

MAGIC FUND

Annual Compliance

Report

2004



**Compiled by the City of Minot
Finance Department
515 2nd Ave SW
Minot, ND 58701
710-857-4784**

Annual Report of

MINOT AREA GROWTH BY INVESTMENT AND
COOPERATION
(The "Magic Fund")

to

City Council of Minot

Date: October 1, 2005

David Hogue, Chairman

INTRODUCTION

In 1990, the voters of the city of Minot approved imposition of a one-cent city sales tax. Revenue from the sales tax is dedicated to improvements to city infrastructure, property tax relief, and economic development. Forty percent of the one-cent sales tax, the percentage allocated to economic development efforts, is accumulated in a city fund called the Minot Area Growth by Investment and Cooperation Fund (the "MAGIC Fund" or the "Fund").

The voters of Minot extended the one-cent sales tax in June of 2004. The extension runs through June 30, 2014 and continues with the 40% allocation for economic development.

An advisory citizen committee supervises disbursement of a portion of the MAGIC Fund revenue. The mayor, with the consent of the Minot City Council ("Council"), appoints members to the MAGIC Fund Screening Committee (the "Committee"). The Committee does not have oversight responsibility for disbursements from the Fund related to Minot Air Force Base Retention efforts, payments for infrastructure to new business locations, or compensation to MADC for economic development work.

Committee members serve three-year terms and may be reappointed for a second term. The current Committee members with their terms of office are:

David Hogue, Chairman (2008)

Richard White, Vice-Chairman (2006)

Dick Bergstad (2007)

John Doubeck (2006)

Mark Hildahl (2007)

Allan Engh (2008)

Terry Zeltinger (2007)

Historically, the Committee's role was to evaluate applications submitted by organizations requesting MAGIC Fund revenue. In 2001-2003, the Magic Fund's financial performance, and the Committee's operating procedure became the subject of public debate.

The Council formed a "Magic Fund Study Committee" to recommend improvements to the way the Committee handles applications. The Study Committee held public meetings, invited public input during its meetings and drafted new guidelines for the MAGIC Fund Screening Committee. The Study Committee also had the benefit of recommendations from two separate audits.

On June 2, 2003, the Council approved new written policy guidelines for the MAGIC Fund Screening Committee. The adopted guidelines require the chairman of the Committee to submit a written report, with a contemporaneous oral report to the Council. The written report should include:

1. An independent financial accounting for all tax money spent during the reporting period. This portion of the report must include Magic Fund balance information;
2. An assessment of the performance of the current job development and retention contracts, using the "project tracking" guidance in the policy;

3. An assessment of the performance of all contracts for "supporting services";
4. A listing of all applications that were not approved by the Committee;
5. An assessment of the financial and management health of the Magic Fund, including matters recommended for policy change.

The undersigned, as chairman of the Committee, makes this written report as required by the Magic Fund General Policy Guidelines. I will make the oral report at the convenience of the Council.

I.

**ACCOUNTING FOR MONEY SPENT DURING THE REPORTING PERIOD;
MAGIC FUND BALANCE INFORMATION.**

The Fund approved one project during the reporting period. The Committee approved an interest buy down in the amount of \$31,000 to Dakota Outerwear, Inc. Dakota Outerwear, Inc. is a military clothing supplier located three miles north of Minot. In 2005, the Fund also approved an interest buy down for Minot Milling in the amount of \$110,000. Minot Milling is expanding its storage and grain handling capacity at its plant east of Minot. Minot Milling estimates the expansion will create two new jobs and cost \$2.25 million. Both the Dakota Outerwear and Minot Milling interest buy downs are administered through the Bank of North Dakota.

The audited financial statements for the Fund are included with this report. For the period ended December 31, 2004, the Fund has a fund balance of \$303,569.

The full repayment of the delinquent MedVision loan was a significant achievement for the Fund in 2004. The Fund received a payment of \$428,232 from the applicant. The repayment represents 43% of the debt owed to the Fund for the reporting period.

A trial balance sheet for the period ending July 31, 2005 reflects a fund balance of \$1,231,672. The best available information concerning the future balance of the Fund comes from the Comptroller of the city of Minot, Jean Senger. She estimates that the Fund will have available approximately \$2,455,000 for use by the Committee through June of 2006.

Revenue from the one-cent sales tax is increasing. Revenue for the first seven months of 2004 (the Fund's 40% allocation) was \$1,148,820. For the first seven months in 2005, revenue is 1,215,105, an increase of 5.77%.

II.

ASSESSMENT OF PERFORMANCE OF JOB DEVELOPMENT AGREEMENTS.

Appendix 1, the Finance Department's report for 2004, provides the Council with the raw data concerning the number of jobs and total wages paid by MAGIC Fund recipients. For large Fund recipients in Minot, the results are mixed. While both ING and MLT reported modest decreases in the number of employees, both reported increases in payroll from 2003. For 2004, ING

reported 703 employees with a total payroll of \$16,224,000. For 2003, ING reported 738 total employees with a \$15,882,000 payroll. So, while ING reported a 4.75% decline in the number of workers, it also reported a 2.2% payroll increase. Likewise, MLT reported 315 employees for 2004, compared to 343 in 2003; MLT's payroll for 2003 was reported as \$5,423,000, while its 2004 payroll is reported at \$5,714,000.

An overall assessment of the performance of contracts between the city of Minot and MAGIC Fund applicants must begin with ING, the company with the largest commitment for new jobs, 750, and the largest recipient of Magic Fund revenue (approximately \$5.1 million in four years). As the City report indicates, at the end of fiscal year 2004, ING reported 703 jobs with a total payroll of \$16,224,000. These figures do not include the adjoining day care center. The Magic Fund has made a substantial investment in the ING Project, and that investment continues to provide a high rate of return for the Minot economy.

III.

ASSESSMENT OF SUPPORTING SERVICES CONTRACTS

Minot Area Development Corporation "MADC" is a non-profit corporation engaged by the city of Minot to assist with economic development. MADC has three full-time employees. MADC's board of directors is comprised of volunteers who come from the local business community, Minot State University, and other public agencies with a role in economic development.

The Fund supports MADC through direct payments. In 2004, the Fund provided MADC \$ \$231,000.00. As of this writing, the Council has approved MADC's request of approximately \$280,000 for 2006.

The Council's continued confidence in MADC is well founded. The informal partnership between the city of Minot and MADC remains successful. MADC works closely with city officials, insuring that potential projects are aggressively pursued. Frequently, new employers have questions about Minot's education system, infrastructure capability, and other public services. MADC's close working relationship with educators, city leaders, and other public agencies allows MADC to quickly respond to potential employers' questions, and address their related concerns.

The Fund also supports base retention efforts through payments to "Task Force 21" for travel, base retention consultants, and related expenses. The Committee exercises no oversight over funds distributed for base retention efforts.

IV.

DENIED APPLICATIONS.

For the reporting period, the Committee denied the application of Earth Harvest Mills, a Harvey based processor of organic flour. Recently the Committee considered two related applications for a biodiesel development project. The Committee tabled these applications, pending further investigation by the Committee.

V.

**AN ASSESSMENT OF THE FINANCIAL AND MANAGEMENT HEALTH
OF THE MAGIC FUND AND RECOMMENDED POLICY CHANGE.**

The financial position of the Magic Fund is described in the City Finance Department's report attached hereto. The Fund's positive balance continues to increase. Increase in sales tax revenue, repayment of the MedVision debt, coupled with relatively small disbursements for new applicants, has put the Fund on course to achieve a significant cash balance this year. Presently, the Fund is financially poised to consider a large project on the order of ING or MLT.

With respect to recommended changes to the Magic Fund guidelines, I offer the following suggestions:

SUGGESTED POLICY CHANGES.

A. CLARIFICATION OF THE COMMITTEE'S ROLE FOR "SUPPORTING SERVICES"

The present guideline directs the Chairman of the Committee to report to the Council annually on the performance of the contracts for all supporting services paid for by the 40-percent "first penny" tax revenue. I am unclear what the Council desires with respect to "supporting services." MADC provides supporting services and Fund revenue is used to pay MADC. The Committee does not monitor MADC's performance under the contract. Is that a task delegated to staff or a committee of the Council? The Council should clarify this requirement.

B. EDUCATION OF COMMITTEE MEMBERS

The Guidelines specify that the Committee members will have expertise in the areas of "professional, labor, business, finance" and that one Committee member will be from the "trade area." The guidelines clearly intend that the mayor choose members with certain skills or background. Many Committee members, including me, lack a comprehensive understanding on economic development programs beyond the Magic Fund. State and federal programs offer significant economic incentives to new and expanding businesses. To make good decisions for the City, Committee members need to understand these programs and the business of economic development. I recommend Committee members receive training specifically related to economic assistance available from other government agencies. To underscore the importance of this training, I recommend the guidelines be amended to require training of Committee members. The City staff does an excellent job of educating Committee members and answering questions, but the Committee lacks a systematic approach to ensuring that all Committee members have the same level of information with respect to economic development programs and the process of assisting new or expanding businesses.

Thank you for your time and consideration of these matters.

David Hogue
MAGIC Fund Screening Committee Chairman

City of Minot

Finance Department

August 17, 2005

To: Mayor and City Council
From: City of Minot Finance Department
RE: 2004 MAGIC Fund Annual Compliance Report

The section of MAGIC Fund Commitments shows the companies approved for funding during 1999 – 2004, the City in which the individual company is located, and the requirements to be met in order to receive funding. In addition to these companies, commitments were made for:

Churchs Ferry:

Burlington Northern Sante Fe	Grant-Raise Rails	\$15,000	2001
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Harvey:

Earth Harvest Mills, Inc	Loan Guarantee-Denied	50,000	2004
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Jamestown:

Commercial Vegetable Growers	Grant-Marketing Director	\$10,000	2000
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Minot:

Minot State University	Grant-Marketing	\$50,000	1999
Souris Basin Planning Council	Grant-Relending	\$75,000	1999
Small Business Development Center	Grant-Infrastructure	\$10,000	2000

In 2004, one project, an interest buy down for \$31,000 to Dakota Outerwear was approved. In addition one project, a loan guarantee for \$50,000 to Earth Harvest Mills, Inc. was denied.

Total collections for the Economic Development portion of the one-cent sales tax from June 1990-December 2004 was \$23,783,834.

The section on MAGIC Fund Jobs and Wages Comparison reveals jobs committed per the development agreement or contract versus the actual jobs and wages as presented to us by the individual companies. All companies shown in the MAGIC Fund Commitments section for 1999-2004 are shown on this comparison, along with other companies that voluntarily shared their information with us.

The audited 2004 financial statements – including the Balance Sheet, the Statement of Revenues, Expenditures and Changes in Fund Balance, and the Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual – as shown in the City of Minot CAFR. Additional financial statements include the outstanding loan activity for 2004.

★ The Magic City ★

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MAGIC Fund Commitments 1999 - 2004

MAGIC Fund Report

Business	Year	Amount	Type of Funds	Contract Requirements--Comments
Butte				
Mother of 8	1999	5,000	Grant	Employment--Per the contract, the loan would become a grant if they employ 7 in 2003, 8 in 2004, 9 in 2005 and 10 in 2006. The obligations for 2003 and 2004 were met.
		5,000	Loan	
Crosby				
Superior Grains	1999	40,000	Loan guarantee	Must be used in equal amounts with the Crosby Spirit Fund.
Lighted Impressions	2000	60,000	Loan guarantee	
Semolina Specialities/Bushel 42	2001	30,000	Loan guarantee	No Requirements - Remodeling of a former grade school building for the project.
		50,000	Stock Purchase	No Requirements - Stock equity investment.
		20,000	Interest Buydown	No Requirements - To support an interest buydown on a Pace loan.
		10,000	Grant	No Requirements - To cover operating expenses.
Dunseith				
Melco Industries	2000	10,000	Loan	No Requirements- Financing used for new molds.
Garrison				
Body Menders/Pigeon Products	2000	20,000	Grant	No Requirements- To assist in the buy-down, construction money and relocation money.
Lake Road Auto	1999	5,000	Loan	No Requirements
Lewis & Clark Bean & Pea	2001	30,000	Loan	Withdrawn
Harvey				
Dakota Halal	2000	50,000	Preferred Stock	Completion of a local fund drive and the stock be in the name of the City of Minot's.
Earth Harvest Mills, Inc	2004	50,000	Loan Guarantee	MAGIC Fund Screening Committee denied request.
Kenmare				
Commercial Group West	1999	65,000	Grant	No Requirements -Land purchase, Infrastructure cost and balance to help with a Pace Buydown.
Creative Industries	1999	13,000	Interest Buydown	No Requirements- Pace Buydown
Minot				
Albertson Consulting	2001	50,000	Grant	Loan will convert to a grant if employment levels are met. 2002-15 employees, 20 in 2003, 25 in 2004 and 30 in 2005. The 2002 numbers were met, 2003 were not met & a payment was made to the City. The 2004 employment levels were not met and a request was made by Albertson Consulting to restructure the loan. This is still pending.
		100,000	Convertible Loan	
Central Machine & Pump	1999	36,000	Interest Buydown	No Requirements- Pace Buydown To assist in bld expansion and equip purchase.

MAGIC Fund Commitments 1999 - 2004

MAGIC Fund Report

Business	Year	Amount	Type of Funds	Contract Requirements--Comments
Minot				
Dakota Outerwear	2004	31,000	Grant	To help with an interest buy-down to purchase a larger building.
	2000	625,000	Grant	See Attached
ING	2001	987,500	Grant	See Attached
MLT	1999	3,000,000	Grant	See Attached
TotalEmed/ Spheris	1999	300,000	Grant	See Attached
		30,000	Interest Buydown	See Attached
WebSmart	2000	200,000	Convertible Loan	
Mohall				
Midwest Telemark	2001	15,000	Grant	To assist in the acquisition and remodeling of another building to expand.
New Town				
Northrop Grumman	1999	92,900	Grant	No Requirements—to assist in the purchase of high tech manufacturing equipment.
Parshall				
Northwest Dairy LLP	2001	50,000	Loan	The City is to have the security interest (Collateral) in two pieces of equipment. Payloader #41K11941 1976 IH 1086 #2610177U013373
Ray				
Medical Arts Press	1999	15,000	Grant	Help with remodeling and the condition that the loan be paid in \$5,000-per-yr installments
		15,000	Loan	beginning October of 2005.
Rugby				
Rugby JDA (Rugby Manufacturing)	2000	44,265	Interest Buydown	No Requirements- to help with an interest buy-down and also for site improvements.
		60,000	Loan	
Russell				
Souris River Grain	1999	5,000	Interest Buydown	No Requirements—to assist in the expansion of their existing facility.

MAGIC Fund Commitments 1999 - 2004

MAGIC Fund Report

Business	Year	Amount	Type of Funds	Contract Requirements---Comments
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Sawyer

Punkin Patch Pheasant	2000	7,500	Grant	This was subject to the other funding sources being in place before the grant is made. To help build a new hatchery facility. Verification is by a fax from SBPC.
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Sherwood

Sherwood Jack and Jill	1999	5,500	Grant	No requirements- to be used as a portion of the down payment to purchase the store.
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Stanley

D-R-L Tire Sales	2000	3,750	Grant/Interest Buydown	No Requirements- to buy-down the loan.
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Velva

Agro-Tech	2001	6,800	Grant	No Requirements-Money used to assist in the expansion project.
Imscomm Software, Inc	2001	10,000	Grant	All other funding need to be in place before sending check. Verified by a letter from the Inscomm President.
Velva Drug	2001	5,000	Grant	No Requirements - Used for equity in the Company's down payment.
Velva Area EDC	1999	10,000	Grant	No Requirements - Land Acquisition

Watford City

AmeriTech	1999	20,000	Grant	No Requirements - Assist in the purchase of a building.
Cross Consulting	1999	40,000	Loan Guarantee	Contingent on Approval of the Williston STAR Fund and the Watford Roughrider Fund & the guarantee be reduced each year by 1/3. No verification in the file.

Westhope

Antler Creek	2000	4,000	Grant	No Requirements - Help company build up Inventory.
Deva Lifewear	1999	25,000	Preferred Stock	The purchase of the stock is bases upon a review and approval by the City Attorney and that all shareholders have the same rights. A letter from the City Attorney is in the file.

MTI of Bottineau and of Kenmare are not on this report. Their commitment was prior to 1999.
 Minot Milling is not on this report. Their commitment was prior to 1999.

Conditions of Agreements

ING- 2001 Grant

The City agrees to pay to the Company—

Payment of \$750,000 paid in three equal annual installments as set forth below:

1. \$250,000 upon completion of erection of steel for expansion
2. \$250,000 on the first anniversary of the initial payment as defined in #1
3. \$250,000 on the second anniversary of the initial payment as defined in #1

A payment of \$187,500 when the following conditions are met:

1. The Company (including the childcare center) employs 750 FTE employees in Minot.
2. Substantial completion and occupancy of the Expansion has occurred. If by the fourth anniversary of this Agreement the Company has not yet met the conditions set forth to receive the bonus, then no part of the bonus payment will be paid to the Company.

A payment of up to \$50,000 to the Company to reimburse the Company for infrastructure extension cost. (Sewer and Water, etc)

ING- 2000 Grant

Conditions of this payment were employment levels over and above the contemplated number of people employed.

MLT Northwest Airlines

1. Lease the building for a term of no less than 10 years.
2. Invest not less than \$3,000,000 in remodeling and equipment in building.
3. Employment levels are to be met along with a specified average wage plus benefits.

Total Emed (Spheris)

1. \$100,000 at the signing of the agreement.
2. \$100,000 when a total of 82 employees are there.
3. \$100,000 when the total of 132 employees are there.

WebSmart

1. The building must be completed by December 1, 2000.
2. Invest not less than 1.35 million in building and equipment
3. Employment levels must be maintained for the loan to be converted to a grant as follows:
 - a. 40 employees on or before 8-7-2000; and
 - b. 30 additional employees on or before 8-7-2001; and
 - c. 30 additional employees on or before 8-7-2002; and
 - d. 25 additional employees on or before 8-7-2003; and
 - e. 25 additional employees on or before 8-7-2004.

MAGIC Fund Job And Wage Comparison - 2004

2004 Jobs and Wages					
City	Company	Committed		Actual	
		Jobs	Wages	Jobs	Wages
Bottineau	MTI	0	Executive	0	\$0
	(Midwest Telemarketing Inc.)		Management	1	\$30,870
			Supervisor	5	\$132,608
			Line & Staff	55	\$715,631
			Total	61	\$879,109
Butte	Mother of 8	7	Executive	1	\$10,000
			Management	1	\$9,600
			Supervisor	0	\$0
			Line & Staff	6	\$35,800
			Total	8	\$55,400
Crosby	Superior Grains	0	Executive	3	\$142,500
			Management	4	\$200,000
			Supervisor	8	\$260,000
			Line & Staff	32	\$435,000
			Total	47	\$1,037,500
	Lighted Impressions		Closed		
	Semolina Specialities		Closed		
	(Bushel - 42)				
Dunseith	Melco Industries		Did not respond		
Garrison	Pigeon Products		Owner run business		
	(Body Menders)				
	Lake Road Auto		Closed		
	Lewis & Clark Bean & Pea Growers		Withdrawn		
Harvey	Dakota Halal Processing		Closed		
	Earth Harvest Mills, Inc		Denied		
Kenmare	Commercial Group West		Did not respond/Closed		
	Creative Industries, Inc.	0	Executive	1	\$43,900
			Management	1	\$13,343
			Supervisor	2	\$75,471
			Line & Staff	12	\$138,212
			Total	16	\$270,926
	MTI	0	Executive	0	\$0
	(Midwest Telemarketing Inc.)		Management	1	\$32,781
			Supervisor	5	\$123,692
			Line & Staff	46	\$594,596
			Total	52	\$751,069

MAGIC Fund Job And Wage Comparison - 2004

2004 Jobs and Wages					
City	Company	Committed		Actual	
		Jobs	Jobs	Wages	Wages
Minot	Albertson Consulting	15	Executive Management Supervisor Line & Staff	1 4 0 6	\$66,600 \$15,662 \$0 \$179,002
			Total	11	\$261,264
	Central Machine & Pump	0	Executive Management Supervisor Line & Staff	2 2 3 22	\$106,154 \$66,897 \$138,801 \$655,548
			Total	29	\$967,400
	Dakota Outerwear Co	0	Executive Management Supervisor Line & Staff	0 1 3 13	\$0 \$134,888 \$108,349 \$270,850
			Total	17	\$514,087
	ING-2000 Grant	450	Executive	3	\$422,500
	ING-2001 Grant	750	Management Supervisor Line & Staff Day Care	18 39 643 24	\$955,665 \$1,083,130 \$13,763,000 \$336,000
			Total	727	\$16,560,295
	Minot Milling	0	Executive Management Supervisor Line & Staff	1 2 3 27	\$148,177 \$145,486 \$129,390 \$791,890
			Total	33	\$1,214,943
	MLT	0	Executive Management Supervisor Line & Staff	0 13 22 280	\$0 \$685,421 \$645,248 \$4,383,813
			Total	315	\$5,714,482
	Total Emed/Spheris (previously Network Health Services)	132	Executive Management Supervisor Line & Staff	1 3 0 4	\$56,347 \$108,782 \$0 \$111,174
			Total	8	\$276,303
	WebSmart	Did not Respond - Closed			

MAGIC Fund Job And Wage Comparison - 2004

2004 Jobs and Wages		Committed Jobs	Actual Jobs	Wages
City	Company			
Mohall	Midwest Telemarketing Inc.	0	Executive 4 Management 12 Supervisor 6 Line & Staff 63	\$300,000 \$463,905 \$159,286 \$1,414,138
			Total	\$2,337,329
New Town	Northrop Grumman	0	Executive 0 Management 9 Supervisor 0 Line & Staff 90	\$0 \$613,960 \$0 \$2,845,796
			Total	\$3,459,756
Parshall	Northwestern Dairy	0	Executive 1 Management 2 Supervisor 4 Line & Staff 14	\$70,000 \$85,000 \$120,000 \$315,000
			Total	\$590,000
Ray	Medical Arts Press	Did not Respond		
Rugby	Samsara Cues (Robodyne)	0	Executive 2 Management 0 Supervisor 3 Line & Staff 3	\$50,700 \$0 \$34,832 \$39,855
			Total	\$125,387
Russell	Souris River Grain	0	Executive 1 Management 9 Supervisor 0 Line & Staff 24	\$87,741 \$366,313 \$0 \$561,104
			Total	\$1,015,158
Sawyer	Punkin Patch Pheasant Ranch	0	Executive 0 Management 1 Supervisor 0 Line & Staff 6	\$0 \$20,000 \$0 \$15,000
			Total	\$35,000
Sherwood	Sherwood Jack & Jill	Did not Respond		
Stanley	DRL Tire Sales/ DBA Kens Tire	Did not respond		
Velva	Agro-Tech, Inc	0	Executive 2 Management 1 Supervisor 0 Line & Staff 6	\$105,000 \$90,000 \$0 \$31,242
			Total	\$226,242

MAGIC Fund Job And Wage Comparison - 2004

2004 Jobs and Wages					
City	Company	Committed Jobs	Actual Jobs	Actual Wages	
Velva	Inscomm Software Inc	0	Executive 3 Management 0 Supervisor 0 Line & Staff 2	\$60,000 \$0 \$0 \$25,376	
			Total 5	\$85,376	
	Velva Drug	0	Executive 2 Management 0 Supervisor 0 Line & Staff 3	\$148,994 \$0 \$0 \$37,830	
			Total 5	\$186,824	
	Velva EDC	Land Acquisition			
Watford City	AmeriTech	0	Executive 0 Management 0 Supervisor 1 Line & Staff 3	\$0 \$0 \$30,000 \$56,000	
			Total 4	\$86,000	
	Cross Consulting	Did not respond			
Westhope	Antler Creek Specialties Inc	Owner run business			
	Deva Lifewear, Inc	0	Executive 4 Management 0 Supervisor 1 Line & Staff 17	\$120,000 \$0 \$26,000 \$145,455	
			Total 18	\$291,455	

MAGIC Fund Job And Wage Comparison - 2004

Summary						
In the year 2004, 4 companies had 904 total committed jobs per their contracts or promissory notes.						
The actual jobs of these 4 companies totaled 730. In addition 19 other companies reported 893 jobs were in place with the following employment and wage totals per category:						
Total Employees	Category	Total Wages				
24	Daycare	\$336,000				
1377	Line & Staff-	\$27,561,312				
105	Supervisor-	\$3,066,807				
85	Management-	\$4,038,573				
32	Executive-	\$1,938,613				
1623		\$36,941,305				

Benefits Summary for MAGIC Fund Annual Compliance Report

2004

Health Insurance-

Of the 25 companies that responded to the survey,

- 4 paid 100% of the premium for health insurance.
- 4 paid for 76-100% of the premium for health insurance.
- 4 paid for 51-75% of the premium for health insurance.
- 2 paid for 26-50% of the premium for health insurance.
- 5 paid for 1-25% of the premium for health insurance.
- 6 carried no health insurance.

Pension Benefits-

Of the 25 companies that responded to the survey,

- 1 pay for 100% of the pension plan.
- 1 pay 76 -100% for the pension plan.
- 1 pay 26 - 51% for the pension plan.
- 4 pay 1 - 25% for the pension plan.
- 12 have no pension plan.
- 6 participate in a 401K plan.

Vacation Benefits-

Of the 25 companies that responded to the survey,

- 13 companies do offer a vacation benefit.
- 12 companies do not offer any kind of vacation benefit.

Other Tangible Benefits- (Sick Leave, Dental, Vision, Holiday Pay, etc.)

Of the 25 companies that responded to the survey,

- 12 companies do offer other benefits.
- 13 companies do not offer other benefits.

CITY OF MINOT, NORTH DAKOTA
BALANCE SHEET
SALES TAX ECONOMIC DEVELOPMENT FUND
DECEMBER 31, 2004

	SPECIAL REVENUE FUND
	SALES TAX
	ECONOMIC
	DEVELOPMENT
ASSETS	
Cash And Cash Equivalents	\$758,304
Investments	125,000
Loans Receivable	274,098
Allowance For Loans Receivable	(70,683)
Due From Other Agencies	128,322
TOTAL ASSETS	\$1,215,041
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts Payable	\$10,519
Advance From Other Funds	900,953
TOTAL LIABILITIES	911,472
FUND BALANCE	
Reserved For Economic Development	125,000
Reserved For Loans Receivable	203,415
Undesignated	(24,846)
TOTAL FUND BALANCE (DEFICIT)	303,569
TOTAL LIABILITIES AND FUND BALANCE	\$1,215,041

CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SALES TAX ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

SPECIAL REVENUE FUND	
	SALES TAX ECONOMIC DEVELOPMENT
REVENUES	
Sales Tax Collections	\$2,025,497
Interest Income	53,958
Miscellaneous	61,482
TOTAL REVENUES	\$2,140,937
EXPENDITURES	
Current	
Economic Development	645,376
Debt Retirement	5,690
Interest and Fiscal Charges	651,066
TOTAL EXPENDITURES	1,489,871
Revenues Over (Under) Expenditures	1,625,087
OTHER FINANCING SOURCES (USES)	
Transfers IN	334,970
Transfers OUT	(199,754)
TOTAL OTHER FINANCING SOURCES (USES)	135,216
Change in Fund Balance	(1,321,518)
FUND BALANCE(DEFICIT), JANUARY 1	\$303,569
FUND BALANCE(DEFICIT), DECEMBER 31	\$303,569

CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
SALES TAX ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

		SALES TAX-ECONOMIC DEVELOPMENT		VARIANCE
		ORIGINAL AND		
		FINAL	ACTUAL	FINAL BUDGET
		BUDGETED	AMOUNTS	POSITIVE
		AMOUNTS	(NEGATIVE)	
REVENUES				
Sales Tax Collections		\$1,883,424	\$2,025,497	\$142,073
Interest Income		-	53,958	53,958
Miscellaneous		-	61,482	61,482
TOTAL REVENUES		1,883,424	2,140,937	257,513
EXPENDITURES				
Current				
Economic Development		2,162,704	645,376	1,517,328
Debt Retirement				
Interest and Fiscal Charges		-	5,690	(5,690)
TOTAL EXPENDITURES		2,162,704	651,066	1,511,638
Revenues Over (Under) Expenditures		(279,280)	1,489,871	(1,769,151)
OTHER FINANCING SOURCES (USES)				
Transfers In		329,280	334,970	5,690
Transfers Out		(50,000)	(199,754)	(149,754)
TOTAL OTHER FINANCING SOURCES(USES)		279,280	135,216	(144,064)
Change in Fund Balance		<u><u>\$0</u></u>	<u><u>1,625,087</u></u>	
FUND BALANCE(DEFICIT), JANUARY 1			<u><u>(1,321,518)</u></u>	
FUND BALANCE, DECEMBER 31			<u><u>\$303,569</u></u>	

***Magic Fund Activity on Outstanding Loans
2004***

	Loan Balance as of Dec. 31, 2003	Payments 2004	2004	Loan Balance as of Dec. 31, 2004
			Adjustment	
Dental Healthway/Oral Logic	\$ 71,402.26	\$ -	\$ (71,402.26) **	\$ -
Robodyne/City of Rugby	56,332.88	56,332.88	-	-
Abacus Accounting	39,988.00	-	(39,988.00) **	-
Leeds EDC Trust	20,000.00	-	-	20,000.00
Noble Games	55,217.85	-	-	55,217.85
Electronic Services	113,000.00	-	(113,000.00) **	-
Med Vision	428,231.55	428,231.55	-	-
Ray EDC (Med Arts Press)	15,000.00	-	-	15,000.00
Mother of Eight	3,750.00	-	(1,250.00) *	2,500.00
Melco Industries, Inc.	10,000.00	-	-	10,000.00
Albertson Consulting	75,000.00	25,000.00	-	50,000.00
Dakota Marketing-Eliance	96,427.76	25,047.91	-	71,379.85
Northwest Dairy	-	-	50,000.00 ***	50,000.00
	\$ 984,350.30	\$ 534,612.34	\$ (225,640.26)	\$ 274,097.70

* Met Employment Criteria

**Written off - Business Closed

***New Loan