



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2019

CITY OF BISMARCK, NORTH DAKOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

December 31, 2019

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

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INTRODUCTORY SECTION





Finance Department

July 29, 2020

To the Honorable Mayor, Members of the City Commission, and citizens of the City of Bismarck, North Dakota

The Comprehensive Annual Financial Report (CAFR) of the City of Bismarck, North Dakota for the fiscal year ended December 31, 2019 is hereby presented. This complete set of financial statements has been prepared by the Fiscal Services Division of the City of Bismarck's (the City) Finance Department in accordance with generally accepted accounting principles (GAAP) and audited by an independent licensed certified public accounting firm in accordance with the generally accepted auditing standards and applicable laws.

GAAP requires management to provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The MD&A section follows the report of the independent auditors. This transmittal letter is designed to complement the MD&A and should be read in conjunction with it.

Management is responsible for the accuracy, completeness and, reliability of the financial statements. Management believes the financial statements present fairly, in all material respects, the financial position and results of operations of various funds, including all disclosures necessary to enable the reader to achieve a full understanding of the City of Bismarck's activities.

Management is responsible for establishing and maintaining an internal control framework. Internal control is designed to provide reasonable and not absolute assurance regarding the safeguarding of assets against loss, theft, or misuse, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not outweigh the benefits derived and that the valuation of cost and benefits require management's judgment and estimates. Management believes that the City's internal control over financial reporting provides reasonable assurance of proper recording and assets are adequately safeguarded.

State statutes and local ordinances require an annual audit by independent certified public accountants. The firm of Eide Bailly, LLP has audited the financial statements of the City. The audit provides 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. Eide Bailly, LLP concluded that the audit provides a reasonable basis for an unmodified opinion, and the City's financial statements for the fiscal year ending December 31, 2019 are in conformity with generally accepted accounting principles (GAAP). The auditor's report is presented in the financial section of this report.

Federal funds received by the City are also subject to an independent audit under the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)".

Finance Department ★ Fiscal Services Division

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221 N. Fifth Street ★ P.O. Box 5503 ★ Bismarck, ND 58506-5503



City Profile

Incorporated in 1875, the City is the State of North Dakota's capitol and is located in the center of the State in Burleigh County, bounded on the west by the Missouri River. The City currently has a land area of 34.91 square miles and a 2010 census population of 61,272. The City is empowered to levy a property tax on real estate located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is performed periodically by the City Commission.

The City operates under a commission form of government, consisting of a president and four commissioners. The governing commission is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, the city administrator, assistant city administrator and city attorney, and hiring department directors. The city administrator is responsible for carrying out policies and ordinances of the governing body and for overseeing the day-to-day operations of the City. Commission members are elected to a four year staggered term with two commission members elected every two years. The president is elected to a four-year term and also serves as the Mayor of the City.

The financial reporting entity includes all funds of the primary government, the City of Bismarck. The City of Bismarck provides a full range of services, such as police and fire protection, sanitation services, construction and maintenance of highways, streets and infrastructure, water, wastewater and storm water utility services, solid waste disposal, municipal airport, library, and cultural centers and events.

The City adopts an annual budget ordinance approved by the City's Commission. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annually appropriated budget in accordance with the North Dakota Century Code (N.D.C.C.) and the City's Home Rule Charter. Charges for fees and services are reviewed and adjusted at the time of budget approval by the governing board. A five-year capital projects budget is also updated and approved by the governing board.

Local Economic Condition and Statistics

Although the area's largest industry is farming, the City is also a major medical center for the region. The City continues to seek economic diversification and is committed to new as well as current initiatives that support the economic growth of our City.

The Commission was granted a five-year extension for the Renaissance Zone (RZ) program which was established in 2001 to encourage reinvestment through property and income tax incentives in a 39 block area of downtown properties. This program has contributed to revitalization of downtown with numerous new business including retail, services and residential units. A total of 131 projects have been completed which includes 47 new downtown housing units. The projects have created 599.25 new jobs to date and the initial building value of RZ projects of \$22.6 million has more than tripled to \$77 million. The RZ projects reflect the commitment of the City Commission to strengthen the core of our community by stimulating new development and increased tax base in the downtown.

The Bismarck MSA continued a low unemployment rate of 2.6% in December 2019, which continues to be lower than the national rate of approximately 3.9%. The local economic outlook remains positive as the City continues to create and sustain jobs. Census population estimates in June 2019 identify the City as one of the top three largest fastest growing cities in the State. The City had a gain of 664 residents, a 0.9% increase, for a total of 73,529, which reflects an increase of 19.9% from 2010.

The City's real estate market continues to remain active. The average sale price was \$274,000, which is an increase from the average sale price of \$272,987 for 2018. This is supported by a number of accolades City received in 2019. Wallethub's ranked Bismarck in the top ten in the nation as the Best State Capital to live in, Best City to Start a Business, Best City for People with Disabilities and ranked #6 for the Best Place to Rent. Livability.com also ranked Bismarck in the Top 100 Best Places to Live for small to mid-sized cities in the US. Bismarck was also included in Forbes' Best Small Place for Business and Careers.

With the stabilization of the economy in the State and despite the impact of internet sales on local retail, the taxable sales and services increased in 2019 as compared to 2018.

The City continues to experience growth in its tax base through both property value enhancement and new construction. In 2019, 940 building permits were issued within the City's corporate limits. Residential construction in the City's extraterritorial jurisdiction and the adjacent zoned areas of Burleigh County also continued to grow in 2019. Commercial growth also increased which included the construction of new retail services, banks, restaurants, grocery store, medical and dental clinics, apartments, a new parochial school complex, and public school additions. The Growth in the property tax base for the year 2019 was 2.3%.

Major Initiatives

The City Commission continued the Infrastructure Task Force to review the City's road infrastructure ten-year capital improvement plan which totals \$246 million and develop funding recommendations. The City Commission also continued the Special Assessment Task Force (SATF) to consider funding recommendations for infrastructure maintenance as well as new development. The City Commission then established a Joint Task with representatives from each Task Force to meet and consider all the recommendations. Based on the Joint Task recommendations, in 2018, the City Commission approved ballot measures to cap the sales tax used for the 25 mill levy property tax reduction to the 2019 level and add an additional ½ cent sales tax dedicated to a specific list of arterial street project with a ten-year sunset. The City began collection of the ½ cent sales tax in the amount of approximately \$8 million annually to be used for the restricted projects, as noted in the ballot measure. The City Commission also authorized the introduction of legislation for cities to utilize a street maintenance fee in lieu of special assessments. With this option, property owners would pay a monthly fee on the utility bill and special assessments for street maintenance would be eliminated. This would be similar to the funding used for maintenance of water and sewer. The bill is currently being considered during the 2021 legislative session.

Burleigh County authorized a ballot measure to increase the 9-1-1 fee by \$0.50 for the purpose of purchasing, leasing or constructing and operating a new joint Central Dakota Communications (CenCom) public safety center. The measure passed in the June of 2018 and plans for developing the new center are in process. CenCom serves Bismarck, Mandan and Burleigh County. In 2019, the City entered into a lease agreement for the use of the building by CenCom upon construction completion estimated around August 2020.

The City Commission approved a space needs study to identify needs and uses of City buildings to account for growth and additional space for public safety, public health, and public works functions within the City. The study is estimated to begin around September 2020.

The City Commission completed the process to update the City's strategic plan. A project team of city employees co-chaired by Commissioners Zenker and Commissioner Oban continued their work with a consultant to gather public input to develop the vision of the community. The project theme is "Imagine Bismarck" for the future. Input has been solicited from the public at the annual Downtowners Street Fair, surveys, focus groups, school classrooms, and an interactive town hall meeting. In addition, the mission and values were modified to identify the strategic focus areas for the next five years. These will be used to develop specific objectives and goals. The plan was approved in 2019 and used as a basis of the 2020 and 2021 budgets.

The Metropolitan Planning Organization initiated the development of the transportation plan "Arrive 2045." The plan will address all transportation issues and opportunities for improvements in the region for the next 25 years. Ideas from community leaders and public input sessions will be used to identify projects for streets, public transit, bikes, freight and pedestrian and strategies. The plan includes Bismarck, Lincoln, Mandan and Morton and Burleigh counties and expected to be completed in 2020.

All of these initiatives reflect the Commission's commitment to the key areas of the Strategic Plan for economic vitality, community character, civic engagement and community services.

Awards and Acknowledgements

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 for its comprehensive annual financial report for the year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the comprehensive annual financial report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not have been accomplished without the dedicated services of the Fiscal Services staff and the various department heads. Appreciation is expressed to all personnel who assisted and contributed to its preparation. We acknowledge the thorough and professional manner in which the audit was conducted by our independent auditors, Eide Bailly LLP. Appreciation is also expressed to the Mayor and to all members of the City Commission for their interest and support in planning and conducting the financial operation of the City of Bismarck in an exemplary manner throughout the year.

Respectfully submitted,

Dmitriy Chernyak, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Bismarck
North Dakota**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morill

Executive Director/CEO

City of Bismarck



CITY OF BISMARCK, NORTH DAKOTA

LIST OF ELECTED AND APPOINTED OFFICIALS

Mayor-Commissioners:

| | Initial Term <u>Commenced</u> | Current Term Expires <u>2nd Tuesday of June</u> |
|-------------------------------|-------------------------------------|--|
| Mayor, Steven Bakken | 2018 | 2022 |
| Commissioner, Steven Zenker | 2018 | 2022 |
| Commissioner, Shawn Oban | 2016 | 2020 |
| Commissioner, Steve Marquardt | 2014 | 2020 |
| Commissioner, Nancy Guy | 2014 | 2022 |

Other Elected Officials:

Municipal Judge..... William Severin

Appointed Officials:

City Administrator..... Keith Hunke
 City Attorney.....Jannelle Combs
 Assistant City Administrator.....Jason Tomanek

Department Directors:

Airport..... Greg Haug
 Event Center..... Charlie Jeske
 Engineering..... Gabe Schell
 Finance..... Dmitriy Chernyak
 Fire Department..... Joel Boespflug
 Human Resources..... Robert McConnell
 Library..... Christine Kujawa
 Public Health..... Renae Moch
 Community Development.....Ben Ehreth
 Police Department..... Dave Draovitch
 Public Works Service Operations..... Jeff Heintz
 Public Works Utility Operations..... Michelle Klose

FINANCIAL SECTION





Independent Auditor's Report

To the Honorable Mayor
and Board of City Commissioners
City of Bismarck
Bismarck, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bismarck, North Dakota as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bismarck, North Dakota, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bismarck, North Dakota's basic financial statements. The introductory section, combining nonmajor fund financial statements, budget and actual comparisons, capital asset schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated July 24, 2020 on our consideration of the City of Bismarck's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bismarck's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bismarck's internal control over financial reporting and compliance.

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

Bismarck, North Dakota
July 24, 2020

MANAGEMENT'S
DISCUSSION
AND
ANALYSIS

CITY OF BISMARCK, NORTH DAKOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Bismarck (the City) offers the readers the City's narrative overview and analysis of the financial activities for the fiscal year ended December 31, 2019. The City encourage readers to consider the information presented in conjunction with additional information that was furnished in the letter of transmittal, which can be found on pages 1 – 4 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$936,240,663 (net position). Of this amount, \$197,540,023 may be used to meet the City's ongoing obligations to its citizens and creditors.
- Total net position increased by \$26,903,629, which was a decrease of \$9,006,248 from 2018. The overall increase is attributed to the philosophy of the City to finance projects through accumulated revenue instead of any form of debt. The current year decrease in funding is the result of the capital contributions of infrastructure due to water, sewer, and streets.
- At the close of the current fiscal year, the City's governmental activities reported combined ending net position of \$463,036,071, an increase of \$10,704,861 in comparison with the prior year. The unrestricted net position of \$145,803,806, or 31.49% of the governmental net position, is available for spending at the government's discretion.
- As of December 31, 2019, unassigned fund balance for the general fund was \$35,556,939 and the assigned fund balance was \$4,765,734. The assigned and unassigned fund balance is 87.03% of total general fund expenditures and 85.04% of total general fund revenues, including transfers.
- Revenue from all sources totaled \$159,296,631 which was a decrease of \$14,867,059 from 2018. This decrease is mainly attributed to reduced grant reimbursement for the airport runway construction project completion.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

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

The statement of net position presents information on all of the City's assets, deferred outflows of resources, deferred inflows of resources, and liabilities, with the difference between the them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, health and welfare, culture and recreation, and public works. The business-type activities of the City include the Bismarck Municipal Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Commercial Property and the Parking Authority.

The government-wide financial statements can be found on pages 19 - 20 of this report.

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, similar to other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, and balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 25 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, sales tax fund, street improvement construction fund, sewermain bond fund, and street improvement bond fund, which are considered to be major funds. Data from the other 20 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplemental information section of this report.

The City adopts an annual appropriated budget for its governmental funds, except for capital project funds. A budgetary comparison statement has been provided for the required funds based on state statute to demonstrate compliance.

The basic governmental fund financial statements can be found on pages 21 - 24 of this report.

Proprietary funds: The City maintains two different types of proprietary funds. Enterprise funds are used to report activities that charge customers for services provided. The enterprise funds are presented as business-type activities in the government-wide financial statements. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The internal service funds are reported with the governmental activities or business-type activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for the Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Commercial Property, Northern Plains Commerce Centre and Parking Authority. Airport, Event Center, Water, Sanitary Sewer, and Storm Water are considered major proprietary funds. Data from the nonmajor proprietary funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements in the supplemental information section of this report.

The basic proprietary fund financial statements can be found on pages 25 - 27 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of external parties. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The full-accrual and economic resources basis was used as the accounting method used for fiduciary funds. The basic fiduciary fund financial statements can be found on pages 28 - 29 of this report.

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 30 - 70 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 73 – 92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$936,240,663 as of December 31, 2019.

The following table presents condensed financial information on the City's Net Position as of December 31, 2018 and December 31, 2019.

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------------|----------------------------|---------------|-----------------------------|---------------|----------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Current and Other Non-Capital Assets | \$246,877,776 | \$248,336,041 | \$ 66,175,283 | \$ 75,557,208 | \$ 313,053,059 | \$ 323,893,249 |
| Capital Assets | 361,009,276 | 362,141,710 | 489,989,499 | 491,879,549 | 850,998,775 | 854,021,259 |
| Total Assets | 607,887,052 | 610,477,751 | 556,164,782 | 567,436,757 | 1,164,051,834 | 1,177,914,508 |
| Deferred Outflows of Resources | 11,822,414 | 5,166,643 | 3,279,566 | 1,447,000 | 15,101,980 | 6,613,643 |
| Long-Term Liabilities Outstanding | 156,051,825 | 139,566,065 | 96,774,316 | 89,396,656 | 252,826,141 | 228,962,721 |
| Other Liabilities | 10,435,246 | 7,498,561 | 5,474,004 | 5,023,282 | 15,909,250 | 12,521,843 |
| Total Liabilities | 166,487,071 | 147,064,626 | 102,248,320 | 94,419,938 | 268,735,391 | 241,484,564 |
| Deferred Inflows of Resources | 891,185 | 5,543,697 | 190,204 | 1,259,225 | 1,081,389 | 6,802,922 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 230,739,569 | 238,971,819 | 401,875,951 | 409,059,784 | 632,615,520 | 648,031,603 |
| Restricted | 55,329,012 | 78,260,446 | 11,195,951 | 12,408,591 | 66,524,963 | 90,669,037 |
| Unrestricted | 166,262,629 | 145,803,806 | 43,933,922 | 51,736,217 | 210,196,551 | 197,540,023 |
| Total Net Position | \$452,331,210 | \$463,036,071 | \$457,005,824 | \$473,204,592 | \$ 909,337,034 | \$ 936,240,663 |

By far the largest portion of the City's net position (69.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 resources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's ratio of long-term liabilities to capital assets is 26.8%. The ratio reflects the City's strategy of using current resources and cash balance to finance capital assets with the exception of special assessment districts.

The City's net position represents resources that are subject to external restrictions (9.7%) for specific purposes. The remaining balance of unrestricted net position of \$197,540,023 may be used to meet the City's ongoing services to the citizens.

At the end of the current fiscal year, the surplus of \$145,803,806 in the unrestricted governmental activities can be attributed to the funding of capital assets, one-time expenditures, economic development, financing debt and prepaying the cost of the infrastructure in the capital project funds.

As capital projects are finalized and closed, the majority of infrastructure improvements are financed through the issuance of bonds, which are then repaid through special assessments from the benefiting property owners. As the bonds are issued and special assessments are approved, the special assessments are recorded as receivables. However, many infrastructure projects remain open at year-end, resulting in a deficit net position in certain governmental funds (capital projects).

The City's current ratio (current assets/current liabilities, including debt payments due in less than one year) for the governmental activities is 9.13 and for the business-type activities is 6.26 which represents a strong capacity to meet current obligations.

The following table presents condensed financial information on the City's Changes in Net Position for the fiscal year ending December 31, 2018 and December 31, 2019.

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 12,046,294 | \$ 11,333,254 | \$ 54,341,063 | \$ 53,147,164 | \$ 66,387,357 | \$ 64,480,418 |
| Operating Grants and Contributions | 12,039,864 | 10,374,465 | 11,319 | 38,307 | 12,051,183 | 10,412,772 |
| Capital Grants and Contributions | 20,673,170 | 15,828,761 | 24,121,524 | 13,085,359 | 44,794,694 | 28,914,120 |
| General Revenues: | | | | | | |
| Taxes | 47,486,655 | 54,389,208 | 36,465 | 45,071 | 47,523,120 | 54,434,279 |
| Investment Earnings | 2,342,382 | 4,277,125 | 535,407 | 1,660,326 | 2,877,789 | 5,937,451 |
| Gain (Loss) on Disposal of Capital Assets | 352,053 | (30,697) | 177,494 | (4,851,712) | 529,547 | (4,882,409) |
| Total Revenues | 94,940,418 | 96,172,116 | 79,223,272 | 63,124,515 | 174,163,690 | 159,296,631 |
| Expenses: | | | | | | |
| General Government | 18,290,495 | 16,227,336 | - | - | 18,290,495 | 16,227,336 |
| Public Safety | 29,185,109 | 29,579,689 | - | - | 29,185,109 | 29,579,689 |
| Highways and Streets | 11,430,676 | 11,597,897 | - | - | 11,430,676 | 11,597,897 |
| Health and Welfare | 3,486,093 | 3,506,605 | - | - | 3,486,093 | 3,506,605 |
| Culture and Recreation | 3,524,975 | 3,610,946 | - | - | 3,524,975 | 3,610,946 |
| Public Works | 14,626,171 | 12,980,551 | - | - | 14,626,171 | 12,980,551 |
| Interest and Fiscal Charges | 3,849,896 | 3,835,971 | - | - | 3,849,896 | 3,835,971 |
| Airport | - | - | 7,735,107 | 8,008,832 | 7,735,107 | 8,008,832 |
| Event Center | - | - | 11,108,512 | 9,947,984 | 11,108,512 | 9,947,984 |
| Solid Waste Disposal | - | - | 2,600,476 | 3,068,343 | 2,600,476 | 3,068,343 |
| Solid Waste Collections | - | - | 4,275,343 | 4,185,101 | 4,275,343 | 4,185,101 |
| Water | - | - | 13,347,820 | 12,825,126 | 13,347,820 | 12,825,126 |
| Sanitary Sewer | - | - | 8,601,984 | 8,776,175 | 8,601,984 | 8,776,175 |
| Storm Water | - | - | 4,239,065 | 2,313,297 | 4,239,065 | 2,313,297 |
| Commercial Property | - | - | 88,130 | 26,593 | 88,130 | 26,593 |
| Northern Plains Commerce Centre | - | - | 288,724 | 286,817 | 288,724 | 286,817 |
| Parking Authority | - | - | 1,575,237 | 1,615,739 | 1,575,237 | 1,615,739 |
| Total Expenses | 84,393,415 | 81,338,995 | 53,860,398 | 51,054,007 | 138,253,813 | 132,393,002 |
| Increase in Net Position Before Transfers | 10,547,003 | 14,833,121 | 25,362,874 | 12,070,508 | 35,909,877 | 26,903,629 |
| Transfers | (3,187,460) | (4,128,260) | 3,187,460 | 4,128,260 | - | - |
| Increase in Net Position | 7,359,543 | 10,704,861 | 28,550,334 | 16,198,768 | 35,909,877 | 26,903,629 |
| Net Position, Beginning of Year | 444,971,667 | 452,331,210 | 428,455,490 | 457,005,824 | 873,427,157 | 909,337,034 |
| Net Position, End of Year | \$452,331,210 | \$463,036,071 | \$457,005,824 | \$473,204,592 | \$909,337,034 | \$936,240,663 |

Governmental Activities

The City's net position in governmental activities increased by \$10,704,861, accounting for 39.8% of the total increase in the net position of the City. The increase is attributed to the philosophy of The City to fund projects through accumulative revenue instead of financing. Projects included \$8.1 million in special assessment improvement revenue.

Business-Type Activities

Business-Type activities increased the City's net position by \$16,198,768, accounting for 60.2% of the total growth in the City's net position. An increase in revenue from federal and state grants for the airport runway construction project was a significant factor in the net position increase.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, 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's governmental funds reported combined ending fund balances of \$145,547,824, an increase of \$12,001,761, in comparison with the prior year. A part of the fund balance is known as non-spendable, which specifically refers to the notes receivable balance in the amount of \$1,234,481. The total restricted due to external limitations is \$78,260,447, or 53.7%, of the total fund balance. These limitations include \$4,718,231 for building construction reserve, \$44,943,099 for debt service, \$271,867 for weather-related operations, and \$28,327,250 for capital projects. The committed funds of \$38,626,753 and assigned funds of \$4,765,734 are limited to its intended use. \$16,061,146 is committed to special programs in the special revenue funds and \$22,565,607 is committed for capital project use in the sales tax, special deficiency, building improvements, street lights and traffic signals, highway construction and community development funds. The assigned uses include contingencies of \$825,000, department equipment reserve of \$1,950,415, fire truck and equipment reserve of \$494,841, technology equipment reserve of \$126,565, computer expansion reserve of \$416,329, parking lot reserve of \$96,293 and payroll reserve of \$856,291.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$35,556,939, while total fund balance reached \$45,040,904. The fund balance increased by \$1,085,307 as compared to 2018. The increase can be largely attributed to a reduction in expenditures for vacant salaries due to turnover and higher than anticipated revenue received for state aid distribution of \$250,579 and investment income of \$478,037.

The construction project fund accounts for a majority of the improvements to the street, water and sewer mains. The construction projects have a positive fund balance of \$5,265,555. The special deficiency and assumptions was \$3,666,154, highway construction fund was \$11,642,606, building improvements was \$1,318,324, street lights/signals were \$520, and community development was \$300,000 while the construction for street, sewer, water and sidewalk had a combined negative fund balance of \$11,662,049. The City initially cash flows the construction improvement districts which results in negative fund balances. The City funds the construction projects through a sale of special assessment bonds for these expenses in the following fiscal year and receives reimbursement for costs incurred in the previous fiscal year. In addition, the highway construction fund receives funding from sales tax to construct and rehabilitate existing roads and streets. The special deficiency and assumptions receives one mill levy and an administration fee to repair a portion of the existing roads and streets.

Proprietary Funds

The City's proprietary fund statements provide similar information found in the government-wide financial statements.

Unrestricted net position of the proprietary funds at the end of the year amounted to a \$51,545,489. All individual proprietary funds reported increases in net position, except for Commercial Property of \$98,160 due to a decrease in rental revenue along with the sale of the property and closing of the fund, Northern Plains Commerce Centre of \$162,423, and Event Center of \$421,439 all in part to the operating costs exceeding generated revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

During 2019, the General Fund had an overall increase between the original and final amended budget of \$55,326 due to 2018 encumbrances carried over into 2019 and budget amendments reducing the 2019 budget to be utilized in the 2020 budget. Significant variances between budget and actual are as follows:

- Taxes decreased by \$993,761 which is largely due to the 5% discount on early payment.
- Intergovernmental revenue increased by \$858,944 which is mainly attributed to an increase in the state aid contribution from the State of North Dakota.
- Investment Income exceeded budget by \$738,474 due in large part to market turn around and City's ability to get better rates of return on banking investments.
- General Government surplus of \$833,921 was partly attributed to unexpended wages, insurance premiums due to vacant positions and staff turnover as well as unexpended service fees.
- Public Safety surplus of \$689,900 is largely a result of vacant positions and staff turnover resulting in reduction of wages and insurance premiums.
- Highways and Streets surplus of \$225,741 is due largely to vacant positions and staff turnover resulting in unexpended wages and benefits.
- Health and Welfare surplus of \$256,314 is largely a result of vacant positions and staff turnover as well as a reduction in vaccination supplies purchased.
- Transfers of \$876,637 was largely the result of transfers from the General fund to the special revenue funds not being needed, as originally expected and budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City's net investment in capital assets for its governmental and business type activities as of December 31, 2019, amounts to \$648,031,603 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress. Major capital asset events during the current fiscal year included the following:

- Construction began on Phase III of the airport runway replacement project.
- Construction of special assessment projects throughout the City.

City of Bismarck
Capital Assets
(net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|----------------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Land | \$ 2,767,950 | \$ 2,767,950 | \$ 15,849,073 | \$ 18,576,528 | \$ 18,617,023 | \$ 21,344,478 |
| Construction in Progress | 1,672,107 | 2,870,631 | 51,806,427 | 4,061,597 | 53,478,534 | 6,932,228 |
| Buildings | 20,115,490 | 19,001,256 | 177,478,541 | 171,039,513 | 197,594,031 | 190,040,769 |
| Improvements Other Than Buildings | 16,768 | 14,282 | 224,322,252 | 277,535,991 | 224,339,020 | 277,550,273 |
| Machinery and Equipment | 13,866,122 | 13,958,167 | 20,533,206 | 20,665,919 | 34,399,328 | 34,624,086 |
| Infrastructure | 322,570,839 | 323,529,424 | - | - | 322,570,839 | 323,529,424 |
| Total | <u>\$ 361,009,276</u> | <u>\$ 362,141,710</u> | <u>\$ 489,989,499</u> | <u>\$ 491,879,548</u> | <u>\$ 850,998,775</u> | <u>\$ 854,021,258</u> |

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

Long-term debt – At the end of the current fiscal year, the City had total long-term debt outstanding of \$227,928,783. Of this amount, \$118,080,000 is bonds related to special assessments for which the government is liable in the event of default by the property owners subject to the assessment. The City revenue bonds are secured by Water Revenue, Sanitary Sewer Revenue and Lodging, Liquor and Restaurant Tax.

City of Bismarck Outstanding Debt

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------|----------------------------|-----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Net Pension Liability | \$ 22,677,534 | \$ 13,040,343 | \$ 4,978,877 | \$ 2,574,151 | \$ 27,656,411 | \$ 15,614,494 |
| Special Assessment Bonds | 125,165,000 | 118,080,000 | - | - | 125,165,000 | 118,080,000 |
| Plus Unamortized Premiums | 4,696,275 | 4,752,538 | - | - | 4,696,275 | 4,752,538 |
| Compensated Absences | 3,004,326 | 3,197,602 | 883,069 | 928,183 | 3,887,395 | 4,125,785 |
| Claims and Judgments | 508,690 | 495,582 | 165,814 | 150,418 | 674,504 | 646,000 |
| Closure and Postclosure Costs | - | - | 2,843,240 | 3,065,981 | 2,843,240 | 3,065,981 |
| Event Center Revenue Bonds | - | - | 22,770,000 | 21,695,000 | 22,770,000 | 21,695,000 |
| Less Unamortized Discount | - | - | (20,945) | (19,611) | (20,945) | (19,611) |
| Water Revenue Bonds-2012 | - | - | 2,245,000 | 1,515,000 | 2,245,000 | 1,515,000 |
| Plus Unamortized Premium | - | - | 19,958 | 11,404 | 19,958 | 11,404 |
| Water Revenue Bonds-2013 | - | - | 6,515,000 | 5,945,000 | 6,515,000 | 5,945,000 |
| Plus Unamortized Premium | - | - | 918 | 825 | 918 | 825 |
| Water Revenue Bonds-2014 | - | - | 10,175,000 | 9,370,000 | 10,175,000 | 9,370,000 |
| Less Unamortized Discount | - | - | (93,392) | (84,281) | (93,392) | (84,281) |
| Water Treatment-2009 | - | - | 9,930,000 | 9,095,000 | 9,930,000 | 9,095,000 |
| Wastewater Revenue Bonds-2006 | - | - | 10,415,000 | 9,390,000 | 10,415,000 | 9,390,000 |
| Wastewater Revenue Bonds-2015 | - | - | 26,010,000 | 24,785,000 | 26,010,000 | 24,785,000 |
| Less Unamortized Discount | - | - | (63,222) | (59,352) | (63,222) | (59,352) |
| Total | <u>\$ 156,051,825</u> | <u>\$ 139,566,065</u> | <u>\$ 96,774,317</u> | <u>\$ 88,362,718</u> | <u>\$ 252,826,142</u> | <u>\$ 227,928,783</u> |

The City issued new special assessments debt of \$9,370,000 which was issued in December of 2019 to finance the special assessment projects completed in 2018.

The existing revenue bonds are secured by water and sewer revenue and lodging, liquor and restaurant tax which matures in 2035. More detailed information about the debt position of the City can be found in Note IV.F on page 47.

The City has received an Aa2 bond rating from Moody's. These ratings are consistent with previous ratings received from this agency.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation. The City has no outstanding general obligation debt.

In addition, the net pension liability as of December 31, 2019 was \$15,614,494, a decrease of \$12,041,917 from 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Growth has continued in the property tax base with new construction and improvements in both residential and commercial properties with an estimated increase of 2.64% in 2019. The number of residential properties sales were 343 through May 2020. There are also 78 new residential building permits issued for that same time period. The continued growth also leads to an increase in the need for the expansion of infrastructure improvements for streets and utilities. In 2019 there were nine special assessment improvement districts.

The State Aid contribution in first quarter of 2020 reflects a 4.6% increase over the prior year which is a result of the growth in the oil and gas industries. However, due to downturn in the oil and gas industries during the first quarter of 2020, the City projects a 10% reduction for the remainder of the year. The unemployment rate was continuing to be low at a rate of 2.4%, until the COVID-19 pandemic began, which has caused the unemployment rates to increase to 7.8%. The economy in the City continues to remain steady at this time.

With the onset of the COVID-19 Pandemic in March 2020, the effects on budgeted revenues and expenditures are unknown. The City anticipates revenue shortfalls and some reduction in expenditures due to the temporary closing of facilities and lack of public program income during the quarantine period. The City continues to provide essential services to the residents of Bismarck and is making plans for the long-term economic recovery of the Community. The City has maintained strong reserve balances which will help bridge financial gaps in revenue projections. This global pandemic has created unprecedented challenges for Federal, State and Local Government operations, creating uncertainty in the outcome of the 2020 budget.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 221 North 5th Street, Bismarck, ND, 58506, or visit the City's web site at www.bismarcknd.gov.

BASIC FINANCIAL STATEMENTS



CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| ASSETS: | | | |
| Current Assets | | | |
| Cash and Investments | \$ 132,921,516 | \$ 49,095,132 | \$ 182,016,648 |
| Taxes | 341,523 | - | 341,523 |
| Accounts Receivable | 11,089,190 | 2,795,610 | 13,884,800 |
| Special Assessments Receivable | 101,449,802 | 10,472,753 | 111,922,555 |
| Interest Receivable | 981,523 | 442,155 | 1,423,678 |
| Notes Receivable | 1,234,481 | - | 1,234,481 |
| Inventories | 335,500 | 164,607 | 500,107 |
| Prepaid Items | 5,436 | 155,430 | 160,866 |
| Internal Balances | (22,930) | 22,930 | - |
| Total Current Assets | <u>248,336,041</u> | <u>63,148,617</u> | <u>311,484,658</u> |
| Noncurrent Assets | | | |
| Restricted Cash and Investments | - | 12,408,591 | 12,408,591 |
| Land | 2,767,950 | 18,576,529 | 21,344,479 |
| Construction in Progress | 2,870,631 | 4,061,597 | 6,932,228 |
| Building and Building Improvements | 19,001,256 | 171,039,513 | 190,040,769 |
| Improvements Other Than Buildings | 14,282 | 277,535,991 | 277,550,273 |
| Machinery and Equipment | 13,958,167 | 20,665,919 | 34,624,086 |
| Infrastructure | 323,529,424 | - | 323,529,424 |
| Total Noncurrent Assets | <u>362,141,710</u> | <u>504,288,140</u> | <u>866,429,850</u> |
| Total Assets | <u>610,477,751</u> | <u>567,436,757</u> | <u>1,177,914,508</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pensions | <u>5,166,643</u> | <u>1,447,000</u> | <u>6,613,643</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts Payable | 4,136,071 | 2,201,118 | 6,337,189 |
| Retainage Payable | 337,353 | 1,175,780 | 1,513,133 |
| Salaries Payable | 1,613,384 | 443,442 | 2,056,826 |
| Accrued Interest Payable | 626,070 | 598,055 | 1,224,125 |
| Unearned Revenue | 685,524 | 1,569 | 687,093 |
| Customer Deposits | 100,159 | - | 100,159 |
| Due Within One Year | 20,111,985 | 7,173,736 | 27,285,721 |
| Total Current Liabilities | <u>27,610,546</u> | <u>11,593,700</u> | <u>39,204,246</u> |
| Noncurrent Liabilities | | | |
| Customer Deposits | - | 1,637,256 | 1,637,256 |
| Due in More Than One Year | 106,413,737 | 78,614,831 | 185,028,568 |
| Net Pension Liability | 13,040,343 | 2,574,151 | 15,614,494 |
| Total Noncurrent Liabilities | <u>119,454,080</u> | <u>82,826,238</u> | <u>202,280,318</u> |
| Total Liabilities | <u>147,064,626</u> | <u>94,419,938</u> | <u>241,484,564</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pensions | <u>5,543,697</u> | <u>1,259,225</u> | <u>6,802,922</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 238,971,819 | 409,059,784 | 648,031,603 |
| Restricted For | | | |
| Building Construction | 4,718,231 | - | 4,718,231 |
| Capital Projects | 28,327,250 | - | 28,327,250 |
| Debt Service | 44,943,098 | 12,408,591 | 57,351,689 |
| Highway Weather Related Projects | 271,867 | - | 271,867 |
| Unrestricted | 145,803,806 | 51,736,219 | 197,540,025 |
| Total Net Position | <u>\$ 463,036,071</u> | <u>\$ 473,204,594</u> | <u>\$ 936,240,665</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Functions / Programs | Expenses | PROGRAM REVENUES | | | NET REVENUES (EXPENSE) AND CHANGES IN NET POSITION PRIMARY GOVERNMENT | | |
|--|-----------------------|-------------------------|---------------------------------------|-------------------------------------|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary Government | | | | | | | |
| Governmental Activities | | | | | | | |
| General Government | \$ 16,227,336 | \$ 4,105,318 | \$ 2,397,313 | \$ - | \$ (9,724,705) | \$ - | \$ (9,724,705) |
| Public Safety | 29,579,689 | 2,034,483 | 1,840,361 | - | (25,704,845) | - | (25,704,845) |
| Highways and Streets | 11,597,897 | 4,435,164 | 4,143,443 | - | (3,019,290) | - | (3,019,290) |
| Health and Welfare | 3,506,605 | 608,216 | 1,629,145 | - | (1,269,244) | - | (1,269,244) |
| Culture and Recreation | 3,610,946 | 123,921 | 364,203 | - | (3,122,822) | - | (3,122,822) |
| Public Works | 12,980,551 | 26,152 | - | 15,828,761 | 2,874,362 | - | 2,874,362 |
| Interest and Fiscal Charges | 3,835,971 | - | - | - | (3,835,971) | - | (3,835,971) |
| Total Governmental Activities | 81,338,995 | 11,333,254 | 10,374,465 | 15,828,761 | (43,802,515) | - | (43,802,515) |
| Business-Type Activities | | | | | | | |
| Airport | 8,008,830 | 7,625,965 | - | 10,699,361 | - | 10,316,496 | 10,316,496 |
| Event Center | 9,947,984 | 7,447,339 | 38,307 | - | - | (2,462,338) | (2,462,338) |
| Water | 12,825,126 | 13,963,761 | - | 1,287,566 | - | 2,426,201 | 2,426,201 |
| Sanitary Sewer | 8,776,175 | 11,695,570 | - | 896,623 | - | 3,816,018 | 3,816,018 |
| Storm Water | 2,313,297 | 1,484,594 | - | 201,809 | - | (626,894) | (626,894) |
| Solid Waste Disposal | 3,068,343 | 4,213,453 | - | - | - | 1,145,110 | 1,145,110 |
| Solid Waste Collections | 4,185,101 | 4,978,616 | - | - | - | 793,515 | 793,515 |
| Commercial Property | 26,593 | 11,058 | - | - | - | (15,535) | (15,535) |
| Northern Plains Commerce Centre | 286,817 | 67,717 | - | - | - | (219,100) | (219,100) |
| Parking Authority | 1,615,739 | 1,659,091 | - | - | - | 43,352 | 43,352 |
| Total Business-Type Activities | 51,054,005 | 53,147,164 | 38,307 | 13,085,359 | - | 15,216,825 | 15,216,825 |
| Total Primary Government | <u>\$ 132,393,000</u> | <u>\$ 64,480,418</u> | <u>\$ 10,412,772</u> | <u>\$ 28,914,120</u> | <u>(43,802,515)</u> | <u>15,216,825</u> | <u>(28,585,690)</u> |
| General Revenues | | | | | | | |
| Property Taxes | | | | | 21,198,684 | - | 21,198,684 |
| Sales Tax | | | | | 21,833,317 | - | 21,833,317 |
| Occupancy Tax | | | | | 1,031,410 | - | 1,031,410 |
| Lodging, Liquor, and Food Tax | | | | | 3,036,341 | - | 3,036,341 |
| Car Rental Tax | | | | | 81,482 | - | 81,482 |
| State Aid Distribution | | | | | 4,784,709 | - | 4,784,709 |
| Franchise Taxes | | | | | 1,093,964 | - | 1,093,964 |
| Other Taxes | | | | | 1,329,301 | 45,071 | 1,374,372 |
| Investment Earnings | | | | | 4,277,125 | 1,660,326 | 5,937,451 |
| Gain (Loss) on Disposal of Capital Assets | | | | | (30,697) | (4,851,712) | (4,882,409) |
| Transfers | | | | | (4,128,260) | 4,128,260 | - |
| Total General Revenues, Gain (Loss) on Disposal of Capital Assets, and | | | | | 54,507,376 | 981,945 | 55,489,321 |
| Change in Net Position | | | | | 10,704,861 | 16,198,770 | 26,903,631 |
| Net Position, Beginning of Year | | | | | 452,331,210 | 457,005,824 | 909,337,034 |
| Net Position, End of Year | | | | | <u>\$ 463,036,071</u> | <u>\$ 473,204,594</u> | <u>\$ 936,240,665</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

| | General Fund | Sales Tax | Sewermain Bonds | Street Improvement Bonds | Street Improvement Construction | Total Nonmajor Funds | Total Governmental Funds |
|---|-------------------------|----------------------|----------------------------|---|--|---------------------------------|---|
| ASSETS | | | | | | | |
| Cash and Investments | \$ 44,910,611 | \$ 28,856,088 | \$ 3,702,225 | \$ 16,856,101 | \$ - | \$ 34,998,584 | \$ 129,323,609 |
| Taxes Receivable | 284,144 | - | - | - | - | 57,379 | 341,523 |
| Accounts Receivable | 1,934,821 | 5,109,165 | - | - | 178 | 3,665,321 | 10,709,485 |
| Special Assessments Receivable | - | - | 17,695,492 | 74,914,048 | - | 8,840,262 | 101,449,802 |
| Notes Receivable | - | - | - | - | - | 1,234,481 | 1,234,481 |
| Interfund Receivables | 4,847 | - | 3,319,435 | 6,460,638 | - | 1,485,202 | 11,270,122 |
| Total Assets | <u>\$ 47,134,423</u> | <u>\$ 33,965,253</u> | <u>\$ 24,717,152</u> | <u>\$ 98,230,787</u> | <u>\$ 178</u> | <u>\$ 50,281,229</u> | <u>\$ 254,329,022</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 550,071 | \$ - | \$ 4,530 | \$ 45,512 | \$ - | \$ 2,325,726 | \$ 2,925,839 |
| Retainage Payable | - | - | - | - | 236,207 | 101,146 | 337,353 |
| Interfund Payables | - | - | - | - | 6,460,638 | 4,832,414 | 11,293,052 |
| Salaries Payable | 1,322,451 | - | - | - | - | 258,500 | 1,580,951 |
| Customer Deposits | 100 | - | - | - | - | 100,059 | 100,159 |
| Unearned Revenue | - | - | - | - | - | 685,528 | 685,528 |
| Total Liabilities | <u>1,872,622</u> | <u>-</u> | <u>4,530</u> | <u>45,512</u> | <u>6,696,845</u> | <u>8,303,373</u> | <u>16,922,882</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Special Assessment Taxes | - | - | 16,280,571 | 67,575,554 | - | 7,736,691 | 91,592,816 |
| Property Taxes | 220,897 | - | - | - | - | 44,603 | 265,500 |
| Total Deferred Inflows of Resources | <u>220,897</u> | <u>-</u> | <u>16,280,571</u> | <u>67,575,554</u> | <u>-</u> | <u>7,781,294</u> | <u>91,858,316</u> |
| FUND BALANCE | | | | | | | |
| Nonspendable | - | - | - | - | - | 1,234,481 | 1,234,481 |
| Restricted | 4,718,231 | 28,327,250 | 8,432,051 | 30,609,721 | - | 6,173,194 | 78,260,447 |
| Committed | - | 5,638,003 | - | - | - | 32,739,772 | 38,377,775 |
| Assigned | 4,765,734 | - | - | - | - | - | 4,765,734 |
| Unassigned | 35,556,939 | - | - | - | (6,696,667) | (5,950,885) | 22,909,387 |
| Total Fund Balance | <u>45,040,904</u> | <u>33,965,253</u> | <u>8,432,051</u> | <u>30,609,721</u> | <u>(6,696,667)</u> | <u>34,196,562</u> | <u>145,547,824</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 47,134,423</u> | <u>\$ 33,965,253</u> | <u>\$ 24,717,152</u> | <u>\$ 98,230,787</u> | <u>\$ 178</u> | <u>\$ 50,281,229</u> | <u>\$ 254,329,022</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
Reconciliation of Balance Sheet
To the Statement of Net Position
December 31, 2019

| | |
|---|-----------------------------|
| Fund Balances of Governmental Funds | \$145,547,824 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 362,141,710 |
| Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 92,839,843 |
| The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. Deferred outflows and inflows of resources related to pensions are applicable to future periods, and, therefore, are not reported in the funds. | (13,417,397) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | (126,656,210) |
| Internal service funds are used by management to charge the cost of employee insurance, liability insurance, unemployment insurance, and revolving cost to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | 2,580,301 |
| | <hr/> |
| Net Position of Governmental Activities | <u><u>\$463,036,071</u></u> |

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | General Fund | Sales Tax | Sewermain Bonds | Street Improvement Bonds | Street Improvement Construction | Total Nonmajor Funds | Total Governmental Funds |
|--|----------------------|----------------------|---------------------|--------------------------------|---------------------------------------|-------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Taxes | \$ 18,700,632 | \$ 21,833,317 | \$ - | \$ - | \$ - | \$ 7,699,304 | \$ 48,233,253 |
| Special Assessments Revenue | - | - | 3,811,769 | 15,963,743 | 66,285 | 2,676,271 | 22,518,068 |
| Intergovernmental | 7,550,194 | - | - | - | - | 9,628,910 | 17,179,104 |
| Charges for Services | 3,629,414 | - | - | - | - | 3,560,557 | 7,189,971 |
| Licenses and Permits | 2,019,372 | - | - | - | - | 1,200 | 2,020,572 |
| Fines and Forfeitures | 1,370,764 | - | - | - | - | 198,570 | 1,569,334 |
| Investment Income | 1,136,974 | 437,118 | 157,391 | 505,575 | - | 755,791 | 2,992,849 |
| Rentals | 291,163 | - | - | - | - | 81,871 | 373,034 |
| Miscellaneous | 61,840 | - | - | - | 26,152 | 230,045 | 318,037 |
| Total Revenues | <u>34,760,353</u> | <u>22,270,435</u> | <u>3,969,160</u> | <u>16,469,318</u> | <u>92,437</u> | <u>24,832,519</u> | <u>102,394,222</u> |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| General Government | 10,691,315 | 254 | - | - | 39,589 | 3,569,198 | 14,300,356 |
| Public Safety | 26,325,440 | - | - | - | - | 1,147,283 | 27,472,723 |
| Highways and Streets | 2,580,558 | - | - | - | - | 8,157,470 | 10,738,028 |
| Health and Welfare | 2,322,031 | - | - | - | - | 1,057,766 | 3,379,797 |
| Culture and Recreation | 441,841 | - | - | - | - | 2,465,097 | 2,906,938 |
| Public Works | - | - | - | - | 264,579 | 1,041,608 | 1,306,187 |
| Capital Outlay | 625,864 | - | - | - | 9,061,806 | 10,033,355 | 19,721,025 |
| Debt Service | | | | | | | |
| Principal | - | - | 2,792,299 | 12,085,894 | - | 1,576,807 | 16,455,000 |
| Interest and Fiscal Charges | - | - | 667,149 | 2,811,817 | - | 273,852 | 3,752,818 |
| Total Expenditures | <u>42,987,049</u> | <u>254</u> | <u>3,459,448</u> | <u>14,897,711</u> | <u>9,365,974</u> | <u>29,322,436</u> | <u>100,032,872</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(8,226,696)</u> | <u>22,270,181</u> | <u>509,712</u> | <u>1,571,607</u> | <u>(9,273,537)</u> | <u>(4,489,917)</u> | <u>2,361,350</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Proceeds from Special Assessment Bonds | - | - | - | - | 7,437,926 | 1,932,074 | 9,370,000 |
| Premium on Special Assessment Bonds | - | - | - | - | 363,080 | 95,767 | 458,847 |
| Transfers In | 12,654,416 | 10,284,624 | 304,622 | 1,759,073 | 4,419,100 | 10,301,830 | 39,723,665 |
| Transfers Out | (3,342,413) | (15,816,240) | - | (116,804) | (1,864,312) | (18,772,332) | (39,912,101) |
| Total Other Financing Sources (Uses) | <u>9,312,003</u> | <u>(5,531,616)</u> | <u>304,622</u> | <u>1,642,269</u> | <u>10,355,794</u> | <u>(6,442,661)</u> | <u>9,640,411</u> |
| Net Change in Fund Balance | 1,085,307 | 16,738,565 | 814,334 | 3,213,876 | 1,082,257 | (10,932,578) | 12,001,761 |
| Fund Balance, Beginning of Year | 43,955,597 | 17,226,688 | 7,617,717 | 27,395,845 | (7,778,924) | 45,129,140 | 133,546,063 |
| Fund Balance, End of Year | <u>\$ 45,040,904</u> | <u>\$ 33,965,253</u> | <u>\$ 8,432,051</u> | <u>\$ 30,609,721</u> | <u>\$ (6,696,667)</u> | <u>\$ 34,196,562</u> | <u>\$ 145,547,824</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities
For the Year Ended December 31, 2019

| | |
|--|----------------------------|
| Net change in fund balances - total governmental funds | \$12,001,761 |
| Amounts reported for governmental activities in the statement of net position are 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. | 1,429,798 |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to decrease net position. | (297,364) |
| Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in governmental funds between fiscal years. | (8,223,188) |
| The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | 6,626,153 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | (1,435,145) |
| Internal service funds are used by management to charge the cost of health insurance, liability insurance, unemployment insurance, and revolving cost to the individual funds. A portion of the net revenue in the internal service funds is reported with governmental activities. | 602,846 |
| Change in net position of governmental activities | <u><u>\$10,704,861</u></u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | | | GOVERNMENTAL |
|---|--|---------------------|-----------------------|-----------------------|----------------------|----------------------------|-------------------------------|
| | Airport | Event Center | Water | Sanitary Sewer | Storm Water | Nonmajor Enterprise | ACTIVITIES |
| | | | | | | Total | Internal Service Funds |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Cash Equivalents | \$ 7,298,383 | \$ 152,947 | \$ 5,963,252 | \$ 9,033,863 | \$ 4,038,777 | \$ 22,161,828 | \$ 4,043,986 |
| Accounts Receivable | 366,390 | 153,397 | 662,091 | 766,644 | 91,175 | 755,913 | 379,723 |
| Special Assessments Receivable | - | - | 4,004,485 | 4,185,337 | 2,282,931 | - | - |
| Interest Receivable | 52,882 | - | 72,267 | 109,470 | 31,644 | 175,892 | - |
| Interfund Receivables | - | 22,930 | - | - | - | - | - |
| Inventories | - | - | 164,607 | - | - | - | 335,500 |
| Prepaid Items | 11,918 | 64,304 | 37,599 | 17,568 | 3,506 | 20,535 | 5,436 |
| Total Current Assets | <u>7,729,573</u> | <u>393,578</u> | <u>10,904,301</u> | <u>14,112,882</u> | <u>6,448,033</u> | <u>23,114,168</u> | <u>4,764,645</u> |
| Noncurrent Assets: | | | | | | | |
| Restricted Cash and Cash Equivalents | - | - | 6,927,114 | 5,481,477 | - | - | - |
| Land | 8,469,631 | 912,100 | 877,279 | 337,375 | 4,972,397 | 3,007,747 | - |
| Construction in Progress | 994,214 | - | 516,056 | 616,946 | 1,875,899 | 58,482 | - |
| Building and Building Improvements | 13,454,184 | 27,261,789 | 57,785,343 | 51,392,472 | - | 21,145,725 | - |
| Improvements Other Than Buildings | 96,147,532 | - | 77,446,143 | 48,778,330 | 45,829,743 | 9,334,243 | - |
| Machinery and Equipment | 1,525,518 | 1,695,670 | 5,596,469 | 6,769,450 | 101,773 | 4,977,039 | 4,665 |
| Total Noncurrent Assets | <u>120,591,079</u> | <u>29,869,559</u> | <u>149,148,404</u> | <u>113,376,050</u> | <u>52,779,812</u> | <u>38,523,236</u> | <u>4,665</u> |
| Total Assets | <u>128,320,652</u> | <u>30,263,137</u> | <u>160,052,705</u> | <u>127,488,932</u> | <u>59,227,845</u> | <u>61,637,404</u> | <u>4,769,310</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Pensions | 234,161 | 215,216 | 414,052 | 237,133 | 55,084 | 291,354 | 121,414 |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable | 290,127 | 193,666 | 673,572 | 276,004 | 353,708 | 309,107 | 1,315,189 |
| Retainage Payable | 1,054,792 | - | 36,580 | 84,408 | - | - | - |
| Accrued Interest Payable | - | 99,208 | 234,461 | 264,386 | - | - | - |
| Compensated Benefits Payable | 106,600 | 108,092 | 159,327 | 71,728 | 23,156 | 134,415 | - |
| Salaries Payable | 78,487 | 91,040 | 110,308 | 56,745 | 15,361 | 91,501 | 32,433 |
| Unearned Revenue | - | - | - | - | - | 1,569 | - |
| Claims and Judgments Payable | - | - | - | - | - | - | 646,000 |
| Debt Payable, Current | - | 1,105,000 | 3,015,000 | 2,300,000 | - | - | - |
| Total Current Liabilities | <u>1,530,006</u> | <u>1,597,006</u> | <u>4,229,248</u> | <u>3,053,271</u> | <u>392,225</u> | <u>536,592</u> | <u>1,993,622</u> |
| Noncurrent Liabilities: | | | | | | | |
| Compensated Benefits Payable | 54,727 | 45,541 | 48,301 | 37,662 | 9,005 | 129,629 | - |
| Net Pension Liability | 412,748 | 374,771 | 733,042 | 419,823 | 97,522 | 536,245 | 210,525 |
| Customer Deposits | - | 633,496 | 977,500 | - | - | 26,260 | - |
| Debt Payable, Noncurrent | - | 20,570,389 | 22,837,948 | 31,815,648 | - | - | - |
| Closure and Post-Closure Liability | - | - | - | - | - | 3,065,981 | - |
| Total Noncurrent Liabilities | <u>467,475</u> | <u>21,624,197</u> | <u>24,596,791</u> | <u>32,273,133</u> | <u>106,527</u> | <u>3,758,115</u> | <u>210,525</u> |
| Total Liabilities | <u>1,997,481</u> | <u>23,221,203</u> | <u>28,826,039</u> | <u>35,326,404</u> | <u>498,752</u> | <u>4,294,707</u> | <u>2,204,147</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Pensions | 203,565 | 188,023 | 330,523 | 189,295 | 43,972 | 303,847 | 94,778 |
| NET POSITION | | | | | | | |
| Net Investment in Capital Assets | 119,536,287 | 8,194,170 | 116,331,762 | 73,694,517 | 52,779,812 | 38,523,236 | 4,665 |
| Restricted for Debt Service | - | 161,676 | 6,765,438 | 5,481,477 | - | - | - |
| Unrestricted | 6,817,480 | (1,286,719) | 8,212,995 | 13,034,372 | 5,960,393 | 18,806,968 | 2,587,134 |
| Total Net Position | <u>\$ 126,353,767</u> | <u>\$ 7,069,127</u> | <u>\$ 131,310,195</u> | <u>\$ 92,210,366</u> | <u>\$ 58,740,205</u> | <u>\$ 57,330,204</u> | <u>\$ 2,591,799</u> |
| Difference between business-type adjustments to assets and liabilities: | | | | | | 190,730 | |
| Net position of business-type activities | | | | | | <u>\$ 473,204,594</u> | |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | | | GOVERNMENTAL ACTIVITIES |
|---|---|--------------|----------------|----------------|---------------|------------------------|----------------------------|
| | Airport | Event Center | Water | Sanitary Sewer | Storm Water | Nonmajor Enterprise | Internal Service Funds |
| OPERATING REVENUES | | | | | | | |
| Event Sales | \$ - | \$ 6,838,339 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Sale of Gas and Oil | - | - | - | - | - | - | 965,244 |
| Sale of Parts and Labor | 116,702 | - | 163,231 | 4,725 | - | - | 2,334,182 |
| Water Sales | 1,542 | - | 13,016,735 | - | - | - | - |
| Sanitation Fees | - | - | 15,576 | 11,251,413 | 1,453,480 | 9,066,976 | - |
| Landing and Airport Fees | 3,026,437 | - | - | - | - | - | - |
| Miscellaneous Sales | 18,304 | 47,129 | 30,585 | 426,176 | 31,114 | 35,085 | 297,804 |
| Rentals | 4,462,979 | 598,492 | 737,634 | 13,257 | - | 1,827,874 | 14,420 |
| Employer Contributions | - | - | - | - | - | - | 10,988,530 |
| Employee Contributions | - | - | - | - | - | - | 123,475 |
| Total Operating Revenues | 7,625,964 | 7,483,960 | 13,963,761 | 11,695,571 | 1,484,594 | 10,929,935 | 14,723,655 |
| OPERATING EXPENSES | | | | | | | |
| Cost of Goods Sold | - | 3,700,065 | 101,679 | - | - | - | 2,008,003 |
| Personnel Services - Salaries and Wages | 1,432,377 | 2,220,696 | 2,109,015 | 1,220,007 | 302,360 | 1,883,050 | 653,573 |
| Personnel Services - Fringe Benefits | 685,123 | 779,378 | 1,155,974 | 649,725 | 149,337 | 1,055,311 | 387,165 |
| Professional Legal and Contracted Services | 1,229,552 | 134,117 | 209,397 | 275,090 | 82,948 | 768,081 | 2,288 |
| Building Equipment and Vehicle Services | 948,951 | 879,651 | 1,961,084 | 1,219,891 | 526,257 | 1,668,126 | 335,882 |
| Travel and Training | 10,669 | 11,192 | 48,192 | 25,151 | 8,445 | 2,717 | 9,498 |
| Operating Services | 234,265 | 185,687 | 592,248 | 106,577 | 28,884 | 1,590,724 | 10,856,883 |
| Operating Supplies | 264,327 | 94,988 | 1,068,973 | 501,219 | 34,092 | 352,890 | 15,358 |
| Depreciation Expense | 3,231,226 | 1,106,271 | 4,786,923 | 3,703,690 | 1,187,210 | 1,907,010 | 1,006 |
| Total Operating Expenses | 8,036,490 | 9,112,045 | 12,033,485 | 7,701,350 | 2,319,533 | 9,227,909 | 14,269,656 |
| Net Operating Income (Loss) | (410,526) | (1,628,085) | 1,930,276 | 3,994,221 | (834,939) | 1,702,026 | 453,999 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Grants Revenue | 45,072 | - | - | - | - | - | - |
| Special Assessment Taxes | - | - | 819,489 | 777,336 | 167,061 | - | - |
| Investment Income | 145,383 | 16,935 | 530,677 | 332,347 | 93,659 | 535,409 | 58,440 |
| Gain (Loss) on Disposal of Capital Assets | (5,165,370) | - | 5,608 | (3,271) | (15,332) | 326,653 | 132,414 |
| Interest and Fiscal Charges | - | (863,429) | (839,050) | (1,101,034) | - | - | - |
| Total Nonoperating Revenues (Expenses) | (4,974,915) | (846,494) | 516,724 | 5,378 | 245,388 | 862,062 | 190,854 |
| Net Income (Loss) Before Capital Charges, Capital Grants, Capital Contributions, and Transfers | (5,385,441) | (2,474,579) | 2,447,000 | 3,999,599 | (589,551) | 2,564,088 | 644,853 |
| Capital Charges | - | - | 206,013 | 98,970 | - | - | - |
| Capital Grants | 10,699,361 | - | - | - | - | - | - |
| Capital Contributions | - | - | 729,522 | 20,316 | 3,608,522 | - | 5,442 |
| Transfers In | 20,371 | 2,278,633 | 177,621 | - | 143,007 | 150,000 | 330,000 |
| Transfers Out | (159,175) | (225,493) | (869,205) | (177,852) | (103,849) | (1,119,733) | (255,889) |
| Change in Net Position | 5,175,116 | (421,439) | 2,690,951 | 3,941,033 | 3,058,129 | 1,594,355 | 724,406 |
| Net Position, Beginning of Year | 121,178,651 | 7,490,566 | 128,619,244 | 88,269,333 | 55,682,076 | 55,735,849 | 1,867,393 |
| Net Position, End of Year | \$ 126,353,767 | \$ 7,069,127 | \$ 131,310,195 | \$ 92,210,366 | \$ 58,740,205 | \$ 57,330,204 | \$ 2,591,799 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | | 160,625 | |
| Changes in net position of business-type activities | | | | | | \$ 16,198,770 | |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS | | | | | | | GOVERNMENTAL ACTIVITIES |
|---|--|-------------------------|---------------|---------------------------|------------------------|-----------------|---------------|------------------------------------|
| | Airport | Event Center | Water | Sanitary Sewer | Storm Water | Nonmajor | Total | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | |
| Receipts from customers and users | \$ 8,246,323 | \$ 7,033,043 | \$ 13,999,193 | \$ 11,691,545 | \$ 1,554,635 | \$ 10,812,920 | \$ 53,337,659 | \$ 3,447,544 |
| Receipts from employer | - | - | - | - | - | - | - | 10,988,530 |
| Other receipts | - | - | - | - | - | - | - | 297,804 |
| Payments to suppliers | (3,119,453) | (5,227,471) | (3,520,983) | (2,472,906) | (539,833) | (4,847,072) | (19,727,718) | (13,162,339) |
| Payments to employees | (2,004,606) | (2,928,733) | (3,079,989) | (1,791,828) | (284,610) | (2,134,059) | (12,223,825) | (608,825) |
| Net cash provided (used) by operating activities | 3,122,264 | (1,123,161) | 7,398,221 | 7,426,811 | 730,192 | 3,831,789 | 21,386,116 | 962,714 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | |
| Payment on advance | - | - | - | - | - | (1,930,000) | (1,930,000) | - |
| Payments from other funds | 20,371 | 2,278,633 | 177,621 | - | 143,007 | 150,000 | 2,769,632 | 330,000 |
| Payments to other funds | (159,175) | (225,493) | (869,205) | (177,852) | (103,849) | (1,119,733) | (2,655,307) | (255,889) |
| Net cash provided (used) by noncapital financing activities | (138,804) | 2,053,140 | (691,584) | (177,852) | 39,158 | (2,899,733) | (1,815,675) | 74,111 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | | |
| Grants received | 10,699,361 | - | - | - | - | - | 10,699,361 | - |
| Taxes received | 45,072 | - | - | - | - | - | 45,072 | - |
| Debt principal paid | - | (1,075,000) | (2,940,000) | (2,250,000) | - | - | (6,265,000) | - |
| Debt interest paid | - | (868,130) | (861,508) | (1,124,175) | - | - | (2,853,813) | - |
| Proceeds from sale of capital assets | - | - | - | 351 | - | 1,725,870 | 1,726,221 | 8,790 |
| Proceeds from insurance recoveries | - | - | 11,333 | - | - | - | 11,333 | 123,624 |
| Special assessments collected | - | - | 585,619 | 619,687 | 316,309 | - | 1,521,615 | - |
| Capital charges collected | - | - | 206,013 | 98,970 | - | - | 304,983 | - |
| Acquisition / construction of capital assets | (11,323,589) | (124,992) | (3,580,627) | (1,940,760) | (50,041) | (2,057,728) | (19,077,737) | - |
| Net cash provided (used) by capital and related financing activities | (579,156) | (2,068,122) | (6,579,170) | (4,595,927) | 266,268 | (331,858) | (13,887,965) | 132,414 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Investment income | 98,035 | 16,935 | 481,796 | 246,357 | 68,487 | 401,850 | 1,313,460 | 58,440 |
| Net increase (decrease) in cash and cash equivalent | 2,502,339 | (1,121,208) | 609,263 | 2,899,389 | 1,104,105 | 1,002,048 | 6,995,936 | 1,227,679 |
| Cash and cash equivalents, beginning of year | 4,796,044 | 1,274,155 | 12,281,103 | 11,615,951 | 2,934,672 | 21,159,780 | 54,061,705 | 2,816,307 |
| Cash and cash equivalents, end of year | \$ 7,298,383 | \$ 152,947 | \$ 12,890,366 | \$ 14,515,340 | \$ 4,038,777 | \$ 22,161,828 | \$ 61,057,641 | \$ 4,043,986 |
| Reconciliation of net operating income (loss) to net cash provided (used) by operating activities | | | | | | | | |
| Net operating income (loss) | \$ (410,526) | \$ (1,628,085) | \$ 1,930,276 | \$ 3,994,221 | \$ (834,943) | \$ 1,702,026 | \$ 4,752,969 | \$ 453,999 |
| Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities: | | | | | | | | |
| Depreciation expense | 3,231,226 | 1,106,271 | 4,786,923 | 3,703,690 | 1,187,210 | 1,907,010 | 15,922,330 | 1,006 |
| Change in deferred outflows of resources | 256,054 | 293,516 | 489,519 | 296,263 | 76,074 | 421,144 | 1,832,570 | 141,572 |
| Change in deferred inflows of resources | 162,703 | 166,079 | 298,214 | 170,224 | 39,282 | 232,519 | 1,069,021 | 85,604 |
| Change in net pension liability | (341,137) | (384,918) | (630,518) | (385,113) | (100,399) | (562,641) | (2,404,726) | (183,679) |
| (Increase) decrease in accounts receivable | 620,359 | 27,879 | 35,432 | 9,874 | 70,041 | (98,887) | 664,698 | 10,223 |
| (Increase) decrease in due from other funds | - | (475) | - | - | - | - | (475) | - |
| (Increase) decrease in inventories | - | - | 2,330 | - | - | - | 2,330 | (53,045) |
| (Increase) decrease in prepaid items | (384) | (30,280) | (2,631) | (1,676) | (524) | (419) | (35,914) | (627) |
| Increase (decrease) in customer deposits | - | (478,796) | - | (13,900) | - | (17,117) | (509,813) | - |
| Increase (decrease) in accounts payable | (431,305) | 49,398 | 460,427 | (337,668) | 290,658 | 3,664 | 35,174 | 525,410 |
| Increase (decrease) in revenue bonds payable | - | 1,334 | 464 | 3,870 | - | - | 5,668 | - |
| Increase (decrease) in compensated benefits payable | 24,290 | (3,732) | 12,311 | (6,646) | 515 | 18,376 | 45,114 | - |
| Increase (decrease) in salaries payable | 10,984 | 396 | 15,474 | 3,176 | 2,278 | 4,384 | 36,692 | 1,251 |
| Increase (decrease) in due to other funds | - | (241,748) | - | - | - | - | (241,748) | - |
| Increase (decrease) in deferred revenue | - | - | - | - | - | (1,011) | (1,011) | - |
| Increase (decrease) in claims and judgments payable | - | - | - | (9,504) | - | - | (9,504) | (19,000) |
| Increase in accrued closure and post-closure liability | - | - | - | - | - | 222,741 | 222,741 | - |
| Total adjustments | 3,532,790 | 504,924 | 5,467,945 | 3,432,590 | 1,565,135 | 2,129,763 | 16,633,147 | 508,715 |
| Net cash provided (used) by operating activities | \$ 3,122,264 | \$ (1,123,161) | \$ 7,398,221 | \$ 7,426,811 | \$ 730,192 | \$ 3,831,789 | \$ 21,386,116 | \$ 962,714 |
| NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES: | | | | | | | | |
| Construction of capital assets contributed through capital project funds | \$ - | \$ - | \$ 467,457 | \$ - | \$ 3,573,774 | \$ - | \$ 4,041,231 | \$ - |
| Contribution of capital assets from developers | - | - | 258,441 | 17,144 | 34,747 | - | 310,332 | - |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019**

ASSETS

Receivables:

| | | |
|--------------------------------|----|---------|
| Accrued Interest and Dividends | \$ | 310,494 |
|--------------------------------|----|---------|

Investments at Fair Value:

| | | |
|-----------------------------|--|-------------|
| International Equities | | 72,106,754 |
| International Fixed Income | | 50,095,699 |
| Real Estate | | 29,863,185 |
| Mutual Funds | | 191,306 |
| Certificates of Deposit | | 199,726 |
| Invested Cash | | 842,792 |
| Invested Securities Lending | | 260,635 |
| Total Assets | | 153,870,591 |

LIABILITIES

| | | |
|-------------------------------|--|---------|
| Accounts Payable | | 88,237 |
| Securities Lending Collateral | | 260,635 |
| Total Liabilities | | 348,872 |

NET POSITION

Restricted For:

| | | |
|--------------------|----|-------------|
| Pensions | | 152,517,794 |
| Participants | | 1,003,925 |
| Total Net Position | \$ | 153,521,719 |

**CITY OF BISMARCK, NORTH DAKOTA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019**

ADDITIONS

| | |
|---|-----------------------|
| Contributions: | |
| Employers | \$ 4,207,864 |
| Employees | 2,131,275 |
| Total Contributions | <u>6,339,139</u> |
| Investment Income: | |
| Net Increase (Decrease) in Fair Value of Investments | 18,801,593 |
| Interest and Dividends | 3,295,853 |
| Securities Lending Income | 12,961 |
| Total Investment Income | <u>22,110,407</u> |
| Investment Expense: | |
| Investment Activity Expense | 388,895 |
| Securities Lending Expense | 2,593 |
| Net Investment Income (Loss) | <u>21,718,919</u> |
| Total Additions | <u>28,058,058</u> |

DEDUCTIONS

| | |
|-------------------------------------|------------------------|
| Benefits Paid to Participants | 8,251,653 |
| Refunds | 406,678 |
| Administration | 132,053 |
| Total Deductions | <u>8,790,384</u> |
| Change in Net Position | 19,267,674 |
| Net Position, Beginning of Year | <u>134,254,045</u> |
| Net Position, End of Year | <u>\$ 153,521,719</u> |

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bismarck (the City) was incorporated in 1875. The City operates under a city commission form of government under the Home Rule Charter. The City is governed by a mayor and four city commissioners elected by the residents. The accompanying financial statements present the activities of the City.

The accounting policies of the City conform to generally accepted accounting principles as applicable to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization's governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. For the most part, the effect of interfund activity has been removed from these financial statements to avoid duplication. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset of program revenues. 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 those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the City's government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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. The economic resources measurement focus and the accrual basis of accounting records revenues when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Fiduciary funds have no measurement focus. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current year, except for reimbursement revenues yet to be received from federal grants. These revenue sources are considered current for reimbursement of current liabilities in the respective fiscal year.

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues in the current year. All other revenues are considered to be measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish between operating and nonoperating revenues and expenses. 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 operating revenues of the City's enterprise funds and the internal service funds are charges to customers for sales and services. Similarly, operating expenses include the cost of goods and services sold, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

Interfund transactions that are representative of lending or borrowing arrangements subsequently to the fiscal year-end are reported as advances. Other outstanding interfund balances are reported as interfund receivables and payables. Residual interfund balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are when various charges exist between different functions of the government (i.e. water and sewer charges to other various functions of the City). Elimination of these charges would distort direct revenues and expenses reported from various City functions.

Property value is assessed as of the second Tuesday in April of each year. Property taxes are levied and attached as an enforceable lien by January 1st of the preceding year. A 5% discount is applied if payment is received by February 15th subsequent the year for which the tax is levied. The tax levy is divided into two payments due March 1st and October 15th. Penalty and interest is assessed on any delinquent payment.

In the fund financial statements, the City reports the following major governmental funds:

General Fund – This fund is the general operating fund of the City. It is used to account for all financial resources except those accounted for in another fund.

Sales Tax Fund – This is a special revenue fund that accounts for the collection of the City-imposed one and a half percent sales tax revenue used for voter-approved eligible expenditures.

Sewermain Bond Fund – This fund accounts for the collection of the special assessment revenue and the payment of special assessment bonds for sewermain improvements.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

Street Improvement Bond Fund – This fund accounts for the collection of the special assessment revenue and the payment of special assessment bonds related to street improvements.

Street Improvement Construction Fund – This fund accounts for the expenditures related to construction of street improvements. The street improvement expenditures are financed by special assessment bond proceeds.

The City reports the following major proprietary funds:

Airport – This fund accounts for the operations of the Bismarck Municipal Airport.

Event Center – This fund accounts for the operations of the Bismarck Event Center.

Water Utility – This fund accounts for the operations of water treatment and distribution.

Sanitary Sewer Utility – This fund accounts for the operations of sanitary sewers and wastewater treatment.

Storm Water Utility – This fund accounts for the operations of storm sewers.

Additionally, the City reports the following fund types:

Internal Service Funds – These funds are used by the City to charge for internal fleet services, health insurance, liability insurance, unemployment insurance, and revolving expenditures allocated to individual City funds.

Fiduciary Funds – These are trust funds used to account for the activities of the City Employees' Pension Plan, the Police Pension Plan, and Employee Excess Retirement. These activities accumulate resources for pension benefit payments made to retirees. The Deferred Sick Leave Plan accumulates resources for the payment of sick leave accumulated prior to the change in the City's sick leave policy as of December 31, 1992.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR FUND BALANCE

1. Cash and Investments

Deposits and investments are displayed on the statement of net position as cash and investments. Deposits and investments of the Public Trustee are held separately from County resources. Investments are reported at fair value, net asset value, and amortized cost, as applicable. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Highly liquid investments are readily convertible and near their maturity.

2. Inventories and Prepaid Items

Inventories are valued at cost, using the first-in / first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed.

Enterprise Funds record any payments made to vendors for services that will benefit periods beyond December 31, 2019, as prepaid items. The cost of services to governmental type funds is recorded as expenditures when paid rather than the benefited period.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000, except for infrastructure networks which are capitalized if the total cost exceeds \$50,000. Capital assets are valued at historical or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

| | |
|-------------------------------------|---------------|
| Buildings and building improvements | 10 - 50 Years |
| Improvements other than buildings | 25 - 50 Years |
| Infrastructure | 20-100 Years |
| Equipment | 2 - 15 Years |

4. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position by the government that would not be recognized as an outflow of resources (expense/expenditure) until future period(s) in which it is applicable. Deferred outflows are recorded in the government-wide Statement of Net Position under the governmental or business-type columns. Deferred outflows of resources of proprietary and internal service funds are reported in detail in their respective fund statements.

The City reports defined benefit pension plans in this category.

5. Unearned Revenues

Unearned revenues include revenues that have been collected but the corresponding expenditures have not been incurred and the eligibility criteria have not been met.

6. Long-Term Liabilities

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 statement of net position. Premiums and discounts are deferred and amortized over the life of the debt issuance on a straight-line basis. Long-term debt payable is reported net of the related debt premium or discount.

In the fund financial statements, governmental fund types recognize related debt premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures or expenses.

Internal service funds predominately serve the governmental funds. At year end, \$646,000 of claims and judgments are included in governmental and business-type activities.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

7. Compensated Absences / Termination Benefits

Annual Leave

The annual leave plan allows employees to accrue annual leave with pay based on their years of service with the City as follows:

| | |
|---------------|--------------------|
| 0 - 3 years | 8 hours per month |
| 4 - 7 years | 10 hours per month |
| 8 -12 years | 12 hours per month |
| 13 - 18 years | 14 hours per month |
| over 18 years | 16 hours per month |

Regular part-time employees shall earn a prorated number of annual leave hours paid at their current rate of compensation. Fire department employees who have a regular workweek in excess of forty hours per week are granted annual leave at a rate adjusted to take into account additional hours to make their annual leave comparable to the leave granted for regular full-time employees.

Annual leave accrued during the calendar year may be accumulated up to a maximum of 360 hours for eligible employees, except for fire department employees that work a regular work week in excess of 40 hours may accumulate up to a maximum of 477 hours. On January 1 of each year, annual leave in excess of the maximum annual leave hours are forfeited without compensation.

Remaining annual leave hours are paid upon termination at the employee's current pay rate up to a maximum of 360 hours for regular employees and 477 hours for fire department employees.

Accumulated annual leave hours are calculated at the current pay rate on December 31 to determine the liability. Annual leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In the governmental funds, a liability is incurred only when payable in the respective fund. Governmental activities compensated absences are liquidated by the General Fund and various Special Revenue Funds.

Sick Leave

The current sick leave policy was established on December 31, 1992. Employees may accumulate a maximum of 960 and 1,272 hours annually for 40-hour per week and 53-hour per week employees, respectively. Excess sick leave will be paid to all employees at 40% of their excess hours over 960 or 1272. Sick leave is not paid upon termination, except for employees hired and accumulated sick leave prior to December 31, 1992.

Employees that had accumulated sick leave prior to December 31, 1992 were allowed to accumulate outstanding sick leave hours for payment upon termination. For these employees, on December 31, 1992, any hours in excess of the maximum 960 or 1272 hours were reduced by 25%. The remaining sick leave hours, in excess of the maximum, at the rate of pay on December 31, 1992 determined the liability held in the Deferred Sick Leave Fiduciary Fund. In addition, any employee with a sick leave balance less than the 960 or 1272-hour maximum was allowed to choose an option to either reduce the sick leave hours by 25% or retain the hours in order to reach the maximum at a faster pace. The employees that chose to reduce the sick leave by 25% were allowed to be paid upon termination at the pay rate on December 31, 1992 held in the Deferred Sick Leave Fiduciary Fund, a pension (and other employee benefit) trust fund.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

8. Pensions

The City participates and majority member of the City of Bismarck Employees' Pension Plan (City Employees' Pension Plan). The Employees' Pension Plan is a multiple employer cost-sharing defined benefit pension plan. The City is required to report a proportionate share of the net pension liability (asset), deferred outflows and inflows of resources, and pension expense using the economic resources measurement focus and accrual basis of accounting. The City also maintains and participates in the Bismarck Police Employees' Pension Plan (Police Employees' Pension Plan), a single employer defined benefit pension plan. The City is required to report related net pension liability (asset), deferred outflows and inflows of resources, and pension expense for the Police Employees' Pension Plan using the economic resources measurement focus and accrual basis of accounting. For this purpose, benefits and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms and statutes governing the City Employees' Pension Plan and the Police Employees' Pension Plan, accordingly. Expenses are recognized when the liability is incurred, regardless of when payment is made.

Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. The City's proportionate share is allocated among governmental activities, business-type activities, proprietary funds, and internal service funds based on the present value of future payroll.

The City Employees' Pension Plan employer and plan member contributions are recognized when due pursuant to the City ordinance and requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation or depreciation in fair value of investments is recorded as an increase or decrease to investment income. The entire expense of the City Employees' Pension Plan administration is charged against the earnings.

9. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that would not be recognized as an inflow of resources (revenue) until a future period(s). Deferred inflows of resources are recorded in the Statement of Net Position under the governmental or business-type columns. Deferred inflows of resources of governmental funds, proprietary funds, and internal service funds are reported in detail in their respective fund statements.

Property taxes and special assessment revenues that are measurable and met the eligibility criteria but not available within 60 days after the fiscal year-end are classified as deferred inflows of resources in the governmental fund financial statements, but recognized as revenues in the government-wide financial statements. The City also reports defined benefit pension plans in this category.

10. Net Position and Fund Balance

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources on the government-wide, proprietary, and fiduciary fund financial statements and fund balance on the governmental fund financial statements.

In 2011, the City approved a policy that defined fund balance categories and the constraints placed on the City's fund balances. Governmental funds report fund balances based on the extent of the purpose and constraints placed on the available resources. The following classifications describe the relative strength of spending constraints of fund balance:

Nonspendable – Balances that cannot be spent either because they are not in spendable form or legally or contractually required to be maintained intact.

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Restricted fund balance – Balances that are subject to externally enforceable legal purpose imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.

Committed fund balance – Balances that are subject to a purpose constraint imposed by formal action of the City's Board of Commission. The City's Board of Commission is the highest level of decision-making authority. The City's Board of Commissioners has authorized to set aside funds for a specific purpose based on a single majority vote. The formal motion must take place prior to December 31 of the applicable fiscal year and be recorded in the official minutes. If the actual amount of the commitment is not available by December 31st, the motion must state the process or formula necessary to calculate the actual amount as soon as information is available. Commitments may be established, modified, or rescinded by the same formal action that imposed the original commitment by the City's Board of Commissioners. The City Commission establishes, modifies or rescinds fund balance commitments by passage of a resolution.

Assigned fund balance – Balances that are subject to a purpose constraint that represents an intended use, but do not meet the criteria to be classified as restricted or committed. The Board has delegated the authority to assign unrestricted fund balance to the City's Finance Director. Assigned fund balance is established through adoption or amendment of the budget for its intended specific purpose.

Unassigned fund balance – Represents the residual classification of balances that are not subject to external restrictions and not committed or assigned. The General Fund is the only fund that reports a positive fund balance. This represents the resources available for future spending and amounts that are not nonspendable, restricted, committed, or assigned to a specific purpose.

In the General Fund, the City of Bismarck will strive to maintain a minimum unrestricted fund balance equal to 60% of the General Fund revenue. This will assist in maintaining an adequate level of fund balance to provide for large future expenditures, cash flow requirements, and contingencies. If spending in designated circumstances has reduced unrestricted fund balance to a point below the minimum target, the replenishment will be within five years.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the County considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers committed balances to have been spent first, then assigned, and, finally, unassigned, as needed, unless the Board has provided otherwise in its commitment or assignment actions. As of December 31, 2019, fund balances are composed of the following:

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| | General Fund | Sales Tax | Sewermain Bonds | Street Improvement Bonds | Street Improvement Construction | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------|-----------------|---------------|--------------------|--------------------------------|---------------------------------------|-----------------------------------|--------------------------------|
| <u>Nonspendable:</u> | | | | | | | |
| Notes Receivable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,234,481 | \$ 1,234,481 |
| <u>Restricted:</u> | | | | | | | |
| Building construction | 4,718,231 | - | - | - | - | - | 4,718,231 |
| Highway weather projects | - | - | - | - | - | 271,867 | 271,867 |
| Capital projects | - | 28,327,250 | - | - | - | - | 28,327,250 |
| Debt payments | - | - | 8,432,051 | 30,609,721 | - | 5,901,327 | 44,943,099 |
| <u>Committed:</u> | | | | | | | |
| Public health programs | - | - | - | - | - | 968,226 | 968,226 |
| Transit system | - | - | - | - | - | 4,005 | 4,005 |
| Public library | - | - | - | - | - | 893,054 | 893,054 |
| Drug enforcement | - | - | - | - | - | 396,402 | 396,402 |
| Highways and streets | - | - | - | - | - | 4,973,658 | 4,973,658 |
| Street light operations | - | - | - | - | - | 3,047,239 | 3,047,239 |
| Economic development | - | - | - | - | - | 1,712,191 | 1,712,191 |
| Capital projects | - | 5,638,003 | - | - | - | 20,744,997 | 26,383,000 |
| <u>Assigned:</u> | | | | | | | |
| Contingencies | 825,000 | - | - | - | - | - | 825,000 |
| Department equipment | 1,950,415 | - | - | - | - | - | 1,950,415 |
| Fire Truck/Equipment | 494,841 | - | - | - | - | - | 494,841 |
| Technology equipment | 126,565 | - | - | - | - | - | 126,565 |
| Computer expansion | 416,329 | - | - | - | - | - | 416,329 |
| Parking lot | 96,293 | - | - | - | - | - | 96,293 |
| Payroll reserve | 856,291 | - | - | - | - | - | 856,291 |
| <u>Unassigned</u> | 35,556,939 | - | - | - | (6,696,667) | (5,950,885) | 22,909,387 |
| Total Fund Balances | \$ 45,040,904 | \$ 33,965,253 | \$ 8,432,051 | \$ 30,609,721 | \$ (6,696,667) | \$ 34,196,562 | \$ 145,547,824 |

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND BALANCE AND NET POSITION IN THE GOVERNMENTAL ACTIVITIES

The governmental funds balance sheet includes a reconciliation between total governmental fund balance and net position in the governmental activities. Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The detail of this reconciliation is as follows:

| | 2019 |
|--|-------------------------|
| Bonds payable | \$ (118,080,000) |
| Less: unamortized bond discount | - |
| Plus: unamortized bond premium | (4,752,538) |
| Accrued interest payable | (626,070) |
| Compensated absences | (3,197,602) |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$ (126,656,210)</u> |

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between the changes in fund balances in governmental funds and changes in net position in the statement of activities. 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 detail of this reconciliation is as follows:

| | |
|--|---------------------|
| Capital outlay | \$ 19,721,025 |
| Contributed capital | 1,558,669 |
| Capital outlay transferred to Enterprise Funds | (4,041,231) |
| Depreciation expense | <u>(15,808,665)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u>\$ 1,429,798</u> |

The net effect of various miscellaneous transactions involving capital assets is to increase net position. The detail of this reconciliation is as follows:

In the statement of activities, only the gain/(loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase/(decrease) financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

| | |
|--|---------------------|
| | <u>\$ (297,364)</u> |
|--|---------------------|

Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities

| | |
|--|---------------------|
| | <u>\$ (297,364)</u> |
|--|---------------------|

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

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The details of this \$6,626,153 difference are as follows:

| | |
|---|----------------------------|
| Debt issued or incurred: | |
| Issuance of special assessment debt | \$ (9,370,000) |
| Plus: bond premium | (458,847) |
| Principal repayments: | |
| General obligation debt | <u>16,455,000</u> |
| Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u><u>\$ 6,626,153</u></u> |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. The detail of this reconciliation is as follows:

| | |
|--|------------------------------|
| Compensated absences | \$ (193,276) |
| Accrued interest | 26,639 |
| Amortization of bond premium & interest on escrow | 433,580 |
| Amortization of bond discounts | (30,996) |
| Net pension liability and related deferred outflows and inflows | <u>(1,671,092)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities | <u><u>\$ (1,435,145)</u></u> |

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City adopts an annual budget approved by the Board of City Commissioners. The budget is adopted on a generally accepted accounting principles (GAAP) basis. Activities of the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget in accordance with the N.D.C.C.

The level of budgetary control is established at the department level. The department is allowed to transfer appropriations within a department. City's Board of Commissioners approval is required for the transfer of appropriations between departments. The entire budget can be amended by City's Board of Commissioner approval of the amendment. Annually, the proposed budget is presented to the City's Board of Commissioners for review and approval by August 7th. The City's Board of Commissioners hold public hearings and may modify the proposed budget before the annual budget is officially adopted on October 7th.

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The City also maintains an encumbrance system as a technique of accomplishing budgetary control. Encumbrances represent commitments related to uncompleted contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the General Fund. For budgetary purposes appropriations lapse at year end except for that portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

B. DEFICIT FUND BALANCE

The following individual funds had deficits at December 31, 2019, in the fund balance of the following funds:

| <u>Capital Projects Funds:</u> | <u>Deficit</u> |
|---------------------------------|----------------|
| Sewermain Construction | \$ (3,449,357) |
| Sidewalk Construction | (1,516,025) |
| Street Improvement Construction | (6,696,667) |

Sewermain Construction, Sidewalk Construction, and Street Improvement Construction will be funded from the issuance of special assessment bonds in following fiscal year.

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

The City maintains cash and investments in accordance with the North Dakota state statutes, also known as the North Dakota Century Code (N.D.C.C. 21-06-07).

Cash and Investments

As of December 31, 2019 the City's cash and investments are as follows:

| | |
|----------------------------|-----------------------|
| Petty Cash | \$ 41,609 |
| Deposits | 110,056,035 |
| Investments | 237,887,692 |
| Total Cash and Investments | <u>\$ 347,985,336</u> |

The cash and investments presented in the Financial Statements December 31, 2019 are as follows:

| | |
|----------------------------|-----------------------|
| Primary Government | |
| Unrestricted | \$ 182,016,648 |
| Restricted | 12,408,591 |
| Fiduciary Funds | 153,560,097 |
| Total Cash and Investments | <u>\$ 347,985,336</u> |

Custodial Credit Risk

Custodial credit risk is associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The City does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the City maintains deposits at financial institutions authorized by the Board of City Commissioners. State statutes also require that the deposits be protected by insurance, collateral, or surety bond. The fair value of the collateral pledged

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by the financial institution must be equal to or greater than 110% of the deposits not covered by FDIC insurance or surety bonds. The only exception is deposits with the Bank of North Dakota, which is owned and backed by the full faith and credit of the State of North Dakota. At December 31, 2019, the carrying amount of the City's deposits was \$110,056,035 and the bank balance was \$110,503,391, which was FDIC insured and collateralized.

B. INVESTMENTS

As of December 31, 2019, the City had the following investments:

| | S & P Rating | Investment Maturities | | | | Fair Value | Percent of Investments | Fair Value Hierarchy |
|----------------------------|--------------|-----------------------|--------------|--------------|--------------------|----------------|------------------------|----------------------|
| | | Less Than One Year | 1-5 Years | 6-10 Years | More Than 10 Years | | | |
| US Government Agency | AA+ | \$ 10,226,980 | \$ 3,589,318 | \$ - | \$ - | 13,816,298 | 6% | Level 2 |
| US Treasury STRIPS | Not Rated | 141,554 | 696,782 | 4,679,771 | - | 5,518,107 | 2% | Level 2 |
| US Treasury Notes | AA+ | 12,046,544 | 2,032,229 | - | - | 14,078,773 | 6% | Level 1 |
| Negotiable CD | Not Rated | 1,469,927 | - | - | - | 1,469,927 | 1% | Level 2 |
| Commercial Paper | A-1+ | 45,420,785 | - | - | - | 45,420,785 | 19% | Level 2 |
| Money Market Fund | AAAm | 4,569,436 | - | - | - | 4,569,436 | 2% | Level 2 |
| Local Gov't Pool (Pension) | Not Rated | 153,014,366 | - | - | - | 153,014,366 | 64% | NAV |
| Total Investments | | \$ 226,889,592 | \$ 6,318,329 | \$ 4,679,771 | \$ - | \$ 237,887,692 | 100% | |

State statutes authorize the City to invest in the following:

- Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress
- 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
- Certificates of deposit fully insured by the Federal Deposit Insurance Corporation (FDIC) or the State of North Dakota
- Securities of any state and local government
- Commercial paper issued by a United States corporation

Pension trust funds in the fiduciary funds are authorized to be invest their surplus funds outside of N.D.C.C. 21-06-07 by selecting a funding agent or agents to hold and invest such funds and shall be placed for investment only with a firm whose primary endeavor is money management. The City invests pension trust funds with the North Dakota State Investment Board.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rate. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

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Investments in the Deferred Sick, City Pension and Police Pension funds are generally managed by the North Dakota Retirement and Investment Office (NDRIO) under the authority of the State Investment Board. The N.D.C.C. 21-10 allows the State Investment Board to apply the prudent investor rule in investing funds under its supervision. The investments must be exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. For more information, refer to the NDRIO financial reports as follows: <http://www.state.nd.us/rio/SIB/Publications/default.htm>.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a formal investment policy that specifically addresses credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

Fair Value Measurement

Investments are stated at fair value based on quoted market prices.

The fair value measurements are categorized by the fair value hierarchy based on the generally accepted accounting principles. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from level 1 which is the highest priority to level 3 which is the lowest priority and are based on the following categories:

Level 1 Unadjusted quoted prices for identical instruments in active markets.

Level 2 Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the City of Bismarck's investment portfolio as of December 31, 2019.

The Level 1 securities are valued using the quoted prices in active markets for identical assets. Level 2 and Level 3 securities are valued based on methodologies such as bid evaluations, market averages, and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

The State Investment Board is regulated by an eleven-member board. The audited financial statements may be found at <https://www.nd.gov/rio/SIB/Publications/default.htm> or on the North Dakota State Government website. Several agencies whose investments are under the supervision of the State Investment Board participate in the pooled investments. The agencies transfer money into the investment pools and receive an appropriate percentage ownership of the pooled portfolio based upon fair value. All activities of the investment pools are allocated to the agencies based upon their respective ownership percentages. Each participant unit is valued at \$1.00 per unit.

CITY OF BISMARCK, NORTH DAKOTA
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C. NOTES RECEIVABLE

Notes receivable as of December 31, 2019 were:

| | INTEREST RATE | MATURITY DATE | RECEIVABLE BALANCE |
|--|--------------------------|--------------------------|-------------------------------|
| HUD Abused Adult Resource Bonnie's House | 0% | 7/24/2013 - 9/20/2033 | 100,563 |
| HUD Habitat Home Ownership Project | 0% | 7/8/2009 - 7/8/2024 | 30,326 |
| HUD Home Dakota Apartments Project | 0% | 12/20/2011 - 12/20/2031 | 347,000 |
| HUD Neighborhood Stabilization Program | 0% | 3/30/2010 - 3/30/2025 | 14,171 |
| HUD NSP Dakota Apartments | 0% | 12/20/2011 - 12/20/2031 | 193,443 |
| HUD Patterson Place Apartments Loan | 0% | 12/31/2039 | 300,000 |
| Laughing Sun Brewing Company, LLC | 2% | 5/18/2018 - 12/1/2030 | 103,337 |
| JB Lozensky Properties, LLP | 2% | 12/31/2018 - 6/1/2036 | 39,627 |
| ND Safety Council | 2% | 5/24/2018 - 1/1/2024 | 106,014 |
| TOTAL NOTES RECEIVABLE | | | <u>\$ 1,234,481</u> |

Repayments of the HUD loans are forgivable when the terms of the agreement are met.

The City has entered into four notes receivable with the Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships Program and Neighborhood Stabilization Programs. This includes projects the Dakota Apartments Home Program. The Neighborhood Stabilization Program is forgiven after 20 years or due if ownership changes beginning December 20, 2011. Habitat Home Ownership project is forgivable at 10% annually beginning on July 8, 2015 and 100% forgiven if owned for at least 15 years. The Abused Adult Resource Center for Bonnie's House is forgiven after 20 years or if ownership changes starting as of July 24, 2013. The Neighborhood Stabilization Program loan is forgivable at 10% per year after 6 years. The Patterson Place Apartment Loan is a non-forgivable loan with a payment due from surplus cash from the sale of the property, if ownership changes, or when a change in the façade easement is made. The original 1983 loan was subordinated on December 16, 2013 with an extended term until April 1, 2024. On March 24, 2019, the note was assumed by new ownership, and the term was extended to December 31, 2039. The Brandon Heights II Home Project remaining balance of \$109,650 was paid in full in 2019.

Notes receivable authorized from the Vision fund to Laughing Sun Brewing Company, LLC, JB Lozensky Properties, LLP, and ND Safety Council promote economic and job development in the City. The Vision Fund currently has three outstanding loans. The Laughing Sun Brewing Company, LLC, loan accrues interest at 2% and payments are required starting 97 months from the promissory date. Monthly payments of \$2,320 will begin on June 1, 2026. The JB Lozensky Properties, LLP loan payment is required starting 127 months from the promissory date. Monthly payments will begin July 1, 2029 in the amount of \$610. The ND Safety Council loan of \$106,014 accrues interest at 2% and payments are required starting 32 months from the promissory date. Monthly payments will begin June 1, 2021 in the amount of \$3,194.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------|-----------------|-------------------|
| <u>Governmental Activities:</u> | | | | |
| Capital assets, Not Being Depreciated: | | | | |
| Land | \$ 2,767,950 | \$ - | \$ - | \$ 2,767,950 |
| Construction in Progress | 1,672,107 | 2,061,474 | (862,950) | 2,870,631 |
| Total Capital Assets, Not Being Depreciated | 4,440,057 | 2,061,474 | (862,950) | 5,638,581 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and Building Improvements | 40,349,224 | 100,000 | - | 40,449,224 |
| Improvements Other Than Buildings | 85,349 | - | - | 85,349 |
| Machinery and Equipment | 41,424,013 | 2,994,137 | (1,471,664) | 42,946,486 |
| Infrastructure | 440,519,705 | 12,707,391 | - | 453,227,096 |
| Total Capital Assets, Being Depreciated | 522,378,291 | 15,801,528 | (1,471,664) | 536,708,155 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Building Improvements | (20,233,734) | (1,214,234) | - | (21,447,968) |
| Improvements Other Than Buildings | (68,581) | (2,486) | - | (71,067) |
| Machinery and Equipment | (27,557,891) | (2,843,139) | 1,412,711 | (28,988,319) |
| Infrastructure | (117,948,866) | (11,748,806) | - | (129,697,672) |
| Total Accumulated Depreciation | (165,809,072) | (15,808,665) | 1,412,711 | (180,205,026) |
| Total Capital Assets, Being Depreciated, Net | 356,569,219 | (7,137) | (58,953) | 356,503,129 |
| Governmental Activities Capital Assets, Net | \$ 361,009,276 | \$ 2,054,337 | \$ (921,903) | \$ 362,141,710 |
| | Beginning Balance | Increases | Decreases | Ending Balance |
| <u>Business-Type Activities:</u> | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | \$ 15,849,073 | \$ 2,998,582 | \$ (271,127) | \$ 18,576,528 |
| Construction in Progress | 51,806,427 | 2,990,174 | (50,735,004) | 4,061,597 |
| Total Capital Assets, Not Being Depreciated | 67,655,500 | 5,988,756 | (51,006,131) | 22,638,125 |
| Capital Assets, Being Depreciated: | | | | |
| Buildings and Building Improvements | 279,561,803 | 1,055,444 | (1,591,000) | 279,026,247 |
| Improvements Other Than Buildings | 345,576,888 | 66,091,797 | (13,183,348) | 398,485,337 |
| Machinery and Equipment | 37,877,745 | 2,232,142 | (1,590,702) | 38,519,185 |
| Total Capital Assets, Being Depreciated | 663,016,436 | 69,379,383 | (16,365,050) | 716,030,769 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Building Improvements | (102,083,262) | (6,354,255) | 450,783 | (107,986,734) |
| Improvements Other Than Buildings | (121,254,636) | (7,713,354) | 8,018,644 | (120,949,346) |
| Machinery and Equipment | (17,344,539) | (1,854,721) | 1,345,994 | (17,853,266) |
| Total Accumulated Depreciation | (240,682,437) | (15,922,330) | 9,815,421 | (246,789,346) |
| Total Capital Assets, Being Depreciated, Net | 422,333,999 | 53,457,053 | (6,549,629) | 469,241,423 |
| Business-Type Activities Capital Assets, Net | \$ 489,989,499 | \$ 59,445,809 | \$ (57,555,760) | \$ 491,879,548 |

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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

| | |
|---|----------------------|
| General Government | \$ 1,283,196 |
| Public Safety | 1,574,329 |
| Highways and Streets | 597,062 |
| Health and Welfare | 28,679 |
| Culture and Recreation | 616,170 |
| Public Works | 11,709,229 |
| Total Depreciation Expense, Governmental Activities | <u>\$ 15,808,665</u> |

Business-Type Activities:

| | |
|--|----------------------|
| Airport | \$ 3,231,226 |
| Event Center | 1,106,271 |
| Water | 4,786,923 |
| Sanitary Sewer | 3,703,690 |
| Storm Water | 1,187,210 |
| Solid Waste Disposal | 665,440 |
| Solid Waste Collections | 296,554 |
| Commercial Property | 13,258 |
| Northern Plains Commerce Centre | 215,235 |
| Parking Authority | 716,523 |
| Total Depreciation Expense, Business-Type Activities | <u>\$ 15,922,330</u> |

In 2019, the City transferred \$3,939,824 of machinery and equipment from the business-type funds to the governmental activities, and reported as a transfer on the statement of activities.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivable and interfund payable balances as of December 31, 2019 were as follows:

| Interfund Receivable | Interfund Payable: | | Total |
|-------------------------------|--------------------------------------|-----------------------------|----------------------|
| | Street Improvement Construction Fund | Nonmajor Governmental Funds | |
| General Fund | \$ - | \$ 4,847 | \$ 4,847 |
| Sewermain Bonds Fund | - | 3,319,435 | 3,319,435 |
| Street Improvement Bonds Fund | 6,460,638 | - | 6,460,638 |
| Nonmajor Governmental Funds | - | 1,485,202 | 1,485,202 |
| Event Center Fund | - | 22,930 | 22,930 |
| Total | <u>\$ 6,460,638</u> | <u>\$ 4,832,414</u> | <u>\$ 11,293,052</u> |

Interfund receivables and interfund payables resulted primarily from short-term timing of cash flows. These balances are expected to be eliminated in the subsequent fiscal year.

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The interfund transfers during fiscal year ended December 31, 2019 were as follows:

| Transfers Out | Transfers In | | | | | |
|---------------------------------|---------------|---------------|-----------------|--------------------------|---------------------------------|-----------------------------|
| | General Fund | Sales Tax | Sewermain Bonds | Street Improvement Bonds | Street Improvement Construction | Nonmajor Governmental Funds |
| General Fund | \$ - | \$ - | \$ - | \$ - | \$ 7,050 | \$ 3,005,363 |
| Sales Tax | 9,680,464 | - | - | - | - | 6,135,776 |
| Street Improvement Bonds | - | - | - | - | 116,804 | - |
| Street Improvement Construction | 19,635 | - | - | 1,759,073 | - | 85,604 |
| Nonmajor Governmental Funds | 1,399,353 | 10,284,624 | 304,622 | - | 3,777,996 | 563,726 |
| Airport | 159,175 | - | - | - | - | - |
| Event Center | 225,493 | - | - | - | - | - |
| Water | 351,955 | - | - | - | 517,250 | - |
| Sanitary Sewer | 145,208 | - | - | - | - | 2,761 |
| Storm Water | 74,717 | - | - | - | - | - |
| Nonmajor Enterprise Funds | 344,916 | - | - | - | - | 506,211 |
| Internal Service Funds | 253,500 | - | - | - | - | 2,389 |
| Total | \$ 12,654,416 | \$ 10,284,624 | \$ 304,622 | \$ 1,759,073 | \$ 4,419,100 | \$ 10,301,830 |

| Transfers Out | Transfers In | | | | | | Total |
|---------------------------------|--------------|-------------------|------------|------------------|---------------------------|------------------------|---------------|
| | Airport Fund | Event Center Fund | Water Fund | Storm Water Fund | Nonmajor Enterprise Funds | Internal Service Funds | |
| General Fund | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 330,000 | 3,342,413 |
| Sales Tax | - | - | - | - | - | - | 15,816,240 |
| Street Improvement Bonds | - | - | - | - | - | - | 116,804 |
| Street Improvement Construction | - | - | - | - | - | - | 1,864,312 |
| Nonmajor Governmental Funds | 20,371 | 2,278,633 | - | 143,007 | - | - | 18,772,332 |
| Airport | - | - | - | - | - | - | 159,175 |
| Event Center | - | - | - | - | - | - | 225,493 |
| Water | - | - | - | - | - | - | 869,205 |
| Sanitary Sewer | - | - | 29,883 | - | - | - | 177,852 |
| Storm Water | - | - | 29,132 | - | - | - | 103,849 |
| Nonmajor Enterprise Funds | - | - | 118,606 | - | 150,000 | - | 1,119,733 |
| Internal Service Funds | - | - | - | - | - | - | 255,889 |
| Total | \$ 20,371 | \$ 2,278,633 | \$ 177,621 | \$ 143,007 | \$ 150,000 | \$ 330,000 | \$ 42,823,297 |

Transfers are primarily for internal charges related to general administrative support, distribution of payroll and related benefits for grant reimbursement, budgeted interfund contributions, and distributions to the related capital projects funds for budgeted capital improvement.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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F. LONG-TERM DEBT

Long-term liabilities for the year ended December 31, 2019, were as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|---------------|---------------|-------------------|------------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | |
| Special Assessment Bonds | \$ 125,165,000 | \$ 9,370,000 | \$ 16,455,000 | \$ 118,080,000 | \$ 16,710,000 |
| Bond Premiums, Net | 4,696,275 | 458,847 | 402,584 | 4,752,538 | - |
| Compensated Absences | 3,004,326 | 2,929,697 | 2,736,421 | 3,197,602 | 2,906,403 |
| Claims and Judgments | 508,690 | 5,938,634 | 5,951,742 | 495,582 | 495,582 |
| Total Governmental Activities | \$ 133,374,291 | \$ 18,697,178 | \$ 25,545,747 | \$ 126,525,722 | \$ 20,111,985 |
| BUSINESS-TYPE ACTIVITIES: | | | | | |
| Event Center Revenue Bonds, Series 2013 | \$ 22,770,000 | \$ - | \$ 1,075,000 | \$ 21,695,000 | \$ 1,105,000 |
| Bond Discount, Net | (20,945) | 1,334 | | (19,611) | - |
| Water Revenue Bonds, Series 2012 | 2,245,000 | - | 730,000 | 1,515,000 | 750,000 |
| Bond Premium, Net | 19,958 | - | 8,554 | 11,404 | - |
| Water Revenue Bonds, Series 2013 | 6,515,000 | - | 570,000 | 5,945,000 | 580,000 |
| Bond Premium, Net | 918 | - | 93 | 825 | - |
| Water Revenue Bonds, Series 2014 | 10,175,000 | - | 805,000 | 9,370,000 | 820,000 |
| Bond Discount, Net | (93,392) | 9,111 | - | (84,281) | - |
| Water Treatment Loan, 2009 | 9,930,000 | - | 835,000 | 9,095,000 | 865,000 |
| Wastewater Loan, 2006 | 10,415,000 | - | 1,025,000 | 9,390,000 | 1,055,000 |
| Wastewater Loan, 2015 | 26,010,000 | - | 1,225,000 | 24,785,000 | 1,245,000 |
| Loan Discount, Net | (63,222) | 3,870 | - | (59,352) | - |
| Landfill Closure and Post-Closure | 2,843,240 | 222,741 | - | 3,065,981 | - |
| Compensated Absences | 883,069 | 638,339 | 593,225 | 928,183 | 603,318 |
| Claims and Judgments | 165,814 | 1,814,103 | 1,829,499 | 150,418 | 150,418 |
| Total Business-Type Activities | \$ 91,795,440 | \$ 2,689,498 | \$ 8,696,371 | \$ 85,788,567 | \$ 7,173,736 |
| Total Long-Term Liabilities | \$ 225,169,731 | \$ 21,386,676 | \$ 34,242,118 | \$ 212,314,289 | \$ 27,285,721 |

General Obligation Bonds

The City issues general obligation bonds to finance the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The legal debt margin as of December 31, 2019 was \$209,851,482 with a remaining non-obligated margin of \$209,851,482. The City has not issued any general obligation bonds as of December 31, 2019.

Special assessment bonds outstanding at December 31, 2019 are as follows:

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

Governmental Activities

| Special Assessment Bonds | Issuance Date | Date of Final Payment | Interest Rates | Original Par Value | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---------------|-----------------------|----------------|--------------------|-------------------|--------------|---------------|----------------|---------------------|
| Series W Refunding | 12/23/2008 | 5/1/2023 | 3.5% - 4.45% | \$ 8,915,000 | \$ 2,910,000 | \$ - | \$ 600,000 | \$ 2,310,000 | \$ 590,000 |
| Series X Refunding | 1/1/2009 | 5/1/2023 | 3.5% - 5.375% | 8,210,000 | 50,000 | - | 10,000 | 40,000 | 10,000 |
| Series Y Refunding | 1/6/2010 | 5/1/2024 | 2% - 4% | 9,615,000 | 2,500,000 | - | 420,000 | 2,080,000 | 420,000 |
| Series A Refunding | 3/25/2010 | 5/1/2019 | 2% - 3% | 3,855,000 | 130,000 | - | 130,000 | - | - |
| Series B Refunding | 12/8/2010 | 5/1/2025 | 0.70% - 4.25% | 9,630,000 | 3,000,000 | - | 500,000 | 2,500,000 | 420,000 |
| Series C Refunding | 12/14/2011 | 5/1/2026 | 2% - 2.75% | 9,065,000 | 2,945,000 | - | 405,000 | 2,540,000 | 400,000 |
| Series D Refunding | 12/14/2011 | 5/1/2020 | 1% - 2% | 1,605,000 | 245,000 | - | 160,000 | 85,000 | 85,000 |
| Series E Refunding | 4/15/2012 | 5/1/2021 | 2% - 2.2% | 4,365,000 | 1,065,000 | - | 365,000 | 700,000 | 355,000 |
| Series F Refunding | 12/19/2012 | 5/1/2027 | 1% - 1.8% | 9,465,000 | 5,500,000 | - | 685,000 | 4,815,000 | 635,000 |
| Series G Refunding | 1/3/2013 | 5/1/2022 | 1.5 - 2% | 3,790,000 | 680,000 | - | 515,000 | 165,000 | 55,000 |
| Series H Refunding | 11/14/2013 | 5/1/2028 | 1% - 1.8% | 15,755,000 | 8,375,000 | - | 1,470,000 | 6,905,000 | 1,445,000 |
| Series I Refunding | 12/1/2014 | 5/1/2029 | 0.05% - 3% | 24,725,000 | 15,490,000 | - | 2,430,000 | 13,060,000 | 2,375,000 |
| Series J Refunding | 3/25/2015 | 5/1/2022 | 2% - 3% | 6,510,000 | 3,430,000 | - | 930,000 | 2,500,000 | 875,000 |
| Series K Refunding | 11/10/2015 | 5/1/2030 | 2.5% - 5% | 31,905,000 | 23,605,000 | - | 2,850,000 | 20,755,000 | 2,850,000 |
| Series L Refunding | 11/22/2016 | 5/1/2031 | 2% - 5% | 18,365,000 | 15,575,000 | - | 1,625,000 | 13,950,000 | 1,590,000 |
| Series M Refunding | 12/5/2017 | 5/1/2032 | 2% - 2.5% | 17,790,000 | 17,175,000 | - | 1,490,000 | 15,685,000 | 1,510,000 |
| Series N Refunding | 11/27/2018 | 5/1/2033 | 3% - 5% | 13,815,000 | 13,815,000 | - | 525,000 | 13,290,000 | 1,375,000 |
| Series O Refunding | 11/26/2019 | 5/1/2034 | 2% - 5% | 8,235,000 | - | 8,235,000 | - | 8,235,000 | 355,000 |
| Total Improvement Special Assessment Bonds | | | | \$ 205,615,000 | \$ 116,490,000 | \$ 8,235,000 | \$ 15,110,000 | \$ 109,615,000 | \$ 15,345,000 |
| Sidewalk, 2008 | 1/6/2010 | 5/1/2019 | 1% - 3.1% | \$ 810,000 | \$ 80,000 | \$ - | \$ 80,000 | \$ - | \$ - |
| Sidewalk, 2009 | 12/8/2010 | 5/1/2020 | 0.9% - 3% | 665,000 | 130,000 | - | 65,000 | 65,000 | 65,000 |
| Sidewalk, 2010 | 12/14/2011 | 5/1/2021 | 0.5% - 2% | 935,000 | 280,000 | - | 95,000 | 185,000 | 95,000 |
| Sidewalk, 2011 | 1/3/2013 | 5/1/2022 | 1.2% - 1.7% | 915,000 | 360,000 | - | 90,000 | 270,000 | 90,000 |
| Sidewalk, 2012 | 11/14/2013 | 5/1/2023 | 2% - 2.75 | 2,145,000 | 1,090,000 | - | 225,000 | 865,000 | 220,000 |
| Sidewalk, 2013 | 12/1/2014 | 5/1/2024 | 2% - 3% | 1,835,000 | 1,120,000 | - | 190,000 | 930,000 | 190,000 |
| Sidewalk, 2014 | 12/1/2015 | 5/1/2025 | 2% - 3% | 1,950,000 | 1,380,000 | - | 200,000 | 1,180,000 | 200,000 |
| Sidewalk, 2015 | 12/15/2016 | 5/1/2026 | 2% - 4% | 1,970,000 | 1,615,000 | - | 205,000 | 1,410,000 | 200,000 |
| Sidewalk, 2016 | 12/5/2017 | 5/1/2027 | 2% - 2.5% | 1,535,000 | 1,420,000 | - | 150,000 | 1,270,000 | 150,000 |
| Sidewalk, 2017 | 11/27/2018 | 5/1/2028 | 3% - 5% | 1,200,000 | 1,200,000 | - | 45,000 | 1,155,000 | 115,000 |
| Sidewalk, 2018 | 11/29/2019 | 5/1/2029 | 2% - 5% | 1,135,000 | - | 1,135,000 | - | 1,135,000 | 40,000 |
| Total Sidewalk Special Assessment Bonds | | | | \$ 15,095,000 | \$ 8,675,000 | \$ 1,135,000 | \$ 1,345,000 | \$ 8,465,000 | \$ 1,365,000 |
| Total Long-Term Debt, Governmental Activities | | | | \$ 220,710,000 | \$ 125,165,000 | \$ 9,370,000 | \$ 16,455,000 | \$ 118,080,000 | \$ 16,710,000 |

CITY OF BISMARCK, NORTH DAKOTA
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On December 17, 2019, the City issued Refunding Improvement Bonds, Series 2019, in the amount of \$9,370,000 to finance the construction of street lights, streets, sewer mains, water mains, sidewalks, and public parking lots. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Principal and interest for the current year was \$20,120,505. Special assessment revenue totaled \$21,638,771 for the year. In the event special assessment taxes are insufficient to meet principal and interest payments due on these bonds, the City is required to levy an additional general fund tax on all taxable property within the City for the payment of the assumption upon the maturity of the last bond principal installment pursuant to City ordinance and N.D.C.C.

Special assessment bond debt service requirements to maturity are as follows:

| Years | GOVERNMENTAL ACTIVITIES | |
|-----------|--------------------------------|---------------------|
| | Principal | Interest |
| 2020 | \$ 16,710,000 | \$ 3,478,135 |
| 2021 | 16,150,000 | 2,963,196 |
| 2022 | 14,430,000 | 2,442,439 |
| 2023 | 12,655,000 | 1,938,895 |
| 2024 | 11,475,000 | 1,515,384 |
| 2025-2029 | 36,635,000 | 3,707,172 |
| 2030-2034 | 10,025,000 | 465,121 |
| Total | <u>\$ 118,080,000</u> | <u>\$16,510,342</u> |

Revenue Bonds

In 2013, the City issued \$27,695,000 in Lodging and Restaurant Tax Revenue Bonds, Series 2013, to finance the construction of the Event Center Exhibit Hall expansion. The City dedicated the future Lodging, Liquor, and Restaurant Tax revenue to meet the annual and future debt service requirements. This bond contains a provision that if proceeds of the Lodging and Restaurant Tax Fund are insufficient to make principal and interest payments on the bond, such deficiencies shall be restored out of the next net proceeds from the Lodging, Liquor, and Restaurant Tax Fund. In addition, the City has purchased a surety issued by Assured Guaranty Municipal Corporation (AGM) to fund a lodging, liquor, and restaurant tax reserve, which may be drawn in the event of default. The City must repay any draws made on this surety and pay all reasonable expenses incurred including interest at the per annum rate of interest plus 3%. Current year principal and interest was \$1,942,356. In 2019, lodging, liquor, and restaurant tax revenue totaled \$3,234,421.

In 2012, 2013, and 2014, the City issued three revenue bonds totaling \$28,950,000. The City pledged future water revenues to finance the standby power, the water softening expansion project, and the water treatment plant intake project, respectively.

In 2015, the City has issued \$29,000,000 in Sanitary Sewer Revenue Bonds, Series 2015, to finance the construction of a new wastewater pumping station for delivery of wastewater to trickling filters. The City dedicated the future sanitary sewer fees and revenue to meet the annual and future debt service requirements.

For the revenues bond issues that dedicated water and sanitary sewer revenues, the City's agreed to comply with similar covenants and requirements. If net revenues on hand at any time are insufficient to pay principal and interest payments, such deficiencies shall be restored from revenues collected thereafter. The City is required to own and maintain the capital assets resulting from this construction. However, the City may dispose of any water or sanitary sewer property not essential to the operation in order to meet debt service requirements on these bonds. Principal and interest for the current year was \$2,590,414 for the water revenue bonds and \$2,031,750 for the sanitary sewer revenue bond.

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In 2006 and 2009, the City entered into two loan agreement with the North Dakota Public Finance Authority in the amount of \$16,320,000 and \$18,400,000, respectively. The City pledged sanitary sewer revenues to finance an upgrade to the wastewater treatment plant intake system and the water treatment facility's sludge plant expansion. In the event of default, the North Dakota Public Finance Authority may take any action permitted within state statutes to collect revenues to meet the necessary debt service requirements. Principal and interest for the current year was \$2,550,783.

In 2019, the City's revenues for water and sanitary sewer were \$13,963,761 and \$11,695,571, respectively. Revenue bonds outstanding as of December 31, 2019 are as follows:

| | Issuance Date | Date of Final Payment | Interest Rate | Original Par Value | Beginning Balance | Reductions | Ending Balance | Due Within One Year |
|---|------------------|-----------------------------|------------------|-----------------------|----------------------|--------------|-------------------|------------------------|
| Business-Type Activities | | | | | | | | |
| Lodging, Liquor, Food Tax Bonds (Event Center) | 10/16/2013 | 12/1/2034 | 3% - 4.25% | \$ 27,695,000 | \$ 22,770,000 | \$ 1,075,000 | 21,695,000 | \$ 1,105,000 |
| Water Utility Bonds, 2012 | 4/26/2012 | 4/1/2021 | 2% - 2.5% | 6,415,000 | 2,245,000 | 730,000 | 1,515,000 | 750,000 |
| Water Utility Bonds, 2013 | 10/10/2013 | 4/1/2028 | 1% - 4% | 9,000,000 | 6,515,000 | 570,000 | 5,945,000 | 580,000 |
| Water Utility Bonds, 2014 | 11/1/2014 | 4/1/2029 | 0.05% - 3% | 13,535,000 | 10,175,000 | 805,000 | 9,370,000 | 820,000 |
| Water Treatment Loan, 2009 | 6/15/2009 | 9/1/2028 | 3.31% | 16,320,000 | 9,930,000 | 835,000 | 9,095,000 | 865,000 |
| Wastewater Loan, 2006 | 11/14/2006 | 9/1/2027 | 2.5% | 18,400,000 | 10,415,000 | 1,025,000 | 9,390,000 | 1,055,000 |
| Wastewater Bonds, 2015 | 11/1/2015 | 5/1/2035 | 2% - 5% | 29,000,000 | 26,010,000 | 1,225,000 | 24,785,000 | 1,245,000 |
| Total Long-Term Debt, Business-Type Activities | | | | \$ 120,365,000 | \$ 88,060,000 | \$ 6,265,000 | \$ 81,795,000 | \$ 6,420,000 |

Annual debt service requirements to maturity for revenue bonds are as follows:

| Years | BUSINESS-TYPE ACTIVITIES | |
|-----------|---------------------------------|----------------------|
| | Principal | Interest |
| 2020 | \$ 6,420,000 | \$ 2,556,252 |
| 2021 | 6,590,000 | 2,353,196 |
| 2022 | 6,005,000 | 2,145,068 |
| 2023 | 6,190,000 | 1,940,173 |
| 2024 | 6,380,000 | 1,753,753 |
| 2025-2029 | 30,660,000 | 5,523,766 |
| 2030-2034 | 17,585,000 | 1,792,869 |
| 2035 | 1,965,000 | 19,650 |
| Total | <u>\$ 81,795,000</u> | <u>\$ 18,084,727</u> |

G. CONDUIT DEBT

In the past, the City has approved issuance of Industrial Revenue Bonds in the form of conduit debt 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 financed property and are payable solely from payments received on the underlying mortgage loans. Ownership of the acquired facilities will transfer to the private-sector entity upon repayment of the bonds. Neither the City, State of North Dakota, nor

CITY OF BISMARCK, NORTH DAKOTA
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any political subdivision thereof is 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, 2019, three series of industrial revenue bonds were outstanding. The aggregate principal balance is unknown. Neither the State of North Dakota nor the City has a central repository. The only requirement for this type of issue is to request the amount needed for City approval. This amount is most often in excess of the actual amount issued. The City will be notified once the industrial revenue bonds are completely paid or called.

H. COMMITMENTS

As of December 31, 2019, the City had commitments on various contracts totaling \$16,036,473.

I. TAX ABATEMENTS

The City allows for five tax abatement programs, such as the Commercial and Residential Renaissance Zone Program, New or Expanding Business Exemptions, and a Commercial and Residential Remodeling Exemption.

In accordance with N.D.C.C. 40-63, the Renaissance Zone Property Tax Exemptions Program is available for commercial and residential buildings located within the renaissance zone, which allows for the property to be excluded from property taxes for a maximum of five years pending City approval. A renaissance zone is a geographical area that the City applies to the North Dakota Department of Commerce for designation.

The Renaissance Zone Program for commercial and residential properties was established in March 2001 and encompasses a 39-block area in the City's downtown area. The purpose of the renaissance zone is to encourage reinvestment in downtown properties by providing property tax incentives to commercial and residential property owners. Four different types of Renaissance Zone projects that qualify for property tax exemptions include rehabilitation, purchase with major improvements, purchase only, and historical preservation and renovation. A renaissance zone project must be approved by both the City and the North Dakota Department of Commerce.

In accordance with N.D.C.C. 40-57.1, the New or Expanding Business Exemption Program allows property tax abatements by assisting in the establishment of industrial plants and expanding and retaining existing businesses. A property tax exemption allows for properties to be excluded for a maximum of five years. The property must have prior certification as a primary sector business by the State of North Dakota Commerce Department. A partial or complete exemption from ad valorem taxation under this section for retail sector projects may receive a partial or complete exemption.

In accordance with N.D.C.C. 40-57-02.2, the Commercial and Residential Remodeling Exemption Program allows for property tax abatements by providing incentives for remodeling properties that are 30 years or older. This exemption is available for commercial and residential remodeling projects that only include additions for residential structures. This exemption is available for a maximum of three years pending City approval.

Taxes abated for the year ending December 31, 2019, were as follows:

| Tax Abatement Programs | |
|--|-------------------|
| Renaissance Zone Exemption - Commercial | \$ 260,360 |
| Renaissance Zone Exemption - Residential | 40,342 |
| Remodeling Exemption - Commercial | 173,848 |
| Remodeling Exemption - Residential | 17,141 |
| Total Tax Abatement | <u>\$ 491,691</u> |

CITY OF BISMARCK, NORTH DAKOTA
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J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City pays an annual premium to the North Dakota Insurance Reserve Fund (NDRF) for its general, personal injury, and auto insurance. The coverage by NDRF is limited to losses of \$2,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions with a deductible of \$1,000 per insurance claim. The City has purchased a separate airport liability policy that provides coverage for the Bismarck Municipal Airport.

In addition, the City has established a general liability self-insurance fund. This fund is structured to only cover liabilities under \$2,500. The self-insurance fund does not provide collision or comprehensive automotive coverage for the City.

In accordance with N.D.C.C. 32-12.1, the City has a liability limitation of \$250,000 per claim with a \$500,000 aggregate limit for actions in tort.

As of December 31, 2019, the City did not have any estimated liability claims incurred; however, any sewer backup claims have been recorded as a liability in the Sanitary Sewer Fund, as follows:

| City-Wide Liability Claims | | | | |
|-----------------------------------|---------------------|---------------------------------|----------------|------------------|
| | Beginning Liability | Claims and Changes in Estimates | Claim Payments | Ending Liability |
| 2019 \$ | - \$ | - \$ | - \$ | - |
| 2018 | - | - | - | - |
| 2017 | 200 | 840 | 1,040 | - |

| Sewer Backup Claims | | | | |
|----------------------------|---------------------|---------------------------------|----------------|------------------|
| | Beginning Liability | Claims and Changes in Estimates | Claim Payments | Ending Liability |
| 2019 \$ | 9,504 \$ | 11,618 \$ | 21,122 \$ | - |
| 2018 | 3,770 | 118,018 | 112,284 | 9,504 |
| 2017 | - | 80,404 | 76,634 | 3,770 |

Employee Insurance

The City has established a medical self-insurance fund. The purpose of medical self-insurance fund is to cover medical claims for employees and covered dependents of the two members, the City and the Bismarck Parks and Recreation District, and to minimize the total cost of annual medical insurance premiums. Medical claims exceeding \$50,000 per individual per year is covered by the stop-loss insurance provided by Blue Cross and Blue Shield of North Dakota. This medical plan has paid an excess of stop-loss coverage of \$2,383,199 for 2019. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. As of December 31, 2019, incurred but not reported (IBNR) liability was estimated by a third-party administrator and reported in the financial statements in the amount of \$646,000. A summary of the IBNR claim reserve liabilities and related claim payments is shown below:

**CITY OF BISMARCK, NORTH DAKOTA
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| | | Beginning | Claims and | | Ending |
|------|----|-----------|--------------|--------------|------------|
| | | Liability | Changes in | Claim | Liability |
| | | | Estimates | Payments | |
| 2019 | \$ | 665,000 | \$ 7,741,119 | \$ 7,760,119 | \$ 646,000 |
| 2018 | | 672,000 | 7,054,210 | 7,061,210 | 665,000 |
| 2017 | | 508,000 | 6,467,817 | 6,303,817 | 672,000 |

State Fire and Tornado and Bonding Fund

The City participates in the North Dakota Fire and Tornado Fund and the State of North Dakota Bonding Fund. The City pays an annual premium for the North Dakota Fire and Tornado Fund to cover damage to buildings and contents. Replacement cost is estimated in consultation with the North Dakota Fire and Tornado Fund to provide replacement cost coverage. The North Dakota Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of \$1,000,000 per occurrence during a 12-month period. The State of North Dakota Bonding Fund currently provides the City with blanket fidelity bond coverage in the amount of \$5,000,000 for employees. The State of North Dakota Bonding Fund does not currently charge a premium for this insurance coverage.

Worker's Compensation

The City participates in the North Dakota Workforce Safety and Insurance Bureau. The North Dakota Workforce Safety and Insurance Bureau is a State of North Dakota insurance fund and a 'no fault' insurance system covering employees. North Dakota Workforce Safety and Insurance Bureau is financed by premiums assessed to state-wide businesses that maintain employees. The premiums are available for the payment of claims to employees injured in the course of employment.

K. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The City maintains the Bismarck Municipal Solid Waste Facility that acts in the form of a landfill. Federal and state regulations require the City to place a final cover and perform certain maintenance and monitoring functions at the site for 30 years after closure. The City reports a portion of these closure and post-closure care costs as an operating expense annually based on landfill capacity used. As of December 31, 2019, the City reported a \$3,065,981 liability as future landfill closure and post-closure, which represents the cumulative costs with an inflation factor on the use of 98.84% of the estimated capacity of the landfill, as provided by the North Dakota Department of Environmental Quality. Actual costs may be higher due to inflation, various economic factors, changes in technology, or changes in regulations.

In addition, the City is required by federal and state regulations to determine the method to finance this liability. The City is required to manage an annual financial test, in accordance with N.D.C.C. 33-20-14-07, to ensure compliance. The City expects that future inflation costs will be covered by the City's operating revenue. However, if the revenues are inadequate or additional post-closure requirements are established, this liability and related costs may be covered by the City's future tax revenues and the sale of general obligation bonds.

L. COST-SHARING ARRANGEMENT

Central Dakota Communications Center and Emergency Management

The City operates the Central Dakota Communications Center (CenCom) and the Emergency Management Department under a joint powers agreement with Burleigh County. CenCom is administered by a board, which is comprised of six members. The board includes three members from the City, a City commissioner, the chief of police, and the chief of fire; three members from Burleigh County, a Burleigh County commissioner, Burleigh County sheriff, and a rural fire district representative; and representative from a local ambulance service that

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is appointed by a majority of the members of the Board of City Commissioners. The City Emergency Management reports to the City Chief of Fire.

On October 27, 2015, the City entered into a charter agreement with the City of Mandan effective January 1, 2016 as a member of CenCom. CenCom will dispatch all emergency calls for law enforcement, fire, and emergency medical services in the City, City of Mandan, and Burleigh County, including Wilton.

In 2019, the City contributed 52%, County contributed 28%, and the City of Mandan contributed 20% of the annual expenditures net of fee revenues collected to CenCom, excluding easements which Burleigh County contributed to CenCom. The City approves the annual budget for CenCom and the City's Emergency Management Department. The City manages, hires, and provides benefits to CenCom employees. CenCom and the Emergency Management Department is a part of the City's General Fund. CenCom assets are reported in the Governmental Activities in the Statement of Net Position. Depreciation expense is reported in the Statement of Activities.

CenCom Total Assets:

| | |
|--------------------------------|---------------------|
| Property and Equipment | \$ 382,655 |
| Less: Accumulated Depreciation | (352,252) |
| Change in Net Position | <u>\$ 30,403</u> |
| Total Operating Expenditures | <u>\$ 2,989,265</u> |

M. EMPLOYEE RETIREMENT PLANS

The City administers the City Employees' Pension Plan, a multiple-employer cost sharing defined benefit pension plan, for full-time City and Bismarck Parks and Recreation District employees. The City also administers the Bismarck Police Employees' Pension Plan, a single-employer defined benefit pension plan. These pension plans are reported as fiduciary funds in the City's financial statements as pension trust funds. Actuarial reports are available by contacting:

City of Bismarck
Finance Department
P.O. Box 5506
Bismarck, ND 58506-5506

In addition, the City contributes to the Bismarck Firefighters' Relief Association Pension Plan (Firefighters' Pension Plan) administered by the Firefighters' Relief Association, which is a separate legal entity and not included in the City's financial statements. The Firefighters' Pension Plan is a single-employer public employee retirement system governed by N.D.C.C. 18-05 and 18-07. The Firefighters' Pension Plan is organized, operated and maintained in accordance with its own articles of incorporation and by-laws. Participating employees contribute to the plan at a minimum of \$237 per bi-weekly payroll or 8% of their covered payroll, whichever is greater. In 2019, the City contributed \$785,423 as approved by the City. The complete audited financial and pension information can be obtained by contacting:

Firefighters' Relief Association
P.O. Box 5503
Bismarck, ND 58506-5503

CITY OF BISMARCK, NORTH DAKOTA
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City of Bismarck Employees' Pension Plan

Plan Description - The City of Bismarck Employees' Pension Plan (City Employees' Pension Plan) is a multiple-employer cost-sharing defined benefit pension plan. The City and the Bismarck Parks and Recreation District (the District) full-time employees are the members of the City Employees' Pension Plan, excluding sworn police officers and non-sworn members of the City's police department who began employment before December 31, 2006 and members of the firefighter's relief fund.

Plan Membership – Employees begin participation at the first day of employment with a vesting period of five years. As of December 31, 2019, the City Employees' Pension Plan membership was as follows:

| | |
|---|------------|
| Retirees and Beneficiaries Receiving Benefits | 241 |
| Terminated Employees - Vested | 67 |
| Active Employees: | |
| Vested | 303 |
| Non-Vested | <u>168</u> |
| Total Members | <u>779</u> |

Plan Administration – The City Employees' Pension Plan is managed by the board of trustees, which consists of the City Administrator and the City department directors, except for the chief of police. The City administers the pension plan and related investments.

Benefits Provided - Benefit provisions, amendments, and requirements are established under the authority of the City Board of Commissioners. Employees may be eligible for early or normal retirement, as well as death benefits. Normal retirement age for full benefits is age 62. Employees who retire at or after age 62 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.75% of the average of the member's highest 36-month base salary for each full and fractional year of contributing service before January 2005 and 2.25% for contributing service on or after January 2005. Married participants receive a joint and two-thirds to survivor annuity while single participants receive a life-only annuity. There are no provisions with respect to automatic and post-retirement benefit increases. Employees with five years of credited service may retire at an earlier age and receive actuarially reduced retirement benefit. Benefit terms may be amended in accordance with on N.D.C.C. 40-46. Chapter 9-07 of the City's Code of Ordinance grants the authority to the Board of City Commissioners to establish and amend the benefit terms.

Prior to January 2005, City employees directed the investment of their contribution utilizing a contracted City investment manager. These employees were eligible to receive a distribution of the interest earned on the contributions in excess of 5% upon retirement. Effective January 1, 2005, employee contributions are invested with the City pension trust funds and self-directed accounts were discontinued. As of December 31, 2004, interest earned in excess of 5% for the individual employee accounts has been transferred to an Employee Excess Retirement Fund as a Fiduciary Fund. Employee excess retirement accounts continue to be self-directed by the employees but administered by the City in custodial capacity.

Employees or designated beneficiary that separate from the City before attaining the five-year service credit are refunded the employee's accumulated contribution plus interest earnings at 5% per annum.

Contributions

Employee Contributions - Participating active employees contribute to the plan at a rate of 5% of covered payroll. Employees or designated beneficiary that separate from the City before attaining the five-year service credit are refunded the employee's accumulated contribution plus interest earnings at 5% per annum. Member contributions are made through deductions applied to the regular bi-weekly payroll.

CITY OF BISMARCK, NORTH DAKOTA
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Employer Contributions – Employer contributions are based on an actuarial formula identified as entry age normal cost method. This method produces an employer contribution rate consisting of an amount for normal cost and an amount for amortization of the net pension liability over a closed period of 30 years. The annual contribution is approved in the annual adopted budget.

Net Position – As of December 31, 2019, the net position is \$108,921,100 and the entire amount is restricted for employee pension benefits.

| | 2019 |
|---|-------------------|
| Actuarially Determined Contributions | \$ 3,181,564 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>2,565,468</u> |
| Contribution Deficiency (Excess) | <u>\$ 616,096</u> |
| Covered Payroll | \$ 24,652,588 |
| Contributions as a Percentage of Covered Payroll | 10.4% |

Investments

Investment Policy – The City Employees' Pension Plan investment policy and asset class allocations are established and may be amended by the Board of Trustees by a majority vote of its members. The policy of the City Employees' Pension Plan is to pursue an investment strategy to improve the funding status to protect and sustain current and future benefits, minimize the employee and employer contributions, avoid substantial volatility in required contribution rates and fluctuations in the funding status, and accumulate a funding surplus to provide increases in retiree payments to preserve the purchasing power of their retirement benefits.

The City Employees' Pension Plan Board has entered into a contract with the North Dakota State Investment Board (SIB) for investment services, in accordance with N.D.C.C. 21-10-06, and implement these policies by investing the City Employees' Pension Plan assets in the manner described in N.D.C.C. 21-10-07, the prudent investor rule. Management's responsibility that is not assigned to the SIB in N.D.C.C. 21-10 is delegated to the SIB. SIB must establish written policies for the operation of the investment program consistent with the City Employees' Pension Plan investment policy.

The City Employees' Pension Plan Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of these assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plan's asset allocation as of December 31, 2019:

CITY OF BISMARCK, NORTH DAKOTA
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| Asset Class | Target Allocation |
|--------------------------------|----------------------|
| Large Domestic Equity | 15% |
| Small Domestic Equity | 10% |
| Developed International Equity | 12% |
| Emerging International Equity | 5% |
| Private Equity | 4% |
| Domestic Fixed Income | 30% |
| International Fixed Income | 4% |
| Real Estate | 10% |
| Infrastructure | 5% |
| Timber | 5% |
| | 100% |

Investment Valuation – Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease 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 original cost of the investment. Unrealized increases or decreases are computed based on changes in the fair value of investment 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.

Long-term Expected Return on Plan Assets – The long-term expected rate of return of 7.5% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage.

The projected 10 year geometric real rates of return by asset class are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|--------------------------------|--|
| Large Domestic Equity | 7.60% |
| Small Domestic Equity | 7.90% |
| Developed International Equity | 7.60% |
| Emerging International Equity | 8.00% |
| Private Equity | 8.80% |
| Domestic Fixed Income | 3.25% |
| International Fixed Income | 2.85% |
| Real Estate | 6.40% |
| Infrastructure | 7.50% |
| Timber | 7.10% |

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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Actuarial Assumptions

| City Employees' Pension Plan | |
|--|-----------------------------------|
| Valuation Date | January 1, 2020 |
| Actuarial Cost Method | Entry Age |
| | Normal |
| Amortization Method | Level % of Payroll Over |
| | Remaining Amortization |
| | Period-Closed |
| Remaining Amortization Period | 19 |
| Mortality Rate | Based on RP-2014 Generational |
| | Mortality Projected with Scale MF |
| Asset Valuation Method | Market |
| Valuation Method: | |
| Inflation Rate | 3.00% |
| Investment Rate of Return | 7.50% |
| Projected Salary Increases: | |
| 0-9 Years of Service | 5.00% |
| 10+ Years of Service | 4.00% |
| Post Retirement Cost of Living Adjustments | None |

Measurements – Presented below are the Schedule of Net Pension Liability, Schedule of Changes in Net Pension Liability, Schedule of Changes in Plan Fiduciary Net Position, and the Schedule of Investment Returns for the City Employees' Pension Plan.

| Schedule of Net Pension Liability | 2019 |
|--|---------------------|
| Total Pension Liability | \$ 118,861,965 |
| Plan Fiduciary Net Position | 108,921,100 |
| Net Pension Liability (Asset) | <u>\$ 9,940,865</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 91.64% |
| Covered Payroll | \$ 28,170,781 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | 35.3% |

| Schedule of Changes in Total Pension Liability | 2019 |
|---|-----------------------|
| Service Cost | \$ 3,062,376 |
| Interest | 8,559,224 |
| Differences between expected and actual experience | (1,040,109) |
| Benefit payments, including refunds of member contributions | <u>(5,560,276)</u> |
| Net change in total pension liability | \$ 5,021,215 |
| Total pension liability, Beginning of Year | <u>113,840,750</u> |
| Total pension liability, End of Year | <u>\$ 118,861,965</u> |

CITY OF BISMARCK, NORTH DAKOTA
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| Schedule of Changes in Plan Fiduciary Net Position | 2019 |
|---|----------------|
| Contributions-employer | \$ 2,939,200 |
| Contributions-member | 1,365,868 |
| Net investment income | 15,519,785 |
| Benefit payments, including refunds of member contributions | (5,560,276) |
| Administrative expense | (367,130) |
| Net change in fiduciary net position | \$ 13,897,447 |
| Plan fiduciary net position, Beginning of Year | 95,023,653 |
| Plan fiduciary net position, End of Year | \$ 108,921,100 |

| Schedule of Investment Returns | 2019 |
|---------------------------------------|-------|
| Annual money-weighted rate of return, | |
| net of investment expense | 16.5% |

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the City Employees' Pension Plan is calculated at a discount rate of 7.5%, as well as what the City Employees' Pension Plan net pension liability would be if calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5 %) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|-------------------------------|-----------------------|------------------------------------|-----------------------|
| Total pension liability | \$ 133,722,960 | \$ 118,861,965 | \$ 106,393,911 |
| Plan fiduciary net position | 108,921,100 | 108,921,100 | 108,921,100 |
| Net pension liability (asset) | \$ 24,801,860 | \$ 9,940,865 | \$ (2,527,189) |
| City Share | \$ 21,095,676 | \$ 8,455,386 | \$ (2,149,545) |

Proportionate Share of the Net Pension Liability – As of December 31, 2019, the City's proportionate share of the net pension liability for the City Employees' Pension Plan was \$8,455,386. The calculation was determined by an actuarial valuation based on the City's share of present value of future payroll. The City's proportionate share was 85.06%.

**CITY OF BISMARCK, NORTH DAKOTA
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| Net Pension Liability | 2019 |
|---|-------------|
| Employer's proportion of the net pension liability | 85.06% |
| Employer's proportionate share of the net pension liability | 8,455,386 |
| Employer's covered payroll | 24,652,588 |
| Plan fiduciary net position | 108,921,100 |
| Employer's proportionate share of the net pension liability as a percentage of its covered payroll | 34.30% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.64% |

Deferred Inflows and Outflows of Resources – As of December 31, 2019, the City recognized the pension expense of \$1,647,282. Deferred inflows and outflows of resources related to pensions are as a result of the following:

| | Primary Government | |
|---|---|--|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 1,595,598 | \$ 911,325 |
| Changes of assumptions | 2,998,421 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 2,853,512 |
| Changes in proportionate and differences between employer contributions and proportionate share of contributions | 376,977 | 454,603 |
| Employer contributions subsequent to the measurement date | - | - |
| Total | \$ 4,970,996 | \$ 4,219,440 |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Pension Expense | | |
|------------------------|-----------|----------------|
| 2020 | \$ | 329,054 |
| 2021 | | 257,060 |
| 2022 | | 990,177 |
| 2023 | | (858,057) |
| 2024 | | 168,494 |
| Thereafter | | (135,172) |
| Total | \$ | 751,556 |

City of Bismarck Police Pension

Plan Description - The Bismarck City Police Pension Plan (BCPPP) is a single employer public employee retirement system. The BCPBP document provides for all full-time sworn police officers and non-sworn members of the police department who began employment before December 31, 2006.

CITY OF BISMARCK, NORTH DAKOTA
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Plan Membership - Memberships begin with their hire date before December 31, 2019 and are vested after five years of service. Membership in the BCPPP on December 31, 2019 is as follows:

| | |
|---|----|
| Retirees and beneficiaries receiving benefits | 86 |
| Terminated employees - vested | 29 |
| Active employees: | |
| Vested | 84 |
| Non-vested | 51 |
| Number of participating employers: | 1 |

Plan Administration – North Dakota Century Code (NDCC) 40-45 and in accordance with Chapter 9-08 of the Bismarck Code of Ordinance grants the authority to establish and amend the benefit terms to the City Commission. Management of the BCPPP plan is vested in the Board of Trustees which consists of the Chief of Police, 2 members of the police department appointed by the chief of police with no less than eight years of service and two elected members of the police department with no less than eight years of service. Each appointed trustee shall serve a two-year term.

Benefits Provided - Benefit provisions, amendments, and all requirements are established under the authority of the City Commission. Employees who retire at or after age 55 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to two and one-half percent of their final average salary, for each full and fractional year of contributing service. Final average salary is the employees' average salary, excluding overtime and longevity pay, of the highest 36-month period of credited service. Married participants receive a joint and two-thirds to survivor annuity while single participants receive a life only annuity. There are no provisions with respect to automatic and ad hoc post-retirement benefit increases. Employees with 5 years of credited service may retire at an earlier age and receive an actuarially reduced retirement benefit. Benefit provision is established under the authority of the City Commission.

Pension benefits available under this plan are funded in part from the accumulation of the employees' contribution. Prior to January 2005, employees directed the investment of their contribution utilizing a contracted City investment manager and were eligible to receive a distribution of the interest earned on the contributions in excess of five percent upon retirement. Effective January 1, 2005, all employee contributions are invested with the City pension funds and individual self-directed accounts were discontinued. Interest earned in excess of five percent for the individual employee accounts as of December 31, 2004 has been transferred to an Employee Excess Retirement Fund and the excess funds in the individual employee accounts continue to be self-directed.

Contributions

Employee Contributions - Participating active employees contribute to the plan at a rate of 9.4% of covered payroll. If an employee leaves covered employment before attaining the five-year service credit, the accumulated contributions plus interest earnings at 5% per annum are refunded to the employee or designated beneficiary. All member contributions are made by payroll deductions applied to regular bi-weekly pay.

Employer Contributions – Employer contributions are based on an actuarial formula identified as entry age normal cost method. This method produces an employer contribution rate consisting of an amount for normal cost and an amount for amortization of the unfunded accrued liability over a closed period of 30 years. The annual contribution is recommended to the City Commission and considered for approval and adoption.

CITY OF BISMARCK, NORTH DAKOTA
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Net Position - The net position at December 31, 2019 is \$43,596,695 and the entire amount is restricted for employee pension benefits.

Schedule of Contributions

| | 2019 |
|--|--------------|
| Actuarially Determined Contributions | \$ 1,339,670 |
| Contributions in Relation to the Actuarially Determined Contribution | 1,268,664 |
| Contribution Deficiency (Excess) | \$ 71,006 |
| Covered Payroll | \$ 8,570,539 |
| Contributions as a Percentage of Covered Payroll | 14.8% |

Measurement Focus and Basis of Accounting – The City’s Pension financial statements are accounted for on an economic resources measurement focus and the accrual basis of accounting. Employer and plan member contributions are recognized when due pursuant to formal commitments, as well as ordinance requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation/depreciation in fair value of investments is recorded as an increase/decrease to investment income based on the fair market value of the investments. The entire expense of the Plan administration is charged against the earnings of the Plan.

Investments

Investment Policy – The BCPPP investment policy and asset class allocations are established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the BCPPP to pursue an investment strategy to improve the Plan’s funding status to protect and sustain current and future benefits, minimize the employee and employer contributions needed to fund the Plan over the long-term, avoid substantial volatility in required contribution rates and fluctuations in the Plan’s funding status and to accumulate a funding surplus to provide increases in retiree payments to preserve the purchasing power of their retirement benefits.

BCPPP Board has entered into a contract with the North Dakota State Investment Board (SIB) for investment services as allowed under NDCC 21-10-06 and to implement these policies by investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Management’s responsibility that is not assigned to the SIB in Chapter 21-10 of the NDCC is delegated to the SIB who must establish written policies for the operation of the investment program consistent with this investment policy.

The BCPPP Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of the fund assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk.

CITY OF BISMARCK, NORTH DAKOTA
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The following was the plans asset allocation as of December 31, 2019:

| Asset Class | Target Allocation |
|--------------------------------|----------------------|
| Large Domestic Equity | 16% |
| Small Domestic Equity | 11% |
| Developed International Equity | 13% |
| Emerging International Equity | 6% |
| Private Equity | 5% |
| Domestic Fixed Income | 25% |
| International Fixed Income | 4% |
| Real Estate | 10% |
| Infrastructure | 5% |
| Timber | 5% |
| | 100% |

Investment Valuation – Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease 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 original cost of the investment. Unrealized increases or decreases are computed based on changes in the fair value of investment 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.

Long-term Expected Return on Plan Assets – The long-term expected rate of return of 7.5% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage.

The projected 10-year geometric real rates of return by asset class are summarized in the following table:

| Asset Class | Long-Term Expected Real Rate of Return |
|--------------------------------|--|
| Large Domestic Equity | 7.60% |
| Small Domestic Equity | 7.90% |
| Developed International Equity | 7.60% |
| Emerging International Equity | 8.00% |
| Private Equity | 8.80% |
| Domestic Fixed Income | 3.25% |
| International Fixed Income | 2.85% |
| Real Estate | 6.40% |
| Infrastructure | 7.50% |
| Timber | 7.10% |

**CITY OF BISMARCK, NORTH DAKOTA
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Actuarial Assumptions

| | |
|--|-----------------------------------|
| Actuarial Cost Method | Entry Age |
| | Normal |
| Amortization Method | Level % of Payroll Over |
| | Remaining Amortization |
| | Period-Closed |
| Remaining Amortization Period | 19 |
| Mortality Rate | Based on RP-2014 Generational |
| | Mortality Projected with Scale MF |
| Asset Valuation Method | Market |
| Valuation Method: | |
| Inflation Rate | 3.00% |
| Investment Rate of Return | 7.50% |
| Projected Salary Increases: | |
| 0-9 Years of Service | 5.00% |
| 10+ Years of Service | 4.00% |
| Post Retirement Cost of Living Adjustments | None |

Measurements – Presented below are the Schedule of Net Pension Liability, Schedule of Changes in Net Pension Liability, Schedule of Changes in Plan Fiduciary Net Position and the Schedule of Investment Returns.

| | |
|---|---------------------|
| Schedule of Net Pension Liability | 2019 |
| Total Pension Liability | \$ 50,755,803 |
| Plan fiduciary net position | 43,596,695 |
| Net pension liability (asset) | <u>\$ 7,159,108</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 85.9% |
| Covered payroll | \$ 8,570,539 |

CITY OF BISMARCK, NORTH DAKOTA
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| Schedule of Changes in Total Pension Liability | <u>2019</u> |
|---|----------------------|
| Service Cost | \$ 1,087,564 |
| Interest | 3,702,797 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (681,291) |
| Changes of assumptions | (200,460) |
| Benefit payments, including refunds of member contributions | <u>(2,871,752)</u> |
| Net change in total pension liability | \$ 1,036,858 |
| Total pension liability-beginning | <u>49,718,945</u> |
| Total pension liability-ending | <u>\$ 50,755,803</u> |

| Schedule of Changes in Plan Fiduciary Net Position | <u>2019</u> |
|---|-----------------------------|
| Contributions-employer | \$ 1,268,664 |
| Contributions-member | 765,408 |
| Net investment income | 6,430,799 |
| Benefit payments, including refunds of member contributions | (2,871,752) |
| Administrative expense | (154,132) |
| Other | <u> </u> |
| Net change in fiduciary net position | \$ 5,438,987 |
| Plan fiduciary net position-beginning | <u>38,157,708</u> |
| Plan fiduciary net position-ending | <u>\$ 43,596,695</u> |

| Schedule of Investment Returns | <u>2019</u> |
|--|-------------|
| Annual money-weighted rate of return, net of investment expense | 17.1% |

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the BCPPP is calculated at a discount rate of 7.5 percent, as well as what the BCPPP net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.5 percent) or 1 percent higher (8.5 percent) than the current rate:

CITY OF BISMARCK, NORTH DAKOTA
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Sensitivity of the Net Pension Liability to Changes in the Discount

| | 1% Decrease (6.5%) | Current Discount Rate (7.5%) | 1% Increase (8.5%) |
|-----------------------------|-----------------------|------------------------------------|-----------------------|
| Total pension liability | \$ 57,493,061 | \$ 50,755,803 | \$ 45,186,617 |
| Plan fiduciary net position | 43,596,695 | 43,596,695 | 43,596,695 |
| Net pension liability | <u>\$ 13,896,366</u> | <u>\$ 7,159,108</u> | <u>\$ 1,589,922</u> |

Deferred Inflows and Outflows of Resources – The City recognized a reduction in pension expense of \$509,023 for the CITY EMPLOYEES' PENSION PLAN as of December 31, 2019. Deferred inflows and outflows of resources related to pensions are from the following sources:

| | Primary Government | |
|---|--------------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 548,796 | \$ 839,637 |
| Changes of assumptions | 1,093,851 | 172,226 |
| Net difference between projected and actual earnings on pension plan investments | - | 1,571,619 |
| Total | <u>\$ 1,642,647</u> | <u>\$ 2,583,482</u> |

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Pension Expense

| | |
|------------|---------------------|
| 2020 | \$ (98,501) |
| 2021 | (187,585) |
| 2022 | 244,877 |
| 2023 | (645,560) |
| 2024 | (118,067) |
| Thereafter | (135,999) |
| Total | <u>\$ (940,835)</u> |

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Bismarck Firefighters' Relief Association Plan

Plan Description - The Fire pension plan is a single employer defined benefit plan governed by Section 18-05 of the North Dakota State Century Code. The Bismarck Firefighters' Relief Association is organized, operated, and maintained in accordance with its own articles of incorporation and by-laws and is not administered by the City. The plan is not included in the reporting entity. The note disclosures and the required supplementary information for the Fire plan as of January 1, 2018 are included in the report.

Plan Membership - All full-time firefighters are eligible members. Membership in the plan on December 31, 2018 is as follows:

| | |
|---|----|
| Retirees, beneficiaries and disabled receiving benefits | 55 |
| Terminated employees - vested | 2 |
| Active employees: | |
| Vested | 43 |
| Non-vested | 38 |

Benefits Provided - Employees who retire at or after age 55 with 10 years of credited services or age plus credited service equal to 80 and at least 50 years of age are entitled to an annual retirement benefit. This is payable as a monthly annuity for the life of the member with the first 144 monthly payments guaranteed. Other optional forms of payment are also available. The benefit is based on 2% for the first fifteen years of service and 3% for each additional year times the average final compensation (AFC). The AFC for credited service through 12/31/2005 is the average rate of salary for a first class firefighter paid over the 36 months prior to termination. The AFC for credited service beginning 1/1/2006 is the greater of the average monthly salary or average rate of salary for a first class firefighter paid over the 36 months prior to termination. The maximum benefit is 90% of AFC. Employees with 10 years of credited service may retire at age 50 at a reduced rate of 6% per year for each year prior to the normal retirement date. A cost-of-living adjustment (COLA) up to 2% is made each January 1st effective at age 62. The plan also provides for death and disability benefits.

Benefit provisions and changes to benefit formulas are established under the authority of the plan's Board of Directors.

An employee who leaves is eligible to receive a lump sum payment of 100% of employee contribution without interest.

Contributions

Employee Contributions - Participating employees contribute to the plan at a rate of 8% of the greater salary of the First Class Firefighter's salary, as set annually by the City Commission or the actual salary.

Employer Contributions - The employer contributes at a rate set by the City Commission. This amount includes an amount the City receives from the State for the assessed revenue from the 1.125% of the premiums assessed to insurance companies for fire and multi-peril insurance on property within the City is contributed to the plan.

Net Position - The net position at December 31, 2018 is \$27,984,679 and the entire amount is restricted for employee pension benefits.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

| | |
|---|--------------|
| | 2018 |
| Actuarially Determined Contributions | \$ 971,052 |
| Contributions in Relation to the Actuarially Determined Contribution | 889,438 |
| Contribution Deficiency (Excess) | \$ 81,614 |
| Covered Payroll | \$ 5,244,976 |
| Contributions as a Percentage of Covered Payroll | 17.0% |

Investments

Assumed Asset Allocation – The target asset allocation and best estimates of arithmetic real rates of return for each major asset class can be obtained from the Plan's investment consultant – Innovest Portfolio Solutions LLC.

Long-term Expected Return on Plan Assets – The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Actuarial Assumptions

| Firefighters' Association Pension Plan | |
|--|--|
| Valuation Date | 12/31/2018 |
| Actuarial Cost Method | Entry Age |
| Amortization method | Layered Closed Level |
| | Percentage of Payroll |
| Remaining Amortization Period | 22 - 25 Years |
| Mortality Rate | Healthy Mortality: 1983 Group Annuity Mortality Table Disability Mortality: 1983 Railroad Retirement Board Disabled Life Mortality |
| Asset Valuation Method | 5-Year Smoothed Market |
| Valuation Method: | |
| Inflation Rate | 3.50% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expense, including Inflation |
| Projected Salary Increases | 4.50% |
| Post Retirement Cost of Living Adjustments up to 2% of CPI | |

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

Measurements – Presented below are the Schedule of Net Pension Liability, Schedule of Changes in Net Position Liability, Schedule of Changes in Plan Fiduciary Net Position and the Schedule of Investment Returns for the Firefighters' Relief Association Pension Plan.

| Schedule of Net Pension Liability | 2018 |
|---|----------------------|
| Total Pension Liability | \$ 44,587,400 |
| Plan fiduciary net position | 27,984,679 |
| Net pension liability (asset) | <u>\$ 16,602,721</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 62.8% |
| Covered payroll | \$ 5,244,976 |
| Net pension liability (asset) as a percentage of covered payroll | 316.5% |

| Schedule of Changes in Total Pension Liability | 2018 |
|---|----------------------|
| Service Cost | \$ 1,040,835 |
| Interest | 2,651,837 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (489,105) |
| Changes of assumptions | 6,815,827 |
| Benefit payments, including refunds of member contributions | (1,579,618) |
| Net change in total pension liability | <u>\$ 8,439,776</u> |
| Total pension liability-beginning | 36,147,624 |
| Total pension liability-ending | <u>\$ 44,587,400</u> |

| Schedule of Changes in Plan Fiduciary Net Position | 2018 |
|---|-----------------------|
| Contributions-employer | \$ 889,438 |
| Contributions-member | 479,589 |
| Net investment income | (1,771,490) |
| Benefit payments, including refunds of member contributions | (1,579,618) |
| Administrative expense | (51,871) |
| Other | - |
| Net change in fiduciary net position | <u>\$ (2,033,952)</u> |
| Plan fiduciary net position-beginning | 30,018,631 |
| Plan fiduciary net position-ending | <u>\$ 27,984,679</u> |

| Schedule of Investment Returns | 2018 |
|--|------|
| Annual money-weighted rate of return, net of investment expense | 6.0% |

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2019

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the Firefighters' Relief Association Pension Fund is calculated at a discount rate of 6.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (5.0%) or 1 percent higher (7.0%) than the current rate:

| | 1% Decrease (5.0%) | Current Discount Rate (6.0%) | 1% Increase (7.0%) |
|-----------------------|-----------------------|------------------------------------|-----------------------|
| Net pension liability | \$ 22,366,463 | \$ 16,602,721 | \$ 11,805,566 |

N. SUBSEQUENT EVENTS

Coronavirus Pandemic

Subsequent to year-end, the City has been negatively impacted by the effects of the world-wide coronavirus pandemic. The City is closely monitoring its operation, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of the issuance of these financial statements, the full impact to the City's financial position is not known.

Adoption of GASB Statement No. 84, Fiduciary Activities

Subsequent to year-end and in response to the coronavirus pandemic, the Governmental Accounting Standards Board (GASB) approved the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB-95). The primary objective of this Statement is to provide temporary relief from certain new accounting and financial reporting requirements to governments in light of the coronavirus pandemic by postponing the effective dates of certain Statements and Implementation guides by one year. The City has elected to delay implementation of GASB-84 to its calendar year beginning January 1, 2020. The effect of the delay on the City's financial statements for the year ended December 31, 2019 was not significant.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF BISMARCK, NORTH DAKOTA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|-------------------------|----------------------|----------------------|---------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 19,694,393 | \$ 19,694,393 | \$ 18,700,632 | \$ (993,761) |
| Licenses and Permits | 1,479,425 | 1,479,425 | 2,019,372 | 539,947 |
| Intergovernmental | 6,691,250 | 6,691,250 | 7,550,194 | 858,944 |
| Charges for Services | 3,665,483 | 3,665,483 | 3,629,414 | (36,069) |
| Fines and Forfeitures | 1,465,200 | 1,465,200 | 1,370,764 | (94,436) |
| Investment Income | 398,500 | 398,500 | 1,136,974 | 738,474 |
| Rentals | 294,193 | 294,193 | 291,163 | (3,030) |
| Miscellaneous | 42,900 | 42,900 | 61,840 | 18,940 |
| Total Revenues | <u>33,731,344</u> | <u>33,731,344</u> | <u>34,760,353</u> | <u>1,029,009</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 11,575,361 | 11,525,236 | 10,691,315 | 833,921 |
| Public Safety | 27,402,883 | 27,015,340 | 26,325,440 | 689,900 |
| Highways and Streets | 2,806,299 | 2,806,299 | 2,580,558 | 225,741 |
| Health and Welfare | 2,578,345 | 2,578,345 | 2,322,031 | 256,314 |
| Culture and Recreation | 441,841 | 441,841 | 441,841 | - |
| Capital Outlay | 254,684 | 605,243 | 625,864 | (20,621) |
| Total Expenditures | <u>45,059,413</u> | <u>44,972,304</u> | <u>42,987,049</u> | <u>1,985,255</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(11,328,069)</u> | <u>(11,240,960)</u> | <u>(8,226,696)</u> | <u>3,014,264</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 12,619,344 | 12,619,344 | 12,654,416 | 35,072 |
| Transfers Out | <u>(4,076,435)</u> | <u>(4,219,050)</u> | <u>(3,342,413)</u> | <u>876,637</u> |
| Total Other Financing Sources (Uses) | <u>8,542,909</u> | <u>8,400,294</u> | <u>9,312,003</u> | <u>911,709</u> |
| Change in Fund Balance | (2,785,160) | (2,840,666) | 1,085,307 | 3,925,973 |
| Fund Balance, Beginning of Year | <u>43,955,597</u> | <u>43,955,597</u> | <u>43,955,597</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 41,170,437</u> | <u>\$ 41,114,931</u> | <u>\$ 45,040,904</u> | <u>\$ 3,925,973</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 15,500,000 | \$ 15,500,000 | \$ 21,833,317 | \$ 6,333,317 |
| Investment Income | 61,317 | 61,317 | 437,118 | 375,801 |
| Total Revenues | <u>15,561,317</u> | <u>15,561,317</u> | <u>22,270,435</u> | <u>6,709,118</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | <u>100</u> | <u>100</u> | <u>254</u> | <u>(154)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>15,561,217</u> | <u>15,561,217</u> | <u>22,270,181</u> | <u>6,708,964</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 10,284,624 | 10,284,624 |
| Transfers Out | <u>(15,839,404)</u> | <u>(15,866,404)</u> | <u>(15,816,240)</u> | <u>50,164</u> |
| Total Other Financing Sources (Uses) | <u>(15,839,404)</u> | <u>(15,866,404)</u> | <u>(5,531,616)</u> | <u>10,334,788</u> |
| Change in Fund Balance | (278,187) | (305,187) | 16,738,565 | 17,043,752 |
| Fund Balance, Beginning of Year | <u>17,226,688</u> | <u>17,226,688</u> | <u>17,226,688</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 16,948,501</u> | <u>\$ 16,921,501</u> | <u>\$ 33,965,253</u> | <u>\$ 17,043,752</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

City of Bismarck Employee's Pension

Proportionate Share of the Net Pension Liability

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------|------------|------------|------------|------------|-------------|
| Employer's proportion of the net pension liability | 87.64% | 87.29% | 86.57% | 85.48% | 85.53% | 85.06% |
| Employer's proportionate share of the net pension liability | 847,444 | 8,022,941 | 8,478,413 | 7,555,249 | 16,095,175 | 8,455,386 |
| Employer's covered payroll | 21,850,884 | 23,069,097 | 23,633,534 | 23,747,865 | 23,757,750 | 24,652,588 |
| Plan fiduciary net position | 81,274,325 | 81,585,449 | 86,746,756 | 98,665,938 | 95,023,653 | 108,921,100 |
| Employer's proportionate share of the net pension liability as a percentage of its covered payroll | 3.88% | 34.78% | 35.87% | 31.81% | 67.75% | 34.30% |
| Plan fiduciary net position as a percentage of the total pension liability | 98.82% | 89.88% | 89.88% | 91.78% | 83.47% | 91.64% |

* Complete data for this schedule is not available prior to 2014. The 2014, 2015, 2016, 2017, 2018 & 2019 information presented has a measurement date of December 31.

Schedule of Contributions

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------------|---------------------|---------------------|---------------------|--------------------|-------------------|
| Actuarially determined contributions | \$ 981,273 | \$ 1,082,266 | \$ 1,806,842 | \$ 2,187,386 | \$ 2,467,685 | \$ 3,181,564 |
| Contributions in relation to the actuarially determined contribution | 2,181,183 | 2,071,677 | 2,263,240 | 2,477,572 | 2,541,349 | 2,565,468 |
| Contribution deficiency (excess) | <u>\$ (1,199,910)</u> | <u>\$ (989,411)</u> | <u>\$ (456,398)</u> | <u>\$ (290,186)</u> | <u>\$ (73,664)</u> | <u>\$ 616,096</u> |
| Covered Payroll | \$21,850,884 | \$23,069,097 | \$23,633,534 | \$23,747,865 | \$23,757,750 | \$24,652,588 |
| Contributions as a percentage of covered payroll | 10.0% | 9.0% | 9.6% | 10.4% | 10.7% | 10.4% |

* Complete data for this schedule is not available prior to 2014. The 2014, 2015, 2016, 2017, 2018 & 2019 information presented has a measurement date of December 31.

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

Notes to the Required Supplementary Information

Actuarial Assumptions

| | |
|--|---|
| Valuation date | 1/1/2020 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level % of payroll over remaining amortization period-closed |
| Remaining amortization period | 19 |
| Mortality Rate | Based on RP-2014 generational mortality projected with Scale MP-2019 |
| Asset Valuation Method | Market |
| Valuation Method | |
| Inflation rate | 3.00% |
| Investment rate of return | 7.50% |
| Projected salary increases | |
| 0-9 years of service | 5.00% |
| 10 + years of service | 4.00% |
| Post retirement cost of living adjustments | None |

City of Bismarck Police Pension

Net Pension Liability

| Schedule of Net Pension Liability | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | \$39,959,458 | \$42,555,764 | \$44,459,890 | \$47,688,313 | \$49,718,945 | \$50,755,803 |
| Plan fiduciary net position | 34,525,350 | 33,861,051 | 35,395,974 | 40,136,438 | 38,157,708 | 43,596,695 |
| Net pension liability (asset) | <u>\$ 5,434,108</u> | <u>\$ 8,694,713</u> | <u>\$ 9,063,916</u> | <u>\$ 7,551,875</u> | <u>\$11,561,237</u> | <u>\$ 7,159,108</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 86.4% | 79.6% | 79.6% | 84.2% | 76.7% | 85.9% |
| Covered payroll | \$ 6,214,690 | \$ 7,101,508 | \$ 7,643,499 | \$ 7,942,900 | \$ 8,152,505 | \$ 8,570,539 |
| Net pension liability (asset) as a percentage of covered payroll | 87.4% | 122.4% | 118.6% | 95.1% | 141.8% | 83.5% |

* Complete data for this schedule is not available prior to 2014. The 2014, 2015, 2016, 2017, 2018 & 2019 information presented has a measurement date of December 31.

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

Schedule of Contributions

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------------|---------------------|---------------------|--------------------|---------------------|------------------|
| Actuarially determined contributions | \$ 481,480 | \$ 576,620 | \$ 837,641 | \$ 1,033,660 | \$ 1,042,573 | \$ 1,339,670 |
| Contributions in relation to the actuarially determined contribution | 941,815 | 892,803 | 961,513 | 1,091,295 | 1,208,939 | 1,268,664 |
| Contribution deficiency (excess) | <u>\$ (460,335)</u> | <u>\$ (316,183)</u> | <u>\$ (123,872)</u> | <u>\$ (57,635)</u> | <u>\$ (166,366)</u> | <u>\$ 71,006</u> |
| Covered Payroll | \$6,214,690 | \$7,101,508 | \$7,643,499 | \$7,942,900 | \$8,152,505 | \$8,570,539 |
| Contributions as a percentage of covered payroll | 15.2% | 12.6% | 12.6% | 13.7% | 14.8% | 14.8% |

* Complete data for this schedule is not available prior to 2014. The 2014, 2015, 2016, 2017, 2018 & 2019 information presented has a measurement date of December 31.

Notes to the Required Supplementary Information

Actuarial Assumptions

| | |
|--|---|
| Valuation date | 1/1/2020 |
| Actuarial cost method | Entry Age |
| | Normal |
| Amortization method | Level % of payroll over remaining amortization period-closed |
| Remaining amortization period | 19 |
| Mortality Rate | Based on RP-2014 generational mortality projected with Scale MP-2019 |
| Asset Valuation Method | Market |
| Valuation Method | |
| Inflation rate | 3.00% |
| Investment rate of return | 7.50% |
| Projected salary increases | |
| 0-9 years of service | 5.00% |
| 10 + years of service | 4.00% |
| Post retirement cost of living adjustments | None |

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

Bismarck Firefighters' Relief Association Plan

Net Pension Liability

| Schedule of Net Pension Liability | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Pension Liability | \$ 30,361,363 | \$38,265,498 | \$39,452,878 | \$36,147,624 | \$44,587,400 |
| Plan fiduciary net position | 25,759,416 | 24,921,808 | 26,218,697 | 30,018,631 | 27,984,679 |
| Net pension liability (asset) | <u>\$ 4,601,947</u> | <u>\$13,343,690</u> | <u>\$13,234,181</u> | <u>\$ 6,128,993</u> | <u>\$16,602,721</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 84.8% | 65.1% | 66.5% | 83.0% | 62.8% |
| Covered payroll | \$ 4,351,776 | \$ 4,797,251 | \$ 4,988,601 | \$ 5,197,344 | \$ 5,244,976 |
| Net pension liability (asset) as a percentage of covered payroll | 105.7% | 278.2% | 265.3% | 117.9% | 316.5% |

* Complete data for this schedule is not available prior to 2014. The 2014, 2015, 2016, 2017 & 2018 information presented has a measurement date of December 31.

Schedule of Contributions

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------------------|-------------------|-------------------|-------------------|------------------|
| Actuarially determined contributions | \$ 788,987 | \$ 779,482 | \$ 937,868 | \$ 950,095 | \$ 971,052 |
| Contributions in relation to the Actuarially determined contributions | <u>702,664</u> | <u>619,751</u> | <u>785,431</u> | <u>848,277</u> | <u>889,438</u> |
| Contribution deficiency (excess) | <u>\$ 86,323</u> | <u>\$ 159,731</u> | <u>\$ 152,437</u> | <u>\$ 101,818</u> | <u>\$ 81,614</u> |
| Covered Payroll | \$ 4,351,776 | \$ 4,797,251 | \$ 4,988,601 | \$ 5,197,344 | \$ 5,244,976 |
| Contributions as a percentage of covered payroll | 16.1% | 12.9% | 15.7% | 16.3% | 17.0% |

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019**

Notes to the Required Supplementary Information

Actuarial Assumptions

| | |
|---|--|
| Valuation date | 12/31/2018 |
| Actuarial cost method | Entry Age |
| Amortization method | Layered closed level percentage of payroll |
| Remaining amortization period | 22 - 25 years |
| Mortality Rate | Healthy mortality: 1983 group annuity mortality table Disability Mortality: 1983 railroad retirement board disabled life mortality |
| Asset Valuation Method | 5 year smoothed market |
| Valuation Method | |
| Inflation rate | 3.50% |
| Investment rate of return | 7.5%, net of pension plan investment expense; including inflation |
| Projected salary increases, including inflation | 4.50% |
| Post retirement cost of living adjustments at age 62 | up to 2% of CPI |

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES



CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|--|
| ASSETS | | | | |
| Cash and Investments | \$ 17,364,533 | \$ 771,507 | \$ 16,862,544 | \$ 34,998,584 |
| Taxes Receivable | 51,375 | - | 6,004 | 57,379 |
| Accounts Receivable | 3,520,615 | - | 144,706 | 3,665,321 |
| Special Assessments Receivable | - | 8,635,861 | 204,401 | 8,840,262 |
| Notes Receivable | 248,978 | - | 985,503 | 1,234,481 |
| Interfund Receivable | - | 1,485,202 | - | 1,485,202 |
| Total Assets | <u>\$ 21,185,501</u> | <u>\$ 10,892,570</u> | <u>\$ 18,203,158</u> | <u>\$ 50,281,229</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 1,886,733 | \$ 12,209 | \$ 426,784 | \$ 2,325,726 |
| Retainage Payable | - | - | 101,146 | 101,146 |
| Interfund Payables | 22,930 | - | 4,809,484 | 4,832,414 |
| Salaries Payable | 258,500 | - | - | 258,500 |
| Customer Deposits | 73,559 | - | 26,500 | 100,059 |
| Unearned Revenue | 25 | - | 685,503 | 685,528 |
| Total Liabilities | <u>2,241,747</u> | <u>12,209</u> | <u>6,049,417</u> | <u>8,303,373</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Special Assessment Taxes | - | 7,549,837 | 186,854 | 7,736,691 |
| Property Taxes | 39,938 | - | 4,665 | 44,603 |
| Total Deferred Inflow of Resources | <u>39,938</u> | <u>7,549,837</u> | <u>191,519</u> | <u>7,781,294</u> |
| FUND BALANCE | | | | |
| Nonspendable | 248,978 | - | 985,503 | 1,234,481 |
| Restricted | 2,842,670 | 3,330,524 | - | 6,173,194 |
| Committed | 15,812,168 | - | 16,927,604 | 32,739,772 |
| Unassigned | - | - | (5,950,885) | (5,950,885) |
| Total Fund Balance | <u>18,903,816</u> | <u>3,330,524</u> | <u>11,962,222</u> | <u>34,196,562</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 21,185,501</u> | <u>\$ 10,892,570</u> | <u>\$ 18,203,158</u> | <u>\$ 50,281,229</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|--|--|--|
| REVENUES | | | | |
| Taxes | \$ 7,326,959 | \$ - | \$ 372,345 | \$ 7,699,304 |
| Special Assessments | - | 1,863,259 | 813,012 | 2,676,271 |
| Intergovernmental | 8,814,661 | - | 814,249 | 9,628,910 |
| Charges for Services | 3,363,437 | - | 197,120 | 3,560,557 |
| Licenses and Permits | 1,200 | - | - | 1,200 |
| Fines and Forfeitures | 198,570 | - | - | 198,570 |
| Investment Income | 293,096 | 54,728 | 407,967 | 755,791 |
| Rentals | 81,871 | - | - | 81,871 |
| Miscellaneous | 230,045 | - | - | 230,045 |
| Total Revenues | <u>20,309,839</u> | <u>1,917,987</u> | <u>2,604,693</u> | <u>24,832,519</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 3,377,388 | - | 191,810 | 3,569,198 |
| Public Safety | 1,147,283 | - | - | 1,147,283 |
| Highways and Streets | 8,157,470 | - | - | 8,157,470 |
| Health and Welfare | 1,057,766 | - | - | 1,057,766 |
| Culture and Recreation | 2,465,097 | - | - | 2,465,097 |
| Public Works | - | - | 1,041,608 | 1,041,608 |
| Capital Outlay | 2,370,395 | - | 7,662,960 | 10,033,355 |
| Debt Service | | | | |
| Principal | - | 1,576,807 | - | 1,576,807 |
| Interest and Fiscal Charges | - | 273,852 | - | 273,852 |
| Total Expenditures | <u>18,575,399</u> | <u>1,850,659</u> | <u>8,896,378</u> | <u>29,322,436</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,734,440</u> | <u>67,328</u> | <u>(6,291,685)</u> | <u>(4,489,917)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Special Assessment Bonds | - | - | 1,932,074 | 1,932,074 |
| Premium on Special Assessment Bonds | - | - | 95,767 | 95,767 |
| Transfers In | 2,837,089 | 100,209 | 7,364,532 | 10,301,830 |
| Transfers Out | (2,969,348) | (87,696) | (15,715,288) | (18,772,332) |
| Total Other Financing Sources (Uses) | <u>(132,259)</u> | <u>12,513</u> | <u>(6,322,915)</u> | <u>(6,442,661)</u> |
| Change In Fund Balance | 1,602,181 | 79,841 | (12,614,600) | (10,932,578) |
| Fund Balance, Beginning of Year | 17,301,635 | 3,250,683 | 24,576,822 | 45,129,140 |
| Fund Balance, End of Year | <u>\$ 18,903,816</u> | <u>\$ 3,330,524</u> | <u>\$ 11,962,222</u> | <u>\$ 34,196,562</u> |

The notes to the financial statements are an integral part of this statement.

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are established to account for specific revenue sources (other than Expendable Trusts or Major Capital Projects) that are legally restricted to expenditures for specified purposes.

PUBLIC TRANSIT SYSTEM - This fund accounts for the pass through of federal funds and a tax levy of 3 mills to the Bismarck-Mandan Transit Board. These funds are used to operate a bus system for the elderly and handicapped citizens and a fixed route for general transportation in Bismarck and Mandan.

LIBRARY - This fund accounts for the operation of the Public Library. Financing is provided by a specific annual property tax levy.

POLICE DRUG ENFORCEMENT - This fund accounts for programs related to drug enforcement that is funded through forfeitures.

ROADS AND STREETS - This fund accounts for the maintenance of all public streets. Financing is provided by motor vehicle license and gasoline tax collected by the State and reimbursed on a per capita basis. Snow gating activities are funded by Sales Tax.

STREET LIGHTS - This fund accounts for the cost of providing electricity and maintenance of the City's residential street lights and traffic signals. Financing is provided by a monthly fee billed to each property owner.

HOTEL/MOTEL TAX - This fund accounts for the distribution of 85% of the hotel/motel two percent tax collections. Revenues from this fund are passed through to Bismarck/Mandan Convention Visitors Bureau to promote tourism.

LODGING, LIQUOR AND FOOD TAX - This fund accounts for the collection of the one percent lodging, liquor and food tax used for visitor's promotion capital projects.

VISION FUND - This fund accounts for the economic development activities for the City of Bismarck and is funded by Sales Tax.

GOVERNMENT GRANTS AND ACTIVITIES - This fund accounts for federal and state grants, self-funded activities, and donations.

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019**

| | Public Transit System | Library | Police Asset Forfeiture | Roads and Streets | Street Lights and Traffic Signals | Hotel / Motel Tax | Lodging, Liquor, and Food Tax | Vision | Government Grants and Activities | Total Nonmajor Special Revenue |
|---|--------------------------|---------------------|----------------------------|----------------------|---|-------------------|----------------------------------|---------------------|--|-----------------------------------|
| ASSETS | | | | | | | | | | |
| Cash and Investments | \$ 22,831 | \$ 936,902 | \$ 395,627 | \$ 4,711,159 | \$ 2,961,045 | \$ - | \$ 5,842,402 | \$ 1,712,191 | \$ 782,376 | \$ 17,364,533 |
| Taxes Receivable | 18,004 | 33,371 | - | - | - | - | - | - | - | 51,375 |
| Accounts Receivable | 1,405,613 | 96,414 | 1,128 | 751,087 | 171,780 | 152,868 | 545,794 | - | 395,931 | 3,520,615 |
| Notes Receivable | - | - | - | - | - | - | - | 248,978 | - | 248,978 |
| Total Assets | <u>\$ 1,446,448</u> | <u>\$ 1,066,687</u> | <u>\$ 396,755</u> | <u>\$ 5,462,246</u> | <u>\$ 3,132,825</u> | <u>\$ 152,868</u> | <u>\$ 6,388,196</u> | <u>\$ 1,961,169</u> | <u>\$ 1,178,307</u> | <u>\$ 21,185,501</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | |
| Accounts Payable | \$ 1,428,446 | \$ 78,253 | \$ 353 | \$ 32,447 | \$ 63,613 | \$ 129,938 | \$ - | \$ - | \$ 153,683 | \$ 1,886,733 |
| Interfund Payables | - | - | - | - | - | 22,930 | - | - | - | 22,930 |
| Salaries Payable | - | 69,439 | - | 110,715 | 21,973 | - | - | - | 56,373 | 258,500 |
| Customer Deposits | - | - | - | 73,559 | - | - | - | - | - | 73,559 |
| Unearned Revenue | - | - | - | - | - | - | - | - | 25 | 25 |
| Total Liabilities | <u>1,428,446</u> | <u>147,692</u> | <u>353</u> | <u>216,721</u> | <u>85,586</u> | <u>152,868</u> | <u>-</u> | <u>-</u> | <u>210,081</u> | <u>2,241,747</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | | |
| Property Taxes | <u>13,997</u> | <u>25,941</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>39,938</u> |
| FUND BALANCE | | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | 248,978 | - | 248,978 |
| Restricted | - | - | - | 271,867 | - | - | 2,570,803 | - | - | 2,842,670 |
| Committed | 4,005 | 893,054 | 396,402 | 4,973,658 | 3,047,239 | - | 3,817,393 | 1,712,191 | 968,226 | 15,812,168 |
| Total Fund Balance | <u>4,005</u> | <u>893,054</u> | <u>396,402</u> | <u>5,245,525</u> | <u>3,047,239</u> | <u>-</u> | <u>6,388,196</u> | <u>1,961,169</u> | <u>968,226</u> | <u>18,903,816</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balance | <u>\$ 1,446,448</u> | <u>\$ 1,066,687</u> | <u>\$ 396,755</u> | <u>\$ 5,462,246</u> | <u>\$ 3,132,825</u> | <u>\$ 152,868</u> | <u>\$ 6,388,196</u> | <u>\$ 1,961,169</u> | <u>\$ 1,178,307</u> | <u>\$ 21,185,501</u> |

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Public Transit System | Library | Police Asset Forfeiture | Roads and Streets | Street Lights and Traffic Signals | Hotel / Motel Tax | Lodging, Liquor, and Food Tax | Vision Fund | Government Grants and Activities | Total Nonmajor Special Revenue |
|--|--------------------------|-------------------|----------------------------|----------------------|---|-------------------|----------------------------------|---------------------|--|-----------------------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 1,114,933 | \$ 2,062,793 | \$ - | \$ - | \$ - | \$ 1,031,410 | \$ 3,117,823 | \$ - | \$ - | \$ 7,326,959 |
| Intergovernmental | 1,786,399 | 643,318 | - | 4,132,793 | - | - | - | - | 2,252,151 | 8,814,661 |
| Charges for Services | - | 80,067 | - | 90,001 | 2,622,430 | - | - | - | 570,939 | 3,363,437 |
| Licenses and Permits | - | - | - | 1,200 | - | - | - | - | - | 1,200 |
| Fines and Forfeitures | - | 34,001 | 159,902 | - | - | - | - | - | 4,667 | 198,570 |
| Investment Income | 1,776 | 32,616 | 5,238 | 71,352 | 53,960 | - | 87,798 | 33,795 | 6,561 | 293,096 |
| Rentals | - | 9,477 | - | 39,371 | 4,223 | - | 28,800 | - | - | 81,871 |
| Miscellaneous | - | 377 | 2,516 | 66,847 | 59,218 | - | - | 4,179 | 96,908 | 230,045 |
| Total Revenues | <u>2,903,108</u> | <u>2,862,649</u> | <u>167,656</u> | <u>4,401,564</u> | <u>2,739,831</u> | <u>1,031,410</u> | <u>3,234,421</u> | <u>37,974</u> | <u>2,931,226</u> | <u>20,309,839</u> |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General Government | 1,668,210 | - | - | - | - | 876,847 | 12,106 | 200,000 | 620,225 | 3,377,388 |
| Public Safety | - | - | 58,831 | - | - | - | - | - | 1,088,452 | 1,147,283 |
| Highways and Streets | - | - | - | 6,315,829 | 1,829,952 | - | - | - | 11,689 | 8,157,470 |
| Health and Welfare | - | - | - | - | - | - | - | - | 1,057,766 | 1,057,766 |
| Culture and Recreation | - | 2,385,375 | - | - | - | - | - | - | 79,722 | 2,465,097 |
| Capital Outlay | 1,346,668 | 330,239 | 19,997 | 540,326 | - | - | - | - | 133,165 | 2,370,395 |
| Total Expenditures | <u>3,014,878</u> | <u>2,715,614</u> | <u>78,828</u> | <u>6,856,155</u> | <u>1,829,952</u> | <u>876,847</u> | <u>12,106</u> | <u>200,000</u> | <u>2,991,019</u> | <u>18,575,399</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(111,770)</u> | <u>147,035</u> | <u>88,828</u> | <u>(2,454,591)</u> | <u>909,879</u> | <u>154,563</u> | <u>3,222,315</u> | <u>(162,026)</u> | <u>(59,793)</u> | <u>1,734,440</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers In | 112,000 | 67,119 | - | 2,530,324 | - | - | 125,257 | - | 2,389 | 2,837,089 |
| Transfers Out | - | (71,437) | - | (157,438) | (412,564) | (154,563) | (2,173,346) | - | - | (2,969,348) |
| Total Other Financing Sources (Uses) | <u>112,000</u> | <u>(4,318)</u> | <u>-</u> | <u>2,372,886</u> | <u>(412,564)</u> | <u>(154,563)</u> | <u>(2,048,089)</u> | <u>-</u> | <u>2,389</u> | <u>(132,259)</u> |
| Net Change in Fund Balances | 230 | 142,717 | 88,828 | (81,705) | 497,315 | - | 1,174,226 | (162,026) | (57,404) | 1,602,181 |
| Fund Balance, Beginning of Year | 3,775 | 750,337 | 307,574 | 5,327,230 | 2,549,924 | - | 5,213,970 | 2,123,195 | 1,025,630 | 17,301,635 |
| Fund Balance, End of Year | <u>\$ 4,005</u> | <u>\$ 893,054</u> | <u>\$ 396,402</u> | <u>\$ 5,245,525</u> | <u>\$ 3,047,239</u> | <u>\$ -</u> | <u>\$ 6,388,196</u> | <u>\$ 1,961,169</u> | <u>\$ 968,226</u> | <u>\$ 18,903,816</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
PUBLIC TRANSIT SYSTEM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 1,173,533 | \$ 1,173,533 | \$ 1,114,933 | \$ (58,600) |
| Intergovernmental | 2,324,945 | 2,324,945 | 1,786,399 | (538,546) |
| Investment Income | 1,000 | 1,000 | 1,776 | 776 |
| Total Revenues | 3,499,478 | 3,499,478 | 2,903,108 | (596,370) |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 3,499,478 | 3,611,478 | 1,668,210 | 1,943,268 |
| Capital Outlay | - | - | 1,346,668 | (1,346,668) |
| Total Expenditures | 3,499,478 | 3,611,478 | 3,014,878 | 596,600 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | (112,000) | (111,770) | 230 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | 112,000 | 112,000 | - |
| Change in Fund Balance | - | - | 230 | 230 |
| Fund Balance, Beginning of Year | 3,775 | 3,775 | 3,775 | - |
| Fund Balance, End of Year | \$ 3,775 | \$ 3,775 | \$ 4,005 | \$ 230 |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|-------------------|-------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 2,173,738 | \$ 2,173,738 | \$ 2,062,793 | \$ (110,945) |
| Intergovernmental | 614,441 | 614,441 | 643,318 | 28,877 |
| Charges for Services | 96,000 | 96,000 | 80,067 | (15,933) |
| Fines and Forfeitures | 40,500 | 40,500 | 34,001 | (6,499) |
| Investment Income | 10,100 | 10,100 | 32,616 | 22,516 |
| Rentals | 8,700 | 8,700 | 9,477 | 777 |
| Miscellaneous | 5,800 | 5,800 | 377 | (5,423) |
| Total Revenues | <u>2,949,279</u> | <u>2,949,279</u> | <u>2,862,649</u> | <u>(86,630)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Culture and Recreation | 2,881,266 | 2,863,526 | 2,385,375 | 478,151 |
| Capital Outlay | - | 17,740 | 330,239 | (312,499) |
| Total Expenditures | <u>2,881,266</u> | <u>2,881,266</u> | <u>2,715,614</u> | <u>165,652</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>68,013</u> | <u>68,013</u> | <u>147,035</u> | <u>79,022</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 61,519 | 61,519 | 67,119 | 5,600 |
| Transfers Out | <u>(271,437)</u> | <u>(271,437)</u> | <u>(71,437)</u> | <u>200,000</u> |
| Total Other Financing Sources (Uses) | <u>(209,918)</u> | <u>(209,918)</u> | <u>(4,318)</u> | <u>205,600</u> |
| Change in Fund Balance | <u>(141,905)</u> | <u>(141,905)</u> | <u>142,717</u> | <u>284,622</u> |
| Fund Balance, Beginning of Year | <u>750,337</u> | <u>750,337</u> | <u>750,337</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 608,432</u> | <u>\$ 608,432</u> | <u>\$ 893,054</u> | <u>\$ 284,622</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
POLICE ASSET FORFEITURE FUND
BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|---------------------------------|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Fines and Forfeitures | \$ 65,000 | \$ 65,000 | \$ 159,902 | \$ 94,902 |
| Investment Income | 1,000 | 1,000 | 5,238 | 4,238 |
| Miscellaneous | - | - | 2,516 | 2,516 |
| Total Revenues | 66,000 | 66,000 | 167,656 | 101,656 |
| EXPENDITURES | | | | |
| Current | | | | |
| Public Safety | 88,317 | 88,317 | 58,831 | 29,486 |
| Capital Outlay | 24,999 | 24,999 | 19,997 | 5,002 |
| Total Expenditures | 113,316 | 113,316 | 78,828 | 34,488 |
| Change in Fund Balance | (47,316) | (47,316) | 88,828 | 67,168 |
| Fund Balance, Beginning of Year | 307,574 | 307,574 | 307,574 | - |
| Fund Balance, End of Year | \$ 260,258 | \$ 260,258 | \$ 396,402 | \$ 67,168 |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
ROADS AND STREETS FUND
BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|---------------------|---------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Intergovernmental | \$ 4,010,411 | \$ 4,010,411 | \$ 4,132,793 | \$ 122,382 |
| Charges for Services | 92,964 | 92,964 | 90,001 | (2,963) |
| Licenses and Permits | 1,050 | 1,050 | 1,200 | 150 |
| Investment Income | 10,650 | 10,650 | 71,352 | 60,702 |
| Rentals | 69,000 | 69,000 | 39,371 | (29,629) |
| Miscellaneous | 52,553 | 52,553 | 66,847 | 14,294 |
| Total Revenues | <u>4,236,628</u> | <u>4,236,628</u> | <u>4,401,564</u> | <u>164,936</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Highways and Streets | 6,938,563 | 6,914,563 | 6,315,829 | 598,734 |
| Capital Outlay | 563,700 | 563,700 | 540,326 | 23,374 |
| Total Expenditures | <u>7,502,263</u> | <u>7,478,263</u> | <u>6,856,155</u> | <u>622,108</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,265,635)</u> | <u>(3,241,635)</u> | <u>(2,454,591)</u> | <u>787,044</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 2,492,891 | 2,492,891 | 2,530,324 | 37,433 |
| Transfers Out | <u>(133,438)</u> | <u>(157,438)</u> | <u>(157,438)</u> | - |
| Total Other Financing Sources (Uses) | <u>2,359,453</u> | <u>2,335,453</u> | <u>2,372,886</u> | <u>37,433</u> |
| Change in Fund Balance | (906,182) | (906,182) | (81,705) | 824,477 |
| Fund Balance, Beginning of Year | <u>5,327,230</u> | <u>5,327,230</u> | <u>5,327,230</u> | - |
| Fund Balance, End of Year | <u>\$ 4,421,048</u> | <u>\$ 4,421,048</u> | <u>\$ 5,245,525</u> | <u>\$ 824,477</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
STREET LIGHTS AND TRAFFIC SIGNALS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|---------------------|---------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Charges for Services | \$ 2,461,600 | \$ 2,461,600 | \$ 2,622,430 | \$ 160,830 |
| Investment Income | 15,100 | 15,100 | 53,960 | 38,860 |
| Rentals | 2,000 | 2,000 | 4,223 | 2,223 |
| Miscellaneous | 91,608 | 91,608 | 59,218 | (32,390) |
| Total Revenues | 2,570,308 | 2,570,308 | 2,739,831 | 169,523 |
| EXPENDITURES | | | | |
| Current | | | | |
| Highways and Streets | 2,233,452 | 2,233,452 | 1,829,952 | 403,500 |
| Capital Outlay | 123,060 | - | - | - |
| Total Expenditures | 2,356,512 | 2,233,452 | 1,829,952 | 403,500 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 213,796 | 336,856 | 909,879 | 573,023 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (379,465) | (502,525) | (412,564) | 89,961 |
| Change in Fund Balance | (165,669) | (165,669) | 497,315 | 662,984 |
| Fund Balance, Beginning of Year | 2,549,924 | 2,549,924 | 2,549,924 | - |
| Fund Balance, End of Year | \$ 2,384,255 | \$ 2,384,255 | \$ 3,047,239 | \$ 662,984 |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
HOTEL / MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 900,000 | \$ 900,000 | \$ 1,031,410 | \$ 131,410 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 765,100 | 892,600 | 876,847 | 15,753 |
| Excess (deficiency) of Revenues Over (Under) Expenditures | 134,900 | 7,400 | 154,563 | 147,163 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (134,900) | (157,400) | (154,563) | 2,837 |
| Change in Fund Balance | - | (150,000) | - | 150,000 |
| Fund Balance, Beginning of the Year | - | - | - | - |
| Fund Balance, End of the Year | \$ - | \$ (150,000) | \$ - | \$ 150,000 |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
LODGING, LIQUOR, AND FOOD TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|---------------------|---------------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 2,852,000 | \$ 2,852,000 | \$ 3,117,823 | \$ 265,823 |
| Investment Income | 1,395 | 1,395 | 87,798 | 86,403 |
| Rentals | 28,800 | 28,800 | 28,800 | - |
| Total Revenues | <u>2,882,195</u> | <u>2,882,195</u> | <u>3,234,421</u> | <u>352,226</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | <u>12,100</u> | <u>12,100</u> | <u>12,106</u> | <u>(6)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>2,870,095</u> | <u>2,870,095</u> | <u>3,222,315</u> | <u>352,220</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 125,257 | 125,257 |
| Transfers Out | <u>(2,897,394)</u> | <u>(2,927,394)</u> | <u>(2,173,346)</u> | <u>754,048</u> |
| Total Other Financing Sources (Uses) | <u>(2,897,394)</u> | <u>(2,927,394)</u> | <u>(2,048,089)</u> | <u>879,305</u> |
| Change in Fund Balance | (27,299) | (57,299) | 1,174,226 | 1,231,525 |
| Fund Balance, Beginning of Year | <u>5,213,970</u> | <u>5,213,970</u> | <u>5,213,970</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 5,186,671</u> | <u>\$ 5,156,671</u> | <u>\$ 6,388,196</u> | <u>\$ 1,231,525</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
VISION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Budgeted Amounts | | | Variance with |
|---------------------------------|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Investment Income | \$ 12,000 | \$ 12,000 | \$ 33,795 | \$ 21,795 |
| Miscellaneous | - | - | 4,179 | 4,179 |
| Total Revenues | 12,000 | 12,000 | 37,974 | 25,974 |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 250,000 | 250,000 | 200,000 | 50,000 |
| Change in Fund Balance | (238,000) | (238,000) | (162,026) | (24,026) |
| Fund Balance, Beginning of Year | 2,123,195 | 2,123,195 | 2,123,195 | - |
| Fund Balance, End of Year | \$ 1,885,195 | \$ 1,885,195 | \$ 1,961,169 | \$ (24,026) |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
GOVERNMENT GRANTS AND ACTIVITIES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Intergovernmental | \$ 2,922,171 | \$ 2,922,171 | \$ 2,252,151 | \$ (670,020) |
| Charges for Services | 874,246 | 874,246 | 570,939 | (303,307) |
| Fines and Forfeitures | 1,500 | 1,500 | 4,667 | 3,167 |
| Investment Income | 1,854 | 1,854 | 6,561 | 4,707 |
| Miscellaneous | 166,230 | 166,230 | 96,908 | (69,322) |
| Total Revenues | 3,966,001 | 3,966,001 | 2,931,226 | (1,034,775) |
| EXPENDITURES | | | | |
| Current | | | | |
| General Government | 1,006,837 | 1,006,837 | 620,225 | 386,612 |
| Public Safety | 1,530,483 | 1,421,077 | 1,088,452 | 332,625 |
| Highways and Streets | 40,000 | 40,000 | 11,689 | 28,311 |
| Health and Welfare | 1,259,495 | 1,259,495 | 1,057,766 | 201,729 |
| Culture and Recreation | 97,939 | 117,021 | 79,722 | 37,299 |
| Capital Outlay | 48,500 | 138,824 | 133,165 | 5,659 |
| Total Expenditures | 3,983,254 | 3,983,254 | 2,991,019 | 992,235 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (17,253) | (17,253) | (59,793) | (42,540) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 2,389 | 2,389 |
| Transfers Out | (2,200) | (2,200) | - | 2,200 |
| Total Other Financing Sources (Uses) | (2,200) | (2,200) | 2,389 | 4,589 |
| Change in Fund Balance | (19,453) | (19,453) | (57,404) | (37,951) |
| Fund Balance, Beginning of Year | 1,025,630 | 1,025,630 | 1,025,630 | - |
| Fund Balance, End of Year | \$ 1,006,177 | \$ 1,006,177 | \$ 968,226 | \$ (37,951) |

The notes to the financial statements are an integral part of this statement.

MAJOR DEBT SERVICE FUNDS

The debt service funds are established to account for the accumulation of resources and the payment of general long-term debt principal and interest.

STREET IMPROVEMENT BONDS - This fund accounts for the collection of special assessments and payment of special assessment bonds.

SEWERMAIN BONDS - This fund accounts for the collection of special assessments and payment of special assessment bonds.

**CITY OF BISMARCK, NORTH DAKOTA
STREET IMPROVEMENT BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|---------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Special Assessments | \$ 14,928,500 | \$ 14,928,500 | \$ 15,963,743 | \$ 1,035,243 |
| Investment Income | 350,000 | 350,000 | 505,575 | 155,575 |
| Total Revenues | 15,278,500 | 15,278,500 | 16,469,318 | 1,190,818 |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 13,718,720 | 13,718,720 | 12,085,894 | 1,632,826 |
| Interest | 9,102,189 | 9,102,189 | 2,811,817 | 6,290,372 |
| Total Expenditures | 22,820,909 | 22,820,909 | 14,897,711 | 7,923,198 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (7,542,409) | (7,542,409) | 1,571,607 | 9,114,016 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Special Assessment Bonds | 6,000,000 | 6,000,000 | - | (6,000,000) |
| Premium on Special Assessment Bonds | 75,000 | 75,000 | - | (75,000) |
| Transfers In | 1,500,000 | 1,500,000 | 1,759,073 | 259,073 |
| Transfers Out | (1,000,000) | (1,000,000) | (116,804) | 883,196 |
| Total Other Financing Sources (Uses) | 6,575,000 | 6,575,000 | 1,642,269 | (4,932,731) |
| Change in Fund Balance | (967,409) | (967,409) | 3,213,876 | 4,181,285 |
| Fund Balance, Beginning of Year | 27,395,845 | 27,395,845 | 27,395,845 | - |
| Fund Balance, End of Year | \$ 26,428,436 | \$ 26,428,436 | \$ 30,609,721 | \$ 4,181,285 |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
SEWERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Special Assessments | \$ 3,740,000 | \$ 3,740,000 | \$ 3,811,769 | \$ 71,769 |
| Investment Income | 78,000 | 78,000 | 157,391 | 79,391 |
| Total Revenues | 3,818,000 | 3,818,000 | 3,969,160 | 151,160 |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 2,984,483 | 2,984,483 | 2,792,299 | 192,184 |
| Interest and Fiscal Charges | 4,195,962 | 4,195,962 | 667,149 | 3,528,813 |
| Total Expenditures | 7,180,445 | 7,180,445 | 3,459,448 | 3,720,997 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,362,445) | (3,362,445) | 509,712 | 3,872,157 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Special Assessment Bonds | 3,500,000 | 3,500,000 | - | (3,500,000) |
| Premium on Special Assessment Bonds | 45,000 | 45,000 | - | (45,000) |
| Transfers In | 500,000 | 500,000 | 304,622 | (195,378) |
| Transfers Out | (500,000) | (500,000) | - | 500,000 |
| Total Other Financing Sources (Uses) | 3,545,000 | 3,545,000 | 304,622 | (3,240,378) |
| Change in Fund Balance | 182,555 | 182,555 | 814,334 | 631,779 |
| Fund Balance, Beginning of Year | 7,617,717 | 7,617,717 | 7,617,717 | - |
| Fund Balance, End of Year | \$ 7,800,272 | \$ 7,800,272 | \$ 8,432,051 | \$ 631,779 |

The notes to the financial statements are an integral part of this statement.

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are established to account for the accumulation of resources and the payment of general long-term debt principal and interest.

WATERMAIN BONDS - This fund accounts for the collection of special assessments and payment of special assessment bonds.

SIDEWALK BONDS - This fund accounts for the collection of special assessments and payment of special assessment bonds.

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2019**

| | <u>Watermain Bonds</u> | <u>Sidewalk Bonds</u> | <u>Total Nonmajor Debt Service</u> |
|--|----------------------------|-----------------------|--|
| ASSETS | | | |
| Cash and Investments | \$ 500,059 | \$ 271,448 | \$ 771,507 |
| Special Assessments Receivable | 1,203,691 | 7,432,170 | 8,635,861 |
| Interfund Receivables | - | 1,485,202 | 1,485,202 |
| Total Assets | <u>\$ 1,703,750</u> | <u>\$ 9,188,820</u> | <u>\$ 10,892,570</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ 12,209</u> | <u>\$ 12,209</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Special Assessment Taxes | <u>1,124,617</u> | <u>6,425,220</u> | <u>7,549,837</u> |
| FUND BALANCES | | | |
| Restricted | <u>579,133</u> | <u>2,751,391</u> | <u>3,330,524</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 1,703,750</u> | <u>\$ 9,188,820</u> | <u>\$ 10,892,570</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2019

| | Watermain Bonds | Sidewalk Bonds | Total Nonmajor Debt Service |
|--|----------------------------|---------------------------|--|
| REVENUES | | | |
| Taxes | \$ - | \$ - | \$ - |
| Special Assessments | 235,817 | 1,627,442 | 1,863,259 |
| Investment Income | 10,286 | 44,442 | 54,728 |
| Total Revenues | <u>246,103</u> | <u>1,671,884</u> | <u>1,917,987</u> |
| EXPENDITURES | | | |
| Debt Service: | | | |
| Principal | 231,807 | 1,345,000 | 1,576,807 |
| Interest and Fiscal Charges | 53,942 | 219,910 | 273,852 |
| Total Expenditures | <u>285,749</u> | <u>1,564,910</u> | <u>1,850,659</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(39,646)</u> | <u>106,974</u> | <u>67,328</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 100,209 | 100,209 |
| Transfers Out | - | (87,696) | (87,696) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>12,513</u> | <u>12,513</u> |
| Change in Fund Balance | (39,646) | 119,487 | 79,841 |
| Fund Balance, Beginning of Year | 618,779 | 2,631,904 | 3,250,683 |
| Fund Balance, End of Year | <u>\$ 579,133</u> | <u>\$ 2,751,391</u> | <u>\$ 3,330,524</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
WATERMAIN BONDS
BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--|-------------------------|--------------|---------------|----------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Investment Income | \$ 5,000 | \$ 5,000 | \$ 10,286 | \$ 5,286 |
| Special Assessments | 325,900 | 325,900 | 235,817 | (90,083) |
| Total Revenues | 330,900 | 330,900 | 246,103 | (84,797) |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 266,811 | 266,811 | 231,808 | 35,003 |
| Interest and Fiscal Charges | 536,182 | 536,182 | 53,941 | 482,241 |
| Total Expenditures | 802,993 | 802,993 | 285,749 | 517,244 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (472,093) | (472,093) | (39,646) | 432,447 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Special Assessment Bonds | 450,000 | 450,000 | - | (450,000) |
| Premium on Special Assessment Bonds | 10,000 | 10,000 | - | (10,000) |
| Transfers In | 250,000 | 250,000 | - | (250,000) |
| Transfers Out | (250,000) | (250,000) | - | 250,000 |
| Total Other Financing Sources (Uses) | 460,000 | 460,000 | - | (460,000) |
| Change in Fund Balance | (12,093) | (12,093) | (39,646) | (27,553) |
| Fund Balance, Beginning of Year | 618,779 | 618,779 | 618,779 | - |
| Fund Balance, End of Year | \$ 606,686 | \$ 606,686 | \$ 579,133 | \$ (27,553) |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK, NORTH DAKOTA
SIDEWALK BONDS
BUDGET COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Budgeted Amounts | | | Variance with |
|--------------------------------------|------------------|--------------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES | | | | |
| Investment Income | \$ 43,000 | \$ 43,000 | \$ 44,442 | \$ 1,442 |
| Special Assessments | 1,744,600 | 1,744,600 | 1,627,442 | (117,158) |
| Total Revenues | 1,787,600 | 1,787,600 | 1,671,884 | (115,716) |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 1,520,000 | 1,520,000 | 1,345,000 | 175,000 |
| Interest and Fiscal Charges | 246,108 | 246,108 | 219,910 | 26,198 |
| Total Expenditures | 1,766,108 | 1,766,108 | 1,564,910 | 201,198 |
| Excess (Deficiency) of Revenues | | | | |
| Over (Under) Expenditures | 21,492 | 21,492 | 106,974 | 85,482 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Premium on Special Assessment Funds | 15,000 | 15,000 | - | (15,000) |
| Transfers In | 50,000 | 50,000 | 100,209 | 50,209 |
| Transfers Out | (50,000) | (50,000) | (87,696) | (37,696) |
| Total Other Financing Sources (Uses) | 15,000 | 15,000 | 12,513 | (2,487) |
| Change in Fund Balance | 36,492 | 36,492 | 119,487 | 82,995 |
| Fund Balance, Beginning of Year | 2,631,904 | 2,631,904 | 2,631,904 | - |
| Fund Balance, End of Year | \$ 2,668,396 | \$ 2,668,396 | \$ 2,751,391 | \$ 82,995 |

The notes to the financial statements are an integral part of this statement.

NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are established to account for the acquisition or construction of major capital facilities and improvements (other than those financed by Proprietary Funds and Trust Funds).

SPECIAL DEFICIENCY/ASSUMPTION – This fund is used for the deficiencies in the special assessment funds and accounts for the city's share of the special assessment improvements and taxes on public property.

COMMUNITY DEVELOPMENT - This fund accounts for capital improvement expenditures financed with HUD Grant Funds.

BUILDING IMPROVEMENTS - This fund accounts for major improvements made to the City of Bismarck buildings and is funded by Sales Tax or General Fund Revenues.

STREET LIGHT/SIGNALS - This fund accounts for the construction and improvements to the street lights and traffic signals systems. Financing is provided by the General Fund and Street Light/Traffic Signal Special Revenue Fund.

HIGHWAY CONSTRUCTION - This fund accounts for improvements made to the arterial streets and the traffic signal lights system. Financing is provided by Sales Tax and the North Dakota Department of Transportation.

SEWERMAIN CONSTRUCTION - This fund accounts for the construction of sewer mains. Financing is provided by the proceeds from the special assessment bonds.

WATERMAIN CONSTRUCTION - This fund accounts for the construction of water mains. Financing is provided by the proceeds from the special assessment bonds.

SIDEWALK CONSTRUCTION - This fund accounts for the construction of sidewalks. Financing is provided by the proceeds from the special assessment bonds.

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2019**

| | Special Deficiency | Community Development | Building Improvements | Street Light and Signals | Highway Construction | Sewermain Construction | Watermain Construction | Sidewalk Construction | Total Capital Projects |
|--|-------------------------------|----------------------------------|----------------------------------|-------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| ASSETS | | | | | | | | | |
| Cash and Investments | \$ 3,654,982 | \$ - | \$ 1,318,324 | \$ 170,579 | \$ 11,718,659 | \$ - | \$ - | \$ - | \$ 16,862,544 |
| Taxes Receivable | 6,004 | - | - | - | - | - | - | - | 6,004 |
| Accounts Receivable | - | 140,333 | - | - | - | - | - | 4,373 | 144,706 |
| Special Assessments Receivable | 35,326 | - | - | - | 169,075 | - | - | - | 204,401 |
| Notes Receivable | - | 985,503 | - | - | - | - | - | - | 985,503 |
| Total Assets | <u>\$ 3,696,312</u> | <u>\$ 1,125,836</u> | <u>\$ 1,318,324</u> | <u>\$ 170,579</u> | <u>\$ 11,887,734</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,373</u> | <u>\$ 18,203,158</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | | | |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | \$ 1,895 | \$ 135,486 | \$ - | \$ 155,511 | \$ 81,872 | \$ 51,324 | \$ - | \$ 696 | 426,784 |
| Retainage Payable | - | - | - | 14,548 | - | 78,598 | - | 8,000 | 101,146 |
| Interfund Payables | - | 4,847 | - | - | - | 3,319,435 | - | 1,485,202 | 4,809,484 |
| Customer Deposits | - | - | - | - | - | - | - | 26,500 | 26,500 |
| Unearned Revenue | - | 685,503 | - | - | - | - | - | - | 685,503 |
| Total Liabilities | <u>1,895</u> | <u>825,836</u> | <u>-</u> | <u>170,059</u> | <u>81,872</u> | <u>3,449,357</u> | <u>-</u> | <u>1,520,398</u> | <u>6,049,417</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Special Assessment Taxes | 23,598 | - | - | - | 163,256 | - | - | - | 186,854 |
| Property Taxes | 4,665 | - | - | - | - | - | - | - | 4,665 |
| Total Deferred Inflows of Resources | <u>28,263</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>163,256</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>191,519</u> |
| FUND BALANCES | | | | | | | | | |
| Nonspendable | - | 985,503 | - | - | - | - | - | - | 985,503 |
| Committed | 3,666,154 | 300,000 | 1,318,324 | 520 | 11,642,606 | - | - | - | 16,927,604 |
| Unassigned | - | (985,503) | - | - | - | (3,449,357) | - | (1,516,025) | (5,950,885) |
| Total Fund Balances | <u>3,666,154</u> | <u>300,000</u> | <u>1,318,324</u> | <u>520</u> | <u>11,642,606</u> | <u>(3,449,357)</u> | <u>-</u> | <u>(1,516,025)</u> | <u>11,962,222</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 3,696,312</u> | <u>\$ 1,125,836</u> | <u>\$ 1,318,324</u> | <u>\$ 170,579</u> | <u>\$ 11,887,734</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,373</u> | <u>\$ 18,203,158</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Special Deficiency | Community Development | Building Improvements | Street Lights and Signals | Highway Construction | Sewermain Construction | Watermain Construction | Sidewalk Construction | Total Capital Projects |
|--|-------------------------------|----------------------------------|----------------------------------|--------------------------------------|---------------------------------|-----------------------------------|-----------------------------------|----------------------------------|-----------------------------------|
| REVENUES | | | | | | | | | |
| Taxes | \$ 372,345 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 372,345 |
| Special Assessments | 24,474 | - | - | - | 482,086 | - | - | 306,452 | 813,012 |
| Intergovernmental | 8,671 | 804,856 | - | - | 722 | - | - | - | 814,249 |
| Charges for Services | 197,120 | - | - | - | - | - | - | - | 197,120 |
| Investment Income | 85,321 | - | 5,827 | - | 316,819 | - | - | - | 407,967 |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| Total Revenues | <u>687,931</u> | <u>804,856</u> | <u>5,827</u> | <u>-</u> | <u>799,627</u> | <u>-</u> | <u>-</u> | <u>306,452</u> | <u>2,604,693</u> |
| EXPENDITURES | | | | | | | | | |
| Current: | | | | | | | | | |
| General Government | 177,376 | - | - | - | - | 4,190 | - | 10,244 | 191,810 |
| Public Works | - | 762,818 | - | 80,085 | 106,607 | 56,494 | - | 35,604 | 1,041,608 |
| Capital Outlay | - | - | 240,327 | 597,121 | 1,598,295 | 3,573,774 | - | 1,653,443 | 7,662,960 |
| Total Expenditures | <u>177,376</u> | <u>762,818</u> | <u>240,327</u> | <u>677,206</u> | <u>1,704,902</u> | <u>3,634,458</u> | <u>-</u> | <u>1,699,291</u> | <u>8,896,378</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>510,555</u> | <u>42,038</u> | <u>(234,500)</u> | <u>(677,206)</u> | <u>(905,275)</u> | <u>(3,634,458)</u> | <u>-</u> | <u>(1,392,839)</u> | <u>(6,291,685)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Special Assessment Bonds Issued | - | - | - | - | - | 797,074 | - | 1,135,000 | 1,932,074 |
| Premium on Special Assessment Bonds | - | - | - | - | - | 38,909 | - | 56,858 | 95,767 |
| Transfers In | 24,000 | - | 1,100,000 | 345,634 | 5,791,208 | 15,918 | 76 | 87,696 | 7,364,532 |
| Transfers Out | <u>(1,460,946)</u> | <u>(42,038)</u> | <u>(86,140)</u> | <u>-</u> | <u>(13,589,648)</u> | <u>(436,307)</u> | <u>-</u> | <u>(100,209)</u> | <u>(15,715,288)</u> |
| Total Other Financing Sources (Uses) | <u>(1,436,946)</u> | <u>(42,038)</u> | <u>1,013,860</u> | <u>345,634</u> | <u>(7,798,440)</u> | <u>415,594</u> | <u>76</u> | <u>1,179,345</u> | <u>(6,322,915)</u> |
| Net Change in Fund Balances | <u>(926,391)</u> | <u>-</u> | <u>779,360</u> | <u>(331,572)</u> | <u>(8,703,715)</u> | <u>(3,218,864)</u> | <u>76</u> | <u>(213,494)</u> | <u>(12,614,600)</u> |
| Fund Balance, Beginning of Year | 4,592,545 | 300,000 | 538,964 | 332,092 | 20,346,321 | (230,493) | (76) | (1,302,531) | 24,576,822 |
| Fund Balance, End of Year | <u>\$ 3,666,154</u> | <u>\$ 300,000</u> | <u>\$ 1,318,324</u> | <u>\$ 520</u> | <u>\$ 11,642,606</u> | <u>\$ (3,449,357)</u> | <u>\$ -</u> | <u>\$ (1,516,025)</u> | <u>\$ 11,962,222</u> |

The notes to the financial statements are an integral part of this statement.

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is to see that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

SOLID WASTE DISPOSAL - This fund accounts for the disposal of solid waste.

SOLID WASTE COLLECTIONS - This fund accounts for the operations of solid waste collections.

COMMERCIAL PROPERTY - This fund accounts for the retail properties at the Bowen Avenue Commercial Center.

NORTHERN PLAINS COMMERCE CENTRE - This fund accounts for the operations of the northern plains commerce centre.

PARKING AUTHORITY - This fund accounts for the operations of the parking lots under the jurisdiction of the Parking Authority Board.

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2019**

| | Solid Waste Disposal | Solid Waste Collections | Commercial Property | Northern Plains Commerce Centre | Parking Authority | Total Nonmajor Enterprise |
|--|---------------------------------|------------------------------------|--------------------------------|--|------------------------------|--|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 13,717,891 | \$ 3,772,268 | \$ - | \$ 3,412,609 | \$ 1,259,060 | \$ 22,161,828 |
| Accounts Receivable | 426,430 | 315,992 | - | - | 13,491 | 755,913 |
| Interest Receivable | 110,610 | 29,220 | - | 27,367 | 8,695 | 175,892 |
| Prepaid Items | 15,584 | 3,683 | - | - | 1,268 | 20,535 |
| Total Current Assets | 14,270,515 | 4,121,163 | - | 3,439,976 | 1,282,514 | 23,114,168 |
| Noncurrent Assets: | | | | | | |
| Land | 978,045 | 603,338 | - | 223,212 | 1,203,152 | 3,007,747 |
| Construction In Progress | 6,262 | - | - | - | 52,220 | 58,482 |
| Building and Building Improvements | 3,224,012 | - | - | - | 17,921,713 | 21,145,725 |
| Improvements Other Than Buildings | 3,037,727 | 4,524 | - | 6,278,424 | 13,568 | 9,334,243 |
| Machinery and Equipment | 2,389,746 | 2,164,680 | - | - | 422,613 | 4,977,039 |
| Total Noncurrent Assets | 9,635,792 | 2,772,542 | - | 6,501,636 | 19,613,266 | 38,523,236 |
| Total Assets | 23,906,307 | 6,893,705 | - | 9,941,612 | 20,895,780 | 61,637,404 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pensions | 105,020 | 186,334 | - | - | - | 291,354 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 56,051 | 108,440 | - | 68,127 | 76,489 | 309,107 |
| Compensated Benefits Payable | 56,509 | 77,906 | - | - | - | 134,415 |
| Salaries Payable | 36,056 | 55,445 | - | - | - | 91,501 |
| Unearned Revenue | - | - | - | - | 1,569 | 1,569 |
| Total Current Liabilities | 148,616 | 241,791 | - | 68,127 | 78,058 | 536,592 |
| Noncurrent Liabilities: | | | | | | |
| Compensated Benefits Payable | 46,018 | 83,611 | - | - | - | 129,629 |
| Net Pension Liability | 193,293 | 342,952 | - | - | - | 536,245 |
| Customer Deposits | - | - | - | - | 26,260 | 26,260 |
| Accrued Closure and Post-Closure Liability | 3,065,981 | - | - | - | - | 3,065,981 |
| Total Noncurrent Liabilities | 3,305,292 | 426,563 | - | - | 26,260 | 3,758,115 |
| Total Liabilities | 3,453,908 | 668,354 | - | 68,127 | 104,318 | 4,294,707 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pensions | 109,524 | 194,323 | - | - | - | 303,847 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 9,635,792 | 2,772,542 | - | 6,501,636 | 19,613,266 | 38,523,236 |
| Unrestricted | 10,812,103 | 3,444,820 | - | 3,371,849 | 1,178,196 | 18,806,968 |
| Total Net Position | \$ 20,447,895 | \$ 6,217,362 | \$ - | \$ 9,873,485 | \$ 20,791,462 | \$ 57,330,204 |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Solid Waste Disposal | Solid Waste Collections | Commercial Property | Northern Plains Commerce Centre | Parking Authority | Total Nonmajor Enterprise |
|--|---------------------------------|------------------------------------|--------------------------------|--|------------------------------|--|
| OPERATING REVENUES | | | | | | |
| Sanitation Fees | \$ 4,096,391 | \$ 4,970,585 | \$ - | \$ - | \$ - | \$ 9,066,976 |
| Miscellaneous Sales | 27,084 | 8,001 | - | - | - | 35,085 |
| Rentals | 89,978 | 30 | 11,058 | 67,717 | 1,659,091 | 1,827,874 |
| Total Operating Revenues | <u>4,213,453</u> | <u>4,978,616</u> | <u>11,058</u> | <u>67,717</u> | <u>1,659,091</u> | <u>10,929,935</u> |
| OPERATING EXPENSES | | | | | | |
| Personnel Services - Salaries and Wages | 660,626 | 1,222,424 | - | - | - | 1,883,050 |
| Personnel Services - Fringe Benefits | 364,791 | 690,520 | - | - | - | 1,055,311 |
| Professional Legal and Contracted Services | 278,521 | 12,562 | 4,150 | 1,049 | 471,799 | 768,081 |
| Building Equipment and Vehicle Services | 638,150 | 587,113 | 8,649 | 68,125 | 366,089 | 1,668,126 |
| Travel and Training | 2,717 | - | - | - | - | 2,717 |
| Operating Services | 303,272 | 1,238,143 | 534 | 2,408 | 46,367 | 1,590,724 |
| Operating Supplies | 170,066 | 167,864 | - | - | 14,960 | 352,890 |
| Depreciation Expense | 665,440 | 296,554 | 13,258 | 215,235 | 716,523 | 1,907,010 |
| Total Operating Expenses | <u>3,083,583</u> | <u>4,215,180</u> | <u>26,591</u> | <u>286,817</u> | <u>1,615,738</u> | <u>9,227,909</u> |
| Net Operating Income (Loss) | <u>1,129,870</u> | <u>763,436</u> | <u>(15,533)</u> | <u>(219,100)</u> | <u>43,353</u> | <u>1,702,026</u> |
| NONOPERATING REVENUES | | | | | | |
| Investment Income | 339,089 | 86,405 | 3,553 | 84,150 | 22,212 | 535,409 |
| Gain (loss) on Disposal of Assets | 102,395 | 19,119 | 205,139 | - | - | 326,653 |
| Total Nonoperating Revenues | <u>441,484</u> | <u>105,524</u> | <u>208,692</u> | <u>84,150</u> | <u>22,212</u> | <u>862,062</u> |
| Net Income (Loss) Before Transfers | <u>1,571,354</u> | <u>868,960</u> | <u>193,159</u> | <u>(134,950)</u> | <u>65,565</u> | <u>2,564,088</u> |
| Transfers In | - | - | - | - | 150,000 | 150,000 |
| Transfers Out | <u>(627,979)</u> | <u>(150,643)</u> | <u>(291,319)</u> | <u>(27,473)</u> | <u>(22,319)</u> | <u>(1,119,733)</u> |
| Change in Net Position | <u>943,375</u> | <u>718,317</u> | <u>(98,160)</u> | <u>(162,423)</u> | <u>193,246</u> | <u>1,594,355</u> |
| Net Position, Beginning of Year | <u>19,504,520</u> | <u>5,499,045</u> | <u>98,160</u> | <u>10,035,908</u> | <u>20,598,216</u> | <u>55,735,849</u> |
| Net Position, End of Year | <u>\$ 20,447,895</u> | <u>\$ 6,217,362</u> | <u>\$ -</u> | <u>\$ 9,873,485</u> | <u>\$ 20,791,462</u> | <u>\$ 57,330,204</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK , NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Solid Waste Disposal | Solid Waste Collections | Commercial Property | Northern Plains Commerce Center | Parking Authority | Total Nonmajor Enterprise |
|--|---------------------------------|------------------------------------|--------------------------------|--|------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts From Customers and Users | \$ 4,104,079 | \$ 4,973,169 | \$ 8,108 | \$ 72,342 | \$ 1,655,222 | \$ 10,812,920 |
| Payments to Suppliers | (1,166,688) | (2,725,352) | (20,505) | (73,488) | (861,039) | (4,847,072) |
| Payments to Employees | (972,131) | (1,161,928) | - | - | - | (2,134,059) |
| Net Cash Provided (used) by Operating Activities | <u>1,965,260</u> | <u>1,085,889</u> | <u>(12,397)</u> | <u>(1,146)</u> | <u>794,183</u> | <u>3,831,789</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Payments on Advance | - | - | (1,780,000) | - | (150,000) | (1,930,000) |
| Payments From Other Funds | - | - | - | - | 150,000 | 150,000 |
| Payments to Other Funds | (627,979) | (150,643) | (291,319) | (27,473) | (22,319) | (1,119,733) |
| Net Cash Provided (used) by Noncapital Financing Activities | <u>(627,979)</u> | <u>(150,643)</u> | <u>(2,071,319)</u> | <u>(27,473)</u> | <u>(22,319)</u> | <u>(2,899,733)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds From Sale of Capital Assets | 102,395 | 19,119 | 1,604,356 | - | - | 1,725,870 |
| Acquisition / Construction of Capital Assets | (1,492,445) | (239,463) | - | - | (325,820) | (2,057,728) |
| Net Cash Provided (used) by Capital and Related Financing Activities | <u>(1,390,050)</u> | <u>(220,344)</u> | <u>1,604,356</u> | <u>-</u> | <u>(325,820)</u> | <u>(331,858)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Investment Income | <u>255,867</u> | <u>62,938</u> | <u>4,491</u> | <u>63,661</u> | <u>14,893</u> | <u>401,850</u> |
| Net Increase (decrease) in Cash and Cash Equivalents | 203,098 | 777,840 | (474,869) | 35,042 | 460,937 | 1,002,048 |
| Cash and Cash Equivalents, Beginning of Year | 13,514,793 | 2,994,428 | 474,869 | 3,377,567 | 798,123 | 21,159,780 |
| Cash and Cash Equivalents, End of Year | <u>\$ 13,717,891</u> | <u>\$ 3,772,268</u> | <u>\$ -</u> | <u>\$ 3,412,609</u> | <u>\$ 1,259,060</u> | <u>\$ 22,161,828</u> |
| Reconciliation of Net Operating Income (loss) to Net Cash Provided (used) by Operating Activities | | | | | | |
| Net Operating Income (loss) | \$ 1,129,870 | \$ 763,436 | \$ (15,533) | \$ (219,100) | \$ 43,353 | \$ 1,702,026 |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities: | | | | | | |
| Depreciation Expense | 665,440 | 296,554 | 13,258 | 215,235 | 716,523 | 1,907,010 |
| Change in Deferred Outflows of Resources | 144,572 | 276,572 | - | - | - | 421,144 |
| Change in Deferred Inflows of Resources | 84,536 | 147,983 | - | - | - | 232,519 |
| Change in Net Pension Liability | (191,653) | (370,988) | - | - | - | (562,641) |
| (Increase) Decrease in Accounts Receivable | (96,409) | (5,447) | - | 4,625 | (1,656) | (98,887) |
| (Increase) Decrease in Prepaid Items | (1,615) | (78) | 1,104 | - | 170 | (419) |
| Increase (decrease) in Customer Deposits | (12,965) | - | (2,950) | - | (1,202) | (17,117) |
| Increase (decrease) in Accounts Payable | 4,912 | (29,072) | (8,276) | (1,906) | 38,006 | 3,664 |
| Increase (decrease) in Compensated Benefits Payable | 11,227 | 7,149 | - | - | - | 18,376 |
| Increase (decrease) in Salaries Payable | 4,604 | (220) | - | - | - | 4,384 |
| Increase (decrease) in Unearned Revenue | - | - | - | - | (1,011) | (1,011) |
| Increase (decrease) in Closure and Post-Closure Liability | 222,741 | - | - | - | - | 222,741 |
| Total Adjustments | <u>835,390</u> | <u>322,453</u> | <u>3,136</u> | <u>217,954</u> | <u>750,830</u> | <u>2,129,763</u> |
| Net Cash Provided (used) by Operating Activities | <u>\$ 1,965,260</u> | <u>\$ 1,085,889</u> | <u>\$ (12,397)</u> | <u>\$ (1,146)</u> | <u>\$ 794,183</u> | <u>\$ 3,831,789</u> |
| NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES: | | | | | | |
| Construction of Capital Assets Contributed Through Capital Projects Funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contribution of Capital Assets From Developers | - | - | - | - | - | - |
| Increase in Fair Value of Investments | \$ 74,851 | \$ 18,002 | \$ 1,907 | \$ 18,601 | \$ 4,215 | \$ 117,576 |

NONMAJOR INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies on a cost reimbursement basis.

FLEET SERVICES - This fund accounts for the distribution of vehicle maintenance and fuel sales to the departments.

LIABILITY INSURANCE - This fund provides general liability and vehicle insurance coverage for all non-enterprise funds through the North Dakota Insurance Fund.

WORKFORCE SAFETY INSURANCE - This fund provides workers compensation coverage for all employees through the North Dakota Workforce Safety.

EMPLOYEE INSURANCE - This fund accounts for the employee health, life and disability plans. This is a self-insurance fund with funding provided from each department based on a pre-established rate per employee.

REVOLVING - This fund accounts for the expenditures of goods and services that are redistributed to other departments.

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2019

| | Fleet Services | Liability Insurance | Workforce Safety Insurance | Employee Insurance | Revolving | Total Internal Service |
|---------------------------------------|---------------------------|--------------------------------|---|-------------------------------|------------------|---------------------------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Cash Equivalents | \$ 959,564 | \$ 169,340 | \$ 676,731 | \$1,915,780 | \$ 322,571 | \$4,043,986 |
| Accounts Receivable | 12,123 | - | - | - | 367,600 | 379,723 |
| Inventories | 335,500 | - | - | - | - | 335,500 |
| Prepaid Items | 5,436 | - | - | - | - | 5,436 |
| Total Current Assets | <u>1,312,623</u> | <u>169,340</u> | <u>676,731</u> | <u>1,915,780</u> | <u>690,171</u> | <u>4,764,645</u> |
| Noncurrent Assets: | | | | | | |
| Machinery and Equipment | 4,665 | - | - | - | - | 4,665 |
| Total Assets | <u>1,317,288</u> | <u>169,340</u> | <u>676,731</u> | <u>1,915,780</u> | <u>690,171</u> | <u>4,769,310</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pensions | 121,414 | - | - | - | - | 121,414 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 233,493 | - | 2,805 | 450,682 | 628,209 | 1,315,189 |
| Salaries Payable | 31,409 | - | - | - | 1,024 | 32,433 |
| Claims and Judgments Payable | - | - | - | 646,000 | - | 646,000 |
| Total Current Liabilities | <u>264,902</u> | <u>-</u> | <u>2,805</u> | <u>1,096,682</u> | <u>629,233</u> | <u>1,993,622</u> |
| Noncurrent Liabilities: | | | | | | |
| Net Pension Liability | 210,525 | - | - | - | - | 210,525 |
| Total Liabilities | <u>475,427</u> | <u>-</u> | <u>2,805</u> | <u>1,096,682</u> | <u>629,233</u> | <u>2,204,147</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Pensions | 94,778 | - | - | - | - | 94,778 |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | 4,665 | - | - | - | - | 4,665 |
| Unrestricted | 863,832 | 169,340 | 673,926 | 819,098 | 60,938 | 2,587,134 |
| Total Net Position | <u>\$ 868,497</u> | <u>\$ 169,340</u> | <u>\$ 673,926</u> | <u>\$ 819,098</u> | <u>\$ 60,938</u> | <u>\$2,591,799</u> |

The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

| | Fleet Services | Liability Insurance | Workforce Safety Insurance | Employee Insurance | Revolving | Total Internal Service |
|--|---------------------------|--------------------------------|---|-------------------------------|------------------|---------------------------------------|
| OPERATING REVENUES | | | | | | |
| Event Sales | | | | | | |
| Sale of Gas and Oil | \$ 965,244 | \$ - | \$ - | \$ - | \$ - | \$ 965,244 |
| Sale of Parts and Labor | 2,334,182 | - | - | - | - | 2,334,182 |
| Miscellaneous Sales | 1,703 | - | 2,304 | 282,537 | 11,260 | 297,804 |
| Rentals | 14,420 | - | - | - | - | 14,420 |
| Employer Contributions | - | - | 17,655 | 10,970,875 | - | 10,988,530 |
| Employee Contributions | - | - | - | 123,475 | - | 123,475 |
| Total Operating Revenues | <u>3,315,549</u> | <u>-</u> | <u>19,959</u> | <u>11,376,887</u> | <u>11,260</u> | <u>14,723,655</u> |
| OPERATING EXPENSES | | | | | | |
| Cost of Goods Sold | 2,008,003 | - | - | - | - | 2,008,003 |
| Personal Services - Salaries and Wages | 653,736 | - | - | - | (163) | 653,573 |
| Personal Services - Fringe Benefits | 329,343 | - | - | 57,822 | - | 387,165 |
| Professional Legal and Contracted Services | 643 | 439 | 68 | 1,138 | - | 2,288 |
| Building Equipment and Vehicle Services | 226,822 | - | - | - | 109,060 | 335,882 |
| Travel & Training | 9,498 | - | - | - | - | 9,498 |
| Operating Services | 20,083 | 300,951 | - | 10,535,849 | - | 10,856,883 |
| Operating Supplies | 14,933 | - | - | 425 | - | 15,358 |
| Depreciation Expense | 1,006 | - | - | - | - | 1,006 |
| Total Operating Expenses | <u>3,264,067</u> | <u>301,390</u> | <u>68</u> | <u>10,595,234</u> | <u>108,897</u> | <u>14,269,656</u> |
| Net Operating Income (Loss) | <u>51,482</u> | <u>(301,390)</u> | <u>19,891</u> | <u>781,653</u> | <u>(97,637)</u> | <u>453,999</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Income | 15,638 | 5,843 | 11,560 | 25,399 | - | 58,440 |
| Gain (Loss) on Disposal of Capital Assets | 8,790 | - | - | - | 123,624 | 132,414 |
| Total Nonoperating Revenues (Expenses) | <u>24,428</u> | <u>5,843</u> | <u>11,560</u> | <u>25,399</u> | <u>123,624</u> | <u>190,854</u> |
| Net Income (Loss) Before Contributions and Transfers | 75,910 | (295,547) | 31,451 | 807,052 | 25,987 | 644,853 |
| Capital Contributions | 5,442 | - | - | - | - | 5,442 |
| Transfers In | - | 330,000 | - | - | - | 330,000 |
| Transfers Out | (78,986) | (50,987) | (7,509) | (116,018) | (2,389) | (255,889) |
| Change in Net Position | 2,366 | (16,534) | 23,942 | 691,034 | 23,598 | 724,406 |
| Net Position, Beginning of Year | 866,131 | 185,874 | 649,984 | 128,064 | 37,340 | 1,867,393 |
| Net Position, End of Year | <u>\$ 868,497</u> | <u>\$ 169,340</u> | <u>\$ 673,926</u> | <u>\$ 819,098</u> | <u>\$ 60,938</u> | <u>\$ 2,591,799</u> |

The notes to the financial statements are an integral part of this statement.

**CITY OF BISMARCK , NORTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

| | Fleet Services | Liability Insurance | Workforce Safety | Employee Insurance | Revolving | Total Internal Service |
|---|---------------------------|--------------------------------|-----------------------------|-------------------------------|---------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers and users | \$ 3,307,949 | \$ 19 | \$ - | \$ 126,323 | \$ 13,253 | \$ 3,447,544 |
| Receipts from employer | - | - | 17,655 | 10,970,875 | - | 10,988,530 |
| Other receipts | 1,703 | - | 2,304 | 282,537 | 11,260 | 297,804 |
| Payments to suppliers | (2,515,942) | (301,390) | (5,254) | (10,180,837) | (158,916) | (13,162,339) |
| Payments to employees | (608,825) | - | - | - | - | (608,825) |
| Net cash provided (used) by operating activities | <u>184,885</u> | <u>(301,371)</u> | <u>14,705</u> | <u>1,198,898</u> | <u>(134,403)</u> | <u>962,714</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Payments from other funds | - | 330,000 | - | - | - | 330,000 |
| Payments to other funds | (78,986) | (50,987) | (7,509) | (116,018) | (2,389) | (255,889) |
| Net cash provided (used) by noncapital financing activities | <u>(78,986)</u> | <u>279,013</u> | <u>(7,509)</u> | <u>(116,018)</u> | <u>(2,389)</u> | <u>74,111</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Proceeds from sale of capital assets | 8,790 | - | - | - | - | 8,790 |
| Proceeds from insurance recoveries | - | - | - | - | 123,624 | 123,624 |
| Net cash provided (used) by capital and related financing activities | <u>8,790</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>123,624</u> | <u>132,414</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Investment income | <u>15,638</u> | <u>5,843</u> | <u>11,560</u> | <u>25,399</u> | <u>-</u> | <u>58,440</u> |
| Net increase (decrease) in cash and cash equivalents | 130,327 | (16,515) | 18,756 | 1,108,279 | (13,168) | 1,227,679 |
| Cash and cash equivalents, beginning of year | 829,237 | 185,855 | 657,975 | 807,501 | 335,739 | 2,816,307 |
| Cash and cash equivalents, end of year | <u>\$ 959,564</u> | <u>\$ 169,340</u> | <u>\$ 676,731</u> | <u>\$ 1,915,780</u> | <u>\$ 322,571</u> | <u>\$ 4,043,986</u> |
| Reconciliation of net operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Net operating income (loss) | \$ 51,482 | \$ (301,390) | \$ 19,891 | \$ 781,653 | \$ (97,637) | \$ 453,999 |
| Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Depreciation expense | 1,006 | - | - | - | - | 1,006 |
| Change in deferred outflows of resources | 141,572 | - | - | - | - | 141,572 |
| Change in deferred inflows of resources | 85,604 | - | - | - | - | 85,604 |
| Change in net pension liability | (183,679) | - | - | - | - | (183,679) |
| (Increase) decrease in accounts receivable | (5,897) | 19 | - | 2,848 | 13,253 | 10,223 |
| (Increase) decrease in inventories | (53,045) | - | - | - | - | (53,045) |
| (Increase) decrease in prepaid items | (627) | - | - | - | - | (627) |
| Increase (decrease) in accounts payable | 147,055 | - | (5,186) | 433,397 | (49,856) | 525,410 |
| Increase (decrease) in salaries payable | 1,414 | - | - | - | (163) | 1,251 |
| Increase (decrease) in claims and judgments payable | - | - | - | (19,000) | - | (19,000) |
| Total adjustments | <u>133,403</u> | <u>19</u> | <u>(5,186)</u> | <u>417,245</u> | <u>(36,766)</u> | <u>508,715</u> |
| Net cash provided (used) by operating activities | <u>\$ 184,885</u> | <u>\$ (301,371)</u> | <u>\$ 14,705</u> | <u>\$ 1,198,898</u> | <u>\$ (134,403)</u> | <u>\$ 962,714</u> |

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

**CITY OF BISMARCK, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2019**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

| | |
|---|--------------------|
| Land | 2,767,950 |
| Buildings and building improvements | 40,449,224 |
| Improvements other than buildings | 85,349 |
| Machinery and equipment | 42,946,486 |
| Infrastructure | 453,227,096 |
| Construction in progress | 2,870,631 |
| Total governmental funds capital assets | <u>542,346,736</u> |

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

| | |
|---|--------------------|
| General fund | 8,090,138 |
| Special revenue funds | 21,842,126 |
| Federal and state grants | 131,725,771 |
| Capital projects funds | 371,686,163 |
| Enterprise funds | 15,210 |
| Donations | 8,987,328 |
| Total governmental funds capital assets | <u>542,346,736</u> |

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2019

| FUNCTION AND ACTIVITY | Land | Buildings | Improvements Other than Buildings | Machinery and Equipment | Infrastructure | Total |
|--|--------------|---------------|---|-------------------------------|----------------|----------------|
| General government: | | | | | | |
| Administration and management | \$ - | \$ - | \$ - | \$ 48,439 | \$ - | \$ 48,439 |
| Fiscal, assessing and information services | - | - | - | 1,459,946 | - | 1,459,946 |
| Common software | - | - | - | 1,058,423 | - | 1,058,423 |
| City/county office building | - | 10,785,685 | 18,411 | 886,349 | - | 11,690,445 |
| Bismarck-mandan visitor bureau | 200,000 | 804,475 | - | - | - | 1,004,475 |
| Human resources | - | - | - | 21,229 | - | 21,229 |
| Attorney | - | - | - | 8,423 | - | 8,423 |
| Municipal court | - | 269,509 | - | - | - | 269,509 |
| Community development | - | - | - | 179,785 | - | 179,785 |
| Building maintenance | - | - | - | 163,829 | - | 163,829 |
| E/H transit system | 108,421 | 3,311,836 | - | 6,499,726 | - | 9,919,983 |
| Total general government | 308,421 | 15,171,505 | 18,411 | 10,326,149 | - | 25,824,486 |
| Public safety: | | | | | | |
| Police | 499,500 | 7,982,930 | 37,078 | 7,572,228 | 319,359 | 16,411,095 |
| Fire | 580,688 | 9,158,075 | 15,790 | 7,839,807 | 101,099 | 17,695,459 |
| Combined communication center | - | - | - | 382,655 | - | 382,655 |
| Total public safety | 1,080,188 | 17,141,005 | 52,868 | 15,794,690 | 420,458 | 34,489,209 |
| Highways and streets: | | | | | | |
| Roads and streets | 50,923 | - | - | 10,211,818 | 65,184 | 10,327,925 |
| Engineering | - | - | - | 600,880 | - | 600,880 |
| Forestry | - | - | - | 1,220,327 | - | 1,220,327 |
| Total highways and streets | 50,923 | - | - | 12,033,025 | 65,184 | 12,149,132 |
| Health: | | | | | | |
| Bismarck burleigh public health | - | 170,524 | - | 322,003 | 220,000 | 712,527 |
| Total health | - | 170,524 | - | 322,003 | 220,000 | 712,527 |
| Culture and recreation: | | | | | | |
| Centennial beach | - | - | - | 29,956 | - | 29,956 |
| Library | 324,000 | 7,966,190 | - | 4,424,903 | 104,274 | 12,819,367 |
| Total culture and recreation | 324,000 | 7,966,190 | - | 4,454,859 | 104,274 | 12,849,323 |
| Public works: | | | | | | |
| Sales tax fund | 22,721 | - | - | - | - | 22,721 |
| Highway construction | 980,937 | - | - | - | 100,684,796 | 101,665,733 |
| Sidewalk construction | - | - | 14,070 | - | 34,531,617 | 34,545,687 |
| Street lights construction | - | - | - | 15,760 | 2,163,919 | 2,179,679 |
| Street improvements | 760 | - | - | - | 315,036,848 | 315,037,608 |
| Total public works | 1,004,418 | - | 14,070 | 15,760 | 452,417,180 | 453,451,428 |
| Construction in progress: | - | 222,841 | - | 7,440 | 2,640,350 | 2,870,631 |
| Total governmental funds capital assets | \$ 2,767,950 | \$ 40,672,065 | \$ 85,349 | \$ 42,953,926 | \$ 455,867,446 | \$ 542,346,736 |

CITY OF BISMARCK, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2019

| FUNCTION AND ACTIVITY | Balance January 1, 2019 | Additions | Deductions | Transfers | Balance December 31, 2019 |
|--|-------------------------------|----------------------|---------------------|--------------------|---------------------------------|
| General government: | | | | | |
| Administration and management | \$ 57,638 | \$ - | \$ 9,199 | \$ - | \$ 48,439 |
| Fiscal, assessing and information services | 1,480,665 | 12,195 | 32,914 | - | 1,459,946 |
| Common software | 1,058,423 | - | - | - | 1,058,423 |
| City/county office buildings | 11,690,445 | - | - | - | 11,690,445 |
| Bismarck-mandan visitors bureau | 1,004,475 | - | - | - | 1,004,475 |
| Human resources | 21,229 | - | - | - | 21,229 |
| Attorney | 8,423 | - | - | - | 8,423 |
| Municipal court | 269,509 | - | - | - | 269,509 |
| Community development | 208,645 | - | 10,233 | (18,627) | 179,785 |
| Building maintenance | 69,766 | - | - | 94,063 | 163,829 |
| E/H transit system | 9,062,310 | 1,346,668 | 488,995 | - | 9,919,983 |
| Total general government | <u>24,931,528</u> | <u>1,358,863</u> | <u>541,341</u> | <u>75,436</u> | <u>25,824,486</u> |
| Public safety: | | | | | |
| Police | 15,903,181 | 248,405 | 367,854 | 627,363 | 16,411,095 |
| Fire and inspections | 18,167,272 | 619,494 | 215,446 | (895,861) | 17,675,459 |
| Combined communications center | 391,350 | - | 8,695 | - | 382,655 |
| Total public safety | <u>34,461,803</u> | <u>867,899</u> | <u>591,995</u> | <u>(268,498)</u> | <u>34,469,209</u> |
| Highways and streets: | | | | | |
| Roads and streets | 10,397,070 | 540,326 | 241,955 | (367,516) | 10,327,925 |
| Engineering | 609,211 | - | 26,958 | 18,627 | 600,880 |
| Forestry | 737,337 | - | - | 502,990 | 1,240,327 |
| Total highways and streets | <u>11,743,618</u> | <u>540,326</u> | <u>268,913</u> | <u>154,101</u> | <u>12,169,132</u> |
| Health: | | | | | |
| Bismarck burleigh public health | 729,082 | 8,400 | 24,955 | - | 712,527 |
| Total health | <u>729,082</u> | <u>8,400</u> | <u>24,955</u> | <u>-</u> | <u>712,527</u> |
| Culture and recreation: | | | | | |
| Centennial beach | 29,956 | - | - | - | 29,956 |
| Library | 12,470,856 | 354,011 | 5,500 | - | 12,819,367 |
| Total culture and recreation | <u>12,500,812</u> | <u>354,011</u> | <u>5,500</u> | <u>-</u> | <u>12,849,323</u> |
| Public works: | | | | | |
| Sales tax fund | 22,721 | - | - | - | 22,721 |
| Highway construction | 99,110,639 | 2,555,094 | - | - | 101,665,733 |
| Sidewalk construction | 32,892,244 | 1,653,443 | - | - | 34,545,687 |
| Street light construction | 1,883,918 | 295,761 | - | - | 2,179,679 |
| Street improvements | 306,869,877 | 8,167,731 | - | - | 315,037,608 |
| Total public works | <u>440,779,399</u> | <u>12,672,029</u> | <u>-</u> | <u>-</u> | <u>453,451,428</u> |
| Construction in progress: | <u>1,672,107</u> | <u>2,061,474</u> | <u>862,950</u> | <u>-</u> | <u>2,870,631</u> |
| Total governmental funds capital assets | <u>\$ 526,818,349</u> | <u>\$ 17,863,002</u> | <u>\$ 2,295,654</u> | <u>\$ (38,961)</u> | <u>542,346,736</u> |

STATISTICAL SECTION



**CITY OF BISMARCK, NORTH DAKOTA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 156,675,941 | \$ 148,375,719 | \$ 166,974,373 | \$ 180,195,611 | \$ 192,652,784 | \$ 197,951,649 | \$ 218,218,040 | \$ 225,240,744 | \$ 230,739,569 | \$ 238,971,819 |
| Restricted | 13,913,204 | 25,072,759 | 17,512,811 | 22,540,504 | 20,182,943 | 25,205,341 | 31,075,288 | 49,167,595 | 55,329,012 | 78,260,446 |
| Unrestricted | 111,526,195 | 110,261,833 | 120,115,806 | 136,188,454 | 148,773,677 | 171,295,399 | 181,422,256 | 170,563,328 | 166,262,629 | 145,803,806 |
| Total governmental activities net position | <u>\$ 282,115,340</u> | <u>\$ 283,710,311</u> | <u>\$ 304,602,990</u> | <u>\$ 338,924,569</u> | <u>\$ 361,609,404</u> | <u>\$ 394,452,389</u> | <u>\$ 430,715,584</u> | <u>\$ 444,971,667</u> | <u>\$ 452,331,210</u> | <u>\$ 463,036,071</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 226,357,253 | \$ 261,533,235 | \$ 280,053,990 | \$ 289,017,006 | \$ 319,745,687 | \$ 319,247,440 | \$ 341,955,183 | \$ 374,421,127 | \$ 401,875,951 | \$ 409,059,784 |
| Restricted | 11,788,078 | 6,991,320 | 8,419,928 | 7,264,652 | 9,941,852 | 36,089,113 | 12,175,717 | 11,138,729 | 11,195,951 | 12,408,591 |
| Unrestricted | 36,359,215 | 44,055,121 | 40,723,027 | 52,359,095 | 59,056,335 | 38,560,107 | 51,133,751 | 42,895,634 | 43,933,922 | 51,736,219 |
| Total business-type activities net position | <u>\$ 274,504,546</u> | <u>\$ 312,579,676</u> | <u>\$ 329,196,945</u> | <u>\$ 348,640,753</u> | <u>\$ 388,743,874</u> | <u>\$ 393,896,660</u> | <u>\$ 405,264,651</u> | <u>\$ 428,455,490</u> | <u>\$ 457,005,824</u> | <u>\$ 473,204,594</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 383,033,194 | \$ 409,908,954 | \$ 447,028,363 | \$ 469,212,617 | \$ 512,398,471 | \$ 517,199,089 | \$ 560,173,223 | \$ 599,661,871 | \$ 632,615,520 | \$ 648,031,603 |
| Restricted | 25,701,282 | 32,064,079 | 25,932,739 | 29,805,156 | 30,124,795 | 61,294,454 | 43,251,005 | 60,306,324 | 66,524,963 | 90,669,037 |
| Unrestricted | 147,885,410 | 154,316,954 | 160,838,833 | 188,547,549 | 207,830,012 | 209,855,506 | 232,556,007 | 213,458,962 | 210,196,551 | 197,540,025 |
| Total primary government net position | <u>\$ 556,619,886</u> | <u>\$ 596,289,987</u> | <u>\$ 633,799,935</u> | <u>\$ 687,565,322</u> | <u>\$ 750,353,278</u> | <u>\$ 788,349,049</u> | <u>\$ 835,980,235</u> | <u>\$ 873,427,157</u> | <u>\$ 909,337,034</u> | <u>\$ 936,240,665</u> |

CITY OF BISMARCK, NORTH DAKOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 13,379,249 | \$ 28,399,400 | \$ 15,456,780 | \$ 15,602,062 | \$ 17,017,718 | \$ 18,265,605 | \$ 16,888,611 | \$ 16,268,593 | \$ 18,290,495 | \$ 16,227,336 |
| Public safety | 17,956,779 | 18,250,946 | 19,192,839 | 19,578,855 | 20,852,897 | 24,641,875 | 26,286,801 | 27,502,752 | 29,185,109 | 29,579,689 |
| Highways and streets | 8,567,797 | 8,099,656 | 8,061,851 | 8,324,951 | 8,727,481 | 10,413,928 | 10,407,454 | 10,946,367 | 11,430,676 | 11,597,897 |
| Health and welfare | 2,911,995 | 2,915,310 | 3,024,156 | 3,068,043 | 2,782,462 | 3,201,291 | 3,201,853 | 3,329,632 | 3,486,093 | 3,506,605 |
| Culture and recreation | 9,664,609 | 2,538,849 | 2,727,686 | 2,755,016 | 2,757,172 | 2,953,530 | 3,182,488 | 3,336,676 | 3,524,975 | 3,610,946 |
| Interest and fiscal charges | 2,350,187 | 2,174,135 | 2,067,666 | 2,245,752 | 2,063,752 | 2,400,187 | 3,041,297 | 5,144,125 | 3,849,896 | 3,835,971 |
| Public works | 7,262,546 | 7,145,379 | 16,242,401 | 9,248,433 | 9,243,920 | 9,972,223 | 11,551,442 | 13,945,500 | 14,626,171 | 12,980,551 |
| Total governmental activities expenses | 62,093,162 | 69,523,675 | 66,773,379 | 60,823,112 | 63,445,402 | 71,848,639 | 74,559,946 | 80,473,645 | 84,393,415 | 81,338,995 |
| Business-type activities: | | | | | | | | | | |
| Airport | 5,695,428 | 5,706,324 | 6,419,847 | 6,852,348 | 8,361,929 | 8,679,828 | 7,588,752 | 7,399,832 | 7,735,107 | 8,008,830 |
| Event center | - | 7,271,580 | 7,943,750 | 8,270,394 | 9,594,634 | 11,436,810 | 11,043,455 | 10,718,816 | 11,108,512 | 9,947,984 |
| Solid waste disposal | 2,525,468 | 2,480,955 | 2,385,838 | 2,655,380 | 2,694,350 | 2,453,612 | 4,340,662 | 2,997,121 | 2,600,476 | 3,068,343 |
| Solid waste collections | 1,964,611 | 2,194,976 | 2,165,553 | 2,198,750 | 3,118,929 | 4,065,304 | 3,872,531 | 4,018,808 | 4,275,343 | 4,185,101 |
| Water | 8,036,750 | 8,501,442 | 9,118,635 | 9,516,385 | 10,581,458 | 11,722,982 | 11,896,989 | 12,867,647 | 13,347,820 | 12,825,126 |
| Sanitary sewer | 5,237,690 | 6,059,940 | 5,832,427 | 6,000,337 | 6,401,858 | 7,014,055 | 7,691,135 | 8,772,088 | 8,601,984 | 8,776,175 |
| Storm water | 1,215,570 | 1,517,382 | 1,701,198 | 1,828,442 | 2,167,522 | 1,993,037 | 2,697,316 | 3,076,950 | 4,239,065 | 2,313,297 |
| Northern Plains Commerce Centre | - | - | - | - | - | - | - | - | - | 286,817 |
| Commercial property | 33,312 | 151,021 | 339,567 | 379,303 | 385,053 | 441,991 | 293,168 | 399,710 | 376,854 | 26,593 |
| Parking authority lots | 873,209 | 905,461 | 990,948 | 1,030,182 | 1,114,692 | 1,608,473 | 1,639,973 | 1,596,137 | 1,575,237 | 1,615,739 |
| Total business-type activities expenses | 25,582,038 | 34,789,081 | 36,897,763 | 38,731,521 | 44,420,425 | 49,416,092 | 51,063,981 | 51,847,109 | 53,860,398 | 51,054,005 |
| Total primary government expenses | \$ 87,675,200 | \$ 104,312,756 | \$ 103,671,142 | \$ 99,554,633 | \$ 107,865,827 | \$ 121,264,731 | \$ 125,623,927 | \$ 132,320,754 | \$ 138,253,813 | \$ 132,393,000 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General government | \$ 2,999,341 | \$ 3,905,967 | \$ 4,158,680 | \$ 4,951,446 | \$ 4,803,514 | \$ 4,903,933 | \$ 4,141,666 | \$ 4,282,664 | \$ 4,155,262 | \$ 4,105,318 |
| Public safety | 1,351,519 | 1,236,829 | 1,315,180 | 1,221,973 | 1,165,470 | 1,122,078 | 1,382,234 | 1,471,580 | 1,636,966 | 2,034,483 |
| Highways and streets | 3,370,465 | 4,083,149 | 4,002,264 | 5,312,152 | 6,219,938 | 6,310,840 | 6,306,131 | 5,306,563 | 5,496,307 | 4,435,164 |
| Health and welfare | 511,601 | 554,209 | 473,245 | 554,942 | 446,889 | 446,618 | 474,109 | 575,029 | 607,188 | 608,216 |
| Culture and recreation | 5,015,681 | 150,215 | 137,179 | 127,966 | 121,094 | 131,868 | 135,435 | 131,136 | 130,571 | 123,921 |
| Public works | - | - | - | 300,235 | - | - | - | - | 20,000 | 26,152 |
| Operating grants and contributions | 10,113,555 | 27,284,007 | 11,335,009 | 13,663,676 | 12,042,851 | 11,067,383 | 13,162,314 | 11,751,542 | 12,039,864 | 10,372,987 |
| Capital grants and contributions | 16,781,232 | 22,787,617 | 21,559,092 | 27,917,289 | 39,286,234 | 39,485,749 | 36,180,257 | 25,081,772 | 20,673,170 | 15,830,239 |
| Total governmental activities program revenues | 40,143,394 | 60,001,993 | 42,980,649 | 54,049,679 | 64,085,990 | 63,468,469 | 61,782,146 | 48,600,286 | 44,759,328 | 37,536,480 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Airport | 4,559,948 | 4,903,504 | 5,680,205 | 5,813,095 | 5,688,130 | 6,004,126 | 5,880,634 | 6,581,900 | 6,988,947 | 7,625,965 |
| * Event center | - | 5,019,304 | 5,627,000 | 5,400,169 | 6,178,766 | 7,106,440 | 6,817,419 | 6,904,800 | 7,293,652 | 7,447,339 |
| Solid waste disposal | 2,544,702 | 2,796,433 | 2,842,790 | 3,739,199 | 4,201,932 | 4,307,855 | 4,355,606 | 4,375,408 | 3,902,953 | 4,213,453 |
| Solid waste collections | 2,170,392 | 2,390,337 | 2,360,138 | 3,271,983 | 3,250,198 | 3,899,855 | 4,003,128 | 4,609,120 | 4,768,732 | 4,978,616 |
| Water | 10,320,520 | 9,468,281 | 12,276,473 | 11,600,535 | 12,320,934 | 14,179,792 | 13,918,492 | 16,101,327 | 16,504,992 | 13,963,761 |
| Sanitary sewer | 5,428,006 | 5,667,907 | 6,167,542 | 5,840,563 | 6,719,385 | 7,224,309 | 8,917,828 | 10,209,905 | 10,963,919 | 11,695,570 |

**CITY OF BISMARCK, NORTH DAKOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS*
(ACCRUAL BASIS OF ACCOUNTING)**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------|----------------|-----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Storm water | 900,844 | 920,664 | 983,176 | 1,183,703 | 1,242,126 | 1,352,712 | 1,390,903 | 1,825,511 | 2,305,184 | 1,484,594 |
| Northern Plains Commerce Centre | - | - | - | - | - | - | - | - | - | 67,717 |
| Commercial property | 54,103 | 201,831 | 424,361 | 346,142 | 235,951 | 255,917 | 180,632 | 104,430 | 102,109 | 11,058 |
| Parking authority lots | 883,751 | 941,990 | 963,953 | 1,063,898 | 1,230,561 | 1,561,998 | 1,460,754 | 1,550,277 | 1,510,575 | 1,659,091 |
| Operating grants and contributions | - | 1,856 | - | 68,057 | 1,212,522 | 227,245 | 40,360 | 6,666 | 11,319 | 38,307 |
| Capital grants and contributions | 3,675,261 | 10,680,059 | 11,361,611 | 9,212,197 | 13,475,408 | 9,924,565 | 6,748,212 | 17,502,063 | 24,121,524 | 13,085,359 |
| Total business-type activities program revenues | 30,537,527 | 42,992,166 | 48,687,249 | 47,539,541 | 55,755,913 | 56,044,814 | 53,713,968 | 69,771,407 | 78,473,906 | 66,270,830 |
| Total primary government program revenues | \$ 70,680,921 | \$ 102,994,159 | \$ 91,667,898 | \$ 101,589,220 | \$ 119,841,903 | \$ 119,513,283 | \$ 115,496,114 | \$ 118,371,693 | \$ 123,233,234 | \$ 103,807,310 |
| Net (expense)/revenue | | | | | | | | | | |
| Government activities | (21,949,768) | (9,521,682) | (23,792,730) | (6,773,433) | 640,588 | (8,380,170) | (12,777,800) | (31,873,359) | (39,634,087) | (43,802,515) |
| Business-type activities | 4,955,489 | 8,203,085 | 11,789,486 | 8,808,020 | 11,335,488 | 6,628,722 | 2,649,987 | 17,924,298 | 24,613,508 | 15,216,825 |
| Total primary government net expense | \$ (16,994,279) | \$ (1,318,597) | \$ (12,003,244) | \$ 2,034,587 | \$ 11,976,076 | \$ (1,751,448) | \$ (10,127,813) | \$ (13,949,061) | \$ (15,020,579) | \$ (28,585,690) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 16,200,763 | \$ 17,162,429 | \$ 17,230,221 | \$ 17,801,629 | \$ 18,398,151 | \$ 19,270,501 | \$ 20,253,570 | \$ 21,250,283 | \$ 20,628,624 | \$ 21,198,684 |
| Sales tax | 12,403,143 | 13,955,767 | 16,388,127 | 17,271,062 | 17,238,016 | 17,436,203 | 16,747,940 | 15,849,579 | 15,543,636 | 21,833,317 |
| Occupancy tax | 753,860 | 914,599 | 1,066,817 | 1,174,646 | 1,219,152 | 1,188,853 | 1,086,064 | 1,014,964 | 965,445 | 1,031,410 |
| Lodging/liquor/food tax | 1,984,688 | 2,217,379 | 2,498,156 | 2,672,862 | 2,809,757 | 2,910,312 | 2,848,332 | 2,877,076 | 2,919,682 | 3,036,341 |
| Car rental tax | 58,898 | 75,119 | 87,310 | 77,142 | 72,999 | 71,808 | 73,046 | 78,262 | 66,121 | 81,482 |
| State aid distribution | 2,975,302 | 3,773,172 | 4,882,955 | 4,958,139 | 5,539,292 | 5,069,954 | 3,902,315 | 3,888,355 | 4,498,092 | 4,784,709 |
| Franchise taxes | 1,082,874 | 1,182,709 | 1,246,491 | 1,341,007 | 1,427,837 | 1,123,478 | 1,243,287 | 1,218,141 | 1,158,319 | 1,093,964 |
| Other taxes | 535,798 | 665,151 | 2,776,357 | 932,923 | 1,239,000 | 1,333,130 | 1,247,280 | 1,225,954 | 1,706,736 | 1,329,301 |
| Investment earnings | 901,297 | 579,687 | 632,739 | 362,192 | 837,497 | 675,796 | 690,481 | 2,954,251 | 2,342,382 | 4,277,125 |
| Gain (loss) on disposal of assets | 244,748 | 31,259 | 49,510 | 107,871 | (416,026) | - | 178,109 | 121,371 | 352,053 | (30,697) |
| Transfers | (464,636) | (29,440,618) | (2,173,274) | (5,604,461) | (26,321,428) | 1,959,501 | (3,580,283) | (4,348,794) | (3,187,460) | (4,128,260) |
| Total governmental activities | 36,676,735 | 11,116,653 | 44,685,409 | 41,095,012 | 22,044,247 | 51,039,536 | 44,690,141 | 46,129,442 | 46,993,630 | 54,507,376 |
| Business-type activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Other taxes | 63,107 | 60,524 | 61,658 | 56,441 | 43,158 | 39,923 | 40,714 | 33,643 | 36,465 | 45,071 |
| Investment earnings | 299,907 | 352,646 | 189,974 | 82,393 | 543,817 | 419,227 | 375,048 | 576,858 | 535,407 | 1,660,326 |
| Gain (loss) on disposal of assets | 60,728 | 18,257 | 2,402,877 | 4,892,493 | 1,859,230 | 487,056 | 1,445,890 | 307,246 | 177,494 | (4,851,712) |
| Transfers | 464,636 | 29,440,618 | 2,173,274 | 5,604,461 | 26,321,428 | (2,153,088) | 3,580,283 | 4,348,794 | 3,187,460 | 4,128,260 |
| Total business-type activities | 888,378 | 29,872,045 | 4,827,783 | 10,635,788 | 28,767,633 | (1,206,882) | 5,441,935 | 5,266,541 | 3,936,826 | 981,945 |
| Total primary government | \$ 37,565,113 | \$ 40,988,698 | \$ 49,513,192 | \$ 51,730,800 | \$ 50,811,880 | \$ 49,832,654 | \$ 50,132,076 | \$ 51,395,983 | \$ 50,930,456 | \$ 55,489,321 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 14,726,967 | \$ 1,594,971 | \$ 20,892,679 | \$ 34,321,579 | \$ 22,684,835 | \$ 42,659,366 | \$ 31,912,341 | \$ 14,256,083 | \$ 7,359,543 | \$ 10,704,861 |
| Business-type activities | 5,843,867 | 38,075,130 | 16,617,269 | 19,443,808 | 40,103,121 | 5,421,840 | 8,091,922 | 23,190,839 | 28,550,334 | 16,198,770 |
| Total primary government | \$ 20,570,834 | \$ 39,670,101 | \$ 37,509,948 | \$ 53,765,387 | \$ 62,787,956 | \$ 48,081,206 | \$ 40,004,263 | \$ 37,446,922 | \$ 35,909,877 | \$ 26,903,631 |

*Event Center was reported in the General Fund and Arena & Exhibit Operations as a Special Revenue Fund prior to 2011.

CITY OF BISMARCK, NORTH DAKOTA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2010 | *2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 574,778 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 20,369,528 | - | - | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | 200,000 | 230,000 | 230,000 | 230,000 | 150,000 | - |
| Restricted | - | 197,703 | 387,263 | 1,138,547 | 423,884 | 2,414,706 | 2,741,315 | 2,553,106 | 3,128,667 | 4,718,231 |
| Committed | - | 22,043 | - | 1,243,193 | - | - | - | - | - | - |
| Assigned | - | 3,966,827 | 4,656,009 | 5,654,308 | 4,928,903 | 4,236,860 | 4,555,285 | 3,622,460 | 4,316,068 | 4,765,734 |
| Unassigned | - | 18,424,444 | 23,284,261 | 24,868,320 | 30,743,043 | 31,714,584 | 32,800,155 | 34,269,492 | 36,360,862 | 35,556,939 |
| Total general fund | <u>\$ 20,944,306</u> | <u>\$ 22,611,017</u> | <u>\$ 28,327,533</u> | <u>\$ 32,904,368</u> | <u>\$ 36,295,830</u> | <u>\$ 38,596,150</u> | <u>\$ 40,326,755</u> | <u>\$ 40,675,058</u> | <u>\$ 43,955,597</u> | <u>\$ 45,040,904</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved | \$ 2,399,083 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 18,673,953 | - | - | - | - | - | - | - | - | - |
| Debt service funds | 13,036,782 | - | - | - | - | - | - | - | - | - |
| Capital project funds | 14,760,167 | - | - | - | - | - | - | - | - | - |
| Nonspendable | - | 2,707,591 | 2,379,957 | 2,243,109 | 2,112,390 | - | 1,880,000 | - | - | - |
| Restricted | - | 26,179,564 | 23,020,798 | 27,802,558 | 31,603,572 | 10,503,322 | 40,936,613 | 46,614,489 | 52,200,345 | 73,542,216 |
| Committed | - | 36,269,194 | 39,415,488 | 42,338,892 | 40,212,743 | 76,137,429 | 55,295,682 | 56,097,547 | 46,702,145 | 38,626,753 |
| Unassigned | - | (11,628,605) | (20,370,554) | (18,379,791) | (28,128,497) | (21,204,601) | (22,506,461) | (19,880,207) | (9,312,024) | (11,662,049) |
| Total all other governmental funds | <u>\$ 48,869,985</u> | <u>\$ 53,527,744</u> | <u>\$ 44,445,689</u> | <u>\$ 54,004,768</u> | <u>\$ 45,800,208</u> | <u>\$ 65,436,150</u> | <u>\$ 75,605,834</u> | <u>\$ 82,831,829</u> | <u>\$ 89,590,466</u> | <u>\$ 100,506,920</u> |

*Implemented GASB #54 with 2011 CAFR.

CITY OF BISMARCK, NORTH DAKOTA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 30,578,360 | \$ 33,189,580 | \$ 38,399,225 | \$ 38,060,526 | \$ 40,918,256 | \$ 42,010,581 | \$ 44,000,157 | \$ 42,252,472 | \$ 41,694,759 | \$ 48,233,253 |
| Licenses and permits | 1,508,083 | 1,956,383 | 2,552,169 | 3,195,879 | 2,478,578 | 2,333,947 | 2,023,147 | 1,861,177 | 1,897,424 | 2,020,572 |
| Special assessments | 11,445,698 | 12,107,061 | 13,253,134 | 18,157,172 | 17,717,047 | 18,539,363 | 21,449,838 | 21,849,733 | 22,334,763 | 22,518,068 |
| Intergovernmental | 15,704,913 | 38,165,942 | 17,763,798 | 21,041,079 | 20,549,194 | 17,854,293 | 18,299,828 | 17,743,566 | 18,335,857 | 17,179,104 |
| Charges for services | 7,390,191 | 5,724,439 | 5,788,168 | 7,378,274 | 8,373,154 | 8,660,788 | 8,631,635 | 7,795,507 | 7,919,450 | 7,189,971 |
| Fines and forfeits | 868,997 | 869,714 | 1,018,317 | 1,082,254 | 1,382,099 | 1,193,693 | 1,263,594 | 1,510,695 | 1,557,451 | 1,569,334 |
| Investment income | 968,974 | 770,749 | 789,381 | 633,343 | 1,099,991 | 1,142,573 | 1,087,639 | 1,406,656 | 1,896,794 | 2,995,049 |
| Rentals | 799,489 | 914,901 | 423,403 | 476,051 | 404,790 | 427,935 | 410,379 | 402,562 | 390,677 | 373,034 |
| Miscellaneous | 456,451 | 710,737 | 628,557 | 612,875 | 418,866 | 398,792 | 543,337 | 263,390 | 448,997 | 315,837 |
| Total revenues | 69,721,156 | 94,409,506 | 80,616,152 | 90,637,453 | 93,341,975 | 92,561,965 | 97,709,554 | 95,085,758 | 96,476,172 | 102,394,222 |
| EXPENDITURES | | | | | | | | | | |
| General government | 11,995,913 | 26,460,346 | 13,785,186 | 13,967,053 | 15,750,318 | 15,715,568 | 15,192,348 | 14,432,957 | 15,767,436 | 14,299,862 |
| Public safety | 16,134,498 | 16,520,641 | 17,040,285 | 17,392,151 | 19,993,552 | 21,529,929 | 23,883,543 | 25,619,157 | 25,730,050 | 27,472,723 |
| Highways and streets | 7,919,024 | 7,757,762 | 7,923,168 | 8,103,587 | 8,656,321 | 9,131,659 | 10,243,511 | 10,734,028 | 9,974,139 | 10,738,028 |
| Health and welfare | 2,804,458 | 2,819,958 | 2,862,728 | 2,892,536 | 2,786,465 | 2,904,894 | 3,167,152 | 3,247,464 | 3,191,344 | 3,379,797 |
| Culture and recreation | 4,369,646 | 1,954,030 | 2,091,326 | 2,078,185 | 2,184,841 | 2,230,807 | 2,600,315 | 2,740,879 | 2,748,969 | 2,906,938 |
| Public works | 1,244,878 | 1,260,901 | 9,866,920 | 2,404,256 | 1,975,649 | 1,703,421 | 2,931,214 | 3,788,925 | 3,502,262 | 1,306,187 |
| Capital outlays | 24,112,934 | 28,295,435 | 27,843,527 | 42,597,079 | 58,509,103 | 44,750,179 | 33,359,349 | 31,585,615 | 20,099,187 | 19,721,519 |
| Debt service | | | | | | | | | | |
| Principal | 9,020,000 | 9,355,000 | 9,690,000 | 9,715,000 | 10,660,000 | 11,730,000 | 14,415,000 | 15,755,000 | 16,170,001 | 16,455,001 |
| Interest and fiscal charges | 2,356,595 | 2,230,206 | 2,040,805 | 1,840,051 | 2,108,120 | 2,315,618 | 3,248,717 | 3,412,221 | 3,778,000 | 3,752,817 |
| Total expenditures | 79,957,946 | 96,654,279 | 93,143,945 | 100,989,898 | 122,624,369 | 112,012,075 | 109,041,149 | 111,316,246 | 100,961,388 | 100,032,872 |
| Excess (deficiency) of revenues over (under) expenditures | (10,236,790) | (2,244,773) | (12,527,793) | (10,352,445) | (29,282,394) | (19,450,110) | (11,331,595) | (16,230,488) | (4,485,216) | 2,361,350 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfer in | 21,050,225 | 23,187,603 | 23,914,275 | 23,576,359 | 26,863,375 | 49,932,949 | 33,181,033 | 34,653,793 | 32,490,879 | 39,723,665 |
| Transfer out | (19,472,373) | (24,505,560) | (23,275,607) | (22,206,862) | (28,710,635) | (43,395,802) | (33,590,238) | (32,157,306) | (33,410,422) | (39,912,101) |
| Refunding bonds issued | 3,855,000 | 1,605,000 | 4,365,000 | - | - | 6,510,000 | - | - | - | - |
| Premium on special assessment debt | 240,378 | 150,391 | 118,586 | 521,142 | 18,507 | 1,889,225 | 762,423 | 1,983,299 | 428,935 | 458,847 |
| Discount on special assessment debt | (131,597) | (18,189) | - | (7,278) | (261,951) | - | - | - | - | - |
| Payment to refunded bond escrow agent | (3,880,000) | (1,850,000) | (5,425,000) | - | - | (7,405,000) | - | - | - | - |
| Special assessment bonds issued | 20,720,000 | 10,000,000 | 9,465,000 | 22,605,000 | 26,560,000 | 33,855,000 | 20,335,000 | 19,325,000 | 15,015,000 | 9,370,000 |
| Total other financing sources (uses) | 22,381,633 | 8,569,245 | 9,162,254 | 24,488,361 | 24,469,296 | 41,386,372 | 20,688,218 | 23,804,786 | 14,524,392 | 9,640,411 |
| Net changes in fund balances | 12,144,843 | 6,324,472 | (3,365,539) | 14,135,916 | (4,813,098) | 21,936,262 | 9,356,623 | 7,574,298 | 10,039,176 | 12,001,761 |
| Debt service as a percentage of noncapital expenditures | 20.4% | 16.9% | 18.0% | 19.8% | 19.9% | 20.9% | 23.3% | 24.0% | 24.7% | 25.2% |

Source: Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| Fiscal Year | Property¹ Taxes | Sales Tax | Occupancy Tax | Lodging/ Liquor/Food Tax | Car Rental Tax | State Aid Distribution | Franchise Tax | Other Taxes | Total |
|------------------------|---------------------------------------|----------------------|--------------------------|---|---------------------------|-----------------------------------|--------------------------|------------------------|--------------|
| 2010 | 16,200,763 | 12,403,143 | 753,860 | 1,984,688 | 58,898 | 2,975,302 | 1,082,874 | 535,798 | 35,995,326 |
| 2011 | 17,162,429 | 13,955,767 | 914,599 | 2,217,379 | 75,119 | 3,773,172 | 1,182,709 | 665,151 | 39,946,325 |
| 2012 | 17,230,221 | 16,388,127 | 1,066,817 | 2,498,156 | 87,310 | 4,882,955 | 1,246,491 | 2,776,357 | 46,176,434 |
| 2013 | 17,801,629 | 17,271,062 | 1,174,646 | 2,672,862 | 77,142 | 4,958,139 | 1,341,007 | 932,923 | 46,229,410 |
| 2014 | 18,398,151 | 17,238,016 | 1,219,152 | 2,809,757 | 72,999 | 5,539,292 | 1,427,837 | 1,239,000 | 47,944,204 |
| 2015 | 19,270,501 | 17,436,203 | 1,188,853 | 2,910,312 | 71,808 | 5,069,954 | 1,123,478 | 1,333,130 | 48,404,239 |
| 2016 | 20,253,570 | 16,747,940 | 1,086,064 | 2,848,332 | 73,046 | 3,902,315 | 1,243,287 | 1,247,280 | 47,401,834 |
| 2017 | 21,250,283 | 15,849,579 | 1,014,964 | 2,877,076 | 78,262 | 3,888,355 | 1,218,141 | 1,225,954 | 47,402,614 |
| 2018 | 20,628,624 | 15,543,636 | 965,445 | 2,919,682 | 66,121 | 4,498,092 | 1,158,319 | 1,706,736 | 47,486,655 |
| 2019 | 21,198,684 | 21,833,317 | 1,031,410 | 3,036,341 | 81,482 | 4,784,709 | 1,093,964 | 1,329,301 | 54,389,208 |

¹ Includes tax revenues from pension trust funds.

Source: Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
ASSESSED VALUE AND TRUE AND FULL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

| Year | Commercial Land and Buildings | Residential Land and Buildings | Agricultural Land | Public Utilities | Total Assessed Value | Total True and Full Value | Assessed Value as a Percentage of True and Full Value | Taxable Value | Total Direct Tax Rate |
|-------------|--|---|------------------------------|-----------------------------|-------------------------------------|--|--|--------------------------|--------------------------------------|
| 2009 | 700,195,450 | 1,353,003,345 | 156,500 | 29,602,980 | 2,082,958,275 | 4,165,916,549 | 50% | 194,765,794 | 80.63 |
| 2010 | 731,769,330 | 1,432,085,034 | 179,050 | 30,219,050 | 2,194,252,464 | 4,388,504,927 | 50% | 199,968,720 | 80.68 |
| 2011 | 750,575,750 | 1,437,185,900 | 169,450 | 34,450,950 | 2,222,382,050 | 4,444,764,100 | 50% | 207,866,346 | 79.05 |
| 2012 | 802,091,790 | 1,545,634,922 | 287,200 | 37,619,840 | 2,385,633,752 | 4,771,267,504 | 50% | 223,107,026 | 75.77 |
| 2013 | 917,646,830 | 1,760,180,545 | 361,800 | 44,303,550 | 2,722,492,725 | 5,444,985,449 | 50% | 254,647,467 | 69.35 |
| 2014 | 1,041,981,000 | 2,012,744,111 | 401,100 | 50,630,280 | 3,105,756,491 | 6,211,512,982 | 50% | 290,448,208 | 63.10 |
| 2015 | 1,177,555,620 | 2,232,032,489 | 371,000 | 54,422,280 | 3,464,381,389 | 6,928,762,778 | 50% | 324,136,621 | 59.07 |
| 2016 | 1,308,377,570 | 2,389,363,545 | 428,050 | 50,439,270 | 3,748,608,435 | 7,497,216,869 | 50% | 350,957,710 | 57.01 |
| 2017 | 1,505,305,200 | 2,454,101,322 | 475,150 | 52,943,010 | 4,012,824,682 | 8,025,649,364 | 50% | 376,741,455 | 57.01 |
| 2018 | 1,545,115,150 | 2,509,157,700 | 389,950 | 58,884,700 | 4,113,547,500 | 8,227,095,000 | 50% | 386,263,173 | 56.88 |

Source: Burleigh County Auditor/Treasurer Office

**CITY OF BISMARCK, NORTH DAKOTA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING¹ GOVERNMENTS
LAST TEN FISCAL YEARS**

| Fiscal Year² | City of Bismarck | | Overlapping Rates | | | | Total Direct & Overlapping Rates |
|------------------------------------|------------------------------|-----------------------------------|--|--------------------------------------|---------------------------------------|--------------------------------------|---|
| | Operating Millage | Total City Millage | Burleigh County Millage | Public School Millage | Bismarck Park District | State of North Dakota | |
| 2009 | 80.63 | 80.63 | 54.45 | 142.03 | 39.63 | 1.00 | 317.74 |
| 2010 | 80.68 | 80.68 | 54.55 | 142.13 | 39.82 | 1.00 | 318.18 |
| 2011 | 79.05 | 79.05 | 55.32 | 140.99 | 39.62 | 1.00 | 315.98 |
| 2012 | 75.77 | 75.77 | 53.99 | 138.39 | 39.55 | 1.00 | 308.70 |
| 2013 | 69.35 | 69.35 | 50.28 | 101.68 | 38.50 | 1.00 | 260.81 |
| 2014 | 63.10 | 63.10 | 48.63 | 103.60 | 37.30 | 1.00 | 253.63 |
| 2015 | 59.07 | 59.07 | 47.03 | 100.42 | 36.08 | 1.00 | 243.60 |
| 2016 | 57.01 | 57.01 | 45.77 | 100.47 | 34.68 | 1.00 | 238.93 |
| 2017 | 57.01 | 57.01 | 36.66 | 103.92 | 34.31 | 1.00 | 232.90 |
| 2018 | 56.88 | 56.88 | 31.66 | 103.91 | 34.23 | 1.00 | 227.68 |

¹ Overlapping rates are those of local and county governments that apply to property owners within the City of Bismarck. Not all overlapping rates apply to all City of Bismarck property owners.

² Represents the year in which property taxes are levied. Collection of taxes will be received in the subsequent year.

Source: Burleigh County Levies

**CITY OF BISMARCK, NORTH DAKOTA
PRINCIPAL "SINGLE PROPERTY" TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

| Taxpayer | 2019 | | | 2010 | | |
|-------------------------------------|------------------------------|------|---|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| * Kirkwood Mall Acquistiion LLC | \$ 25,074,100 | 1 | 0.60 % | \$ 8,908,050 | 3 | 0.41 % |
| Waterford on West Century LLC | 17,858,700 | 2 | 0.43 | | | |
| LaSalle Shopping Center | 14,931,650 | 3 | 0.36 | | | |
| EVI Coulee Ridge 1 LLC | 13,864,750 | 4 | 0.33 | | | |
| Medcenter One Inc | 13,188,850 | 5 | 0.31 | 9,513,450 | 2 | 0.44 |
| * Clark Equipment Company | 12,560,200 | 6 | 0.30 | 8,475,900 | 4 | 0.39 |
| First International Bank & Trust | 11,241,850 | 7 | 0.27 | | | |
| EVI Bismarck Village LLC | 10,969,600 | 8 | 0.26 | | | |
| Baptist Home Inc | 10,564,700 | 9 | 0.25 | | | |
| Clark Equipment Company A Corp | 10,345,400 | 10 | 0.25 | | | |
| Mid Dakota Clinic | 10,327,800 | 11 | 0.25 | 7,517,650 | 8 | 0.35 |
| CMGL11LLC | 9,619,400 | 12 | 0.23 | | | |
| Walmart RE Trust -North | | | | 7,998,650 | 5 | 0.37 |
| Walmart RE Trust-South | | | | 7,720,200 | 7 | 0.35 |
| Inreit Properties (Edgewood) | | | | 7,988,950 | 6 | 0.37 |
| Menards Inc | | | | 5,879,800 | 12 | 0.27 |
| Gateway Fashion Mall | | | | 6,608,850 | 9 | 0.30 |
| Pinehurst Square Acquisition LLC | | | | 6,302,100 | 10 | 0.29 |
| Regency Midwest Ventures LTD | | | | 5,971,650 | 11 | 0.27 |
| Metropolitan Life Assurance Company | | | | 23,038,850 | 1 | 1.06 |
| Totals | <u>\$ 160,547,000</u> | | <u>3.84</u> | <u>\$ 105,924,100</u> | | <u>4.87</u> |

* These properties receive partial exemptions. The portion that is exempt is not included in the values.

Source: Assessing Division

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

| Fiscal Year | Total Tax Levy for Fiscal Year¹ | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|------------------------|---|---|---------------------------|--|----------------------------------|---------------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy |
| 2010 | 15,703,966 | 14,671,145 | 0.9342 | 164,566 | 14,835,711 | 0.9447 |
| 2011 | 16,133,477 | 15,207,718 | 0.9426 | 216,757 | 15,424,475 | 0.9561 |
| 2012 | 16,431,836 | 15,478,265 | 0.9420 | 187,816 | 15,666,081 | 0.9534 |
| 2013 | 16,904,819 | 15,953,724 | 0.9437 | 139,427 | 16,093,151 | 0.9520 |
| 2014 | 17,659,802 | 16,786,435 | 0.9505 | 101,201 | 16,887,636 | 0.9563 |
| 2015 | 18,327,284 | 17,501,225 | 0.9549 | 86,534 | 17,587,759 | 0.9596 |
| 2016 | 19,146,750 | 18,371,529 | 0.9595 | 116,676 | 18,488,205 | 0.9656 |
| 2017 | 20,008,099 | 19,260,495 | 0.9626 | 115,708 | 19,376,203 | 0.9684 |
| 2018 | 21,478,030 | 20,279,319 | 0.9442 | 135,005 | 20,414,324 | 0.9505 |
| 2019 | 21,970,650 | 20,778,395 | 0.9457 | 185,269 | 20,963,664 | 0.9542 |

¹ Previous fiscal year tax levy.

**CITY OF BISMARCK, NORTH DAKOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

| Fiscal Year | Governmental Activities | | | | Business-Type Activities | | Total Primary Government | Percentage of Personal Income ¹ | Per Capita ¹ |
|----------------|--------------------------------|------------------|--------------------------------|-------------------|--------------------------|-------------------|--------------------------------|--|----------------------------|
| | General Obligation Bonds | Revenue Bonds | Special Assessment Bonds | Capital Leases | Revenue Bonds | Capital Leases | | | |
| 2010 | - | 2,850,000 | 64,845,000 | - | 31,137,187 | 6,484 | 98,838,671 | 0.0283 | 1,613 |
| 2011 | - | 1,940,000 | 66,155,000 | - | 29,807,244 | 17,377 | 97,919,621 | 0.0256 | 1,576 |
| 2012 | - | - | 68,810,000 | - | 32,135,806 | 12,543 | 100,958,349 | 0.0246 | 1,563 |
| 2013 | - | - | 79,700,000 | - | 70,642,434 | 5,037 | 150,347,471 | 0.0307 | 2,257 |
| 2014 | - | - | 95,600,000 | - | 80,777,434 | - | 176,377,434 | 0.0584 | 2,571 |
| 2015 | - | - | 116,830,000 | - | 105,495,000 | - | 222,325,000 | 0.0656 | 3,142 |
| 2016 | - | - | 125,651,063 | - | 100,011,979 | - | 225,663,042 | 0.0666 | 3,094 |
| 2017 | - | - | 130,958,280 | - | 94,017,648 | - | 224,975,928 | 0.0703 | 3,091 |
| 2018 | - | - | 129,861,275 | - | 87,903,317 | - | 217,764,592 | 0.0660 | 2,931 |
| 2019 | - | - | 122,832,538 | - | 81,643,984 | - | 204,476,522 | 0.0585 | 2,626 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics on page 149 for personal income and population data.

**CITY OF BISMARCK, NORTH DAKOTA
LEGAL DEBT MARGIN INFORMATION
LAST 10 YEARS**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit | \$ 109,712,623 | \$ 111,119,103 | \$ 119,281,688 | \$ 136,124,636 | \$ 155,287,825 | \$ 173,219,069 | \$ 187,430,422 | \$ 200,641,234 | \$ 205,677,375 | \$ 209,851,482 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 109,712,623</u> | <u>\$ 111,119,103</u> | <u>\$ 119,281,688</u> | <u>\$ 136,124,636</u> | <u>\$ 155,287,825</u> | <u>\$ 173,219,069</u> | <u>\$ 187,430,422</u> | <u>\$ 200,641,234</u> | <u>\$ 205,677,375</u> | <u>\$ 209,851,482</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Legal Debt Margin Calculation for Fiscal Year 2019

| | |
|--|-----------------------|
| Total assessed value | \$ 4,197,029,648 |
| Debt limit (5% of total assessed value) | 209,851,482 |
| Debt applicable to limit: | |
| General obligation bonds | - |
| Less: Amount set aside for repayment of general obligation debt | - |
| Total net debt applicable to limit | <u>-</u> |
| Legal debt margin | <u>\$ 209,851,482</u> |

Note: Under state finance law, the City of Bismarck's outstanding general obligation debt should not exceed 5 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Sources:
Burleigh County Auditor/Treasurer Office
Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2019**

| Governmental Unit | 2019 Taxable Value | Net Debt Outstanding | Estimated Percentage Applicable¹ | Total Direct and Overlapping Debt |
|-----------------------------------|-------------------------------|---------------------------------|--|--|
| City of Bismarck | \$ 394,141,057 | \$ 122,832,538 | 100.00% | \$ 122,832,538 |
| Bismarck Public School | 491,304,437 | 132,987,561 | 80.22% | 106,682,621 |
| Bismarck Park District | 394,141,057 | 30,740,443 | 100.00% | 30,740,443 |
| Burleigh County | 512,580,938 | 63,807,623 | 76.89% | 49,061,681 |
| Total Overlapping Debt | 1,398,026,432 | 227,535,627 | | 186,484,746 |
| Total Direct and Overlapping Debt | | <u>\$ 350,368,165</u> | | <u>\$ 309,317,284</u> |

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bismarck. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Sources:

Bismarck Public School as of June 30, 2019
Burleigh County Levies, 2019
Burleigh County Auditor

**CITY OF BISMARCK, NORTH DAKOTA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

| Water Revenue Bonds | | | | | | | Sanitary Sewer Bonds | | | | | |
|--------------------------|--------------------------------|--------------------|-------------------|--------------|---|--------------------|------------------------|-------------------|--------------|-----------|-----------|----------|
| Fiscal Year | Water Charges | Less: | Net | | | | Sanitary Sewer Charges | Less: | Net | | | |
| | | Operating Expenses | Available Revenue | Debt Service | | Operating Expenses | | Available Revenue | Debt Service | | | |
| | | | | Principal | Interest | Coverage | | | | Principal | Interest | Coverage |
| 2010 | 10,278,544 | 5,098,702 | 5,179,842 | 1,165,000 | 403,604 | 3.30 | 5,428,005 | 2,641,739 | 2,786,266 | 785,000 | 455,674 | 2.25 |
| 2011 | 9,957,329 | 5,637,538 | 4,319,791 | 1,210,000 | 478,992 | 2.56 | 5,669,910 | 3,523,287 | 2,146,623 | 810,000 | 440,375 | 1.72 |
| 2012 | 12,926,268 | 5,945,048 | 6,981,220 | 7,930,000 | 412,206 | 0.84 | 6,167,541 | 3,254,117 | 2,913,424 | 835,000 | 420,125 | 2.32 |
| 2013 | 12,222,233 | 6,261,250 | 5,960,983 | 1,350,000 | 477,553 | 3.26 | 5,840,563 | 3,387,536 | 2,453,027 | 860,000 | 399,250 | 1.95 |
| 2014 | 12,869,433 | 6,195,938 | 6,673,495 | 1,685,000 | 818,438 | 2.67 | 6,719,390 | 3,588,061 | 3,131,329 | 885,000 | 377,750 | 2.48 |
| 2015 | 14,557,406 | 6,658,423 | 7,898,983 | 2,215,000 | 1,063,525 | 2.41 | 7,224,308 | 3,851,519 | 3,372,789 | 910,000 | 355,625 | 2.66 |
| 2016 | 14,483,419 | 6,476,574 | 8,006,845 | 2,765,000 | 1,018,350 | 2.12 | 8,917,827 | 3,624,122 | 5,293,705 | 1,535,000 | 1,304,875 | 1.86 |
| 2017 | 16,662,851 | 7,103,387 | 9,559,464 | 2,815,000 | 956,170 | 2.53 | 10,209,905 | 4,714,551 | 5,495,354 | 2,155,000 | 1,236,750 | 1.62 |
| 2018 | 16,504,992 | 7,604,585 | 8,900,407 | 2,870,000 | 880,017 | 2.37 | 10,963,919 | 4,448,093 | 6,515,826 | 2,200,000 | 1,152,750 | 1.94 |
| 2019 | 13,963,761 | 7,246,562 | 6,717,199 | 2,940,000 | 808,059 | 1.79 | 11,695,571 | 3,997,660 | 7,697,911 | 2,250,000 | 1,067,125 | 2.32 |
| Special Assessment Bonds | | | | | Motel, Liquor, Restaurant Bonds | | | | | | | |
| Fiscal Year | Special Assessment Collections | Debt Service | | | Lodging, Liquor, Food Tax Collections * | Debt Service | | Interest | Coverage | | | |
| | | Principal | Interest | Coverage | | Principal | | | | | | |
| 2010 | 9,109,289 | 8,165,000 | 2,213,955 | 0.88 | 1,984,688 | 855,000 | 142,640 | 1.99 | | | | |
| 2011 | 9,566,595 | 8,445,000 | 2,096,794 | 0.91 | 2,217,379 | 910,000 | 112,715 | 2.17 | | | | |
| 2012 | 10,488,662 | 13,175,000 | 1,971,244 | 0.69 | 2,498,156 | 1,940,000 | 68,548 | 1.24 | | | | |
| 2013 | 11,346,780 | 9,715,000 | 1,840,051 | 0.98 | 2,672,862 | - | - | - | | | | |
| 2014 | 11,690,035 | 10,660,000 | 2,108,120 | 0.92 | 2,809,757 | 830,000 | 1,184,291 | 1.39 | | | | |
| 2015 | 15,506,201 | 19,135,000 | 2,315,618 | 0.72 | 2,910,312 | 1,000,000 | 990,206 | 1.46 | | | | |
| 2016 | 15,657,902 | 13,175,000 | 3,208,493 | 0.96 | 2,848,332 | 1,015,000 | 960,206 | 1.44 | | | | |
| 2017 | 17,236,969 | 15,755,000 | 3,356,638 | 0.90 | 2,877,076 | 1,030,000 | 929,756 | 1.47 | | | | |
| 2018 | 18,394,111 | 16,170,000 | 3,740,823 | 0.92 | 2,919,682 | 1,050,000 | 898,856 | 1.50 | | | | |
| 2019 | 18,499,295 | 16,455,000 | 3,444,384 | 0.93 | 3,036,341 | 1,075,000 | 867,356 | 1.56 | | | | |

**CITY OF BISMARCK, NORTH DAKOTA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Fiscal Year | Population¹ | Personal Income² | Per Capita Personal Income² | Median Age¹ | Public School Enrollment³ | Unemployment Rate⁴ |
|------------------------|-------------------------------|--|---|-----------------------------------|---|--|
| 2010 | 61,272 | 3,495,812,688 | 57,054 | 38.0 | 10,852 | 3.5 |
| 2011 | 62,120 | 3,829,946,480 | 61,654 | 38.0 | 10,971 | 3.1 |
| 2012 | 64,588 | 4,097,462,720 | 63,440 | 38.0 | 11,424 | 2.7 |
| 2013 | 66,608 | 4,892,290,992 | 73,449 | 38.0 | 11,656 | 2.4 |
| 2014 | 68,601 | 3,019,653,476 | 73,371 | 38.0 | 12,020 | 2.5 |
| 2015 | 70,766 | 3,387,188,980 | 80,166 | 38.0 | 12,380 | 2.3 |
| 2016 | 72,926 | 3,387,893,453 | 78,906 | 38.0 | 12,683 | 2.5 |
| 2017 | 72,793 | 3,200,488,435 | 75,384 | 38.0 | 12,861 | 2.6 |
| 2018 | 74,294 | 3,301,033,103 | 77,952 | 38.0 | 13,007 | 2.4 |
| 2019 | 77,880 | 3,497,297,521 | 82,701 | 38.0 | 13,331 | 2.4 |

Note: Population, median age, and education level information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Sources:

¹ Community Development

² ND State Tax Department

³ Bismarck Public Schools

⁴ North Dakota Job Service Labor Market Information Center website

**CITY OF BISMARCK, NORTH DAKOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

| Employer | 2019 | | | 2010 | | |
|-------------------------------------|---------------|------|---|---------------|------|---|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| State of ND | 4,900 | 1 | 13.35 % | 4,400 | 1 | 12.59 % |
| Sanford Health | 3,386 | 2 | 9.22 | 3,038 | 2 | 8.69 |
| Bismarck Public Schools | 2,187 | 3 | 5.96 | 1,714 | 4 | 4.90 |
| CHI St. Alexius | 1,512 | 4 | 4.12 | 2,176 | 3 | 6.23 |
| US Government Offices | 1,200 | 5 | 3.27 | 1,200 | 5 | 3.43 |
| Bobcat/Doosan Company | 1,000 | 6 | 2.72 | | | |
| Bismarck State College | 733 | 7 | 2.00 | 334 | 15 | 0.96 |
| MDU Resources Group | 731 | 8 | 1.99 | 537 | 9 | 1.54 |
| Walmart North/South | 665 | 9 | 1.81 | 668 | 6 | 1.91 |
| Aetna | 645 | 10 | 1.76 | 618 | 7 | 1.77 |
| Housing Industry Training (HIT) | 641 | 11 | 1.75 | | | |
| City of Bismarck | 637 | 12 | 1.74 | 540 | 8 | 1.55 |
| University of Mary | 631 | 13 | 1.72 | 435 | 14 | 1.24 |
| Missouri Slope Lutheran Care Center | 556 | 14 | 1.51 | 530 | 10 | 1.52 |
| Mid Dakota Clinic | 535 | 15 | 1.46 | 465 | 12 | 1.33 |
| Basin Electric Power Cooperative | | | | 459 | 13 | 1.31 |
| Coventry Healthcare | | | | 475 | 11 | 1.36 |
| Total | <u>19,959</u> | | <u>54.38</u> | <u>17,589</u> | | <u>50.33</u> |

Sources:

City of Bismarck 2019 Budget

Bismarck Mandan Chamber

ND Job Service-Labor Market Information Center website

CITY OF BISMARCK, NORTH DAKOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

| Function | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 71 | 72 | 73 | 80 | 85 | 86 | 86 | 87 | 93 | 92 |
| Public safety | | | | | | | | | | |
| Central dakota communications center | 24 | 26 | 26 | 26 | 26 | 27 | 30 | 31 | 31 | 31 |
| Police | | | | | | | | | | |
| Officers | 101 | 101 | 103 | 109 | 112 | 113 | 116 | 128 | 128 | 129 |
| Civilians | 28 | 28 | 28 | 28 | 28 | 30 | 30 | 30 | 30 | 30 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 76 | 76 | 76 | 79 | 80 | 83 | 83 | 82 | 83 | 83 |
| Civilians | 6 | 6 | 6 | 6 | 6 | 2 | 2 | 2 | 2 | 2 |
| Highways and streets | | | | | | | | | | |
| Engineering | 22 | 24 | 25 | 26 | 28 | 29 | 29 | 29 | 29 | 29 |
| Maintenance | 55 | 55 | 55 | 60 | 59 | 63 | 64 | 63 | 64 | 64 |
| Health and welfare | 27 | 26 | 26 | 26 | 25 | 29 | 29 | 29 | 29 | 28 |
| Culture and recreation | 16 | 16 | 17 | 17 | 19 | 22 | 24 | 25 | 25 | 25 |
| Airport | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 22 | 23 | 23 |
| Solid Waste | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 38 | 36 | 37 |
| Water and sewer | 55 | 55 | 55 | 58 | 61 | 64 | 64 | 64 | 65 | 65 |
| Total | 540 | 544 | 549 | 574 | 588 | 607 | 616 | 631 | 638 | 637 |

Source: City of Bismarck Annual Budgets

(Continued on next page)

**CITY OF BISMARCK, NORTH DAKOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General Government | | | | | | | | | | |
| Number of building permits issued | 1,654 | 1,879 | 2,365 | 2,218 | 1,951 | 1,756 | 1,648 | 1,410 | 1,248 | 940 |
| Number of building inspections done | 6,330 | 7,830 | 9,745 | 9,460 | 8,926 | 5,581 | 5,690 | 6,321 | 4,979 | 4,687 |
| Number of plumbing permits issued | 639 | 707 | 1,092 | 1,153 | 920 | 696 | 644 | 548 | 389 | 353 |
| Number of plumbing inspections done | 1,887 | 1,972 | 2,861 | 3,050 | 2,006 | 2,170 | 1,946 | 1,748 | 1,748 | 1,129 |
| Number of mechanical/HVAC permits issued | 1,348 | 1,564 | 2,037 | 2,037 | 1,692 | 1,454 | 1,649 | 1,653 | 1,577 | 1,376 |
| Number of mechanical/HVAC inspections done | 2,340 | 2,361 | 2,991 | 3,210 | 2,296 | 2,924 | 3,254 | 2,805 | 2,708 | 2,139 |
| Number of electrical permits issued | 1,127 | 1,257 | 1,589 | 1,578 | 1,248 | - | 1,395 | 1,071 | 927 | 837 |
| Number of electrical inspections done | 3,286 | 4,024 | 4,789 | 5,220 | 3,141 | - | 3,462 | 3,505 | 2,483 | 2,275 |
| Number of septic permits issued | 109 | 122 | 225 | 193 | 101 | 102 | 52 | 47 | 46 | 33 |
| Number of septic inspections done | 283 | 240 | 298 | 249 | 121 | 200 | 129 | 108 | 92 | 60 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Physical arrests | 3,589 | 2,480 | 3,862 | 4,768 | 4,672 | 4,750 | 4,958 | 5,757 | 5,728 | 5,367 |
| Traffic citations | 12,995 | 12,869 | 14,309 | 16,168 | 15,623 | 14,831 | 16,062 | 17,733 | 19,279 | 15,935 |
| Parking citations | 8,296 | 7,975 | 8,617 | 7,898 | 15,188 | 11,845 | 11,342 | 10,903 | 10,064 | 9,557 |
| Number of accidents | 3,865 | 3,820 | 3,747 | 3,985 | 3,824 | 3,723 | 3,789 | 3,680 | 3,535 | 3,821 |
| Number of 911 emergency dispatches | 4,802 | 4,037 | 4,858 | 3,554 | 3,907 | 5,704 | 5,258 | 4,981 | 5,000 | 4,425 |
| Fire | | | | | | | | | | |
| Number of 911 emergency dispatches | 2,429 | 2,833 | 3,115 | 3,106 | 3,475 | 3,799 | 4,289 | 4,364 | 4,448 | 4,580 |
| Number of fire inspections conducted | 2,897 | 3,607 | 3,130 | 2,985 | 3,236 | 3,256 | 4,069 | 4,058 | 3,291 | 1,885 |
| Highways and streets | | | | | | | | | | |
| Engineering | | | | | | | | | | |
| Number of excavation permits | 827 | 608 | 743 | 820 | 739 | 706 | 647 | 535 | 411 | 419 |
| Number of improvement projects | 36 | 35 | 72 | 82 | 57 | 65 | 37 | 28 | 38 | 41 |
| Forestry | | | | | | | | | | |
| Number of street trees planted | 480 | 423 | 507 | 477 | 235 | 889 | 806 | 667 | 713 | 648 |
| Number of street trees trimmed | 1,038 | 3,182 | 2,948 | 2,248 | 2,910 | 1,904 | 1,675 | 4,450 | 2,720 | 2,040 |
| Number of street trees removed | 212 | 194 | 190 | 294 | 162 | 408 | 321 | 439 | 182 | 241 |
| Roads and streets | | | | | | | | | | |
| Potholes repaired | 6,205 | 7,640 | 844 | 5,052 | 5,634 | 108,628 | 103,677 | 63,953 | 20,122 | 28,147 |
| Street striping (miles) | 215 | 195 | 204 | 211 | 211 | 157 | 145 | 156 | 126 | 147 |
| Snow removal (hours) | 20,553 | 11,947 | 1,199 | 8,854 | 7,695 | 12,877 | 19,060 | 12,848 | 12,096 | 21,122 |
| Sand Ice removal (tons) | 6,850 | 3,889 | 4,005 | 6,216 | 4,730 | 2,329 | 4,573 | 5,493 | 4,998 | 3,136 |
| Salt Ice removal (tons) | 902 | 1,547 | 1,937 | 1,927 | 1,658 | 1,278 | 1,153 | 1,690 | 1,350 | 1,793 |
| Loads of snow hauled | 14,481 | 5,321 | 1,382 | 4,049 | 1,579 | 1,417 | 84,747 | 21,881 | 2,386 | 6,150 |
| Health and welfare | | | | | | | | | | |
| Number of home visits | 5,239 | 5,190 | 4,240 | 4,808 | 4,302 | 4,033 | 4,426 | 4,382 | 4,473 | 4,310 |
| Number of immunizations | 12,482 | 8,473 | 6,316 | 9,039 | 8,833 | 9,719 | 7,059 | 6,881 | 6,195 | 6,057 |
| Number of office visits | 4,517 | 3,586 | 3,150 | 3,174 | 3,081 | 3,292 | 3,217 | 4,142 | 4,557 | 3,874 |
| Number of environmental health inspections | 4,988 | 2,437 | 2,270 | 1,534 | 2,091 | 1,718 | 1,821 | 1,606 | 1,548 | 1,379 |

(Continued from previous page)

**CITY OF BISMARCK, NORTH DAKOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Culture and recreation | | | | | | | | | | |
| Auditorium events | 113 | 108 | 90 | 123 | 174 | 153 | 138 | 150 | 162 | 154 |
| Auditorium admissions | 35,030 | 34,163 | 38,840 | 37,454 | 51,820 | 55,051 | 41,373 | 48,480 | 52,118 | 42,083 |
| Community center events | 411 | 484 | 452 | 416 | 430 | 498 | 531 | 464 | 451 | 477 |
| Community center admissions | 329,652 | 340,331 | 359,149 | 315,580 | 353,218 | 420,403 | 411,619 | 345,787 | 343,557 | 332,978 |
| Function | | | | | | | | | | |
| Airport | | | | | | | | | | |
| Gallons fuel dispensed (fuel permit holders) | 3,787,215 | 3,772,974 | 4,084,352 | 4,110,507 | 4,550,313 | 4,895,740 | 4,864,385 | 4,452,075 | 4,874,780 | 5,211,979 |
| Number of passengers-enplaning | 194,043 | 196,414 | 236,172 | 237,683 | 245,205 | 259,734 | 271,022 | 272,739 | 282,363 | 309,337 |
| Number of passengers-deplaning | 193,897 | 195,208 | 235,207 | 237,450 | 245,062 | 261,459 | 272,251 | 271,274 | 281,487 | 308,279 |
| Pounds of airmail-enplaning | 1 | - | - | - | - | - | - | - | - | - |
| Pounds of airmail-deplaning | 239 | - | - | - | - | - | - | - | - | - |
| Pounds of freight-enplaning | 35,301 | 29,858 | 29,472 | 16,813 | 12,856 | 19,591 | 26,288 | 31,696 | 35,339 | 33,609 |
| Pounds of freight-deplaning | 55,130 | 35,300 | 48,135 | 13,738 | 8,149 | 10,667 | 33,840 | 31,715 | 22,545 | 28,482 |
| Pounds of air cargo freight-enplaning | 1,357,768 | 1,412,447 | 2,129,165 | 1,495,195 | 1,399,845 | 1,976,260 | 1,469,145 | 614,248 | 858,106 | 976,856 |
| Pounds of air cargo freight-deplaning | 3,254,751 | 3,486,123 | 4,853,797 | 4,535,773 | 5,193,061 | 5,926,322 | 5,699,311 | 2,860,020 | 3,036,927 | 3,793,861 |
| Solid Waste | | | | | | | | | | |
| Refuse collected (tons/year) | 24,425 | 25,143 | 24,826 | 24,662 | 25,033 | 26,789 | 26,199 | 26,195 | 26,338 | 27,271 |
| Garbage accepted for disposal (tons/year) | 89,794 | 97,675 | 98,932 | 102,197 | 106,758 | 108,919 | 111,131 | 118,430 | 107,636 | 119,037 |
| Acres used at landfill | 2.5 | 2.5 | 2.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 | 6.5 |
| Water | | | | | | | | | | |
| Number of service connections | 18,400 | 18,700 | 19,420 | 20,000 | 20,350 | 20,978 | 21,237 | 21,691 | 22,024 | 22,205 |
| Average daily consumption (thousand of gallons) | 8,840 | 8,260 | 10,290 | 9,640 | 9,390 | 8,582 | 9,850 | 10,800 | 10,120 | 7,997 |
| Wastewater | | | | | | | | | | |
| Average daily sewage treatment (thousand of gallons) | 6,830 | 7,150 | 6,240 | 6,830 | 6,620 | 6,410 | 6,370 | 6,430 | 6,330 | 6,980 |

Sources:

Airport Department
 Building Inspections
 Engineering Department
 Event Center
 Fiscal Services
 Fire Department
 Police Department
 Public Health Department
 Public Works Departments

**CITY OF BISMARCK, NORTH DAKOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Function | | | | | | | | | | |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 19 | 18 | 19 | 21 | 21 | 21 | 21 | 35 | 34 | 34 |
| Fire stations | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Highways and streets | | | | | | | | | | |
| Paved streets (miles) | 300 | 311 | 313 | 319 | 339 | 345 | 349 | 365 | 367 | 367 |
| Streetlights | 7,468 | 7,755 | 7,990 | 8,149 | 8,522 | 8,596 | 8,872 | 9,068 | 9,113 | 9,189 |
| Traffic signals | 104 | 105 | 107 | 107 | 108 | 110 | 110 | 110 | 110 | 107 |
| Culture and recreation | | | | | | | | | | |
| Community centers | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Airport | | | | | | | | | | |
| Terminal building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Waste Collection | | | | | | | | | | |
| Collection Trucks | 22 | 20 | 20 | 20 | 21 | 21 | 21 | 21 | 22 | 19 |
| Water | | | | | | | | | | |
| Watermains (miles) | 327 | 330 | 336 | 348 | 354 | 365 | 371 | 371 | 373 | 376 |
| Fire hydrants | 3,014 | 3,100 | 3,256 | 3,355 | 3,430 | 3,625 | 3,675 | 3,720 | 4,500 | 4,600 |
| Maximum daily water treatment capacity (thousand of gallons) | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 29,000 | 29,000 | 29,500 |
| Sewer | | | | | | | | | | |
| Sanitary sewers (miles) | 292 | 295 | 297 | 300 | 305 | 307 | 310 | 313 | 307 | 307 |
| Storm sewers (miles) | 144 | 146 | 147 | 148 | 149 | 149 | 152 | 153 | 153 | 156 |
| Maximum daily wastewater treatment capacity (thousand of gallons) | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 7,500 | 9,330 |
| Parking Lots | | | | | | | | | | |
| Number of parking lots | 4 | 4 | 4 | 4 | 5 | 5 | 5 | 5 | 5 | 5 |

Note: Parking lots only include Parking Authority lots.

Source:

Airport Department
Engineering Department
Event Center
Fiscal Services
Fire Department
Police Department
Public Works Departments