | \$0            | \$0             | \$486          | \$390            | \$0                      | \$0             | \$876            |
| Due To Other Agencies       | 4,277          | 31,265          | -              | 129,388          | 22,784                   | 23,654          | 211,368          |
| Other Deferred Credits      | -              | -               | 2,759          | 2,234            | -                        | -               | 4,993            |
| <b>TOTAL LIABILITIES</b>    | <b>\$4,277</b> | <b>\$31,265</b> | <b>\$3,245</b> | <b>\$132,012</b> | <b>\$22,784</b>          | <b>\$23,654</b> | <b>\$217,237</b> |

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

**CITY OF MINOT, NORTH DAKOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
COMPARATIVE SCHEDULE OF BY SOURCE  
DECEMBER 31, 2001**

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| <b>Governmental funds capital assets</b>       | <b>2001</b>         |
|------------------------------------------------|---------------------|
| Land                                           | \$4,909,325         |
| Buildings                                      | 4,822,525           |
| Improvements Other Than Buildings              | 700,783             |
| Equipment                                      | 6,431,753           |
| <b>Total governmental funds capital assets</b> | <b>\$16,864,386</b> |

**Investments in governmental funds capital assets by source**

|                                                |                     |
|------------------------------------------------|---------------------|
| Capital Project Funds                          |                     |
| G.O. Bonds and Levies                          | \$705,418           |
| Sales Tax Revenue Bonds                        | 190,916             |
| Federal Grants                                 | 2,009,601           |
| State Grants                                   | 1,037,022           |
| County Grants                                  | 214,124             |
| Contributions From Others                      | 1,108,111           |
| General Fund                                   | 698,018             |
| Special Revenue                                | 8,768,687           |
| Urban Renewal                                  | 465,739             |
| Enterprise Fund                                | 1,666,750           |
| <b>Total governmental funds capital assets</b> | <b>\$16,864,386</b> |

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

**CITY OF MINOT, NORTH DAKOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
AS OF DECEMBER 31, 2001**

| FUNCTION OR ACTIVITY              | LAND               | BUILDINGS          | IMPROVEMENTS     | EQUIPMENT          | T<br>2001           |
|-----------------------------------|--------------------|--------------------|------------------|--------------------|---------------------|
| GENERAL GOVERNMENT                |                    |                    |                  |                    |                     |
| Manager                           | \$0                | \$0                | \$0              | \$1,824            | \$1,824             |
| Clerk                             | -                  | -                  | -                | 3,549              | 3,549               |
| Civic Center/Property Maintenance | 49,374             | 1,354,528          | -                | 73,701             | 1,477,603           |
| Personnel                         | -                  | -                  | -                | 1,395              | 1,395               |
| Finance                           | -                  | -                  | -                | 11,225             | 11,225              |
| Assessor                          | -                  | -                  | -                | 63,414             | 63,414              |
| Engineering                       | -                  | -                  | -                | 182,881            | 182,881             |
| Inspection                        | -                  | -                  | -                | 97,698             | 97,698              |
| Traffic Control                   | -                  | -                  | -                | 206,437            | 206,437             |
| Public Works                      | -                  | 1,432,856          | -                | 30,330             | 1,463,186           |
| General                           | 4,186,089          | 135,600            | 692,968          | 228,476            | 5,243,133           |
| <b>TOTAL GENERAL GOVERNMENT</b>   | <b>4,235,463</b>   | <b>2,922,984</b>   | <b>692,968</b>   | <b>900,930</b>     | <b>8,752,345</b>    |
| PUBLIC SAFETY                     |                    |                    |                  |                    |                     |
| Police                            | -                  | 20,745             | -                | 1,365,906          | 1,386,651           |
| Fire                              | 243,861            | 166,358            | -                | 1,352,618          | 1,762,837           |
| <b>TOTAL PUBLIC SAFETY</b>        | <b>243,861</b>     | <b>187,103</b>     | <b>-</b>         | <b>2,718,524</b>   | <b>3,149,488</b>    |
| STREET                            |                    |                    |                  |                    |                     |
| STREET                            | -                  | 32,580             | -                | 1,630,153          | 1,662,733           |
| SHOP                              | -                  | -                  | 7,815            | 130,914            | 138,729             |
| LIBRARY                           | 7,624              | 790,236            | -                | 76,197             | 874,057             |
| BAND                              | -                  | -                  | -                | 1,700              | 1,700               |
| PUBLIC TRANSPORTATION             |                    |                    |                  |                    |                     |
| PUBLIC TRANSPORTATION             | -                  | 396,243            | -                | 636,291            | 1,032,534           |
| AUDITORIUM                        | 398,427            | 493,379            | -                | 255,635            | 1,147,441           |
| RECREATION                        | 23,950             | -                  | -                | 81,409             | 105,359             |
| <b>Total governmental funds</b>   |                    |                    |                  |                    |                     |
| <b>capital assets</b>             | <b>\$4,909,325</b> | <b>\$4,822,525</b> | <b>\$700,783</b> | <b>\$6,431,753</b> | <b>\$16,864,386</b> |

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

**CITY OF MINOT, NORTH DAKOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001**

| Function and Activity                          | GOVERNMENTAL<br>FUNDS CAPITAL<br>ASSETS<br>JANUARY 1 | ADDITIONS          | DELETIONS        | GOVERNMENTAL<br>FUNDS CAPITAL<br>ASSETS<br>DECEMBER 31 |
|------------------------------------------------|------------------------------------------------------|--------------------|------------------|--------------------------------------------------------|
| <b>GENERAL GOVERNMENT</b>                      |                                                      |                    |                  |                                                        |
| Manager                                        | \$1,824                                              | \$0                | \$0              | \$1,824                                                |
| Clerk                                          | 3,549                                                | -                  | -                | 3,549                                                  |
| Civic Center/Property Maintenance              | 1,454,870                                            | 42,388             | 19,655           | 1,477,603                                              |
| Personnel                                      | 1,395                                                | -                  | -                | 1,395                                                  |
| Finance                                        | 11,225                                               | -                  | -                | 11,225                                                 |
| Assessor                                       | 1,026                                                | 62,388             | -                | 63,414                                                 |
| Engineering                                    | 122,273                                              | 63,713             | 3,105            | 182,881                                                |
| Inspection                                     | 52,041                                               | 77,238             | 31,581           | 97,698                                                 |
| Traffic Control                                | 144,848                                              | 83,889             | 22,300           | 206,437                                                |
| Public Works                                   | 1,454,186                                            | 19,614             | 10,614           | 1,463,186                                              |
| General                                        | 5,267,083                                            | -                  | 23,950           | 5,243,133                                              |
| <b>TOTAL GENERAL GOVERNMENT</b>                | <b>8,514,320</b>                                     | <b>349,230</b>     | <b>111,205</b>   | <b>8,752,345</b>                                       |
| <b>PUBLIC SAFETY</b>                           |                                                      |                    |                  |                                                        |
| Police                                         | 1,584,956                                            | 226,133            | 424,438          | 1,386,651                                              |
| Fire                                           | 1,719,940                                            | 79,105             | 36,208           | 1,762,837                                              |
| <b>TOTAL PUBLIC SAFETY</b>                     | <b>3,304,896</b>                                     | <b>305,238</b>     | <b>460,646</b>   | <b>3,149,488</b>                                       |
| STREET                                         | 1,758,532                                            | 185,365            | 281,164          | 1,662,733                                              |
| SHOP                                           | 133,630                                              | 19,769             | 14,670           | 138,729                                                |
| LIBRARY                                        | 906,392                                              | -                  | 32,335           | 874,057                                                |
| BAND                                           | 1,700                                                | -                  | -                | 1,700                                                  |
| PUBLIC TRANSPORTATION                          | 591,337                                              | 497,064            | 55,867           | 1,032,534                                              |
| AUDITORIUM                                     | 1,065,387                                            | 82,054             | -                | 1,147,441                                              |
| RECREATION                                     | 87,223                                               | 51,353             | 33,217           | 105,359                                                |
| <b>Total governmental funds capital assets</b> | <b>\$16,363,417</b>                                  | <b>\$1,490,073</b> | <b>\$989,104</b> | <b>\$16,864,386</b>                                    |

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

CITY OF MINOT, NORTH DAKOTA  
 GOVERNMENT-WIDE EXPENSES BY FUNCTION

| **<br>FISCAL<br>YEAR | GENERAL<br>GOVERNMENT | PUBLIC<br>SAFETY | HIGHWAYS<br>AND<br>STREETS | CULTURE AND<br>RECREATION | COMMUNITY<br>DEVELOPMENT | INTEREST ON<br>LONG-TERM DEBT | AIRPORT      | CEMETERY   | PARKING<br>AUTHORITY | SANITATION   | WATER &<br>SEWER | TOTALS        |
|----------------------|-----------------------|------------------|----------------------------|---------------------------|--------------------------|-------------------------------|--------------|------------|----------------------|--------------|------------------|---------------|
| 2001                 | \$ 6,703,291          | \$ 6,349,105     | \$ 2,431,141               | \$ 1,937,281              | \$ 2,717,852             | \$ 900,023                    | \$ 1,889,375 | \$ 214,164 | \$ 174,108           | \$ 1,649,318 | \$ 6,017,143     | \$ 30,982,801 |

\*\*This table is new with the implementation of GASB #34. As such, prior year information is not available

CITY OF MINOT, NORTH DAKOTA  
 GOVERNMENT-WIDE REVENUES BY SOURCE

| **<br>FISCAL<br>YEAR | PROGRAM REVENUES           |                                             |                                           | GENERAL REVENUES |                                                                          |                                        |               |               | TOTALS |
|----------------------|----------------------------|---------------------------------------------|-------------------------------------------|------------------|--------------------------------------------------------------------------|----------------------------------------|---------------|---------------|--------|
|                      | CHARGES<br>FOR<br>SERVICES | OPERATING<br>GRANTS<br>AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS<br>AND<br>CONTRIBUTIONS | TAXES            | GRANTS AND<br>CONTRIBUTIONS<br>NOT RESTRICTED<br>TO SPECIFIC<br>PROGRAMS | UNRESTRICTED<br>INVESTMENT<br>EARNINGS | MISCELLANEOUS |               |        |
| 2001                 | \$ 12,795,123              | \$ 1,837,500                                | \$ 6,378,683                              | \$ 19,285,787    | \$ -                                                                     | \$ 1,126,488                           | \$ 981,285    | \$ 42,404,866 |        |

\*\*This table is new with the implementation of GASB #34. As such, prior year information is not available.

CITY OF MINOT, NORTH DAKOTA  
 GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)  
 LAST TEN FISCAL YEARS

| FISCAL YEAR | GOVERNMENT | SAFETY    | STREETS   | CULTURE AND RECREATION | ECONOMIC DEVELOPMENT | BAD DEBT | CAPITAL OUTLAY | DEBT SERVICE | INTER-GOVERNMENTAL | TOTALS     |
|-------------|------------|-----------|-----------|------------------------|----------------------|----------|----------------|--------------|--------------------|------------|
| 1992        | 3,381,380  | 3,997,313 | 957,699   | 1,288,112              | 352,453              | -        | 555,830        | 45,425       | 4,382,851          | 14,961,063 |
| 1993        | 3,314,460  | 4,029,661 | 891,310   | 1,194,902              | 893,086              | -        | 585,445        | 97,122       | 131,503            | 11,137,489 |
| 1994        | 3,229,134  | 4,163,882 | 1,136,365 | 1,218,957              | 882,665              | -        | 837,725        | 69,988       | 549,734            | 12,088,450 |
| 1995 (2)    | 3,270,300  | 4,254,740 | 1,135,921 | 1,312,345              | 1,091,195            | 95,000   | 567,209        | 85,288       | 397,685            | 12,209,683 |
| 1996        | 3,569,444  | 4,490,802 | 1,295,346 | 1,335,825              | 3,645,735            | -        | 836,856        | 64,996       | 124,918            | 15,363,922 |
| 1997        | 3,757,944  | 4,735,115 | 1,299,316 | 1,426,233              | 12,539               | -        | 893,330        | 70,313       | 13,379             | 12,208,169 |
| 1998        | 3,928,735  | 5,015,102 | 1,240,112 | 1,475,756              | 2,357,862            | -        | 4,038,066      | 266,947      | 10,610             | 18,333,190 |
| 1999        | 4,034,087  | 5,306,975 | 1,458,095 | 1,419,019              | 4,957,879            | -        | 950,261        | 399,504      | 4,058,835          | 22,584,655 |
| 2000        | 4,255,155  | 5,506,917 | 2,309,631 | 1,467,580              | 2,136,108            | -        | 933,259        | 405,014      | 1,481,456          | 18,495,120 |
| 2001        | 6,526,829  | 6,084,587 | 2,322,209 | 1,901,854              | 2,717,852            | -        | 4,495,259      | 330,546      | -                  | 24,379,136 |

(1) General and Special Revenue funds

(2) Bad Debt function is a new type of expenditure this year.

CITY OF MINOT, NORTH DAKOTA  
 GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)  
 LAST TEN FISCAL YEARS

| FISCAL YEAR | (2)<br>TAXES | LICENSES<br>AND<br>PERMITS | INTER-<br>GOVERN-<br>MENTAL | CHARGES<br>FOR<br>SERVICES | FINES<br>AND<br>FORFEITS | INTEREST<br>INCOME | MISCELLANEOUS | TOTALS     |
|-------------|--------------|----------------------------|-----------------------------|----------------------------|--------------------------|--------------------|---------------|------------|
| 1992        | 6,539,623    | 282,236                    | 2,697,783                   | 1,366,629                  | 290,236                  | 747,152            | 399,255       | 12,322,914 |
| 1993        | 6,908,588    | 340,957                    | 2,861,379                   | 1,492,486                  | 339,780                  | 497,746            | 252,989       | 12,693,925 |
| 1994        | 7,631,872    | 392,348                    | 2,861,728                   | 1,593,706                  | 281,023                  | 625,986            | 187,387       | 13,574,050 |
| 1995        | 8,178,007    | 395,493                    | 2,666,755                   | 1,705,094                  | 342,345                  | 1,025,579          | 244,254       | 14,557,527 |
| 1996        | 8,563,305    | 391,814                    | 3,061,097                   | 2,043,099                  | 410,071                  | 949,547            | 194,069       | 15,613,002 |
| 1997        | 8,773,617    | 440,995                    | 3,261,562                   | 2,000,965                  | 388,098                  | 976,389            | 309,106       | 16,150,732 |
| 1998        | 12,598,331   | 416,617                    | 3,069,985                   | 2,193,586                  | 400,258                  | 1,003,647          | 187,315       | 19,869,739 |
| 1999        | 13,785,250   | 405,167                    | 4,061,694                   | 2,412,986                  | 312,727                  | 668,864            | 697,038       | 22,343,726 |
| 2000        | 14,510,820   | 384,335                    | 3,672,414                   | 2,720,102                  | 381,848                  | 794,711            | 383,213       | 22,847,443 |
| 2001        | 14,837,985   | 344,806                    | 5,123,131                   | 2,295,849                  | 444,103                  | 718,232            | 957,633       | 24,721,739 |

(1) General And Special Revenue funds

(2) Includes property tax collections, special assessment collections, and sales tax collections.

CITY OF MINOT, NORTH DAKOTA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

| LEVY YEAR | TOTAL CURRENT TAX LEVY (1) | CURRENT COLLECTIONS (2) | PERCENT OF LEVY COLLECTED | DELINQUENT COLLECTIONS (2) | TOTAL COLLECTIONS (2) | TOTAL COLLECTION AS PERCENT OF CURRENT LEVY | ADJUSTMENTS (4) | ACCUMULATED OUTSTANDING TAXES (3) | OUTSTANDING DELINQUENT AS PERCENT OF CURRENT LEVY |
|-----------|----------------------------|-------------------------|---------------------------|----------------------------|-----------------------|---------------------------------------------|-----------------|-----------------------------------|---------------------------------------------------|
| 1992      | 5,269,152                  | 4,877,975               | 92.58%                    | 190,725                    | 5,068,700             | 96.20%                                      | 187,675         | 458,275                           | 8.70%                                             |
| 1993      | 5,456,990                  | 5,117,522               | 93.78%                    | 251,848                    | 5,369,370             | 98.39%                                      | 184,309         | 361,586                           | 6.63%                                             |
| 1994      | 5,760,619                  | 5,465,075               | 94.87%                    | 183,485                    | 5,648,560             | 98.05%                                      | 191,069         | 282,576                           | 4.91%                                             |
| 1995      | 6,117,626                  | 5,811,238               | 94.99%                    | 98,522                     | 5,909,760             | 96.60%                                      | 188,352         | 302,090                           | 4.94%                                             |
| 1996      | 6,402,217                  | 6,052,482               | 94.54%                    | 97,638                     | 6,150,120             | 96.06%                                      | 215,292         | 338,895                           | 5.29%                                             |
| 1997      | 6,817,830                  | 6,453,519               | 94.66%                    | 141,863                    | 6,595,382             | 96.74%                                      | 259,245         | 302,098                           | 4.43%                                             |
| 1998      | 7,210,665                  | 6,878,134               | 95.39%                    | 153,855                    | 7,031,989             | 97.52%                                      | 207,231         | 273,543                           | 3.79%                                             |
| 1999      | 7,479,335                  | 7,095,650               | 94.87%                    | 123,498                    | 7,219,148             | 96.52%                                      | 223,634         | 310,096                           | 4.15%                                             |
| 2000      | 7,793,799                  | 7,334,493               | 94.11%                    | 100,772                    | 7,435,265             | 95.40%                                      | 253,181         | 415,449                           | 5.33%                                             |
| 2001      | 7,884,516                  | 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) Prior year accumulated taxes + current levy - current collections - delinquent collections - adjustments.

(4) Includes Discount, Mobile Homes, Abatements & Change Orders.

CITY OF MINOT, NORTH DAKOTA  
 ASSESSED AND ESTIMATED  
 ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

| YEAR | REAL PROPERTY         |                        | RATIO<br>ASSESSED<br>TO MARKET |
|------|-----------------------|------------------------|--------------------------------|
|      | ASSESSED<br>VALUE (1) | TRUE AND<br>FULL VALUE |                                |
| 1992 | \$ 409,784,273        | \$ 819,568,546         | 50.00%                         |
| 1993 | 417,396,270           | 834,792,540            | 50.00%                         |
| 1994 | 442,710,612           | 885,421,224            | 50.00%                         |
| 1995 | 486,634,700           | 973,269,400            | 50.00%                         |
| 1996 | 524,700,430           | 1,049,400,860          | 50.00%                         |
| 1997 | 562,999,000           | 1,125,998,000          | 50.00%                         |
| 1998 | 601,102,842           | 1,202,205,684          | 50.00%                         |
| 1999 | 621,863,600           | 1,243,727,200          | 50.00%                         |
| 2000 | 642,090,100           | 1,284,180,200          | 50.00%                         |
| 2001 | 655,545,597           | 1,311,091,194          | 50.00%                         |

(1) 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<br>PARK<br>DISTRICT | MINOT<br>SCHOOL<br>DISTRICT | STATE<br>AND<br>COUNTY | TOTAL  |
|------|-----------------|----------------------------|-------------------------|--------|---------------------------|-----------------------------|------------------------|--------|
|      | GENERAL<br>FUND | SPECIAL<br>REVENUE<br>FUND | DEBT<br>SERVICE<br>FUND |        |                           |                             |                        |        |
| 1992 | 59.70           | 35.81                      | 38.74                   | 134.25 | 28.59                     | 187.41                      | 76.19                  | 426.44 |
| 1993 | 60.81           | 37.93                      | 37.07                   | 135.81 | 29.21                     | 193.21                      | 80.93                  | 439.07 |
| 1994 | 64.56           | 39.72                      | 30.87                   | 135.15 | 27.42                     | 185.93                      | 86.70                  | 435.20 |
| 1995 | 62.69           | 39.88                      | 29.78                   | 132.35 | 27.11                     | 181.78                      | 80.37                  | 421.61 |
| 1996 | 61.56           | 37.68                      | 29.02                   | 128.26 | 26.34                     | 174.32                      | 67.91                  | 396.83 |
| 1997 | 60.16           | 36.95                      | 29.46                   | 126.57 | 24.85                     | 174.41                      | 76.00                  | 401.83 |
| 1998 | 59.23           | 36.85                      | 29.60                   | 125.68 | 25.81                     | 173.76                      | 67.54                  | 392.79 |
| 1999 | 58.35           | 41.39                      | 25.68                   | 125.42 | 26.27                     | 177.02                      | 71.50                  | 400.21 |
| 2000 | 61.22           | 41.02                      | 25.97                   | 128.21 | 28.10                     | 184.78                      | 68.86                  | 409.95 |
| 2001 | 64.10           | 39.77                      | 24.37                   | 128.24 | 29.28                     | 192.29                      | 73.05                  | 422.86 |

CITY OF MINOT, NORTH DAKOTA  
 SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS  
 LAST TEN FISCAL YEARS

| LEVY YEAR | CURRENT ASSESSMENT LEVY<br>(1) | CURRENT COLLECTIONS<br>(2) | PERCENT OF LEVY COLLECTED | OUTSTANDING CURRENT LEVY<br>(3) | TOTAL COLLECTIONS<br>(2) | TOTAL COLLECTIONS AS PERCENT OF CURRENT LEVY | ADJUSTMENTS<br>(4) | ACCUMULATED OUTSTANDING ASSESSMENTS<br>(5) |
|-----------|--------------------------------|----------------------------|---------------------------|---------------------------------|--------------------------|----------------------------------------------|--------------------|--------------------------------------------|
| 1992      | \$441,273                      | \$388,933                  | 88.14%                    | \$52,340                        | \$499,593                | 113.22%                                      | \$20,577           | \$145,916                                  |
| 1993      | 475,053                        | 442,484                    | 93.14%                    | 32,569                          | 519,072                  | 109.27%                                      | 6,227              | 95,670                                     |
| 1994      | 392,524                        | 375,005                    | 95.54%                    | 17,519                          | 404,852                  | 103.14%                                      | 20,025             | 63,317                                     |
| 1995      | 388,624                        | 316,563                    | 81.46%                    | 72,061                          | 351,274                  | 90.39%                                       | 59,246             | 41,421                                     |
| 1996      | 327,706                        | 281,986                    | 86.05%                    | 45,720                          | 295,464                  | 90.16%                                       | 27,900             | 45,763                                     |
| 1997      | 339,583                        | 293,135                    | 86.32%                    | 46,448                          | 320,008                  | 94.24%                                       | 32,129             | 33,209                                     |
| 1998      | 516,728                        | 413,147                    | 79.95%                    | 103,581                         | 426,733                  | 82.58%                                       | 62,999             | 60,205                                     |
| 1999      | 550,739                        | 445,360                    | 80.87%                    | 105,379                         | 461,533                  | 83.80%                                       | 58,698             | 90,713                                     |
| 2000      | 607,466                        | 501,079                    | 82.49%                    | 106,387                         | 514,937                  | 84.77%                                       | 51,296             | 131,946                                    |
| 2001      | 628,466                        | N/A                        | N/A                       | N/A                             | N/A                      | N/A                                          | N/A                | N/A                                        |

(1) Amounts are certified to Ward County on November 1 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 assessment year.

(3) Current levy minus current collections

(4) Includes cancellations, foreclosures & change orders.

(5) Prior year accumulated outstanding assessments plus current year levy minus total collections less adjustments.

CITY OF MINOT, NORTH DAKOTA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 DECEMBER 31, 2001

|                                                |                  |                            |
|------------------------------------------------|------------------|----------------------------|
| True And Full Value Of Taxable Property - 2001 |                  | <u>\$1,311,091,194</u>     |
| Debt Limit - 8% of 50% of True And Full Value  |                  | \$52,443,648               |
| Amount of Debt Applicable To Debt Limit:       |                  |                            |
| General Obligation Bonds                       | \$4,925,000      |                            |
| Special Assessment Obligations (1)             | <u>1,059,899</u> |                            |
|                                                | 5,984,899        |                            |
| Less:                                          |                  |                            |
| Cash In Debt Service Funds (2)                 | <u>218,986</u>   |                            |
|                                                |                  | <u>5,765,912</u>           |
| Legal Debt Margin                              |                  | <u><u>\$46,677,734</u></u> |

(1) City's Share Of Construction Costs

|                            |                           |
|----------------------------|---------------------------|
| 90% Of Street Improvements | <u><u>\$1,059,899</u></u> |
|----------------------------|---------------------------|

(2) Sinking Funds

|                             |                         |
|-----------------------------|-------------------------|
| Highway                     | \$218,986               |
| 90% Special Assessment Debt | <u>-</u>                |
|                             | <u><u>\$218,986</u></u> |

CITY OF MINOT, NORTH DAKOTA  
 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
 VALUE AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

| FISCAL<br>YEAR | POPULATION | ASSESSED<br>VALUE (1) | GROSS BONDED<br>DEBT (2) | LESS DEBT<br>SERVICE FUNDS | NET<br>BONDED DEBT | RATIO OF<br>NET BONDED<br>DEBT TO<br>ASSESSED VALUE | NET BONDED<br>DEBT<br>PER CAPITA |
|----------------|------------|-----------------------|--------------------------|----------------------------|--------------------|-----------------------------------------------------|----------------------------------|
| 1992           | 34,544     | \$409,784,273         | \$3,425,000              | \$517,925                  | \$2,907,075        | 0.71%                                               | \$84.16                          |
| 1993           | 34,544     | 417,396,270           | 4,220,000                | 506,795                    | 3,713,205          | 0.89%                                               | 107.49                           |
| 1994           | 34,544     | 442,710,612           | 4,550,000                | 528,383                    | 4,021,617          | 0.91%                                               | 116.42                           |
| 1995 (3)       | 35,352     | 486,634,700           | 4,135,000                | 449,549                    | 3,685,451          | 0.76%                                               | 104.25                           |
| 1996 (3)       | 35,352     | 524,700,430           | 3,745,000                | 660,303                    | 3,084,697          | 0.59%                                               | 87.26                            |
| 1997(3)        | 35,352     | 562,999,000           | 3,610,000                | 336,967                    | 3,273,033          | 0.58%                                               | 92.59                            |
| 1998(3)        | 35,352     | 601,102,842           | 6,060,000                | 455,532                    | 5,604,468          | 0.93%                                               | 158.53                           |
| 1999(3)        | 35,352     | 621,863,600           | 6,380,000                | 470,928                    | 5,909,072          | 0.95%                                               | 167.15                           |
| 2000           | 36,567     | 642,090,100           | 5,590,000                | 380,561                    | 5,209,439          | 0.81%                                               | 142.46                           |
| 2001           | 36,567     | 655,545,597           | 4,925,000                | 348,148                    | 4,576,852          | 0.70%                                               | 125.16                           |

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

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

(3) U.S. Census Bureau Estimate (1995)

CITY OF MINOT, NORTH DAKOTA  
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR  
 GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES  
 LAST TEN FISCAL YEARS

| FISCAL YEAR | PRINCIPAL | INTEREST  | TOTAL DEBT SERVICE | TOTAL (1) GENERAL EXPENDITURES | RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES |
|-------------|-----------|-----------|--------------------|--------------------------------|-----------------------------------------------|
| 1992        | \$430,000 | \$302,870 | \$732,870          | \$14,961,063                   | 4.90%                                         |
| 1993        | 360,000   | 233,437   | 593,437            | 11,137,489                     | 5.33%                                         |
| 1994        | 365,000   | 243,488   | 608,488            | 12,088,450                     | 5.03%                                         |
| 1995        | 445,000   | 247,245   | 692,245            | 12,209,683                     | 5.67%                                         |
| 1996        | 390,000   | 200,299   | 590,299            | 15,363,922                     | 3.84%                                         |
| 1997        | 695,000   | 211,343   | 906,343            | 12,208,169                     | 7.42%                                         |
| 1998        | 770,000   | 225,226   | 995,226            | 18,333,190                     | 5.43%                                         |
| 1999        | 680,000   | 271,072   | 951,072            | 22,584,655                     | 4.21%                                         |
| 2000        | 790,000   | 283,259   | 1,073,259          | 18,495,120                     | 5.80%                                         |
| 2001        | 680,000   | 263,421   | 943,421            | 24,379,136                     | 3.87%                                         |

(1) Expenditures from General and Special Revenue Funds.

CITY OF MINOT, NORTH DAKOTA  
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
 FOR THE PERIOD ENDED DECEMBER 31, 2001

| GOVERNMENTAL UNIT                 | OUTSTANDING DEBT | SINKING FUNDS | NET DEBT  | RATIO   | CITY'S SHARE OF DEBT      |
|-----------------------------------|------------------|---------------|-----------|---------|---------------------------|
| MINOT SCHOOL DISTRICT             | \$0              | \$0           | \$0       | 95.15%  | \$0                       |
| MINOT PARK DISTRICT               | 0                | 0             | 0         | 100.00% | 0                         |
| WARD COUNTY                       | 189,508          | 137,436       | 52,072    | 65.14%  | <u>33,930</u>             |
| <u>OVERLAPPING DEBT</u>           |                  |               |           |         | 33,930                    |
| CITY OF MINOT (DIRECT DEBT)       |                  |               | 4,576,852 | 100.00% | <u>4,576,852</u>          |
| TOTAL DIRECT AND OVERLAPPING DEBT |                  |               |           |         | <u><u>\$4,610,782</u></u> |

RATIOS USED

|                       | 2001 ASSESSED VALUE | 2001 CITY'S ASSESSED VALUE | PERCENTAGE |
|-----------------------|---------------------|----------------------------|------------|
| MINOT SCHOOL DISTRICT | \$688,978,446       | \$655,545,597              | 95.15%     |
| MINOT PARK DISTRICT   | 655,545,597         | 655,545,597                | 100.00%    |
| WARD COUNTY           | 1,006,306,630       | 655,545,597                | 65.14%     |

CITY OF MINOT, NORTH DAKOTA  
REVENUE BOND COVERAGE  
WATER AND SEWER BONDS  
LAST TEN FISCAL YEARS

| FISCAL<br>YEAR | GROSS<br>REVENUE | DIRECT(1)<br>OPERATING<br>EXPENSES | NET<br>REVENUE<br>AVAILABLE<br>FOR DEBT<br>SERVICE | DEBT SERVICE REQUIREMENTS |                                 |             |          |
|----------------|------------------|------------------------------------|----------------------------------------------------|---------------------------|---------------------------------|-------------|----------|
|                |                  |                                    |                                                    | PRINCIPAL<br>(2)          | INTEREST &<br>FISCAL<br>CHARGES | TOTAL       | COVERAGE |
| 1992           | \$4,761,853      | \$2,939,389                        | \$1,822,464                                        | \$535,000                 | \$827,092                       | \$1,362,092 | 1.34     |
| 1993           | 4,813,623        | 3,001,037                          | 1,812,586                                          | 645,000                   | 867,487                         | 1,512,487   | 1.20     |
| 1994           | 5,115,273        | 3,376,554                          | 1,738,719                                          | 650,000                   | 763,533                         | 1,413,533   | 1.23     |
| 1995           | 5,275,241        | 3,313,649                          | 1,961,592                                          | 850,000                   | 556,820                         | 1,406,820   | 1.39     |
| 1996           | 5,571,685        | 3,426,692                          | 2,144,993                                          | 900,000                   | 475,900                         | 1,375,900   | 1.56     |
| 1997           | 5,789,347        | 3,683,986                          | 2,105,361                                          | 960,000                   | 426,000                         | 1,386,000   | 1.52     |
| 1998           | 5,813,681        | 3,742,918                          | 2,070,763                                          | 740,000                   | 349,341                         | 1,089,341   | 1.90     |
| 1999           | 5,564,054        | 3,924,868                          | 1,639,186                                          | 663,522                   | 348,736                         | 1,012,258   | 1.62     |
| 2000           | 5,765,813        | 4,174,147                          | 1,591,666                                          | 630,000                   | 395,813                         | 1,025,813   | 1.55     |
| 2001           | 6,067,731        | 4,055,897                          | 2,011,834                                          | 750,000                   | 425,118                         | 1,175,118   | 1.71     |

(1) Excludes Depreciation.

(2) Permanent financing only.

CITY OF MINOT, NORTH DAKOTA  
SUMMARY OF DEBT STATISTICS  
DECEMBER 31, 2001

|                                                |                           |
|------------------------------------------------|---------------------------|
| True And Full Value Of Taxable Property - 2001 | \$1,311,091,194           |
| Assessed Valuation - 2001                      | 655,545,597               |
| Direct Debt                                    | 4,576,852                 |
| Overlapping Debt                               | <u>33,930</u>             |
| TOTAL DIRECT AND OVERLAPPING DEBT              | <u><u>\$4,610,782</u></u> |

CITY OF MINOT DEBT STATISTICS

|                  | AMOUNT                    | PER CAPITA<br>(36,567) | PERCENT OF<br>TRUE AND FULL<br>VALUE | PERCENT OF<br>ASSESSED VALUE |
|------------------|---------------------------|------------------------|--------------------------------------|------------------------------|
| Direct Debt      | \$4,576,852               | \$125.16               | 0.349%                               | 0.698%                       |
| Overlapping Debt | <u>33,930</u>             | <u>0.94</u>            | <u>0.003%</u>                        | <u>0.005%</u>                |
| TOTALS           | <u><u>\$4,610,782</u></u> | <u><u>\$130.42</u></u> | <u><u>0.352%</u></u>                 | <u><u>0.703%</u></u>         |

CITY OF MINOT, NORTH DAKOTA  
PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS  
LAST TEN FISCAL YEARS

| FISCAL YEAR | COMMERCIAL<br>LAND AND<br>BUILDINGS<br>(1) | RESIDENTIAL<br>LAND AND<br>BUILDINGS<br>(1) | PUBLIC<br>UTILITIES<br>(1) | NUMBER<br>ISSUED<br>(2) | VALUE OF<br>BUILDINGS<br>(2) | BANK<br>DEPOSITS<br>(IN)<br>(MILLIONS)<br>(3) |
|-------------|--------------------------------------------|---------------------------------------------|----------------------------|-------------------------|------------------------------|-----------------------------------------------|
| 1992 (4)    | \$154,616,020                              | \$241,885,833                               | \$13,282,420               | 506                     | \$15,703,950                 | \$770.1                                       |
| 1993        | 156,757,450                                | 247,628,200                                 | 13,010,620                 | 531                     | 20,028,850                   | 782.5                                         |
| 1994        | 162,542,400                                | 268,588,500                                 | 14,658,290                 | 535                     | 36,994,000                   | 781.9                                         |
| 1995        | 175,756,500                                | 296,883,600                                 | 13,958,900                 | 554                     | 34,436,000                   | 859.2                                         |
| 1996        | 187,013,600                                | 323,763,800                                 | 13,923,030                 | 552                     | 29,757,000                   | 867.3                                         |
| 1997        | 196,348,600                                | 349,821,500                                 | 16,828,900                 | 486                     | 31,092,000                   | **                                            |
| 1998        | 224,919,400                                | 369,616,522                                 | 6,566,920                  | 524                     | 38,136,000                   | **                                            |
| 1999        | 231,353,730                                | 383,797,250                                 | 6,712,620                  | 441                     | 30,714,000                   | **                                            |
| 2000        | 244,717,050                                | 397,373,050                                 | **                         | 439                     | 29,570,000                   | **                                            |
| 2001        | 240,964,250                                | 407,031,567                                 | 7,549,780                  | 399                     | 20,595,000                   | **                                            |

(1) Data obtained from the City Assessor's Office.

(2) Data obtained from the City Inspection Office.

(3) Data obtained from the respective financial institutions.

(4) Includes banks, federal banks, and credit unions

\*\* This information is no longer available.

CITY OF MINOT, NORTH DAKOTA  
 LEADING TAXPAYERS AND TAXABLE VALUES  
 DECEMBER 31, 2001

| TAXPAYER                                            | TAXABLE VALUE              | % OF TOTAL<br>TAXABLE VALUE |
|-----------------------------------------------------|----------------------------|-----------------------------|
| Concordia Properties (Dakota Square)                | \$2,461,230                | 4.00%                       |
| Investor's Real Estate Trust (IRET)                 | 1,239,490                  | 2.02%                       |
| Health Care Property Investors(Medical Arts Clinic) | 565,430                    | 0.92%                       |
| James & Mary Ommen                                  | 398,240                    | 0.65%                       |
| Menard's Inc.                                       | 348,160                    | 0.57%                       |
| Hoffman Ridge LTD (Wal-Mart)                        | 304,110                    | 0.49%                       |
| International Inn                                   | 295,140                    | 0.48%                       |
| Bremer Bank                                         | 264,360                    | 0.43%                       |
| Dayton-Hudson Corporation(Target)                   | 252,330                    | 0.41%                       |
| Wells Fargo Bank ND                                 | 238,670                    | 0.39%                       |
| Magic City Financial Group(Old Medical Arts)        | 235,070                    | 0.38%                       |
| Johanneson's Property (Marketplace)                 | 230,270                    | 0.37%                       |
| Riverside Inc. (Holiday Inn)                        | 204,350                    | 0.33%                       |
| Minot Town & Country Investors                      | 203,390                    | 0.33%                       |
| Gould Dakota Venture (K-Mart)                       | 201,640                    | 0.33%                       |
| Chad Yale(Sports World)                             | 188,160                    | 0.31%                       |
| Dakota Square Motor Inn Inc (Comfort Inn)           | 179,460                    | 0.29%                       |
| First International Bank & Trust                    | 162,920                    | 0.25%                       |
| Krebsbach Realty Co (Bdwy Miracle Mart)             | 150,390                    | 0.23%                       |
| Oakland Communities of Minot                        | 140,200                    | 0.22%                       |
| ALL OTHERS                                          | <u>53,221,234</u>          | <u>86.56%</u>               |
| Total Taxable Value                                 | <u><u>\$61,484,244</u></u> | <u><u>100.00%</u></u>       |

\*Large portion is exempt from taxes-Trinity Health/Trinity Hospitals  
 1,578,210

CITY OF MINOT, NORTH DAKOTA  
 MISCELLANEOUS AND DEMOGRAPHIC STATISTICAL DATA

DATE OF INCORPORATION: July 16, 1887  
 DATE FIRST CHARTER ADOPTED: July 23, 1909  
 FORM OF GOVERNMENT: Home Rule, Council/Manager

| YEAR | SQUARE MILES (1) |
|------|------------------|
| 2001 | 14.833           |
| 2000 | 14.6075          |
| 1999 | 14.29            |
| 1998 | 13.93            |
| 1997 | 13.90            |
| 1996 | 13.86            |

| NUMBER OF CITY EMPLOYEES (1) |
|------------------------------|
| 292 Full Time                |
| 63 Part Time                 |

| ELECTION   | (1)                                             |
|------------|-------------------------------------------------|
| VOTES CAST | NO VOTER REGISTRATION REQUIRED IN NORTH DAKOTA. |
| 15,513     | Last General election (November 2000)           |
| 9,058      | Last Municipal election (July 2001)             |

| COMMUNICATIONS (2)  |                         |
|---------------------|-------------------------|
| Television Stations | 3                       |
| Radio Stations      | 8                       |
| Cable Television    | 125 Channels            |
| Daily Newspaper     | 1-Circulation of 24,000 |

|    | RECREATIONAL (1)    |
|----|---------------------|
| 22 | Parks (600 + acres) |
| 1  | Golf Course         |
| 16 | Ball Diamonds       |
| 21 | Tennis Courts       |
| 2  | Swimming Pools      |

| OTHER FACILITIES (2)  |
|-----------------------|
| 62 Churches           |
| 1 Hospital            |
| 3 Libraries           |
| 14 Banking Facilities |

| YEAR | TOTAL TAXABLE SALES (3)<br>As reported by sales and use<br>tax permit holders |
|------|-------------------------------------------------------------------------------|
| 2001 | \$537,932,451                                                                 |
| 2000 | 529,015,309                                                                   |
| 1999 | 520,956,059                                                                   |
| 1998 | 494,738,552                                                                   |
| 1997 | 511,529,313                                                                   |
| 1996 | 498,948,197                                                                   |
| 1995 | 475,046,808                                                                   |

- (1) Respective Departments
- (2) Chamber of Commerce
- (3) North Dakota Sales and Use Tax Statistical Report

CITY OF MINOT, NORTH DAKOTA  
 MISCELLANEOUS AND DEMOGRAPHIC STATISTICAL DATA

| EDUCATIONAL FACILITIES (4) | NUMBER | ENROLLMENT |
|----------------------------|--------|------------|
| Elementary Schools         | 13     | 3,826      |
| Junior High Schools        | 3      | 976        |
| Senior High Schools        | 3      | 2,112      |
| OTHER SCHOOLS:             |        |            |
| Minot State University     | 1      | 3,042      |
| Private Jr./Sr. Highs      | 2      | 437        |
| Parochial Elementary       | 3      | 432        |

| YEAR | POPULATION (5) |
|------|----------------|
| 2000 | 36,567         |
| 1990 | 34,544         |
| 1980 | 32,843         |
| 1970 | 32,290         |
| 1960 | 30,604         |
| 1950 | 22,032         |
| 1940 | 16,577         |

CITY BUS: (6)

City involvement in bus operations became permanent in November 1974 when City citizens voted in favor of a mill levy for a city owned and operated city-wide bus system. Early City Bus ridership averaged approximately 150 passengers per day. During the year 2001, 151,027 riders, an average of 503 per day rode the City Bus. Additional routes and vehicles are provided to handle peak traffic.

The public transportation department acquired a handicap accessible van during 1992. ADA complimentary transportation service is now provided.

ROSEHILL CEMETERY: (6)

Located in southeast Minot, Rosehill Cemetery is supported by a yearly tax levy and revenues received from lot sales and interment charges. Services are available to the citizens of the City of Minot and surrounding communities. The cemetery had 232 interments and 246 lot sales in 2001.

- (4) Minot Public Schools
- (5) Bureau of Census Data
- (6) Respective City Departments

CITY OF MINOT, NORTH DAKOTA  
 MISCELLANEOUS AND DEMOGRAPHIC STATISTICAL DATA

SANITATION UTILITY: (7)

The Sanitation Utility currently has 9,862 users. The City Sanitation service provides garbage curb pick-up service twice weekly to residential users. Sanitary landfill services are available six days a week, eight hours per day with extra hours at the landfill during the summer months. Trash service is provided twice each week to each household.

CITY AUDITORIUM: (7)

The municipal auditorium was financed by general obligation bonds and supported by a yearly tax levy and revenue received for rental and concessions. The complex has a total seating capacity of 5,066. In the year 2001, 344,165 persons attended 2,033 events in the 21 rooms.

WATER AND SEWER UTILITY: (7)

The goal of this enterprise is to provide safe and adequate water for all users on demand; provide functional and efficient water distribution and to continue to provide safe and reliable transportation of the wastewater from the residences and establishments to the wastewater pumping stations and the treatment facilities. The operation of the water and wastewater facilities will continue to promote and encourage education for the protection of the public health and improved environment.

The City's sewage system operates with 18 lift stations. Essentially all meters are now remote meters.

The City obtains its water supply from the Souris River, Minot aquifer and the Sundre Aquifer. A 18 million gallon per day water plant assures the citizens of Minot of a definite water supply for the years to come.

| WATER PLANT STATISTICS                   | AMOUNTS                     |
|------------------------------------------|-----------------------------|
| Consumers                                | 11,443                      |
| Average gallons per day                  | 6,520,206                   |
| Total 2001 gallons treated               | 2,347,274,000               |
| Peak consumption 2001                    | 11,422,000                  |
| Miles of water mains and sanitary sewers | Estimated at 160 miles each |

(7) Respective City Departments

CITY OF MINOT, NORTH DAKOTA  
MISCELLANEOUS AND DEMOGRAPHIC STATISTICAL DATA

AIRPORT: (8)

The Minot International Airport provides the public and commercial airlines with an ultra modern commercial aviation terminal facility for the safe efficient air transportation of persons and goods. The commercial aviation terminal facility provides services for 68,255 annual enplaned commercial passengers (approximately the same number deplaned) and 1,071 commercial flights. The commercial aviation terminal provides housing for one commercial airlines, three car rental companies, restaurant, lounge, U.S. Customs offices, gift shop, security office, restrooms, and Airport Administration offices. The commercial terminal also supports a 400 car pay parking facility which provides a substantial revenue source to the Airport.

The newly constructed general aviation terminal provides housing for the airport fueling office, Pan Am Weather system, and pilot lounge available 24 hours daily. The GA Terminal also houses FAA Airway Facilities office and U.S. Customs and two air-freight companies.

Two fixed base operators are located on the airport property. The municipal airport owns 16 T-hangars which are rented to private aircraft owners and 13 privately owned aircraft hangars are located on the airport property. There are approximately 50 based aircraft on the airport.

The airport provides the fueling and servicing of approximately 9,000 aircraft each year and removes snow and ice from runways, taxiways, aircraft parking areas, both GA and Commercial, and landside snow removal for both terminals.

Built in 1974, the fire station houses State of the Art Aircraft Rescue and Fire Fighting Vehicles (ARFF) necessary to provide coverage as required under FAA Certification Rules.

The Airport provides land for our newly established Dakota Territory Air Museum and an Armed Forces Reserve Center. Both of these facilities are located on airport land at the north end of the airport.

MINOT AIR FORCE BASE: (9)

Located twelve miles north of Minot and a definite part of the community is one of the nation's largest Air Force bases. Minot Air Force Base serves as the home of over 10,088 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City of Minot during their tour of duty and after their discharge. The relationship between the citizens of Minot and those of the base is one of mutual cooperation and friendliness. In a recent economic impact analysis, Minot Air Force Base had an economic impact of more than \$261.3 million to the Minot area in 2001.

(8) Respective City Departments

(9) Minot Air Force Base

# EideBailly<sup>LLP</sup>

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## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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Members of the **Municipal Airport Authority**  
Minot Municipal Airport  
Minot, North Dakota

### Compliance

We have audited the compliance of **Municipal Airport Authority of the City of Minot**, North Dakota 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, 2001. Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge Program is the responsibility of **Municipal Airport Authority of the City of Minot**, North Dakota's management. Our responsibility is to express an opinion on **Municipal Airport Authority of the City of Minot**, North Dakota's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 **Municipal Airport Authority of the City of Minot**, North Dakota's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Municipal Airport Authority of the City of Minot**, North Dakota's compliance with those requirements.

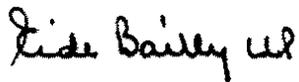
In our opinion, **Municipal Airport Authority of the City of Minot**, North Dakota complied, in all material respects, with the requirements referred to above that are applicable with its Passenger Facility Charge Program for the year ended December 31, 2001.

### Internal Control Over Compliance

The management of **Municipal Airport Authority of the City of Minot** 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 **Municipal Airport Authority of the City of Minot's** internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

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

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

A handwritten signature in cursive script that reads "Lisa Bailey" followed by a stylized flourish.

Minot, North Dakota  
April 5, 2002

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Minot**, North Dakota, as of and for the year ended December 31, 2001, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2001, and have issued our report thereon dated April 5, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### *Compliance*

As part of obtaining reasonable assurance about whether the **City of Minot**, North Dakota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered **City of Minot**, North Dakota's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

*Lide Bailey*

Minot, North Dakota  
April 5, 2002



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

*Compliance*

We have audited the compliance of the **City of Minot**, North Dakota, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2001. The **City of Minot**, North Dakota's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Minot, North Dakota's management. Our responsibility is to express an opinion of the **City of Minot**, North Dakota's compliance based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City Of Minot**, North Dakota's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the **City of Minot**, North Dakota's compliance with those requirements.

In our opinion, the **City of Minot**, North Dakota complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2001. The results of our tests disclosed no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133.

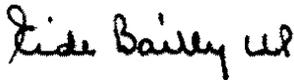
*Internal Control Over Compliance*

The management of the **City of Minot**, North Dakota is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the **City Of Minot**, North Dakota's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the **City of Minot**, North Dakota's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings as item 01-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 01-1 is not a material weakness.

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

A handwritten signature in cursive script that reads "Lida Bailey" followed by a small flourish.

Minot, North Dakota  
April 5, 2002

**CITY OF MINOT**  
**MINOT, NORTH DAKOTA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2001**

| <u>Federal Grantor/<br/>Pass-Through Grantor/Program Title</u> | <u>Agency or<br/>Pass Through<br/>Number</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Expenditures</u> |
|----------------------------------------------------------------|----------------------------------------------|------------------------------------|---------------------|
| <i>U.S. DEPARTMENT COMMERCE EDA</i>                            |                                              |                                    |                     |
| Water System Expansion                                         |                                              | 11.300                             | \$ 596,280          |
| Total U.S. Department Commerce EDA                             |                                              |                                    | <u>596,280</u>      |
| <i>U.S. DEPARTMENT OF HUD</i>                                  |                                              |                                    |                     |
| Passed-Through Office of Intergovernmental Assistance          |                                              |                                    |                     |
| Community Development Block Grant                              | Various                                      | 14.228                             | <u>159,000</u>      |
| Total U.S. Department of HUD                                   |                                              |                                    | <u>159,000</u>      |
| <i>U.S. DEPARTMENT OF JUSTICE</i>                              |                                              |                                    |                     |
| Direct Programs:                                               |                                              |                                    |                     |
| Bullet Proof Vest Program                                      |                                              | 16.580                             | <u>1,073</u>        |
| Local Law Enforcement Block Grant                              |                                              | 16.590                             | 95,111              |
| COPS                                                           |                                              | 16.590                             | <u>53,453</u>       |
| Total CFDA #16.590                                             |                                              |                                    | <u>148,564</u>      |
| Passed-Through North Dakota Attorney General's Office:         |                                              |                                    |                     |
| Narcotics Task Force                                           | D97-242                                      | 16.579                             | 104,026             |
| Rehab Services                                                 | D00-221                                      | 16.579                             | 13,054              |
| Domestic Violence Crisis Center                                | D00-230                                      | 16.579                             | <u>15,886</u>       |
| Total CFDA #16.579                                             |                                              |                                    | <u>132,966</u>      |
| Passed through the State of North Dakota Health Department:    |                                              |                                    |                     |
| STOP- Violence Against Women                                   | #01-255 & #02-312                            | 16.588                             | <u>6,775</u>        |
| Total U.S. Department of Justice                               |                                              |                                    | <u>289,378</u>      |

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Page 2**

| <u>Federal Grantor/<br/>Pass-Through Grantor/Program Title</u> | <u>Agency or<br/>Pass Through<br/>Number</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Expenditures</u>        |
|----------------------------------------------------------------|----------------------------------------------|------------------------------------|----------------------------|
| <i>U.S. DEPARTMENT OF TRANSPORTATION</i>                       |                                              |                                    |                            |
| Direct Programs:                                               |                                              |                                    |                            |
| Airport Programs:                                              |                                              |                                    |                            |
| #626                                                           |                                              | 20.106                             | 83,593                     |
| #627                                                           |                                              | 20.106                             | <u>4,749,667</u>           |
| Total CFDA #20.106                                             |                                              |                                    | <u>4,833,260</u>           |
| Passed-Through North Dakota Department of Transportation:      |                                              |                                    |                            |
| Occupant Protection Blitz Plan                                 | 09-590-1100                                  | 20.507                             | 3,980                      |
| Occupant Protection Blitz Plan                                 | 09-663-0801                                  | 20.507                             | 6,531                      |
| Video Camera Surveillance System                               | 09-640-0501                                  | 20.507                             | 16,397                     |
| Section 18                                                     |                                              | 20.507                             | <u>544,293</u>             |
| Total CFDA #20.507                                             |                                              |                                    | <u>571,201</u>             |
| Mayor's Council for Traffice Safety                            |                                              | 20.600                             | <u>25,974</u>              |
| Total U.S. Department of Transportation                        |                                              |                                    | <u>5,430,435</u>           |
| TOTAL EXPENDITURES OF FEDERAL AWARDS                           |                                              |                                    | <u><u>\$ 6,475,093</u></u> |

## **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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### **NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

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

### **NOTE 2 – AGENCY OR PASS-THROUGH NUMBER**

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

**CITY OF MINOT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED DECEMBER 31, 2001**

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**NONE**

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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### A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the **City of Minot**.
2. No reportable conditions relating to the audit of the financial statements are reported in the Independent Auditor's report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the **City of Minot** were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for the **City of Minot** expresses an unqualified opinion on all major federal programs.
5. One reportable condition disclosed during the audit of the major federal award programs in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133. This condition is not reported as a material weakness.
6. Audit findings relative to the major federal award programs for the **City of Minot** are reported in Part C of this schedule.
7. The programs tested as major programs were Airport Improvement Grant, CFDA #20.106, Federal Transit Authority, CFDA #20.507, and Water System Expansion, CFDA #11.300.
8. The threshold for distinguishing a Type A program was \$300,000.
9. The **City of Minot** was determined to be a low-risk auditee.

### B. FINDINGS – FINANCIAL STATEMENT AUDIT - none

### C. FINDINGS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

01-1 Agency: Department of Transportation, Program: Federal Transit, CFDA #20.507, Grant year ended December 31, 2001.

*Statement of Condition:* The City of Minot is not properly identifying fixed assets purchased with federal funds when updating the fixed asset schedule.

*Criteria:* A good system of internal accounting controls will be used to identify assets purchased with federal funds on the fixed asset schedule.

*Effect of Condition:* Inadequate accounting controls could adversely affect the City of Minot's Federal Transit's ability to identify fixed assets purchased with federal funds.

*Recommendation:* The City of Minot should establish an internal accounting control that will identify fixed assets purchased with federal funds.

*Response:* The City of Minot will start including in the fixed asset system the federal grantor information for all fixed assets purchased with federal funds.