



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Bismarck, ND
For the Fiscal Year Ended December 31, 2021

CITY OF BISMARCK, NORTH DAKOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
December 31, 2021

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021**

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INTRODUCTORY SECTION





Finance Department

June 10, 2022

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

The Annual Comprehensive Financial Report (ACFR) of the City of Bismarck, North Dakota (the City) for the fiscal year ended December 31, 2021, is hereby presented. This complete set of financial statements has been prepared by the Fiscal Services Division of the City's 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 and read in conjunction with the MD&A.

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's activities.

Management is responsible for establishing and maintaining an internal control framework. Internal controls are 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. The concept of reasonable assurance recognizes that the cost of internal controls 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 for the year ended December 31, 2021. The annual audit provides reasonable assurance about whether the financial statements are free of material misstatements. 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, 2021, are in conformity with generally accepted accounting principles (GAAP). The auditors' 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 (the State) capitol and 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 2020 census population of 73,622. 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 governing commission.

The City operates under a commission form of government, consisting of a president and four commissioners known as the City Commission. The City 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. 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 serves as the mayor of the City.

The financial reporting entity includes all funds of the primary government, the City, and discretely presented component units. The City 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, public health, parking garages, and cultural centers and events.

The City adopts an annual budget ordinance approved by the City 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 (NDCC) and the City's Home Rule Charter. Charges for fees and services are reviewed and adjusted with budget approval by the City Commission. A five-year capital projects budget is also updated and approved by the City Commission during the same process.

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 committed to new as well as current initiatives that support the economic growth of our City.

In 2021, the majority of the City's local businesses and restaurants were fully operational and recovered from the effects of the COVID-19 pandemic. The City saw significant increases in business activity, specifically lodging and entertainment, compared to the peak of the pandemic. The City's sales tax and lodging tax collections exceeded pre-pandemic levels while hotel/motel tax and car rental tax both recovered to near pre-pandemic levels.

The City's unemployment rate reported by the U.S. Bureau of Labor Statistics decreased from 4.4% in December 2020 to 2.9% in December 2021. Census population estimates identify the City as one of the top three largest fastest growing cities in the State. The City continues to gain residents, which is confirmed by the 2020 census reporting a population of 73,622 compared to 61,272 in 2010.

While employment numbers are strong and population growth is expected, the City is facing challenges that are prevalent throughout the nation. Inflation, supply chain issues, and wage growth are three potential issues that are being monitored by the City. According to the U.S. Bureau of Labor Statistics, from December 2020 to December 2021, consumer prices for all products rose 7.0%. The City has even seen larger increases in costs in many products including specialty chemicals and equipment. Manufacturers are struggling to keep up with demand for equipment, which causes the City to sustain long lead times and place orders early to combat price increases. Wage growth and low unemployment has created issues with attracting and retaining employees. As wages continue to increase, employee retention and recruitment will continue become a larger problem that will need to be addressed. The impacts of inflation and wage growth will be partially offset by market valuation increases from 2021 to 2022 but will continue to be monitored closely into the future.

In 2021, the City received approximately \$10 million in COVID-19 financial assistance from the federal government. The \$10 million was provided for general COVID-19 response for Public Health, Bismarck Municipal Airport, Bismarck Event Center, and Bis-Man Transit. The City also received notice of an additional \$9.6 million in federal assistance known as the American Rescue Plan Act (ARPA). \$4.8 million of the ARPA funding was received in 2021 with the remaining \$4.8 million anticipated to be received in 2022. The City has not determined how the ARPA funding will be utilized but will continue to work through the budgeting process to determine how to maximize its use. ARPA funding will need to be obligated by December 31, 2024, and fully spent by December 31, 2026.

The City's real estate market continues to remain active. The average sale price of a residential property was \$309,950 in 2021, which is an increase from the average sale price of \$283,348 in 2020. This is supported by a number of accolades. Wallethub's ranked Bismarck ranked #9 as the Best State Capital to live in the nation, #13 as Happiest Cities in the US, #23 as Best Places to Raise a Family, and Livability.com includes Bismarck in the Top 100 Best Places to Live in America.

The City continues to experience growth in the tax base through both property value enhancement and new construction. In 2021, 799 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 2021. 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 school district additions. The growth in the property tax for the year 2021 was 10.06%.

Major Initiatives

The City Commission continued the Infrastructure Task Force to review the City's road infrastructure ten-year capital improvement plan which totals \$140 million and develop funding recommendations. The City Commission also continued the Special Assessment Task Force (SATF) to consider a funding reform and recommendations for infrastructure maintenance as well as new development. The City Commission then established a joint task force with representatives from each existing task force committees to meet and consider all the options. Based on the 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 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 SATF continues to work toward developing the specifics of the fee with the goal of providing a recommendation to the City Commission at some point in 2022. If the recommendation is to implement a street maintenance fee, a ballot measure will potentially be initiated on the November 2022 ballot or a later election cycle.

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 was completed in November 2020. The City Commission authorized the expansion of the Public Works building and construction of new Public Health building in 2021 to address needs of the City. The Public Health Building is expected to be complete by the end of 2022 and the Public Works expansion is expected to be complete in 2023. The City Commission continues to evaluate the future building needs based on the study, such as a new police station.

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. This plan was completed in 2021, which includes local municipalities such as the City, the City of Lincoln, the City of Mandan, Morton County, and Burleigh County.

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

In 2022, the City Commission approved a \$4.6 million increase to property tax revenues to sustain City's existing services and apply significant objectives such as equipment replacement and afford base operational costs. The City will continue to implement this plan into future years.

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 annual comprehensive financial report for the year ended December 31, 2020. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the annual comprehensive financial report, 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. The City believes the current report continues to conform to the Certificate of Achievement program requirements and submits to the GFOA to determine eligibility.

The preparation of this report could not have been accomplished without the dedicated services of the fiscal services division staff, the various department directors, and the support of the City Commissioners. 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 in an exemplary manner throughout the year.

Respectfully submitted,

A handwritten signature in black ink that reads "Dmitriy Chernyak, CPA". The signature is written in a cursive, flowing style.

Dmitriy Chernyak, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bismarck
North Dakota**

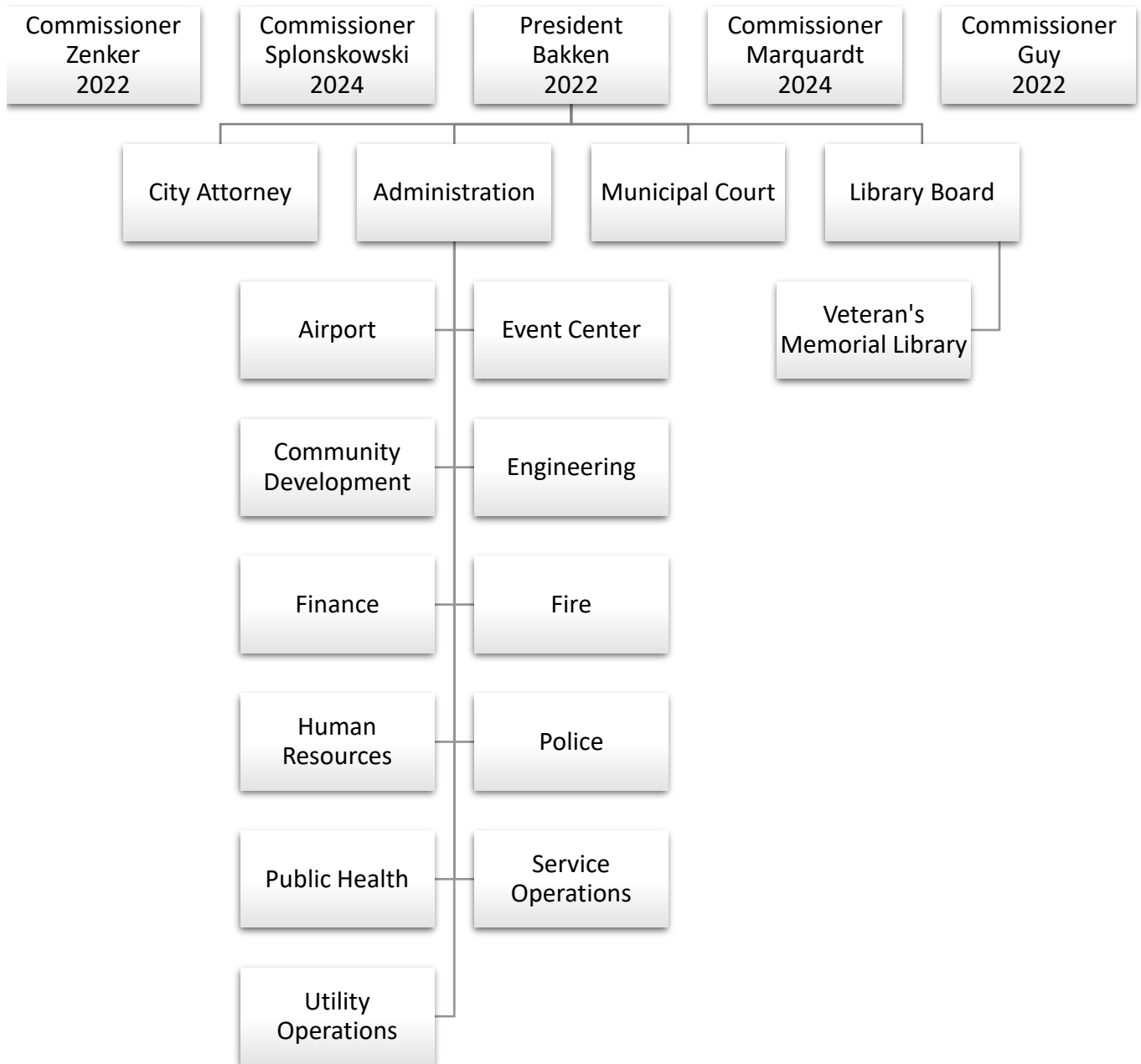
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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, Greg Zenker	2018	2022
Commissioner, Mark Splonskowski	2020	2024
Commissioner, Steve Marquardt	2014	2024
Commissioner, Nancy Guy	2014	2022

Other Elected Officials:

Municipal JudgeWilliam Severin

Appointed Officials:

City AdministratorKeith Hunke
City Attorney.....Jannelle Combs
Assistant City AdministratorJason Tomanek

Department Directors:

Airport.....Greg Haug
Event CenterCharlie Jeske
EngineeringGabe Schell
FinanceDmitriy Chernyak
Fire DepartmentJoel Boespflug
Human Resources.....Robert McConnell
LibraryChristine Kujawa
Public HealthRena Moch
Community DevelopmentBen Ehreth
Police Department.....Dave Draovitch
Public Works Service OperationsJeff Heintz
Public Works Utility OperationsMichelle Klose

FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck, as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Bismarck and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Bismarck's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Bismarck's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Bismarck's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons of the General Fund and Sales Tax Fund, and the pension schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bismarck's basic financial statements. The combining nonmajor fund financial statements, budget and actual comparisons, and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and actual comparisons, and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2022 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 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 City of Bismarck's internal control over financial reporting and compliance.

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

Bismarck, North Dakota
June 10, 2022

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

CITY OF BISMARCK, NORTH DAKOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the City of Bismarck, North Dakota (City) offers readers a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2021. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements, and notes to the basic financial statements.

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 \$1,056,807,203 (net position). Of this amount, \$205,765,750 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's business-type activities reported combined ending net position of \$529,683,611 as of December 31, 2021, an increase of \$38,035,972 in comparison with the prior year. This is due to revenues exceeding expenditures for Water, Sanitary Sewer, Airport, and Event Center. The underlying reasons for the increase in net position are discussed further on page 16.
- The City's governmental activities reported combined ending net position of \$527,123,592 as of December 31, 2021, an increase of \$36,982,185. This is due to an increase in revenues related to tax collections and charges for services. The underlying reasons for the increase in net position are discussed further on page 15.
- The City's governmental funds reported combined ending fund balance of \$188,116,042, an increase of \$28,666,901. This is due to sales tax collections and street improvement bond revenues exceeding expenses. The increase was partially offset by capital outlay expenses exceeding revenues in street improvement construction. The underlying reasons for the increase are discussed further on page 17.

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 two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information 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 of 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).

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 Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Northern Plains Commerce Centre, and Parking Authority.

The government-wide financial statements can be found on pages 22 - 23 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, like 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, as well as on 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.

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, Sewermain Bond Fund, Street Improvement Bond Fund, and Street Improvement Construction Fund which are considered to be major funds. Data from the other governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as supplementary information in 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 all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found on pages 24 - 27 of this report.

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

Proprietary funds present information using the accrual basis of accounting. The proprietary fund financial statements provide separate information for the Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Northern Plains Commerce Centre and Parking Authority. Airport, Event Center, Water, and Sanitary Sewer 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 as supplementary information in this report.

The basic proprietary fund financial statements can be found on pages 28 - 30 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 functions. Fiduciary funds use the accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 31 - 32 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 33 - 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 71 – 74 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position – The following table presents condensed financial information on the City's Net Position as of December 31, 2020 and December 31, 2021.

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current and Other Non-Capital Assets	\$ 259,836,818	\$ 277,993,730	\$ 77,978,253	\$ 99,384,235	\$ 337,815,071	\$ 377,377,965
Capital Assets	377,865,772	396,953,234	505,257,427	521,672,284	883,123,199	918,625,518
Total Assets	637,702,590	674,946,964	583,235,680	621,056,519	1,220,938,270	1,296,003,483
Deferred Outflows of Resources	4,617,821	3,695,380	1,136,865	902,985	5,754,686	4,598,365
Long-Term Liabilities Outstanding	132,393,227	123,240,201	86,146,172	84,004,546	218,539,399	207,244,747
Other Liabilities	12,193,071	15,777,237	4,836,546	5,353,665	17,029,617	21,130,902
Total Liabilities	144,586,298	139,017,438	90,982,718	89,358,211	235,569,016	228,375,649
Deferred Inflows of Resources	7,592,706	12,501,314	1,742,188	2,917,682	9,334,894	15,418,996
Net Position:						
Net Investment in Capital Assets	258,881,437	278,950,023	426,085,338	440,243,714	684,966,775	719,193,737
Restricted	76,962,378	119,505,242	13,492,002	12,342,474	90,454,380	131,847,716
Unrestricted	154,297,592	128,668,327	52,070,299	77,097,423	206,367,891	205,765,750
Total Net Position	\$ 490,141,407	\$ 527,123,592	\$ 491,647,639	\$ 529,683,611	\$ 981,789,046	\$ 1,056,807,203

Net position consists of several categories including net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position is the net investment in capital assets of \$719,193,737. This category consists of capital assets, net of accumulated depreciation, less any capital - related outstanding debt and liabilities used to acquire those assets. Capital assets are not available for future spending and, therefore, reported separately. A portion of the City's net position reflects \$131,847,716 that is restricted due to externally imposed constraints placed on the use of resources. The City's restricted net position is primarily made up of resources required to be used for future building construction, capital projects, or debt service. The remaining balance of \$205,765,750 represents the unrestricted portion of the City's net position. Unrestricted net position may be used to meet the City's ongoing services to the citizens.

Statement of Activities - The following presents the changes in net position for governmental and business-type activities for the fiscal year ending December 31, 2020 and December 31, 2021.

	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 12,307,628	\$ 17,840,383	\$ 51,048,917	\$ 59,962,663	\$ 63,356,545	\$ 77,803,046
Operating Grants and Contributions	25,630,321	12,287,333	3,015,545	7,835,779	28,645,866	20,123,112
Capital Grants and Contributions	22,330,509	25,871,531	9,548,744	18,463,512	31,879,253	44,335,043
General Revenues:						
Taxes	55,614,963	67,554,723	44,737	32,615	55,659,700	67,587,338
Investment Earnings	4,040,976	1,132,031	1,172,657	90,651	5,213,633	1,222,682
Gain (Loss) on Disposal of Capital Assets	673,970	238,565	(208,663)	62,778	465,307	301,343
Total Revenues	<u>120,598,367</u>	<u>124,924,566</u>	<u>64,621,937</u>	<u>86,447,998</u>	<u>185,220,304</u>	<u>211,372,564</u>
Expenses:						
General Government	20,219,261	19,001,461	-	-	20,219,261	19,001,461
Public Safety	30,415,140	30,725,138	-	-	30,415,140	30,725,138
Highways and Streets	10,975,903	10,782,345	-	-	10,975,903	10,782,345
Health and Welfare	3,606,230	4,006,766	-	-	3,606,230	4,006,766
Culture and Recreation	3,398,425	3,627,670	-	-	3,398,425	3,627,670
Public Works	16,422,484	13,436,853	-	-	16,422,484	13,436,853
Interest and Fiscal Charges	4,314,667	2,659,445	-	-	4,314,667	2,659,445
Airport	-	-	8,548,410	9,198,785	8,548,410	9,198,785
Event Center	-	-	6,096,566	7,561,220	6,096,566	7,561,220
Solid Waste Disposal	-	-	2,820,233	3,399,701	2,820,233	3,399,701
Solid Waste Collections	-	-	4,057,608	4,417,323	4,057,608	4,417,323
Water	-	-	13,571,779	14,347,047	13,571,779	14,347,047
Sanitary Sewer	-	-	8,601,524	8,756,497	8,601,524	8,756,497
Storm Water	-	-	5,509,598	2,438,293	5,509,598	2,438,293
Commercial Property	-	-	-	-	-	-
Northern Plains Commerce Centre	-	-	285,811	298,481	285,811	298,481
Parking Authority	-	-	1,641,385	1,697,382	1,641,385	1,697,382
Total Expenses	<u>89,352,110</u>	<u>84,239,678</u>	<u>51,132,914</u>	<u>52,114,729</u>	<u>140,485,024</u>	<u>136,354,407</u>
Increase in Net Position Before Transfers	31,246,257	40,684,888	13,489,023	34,333,269	44,735,280	75,018,157
Transfers	(4,954,022)	(3,702,703)	4,954,022	3,702,703	-	-
Increase in Net Position	26,292,235	36,982,185	18,443,045	38,035,972	44,735,280	75,018,157
Net Position, Beginning of Year, as Restated	463,849,172	490,141,407	473,204,594	491,647,639	937,053,766	981,789,046
Net Position, End of Year	<u>\$490,141,407</u>	<u>\$527,123,592</u>	<u>\$491,647,639</u>	<u>\$529,683,611</u>	<u>\$981,789,046</u>	<u>\$1,056,807,203</u>

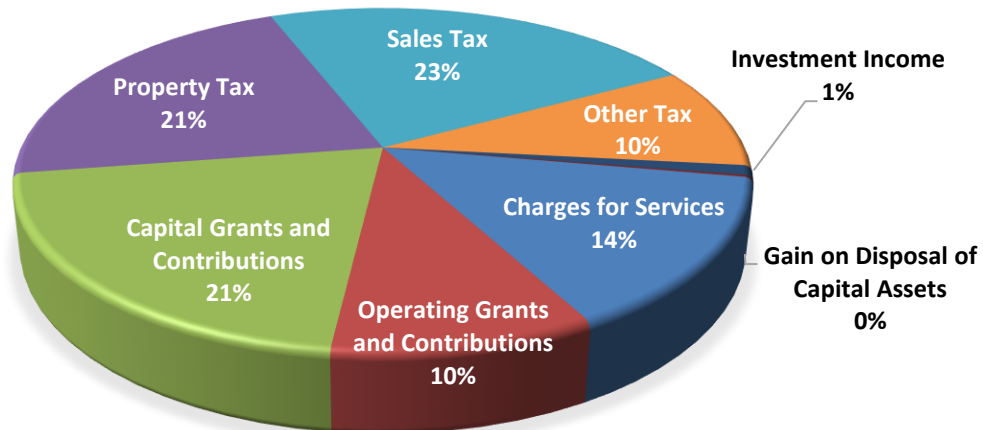
Governmental Activities

Governmental activities increased the City's net position by \$36,982,185 accounting for 49.30% of the total increase in the net position of the City. Significant factors that caused the increases from December 31, 2020, to December 31, 2021 are explained as follows:

- Total property tax revenue was \$26,793,510, an increase of \$4,405,571. For 2021, the Board of City Commissioners voted to increase the mill levy rate to address the future needs of the City. The City also saw growth in residential property valuations from the prior year of 4.67% with a slight decrease in commercial valuations of 0.11%.
- Total sales tax revenue was \$28,739,637, an increase of \$5,327,678. Sales tax experienced strong growth in 2021 exceeding pre-pandemic levels. This is driven by an increase in business activity within the City.
- Total revenue from other taxes was \$12,021,576, an increase of \$2,206,511. Occupancy tax; lodging, liquor, and food tax; car rental tax; and state aid all followed a similar trend as sales tax. They experienced increases from the prior year due to increased business activity within the City.
- Total revenue from charges for services was \$17,840,383, an increase of \$5,532,755. The City updated how it accounted for administrative fees charged to other City departments. In 2021, the fees were recorded as a charge for service which resulted in additional revenue of \$2,875,508. In prior years, the administrative fees were accounted for as transfers. Engineering Fees also

increased by \$1,244,038 compared to the prior year. The engineering fees fluctuate from year-to-year based on the number of projects completed. The Engineering department completed a higher dollar amount of projects in 2021 compared to 2020.

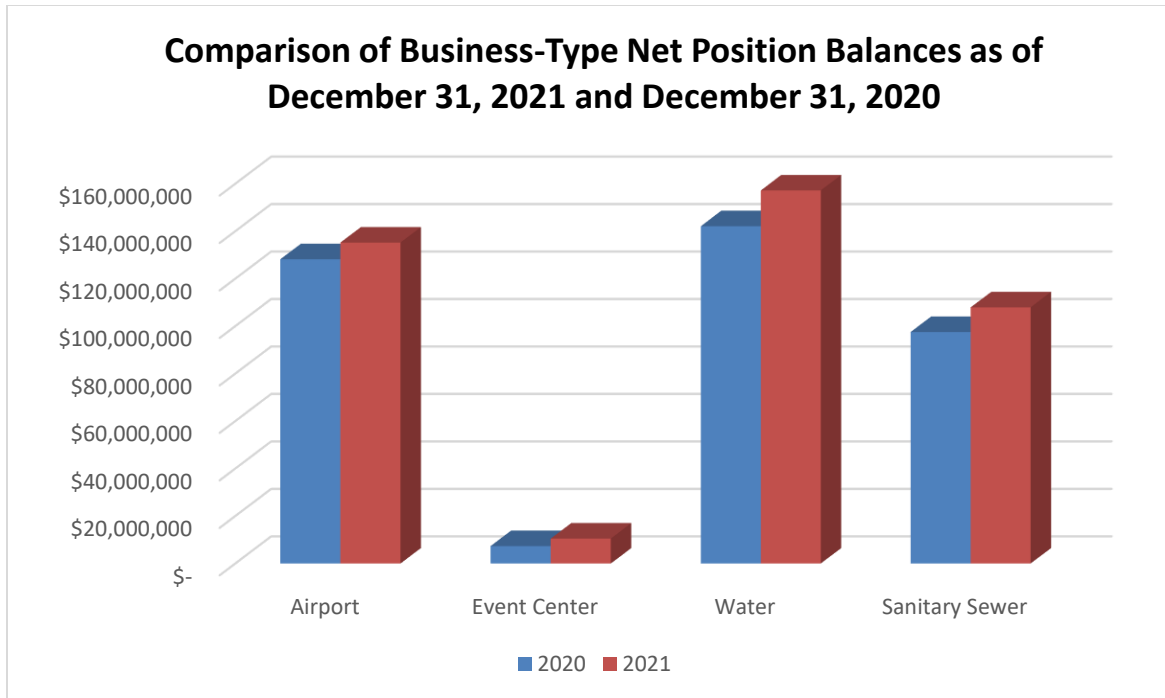
2021 REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES



Business-type Activities

Business-type activities increased the City's net position by \$38,035,972, accounting for 50.70% of the total growth in the net position. Significant factors that caused the increases from December 31, 2020, to December 31, 2021 are explained as follows:

- The Airport's net position increased \$7,030,583. The Airport has received a significant amount of COVID-19 related grants. \$4,380,247 of COVID-19 grant revenue was received to cover Airport operations in 2021. The Airport also received an additional \$5,982,505 in AIP capital grants in 2021.
- The Event Center's net position increased \$3,158,244. The Event Center received a \$3,446,574 Shuttered Venue Operators Grant in 2021. This was a one-time grant made available through the American Rescue Plan Act to offset COVID-19 losses sustained by shuttered live venues.
- Water and Sanitary Sewer revenues exceeded expenditures by \$15,067,004 and \$10,366,462, respectively. Both divisions have major capital projects needed in the near future. The surpluses from 2021 will be used to reduce the amount of debt needed for capital projects in future years. 2021 was also a year of extreme drought so water usage was higher than average resulting in increased revenues.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

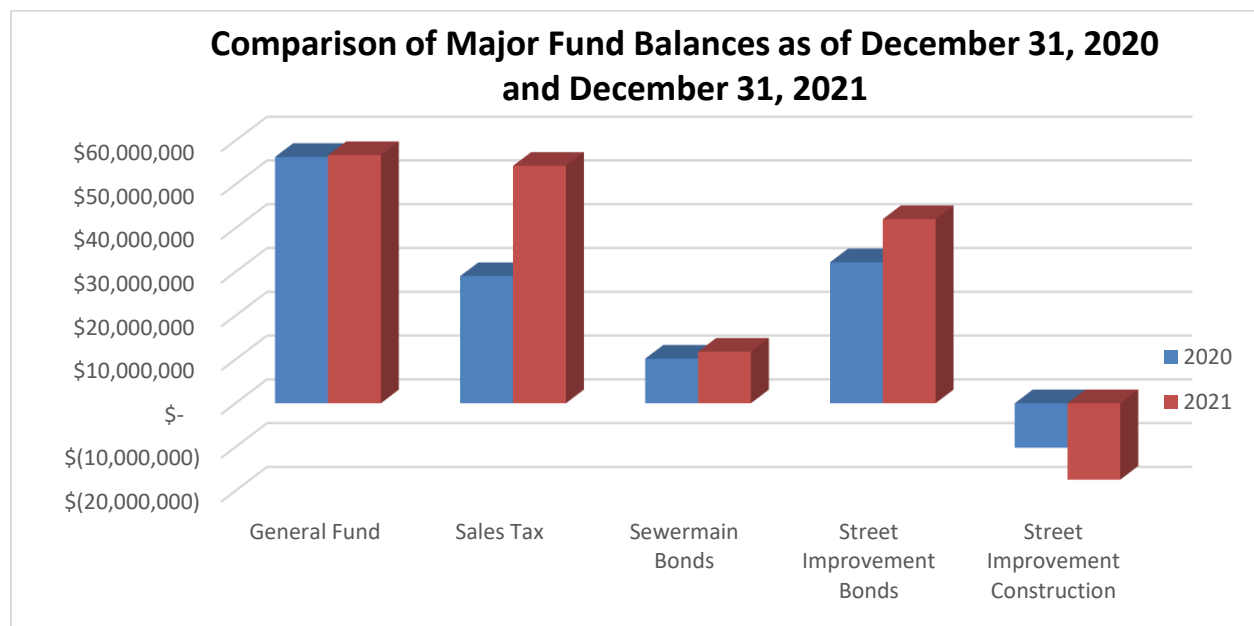
The focus of the City's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$188,116,042, an increase of \$28,666,901 in comparison with the prior year. The total fund balance consists of nonspendable, restricted, committed, assigned, and unassigned categories. For more information on the City's restrictions, commitments, and assignments of fund balance, refer to the notes to the basic financial statements. Significant factors that resulted in the increase are explained as follows:

- Sales Tax fund balance increased \$25,183,677 in comparison with the prior year. The City collected a one-half cent sales tax that is restricted for use on specific arterial street construction and reconstruction. The City is expecting to complete major road reconstruction projects in future years that will spend down the fund balance. In addition, a transfer of \$8,198,224 was transferred from the Highway Construction Fund to the Sales Tax Fund to close out completed projects as of December 31, 2021.
- Street Improvement Bonds fund balance increased \$9,860,390. This fund is used to collect special assessment revenues and pay the related special assessment debt. The increase in fund balance is restricted for future debt payments.
- Street Improvement Construction fund balance decreased \$7,300,524. This fund accounts for expenditures related to street improvements and typically carries a deficit fund balance due to timing of when construction costs are incurred and reimbursed. The deficit is related to 2021 construction costs that will be reimbursed through bond proceeds in 2022.
- The Sewermain Bonds Fund did not have a significant change in fund balance in comparison with the prior year.

At the end of the current fiscal year, total fund balance of the General Fund reached \$56,678,933 which is an increase of \$404,635 as compared to the prior year. The unassigned fund balance of the General Fund was \$31,815,152, a decrease of \$1,070,287 from the prior year. The decrease is primarily due to unassigned fund balance being used to cover City operational and one-time costs. Restricted fund balance was \$7,809,563, an increase of \$1,759,973. The increase represents tax collections received in 2021 restricted for future building construction. Assigned fund balance was \$17,052,824, a decrease of \$247,646. The decrease is due to the City utilizing fund balance to address COVID-19 related cost increases.

The total committed fund balance of \$39,071,435 decreased by \$7,068,557 compared to the prior year. As stated above, \$8,198,224 was transferred from Highway Construction to Sales Tax in 2021. This amount was made up of unspent funding in Highway Construction projects that were complete as of December 31, 2021 and originally funded by Sales Tax.



Proprietary Funds

As of December 31, 2021 unrestricted net position of enterprise funds was \$76,819,026, an increase of \$24,957,361. The net investment in capital assets increased \$13,687,216 to \$439,847,997. All individual proprietary funds reported increases in net position except for Northern Plains Commerce Centre which had a decrease in net position of \$226,090. The Northern Plains Commerce Center decrease is due to depreciation on capital assets. Factors that caused changes in the enterprise funds have been discussed in the business-type activity narrative beginning on page 16.

Internal service fund revenues and expenses remained consistent with the prior year with the exception of employee insurance. Employee insurance net position increased \$2,273,688 from the prior year. The City made a one-time contribution of \$1,170,767 to the Employee Insurance Fund as reimbursement for increased COVID-19 health costs. Overall, health claims also came in lower than anticipated for 2021 which resulted in an increase in net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City had an overall increase between the original and final budget of \$227,561. This is due to budget amendments needed due to unforeseen expenditures in 2021. Actual General Fund revenues were \$44,887,455 or \$5,175,493 higher than the final budgeted total revenues. Factors contributing to the additional revenue are as follows:

- Intergovernmental revenue exceeded budget by \$1,733,747. The impact that COVID-19 would have in the State Aid distribution was unknown at the time the 2021 budget was prepared. The City took a conservative approach to budgeting State Aid which resulted in State Aid exceeding budget by \$1,433,503.
- Charges for services exceeded budget by \$3,152,761. Central Dakota Communications Center (CenCom) was moved from the General Fund to a discretely presented component unit in 2020. The City provides employees to operate CenCom which are paid from the General Fund. CenCom subsequently reimburses the General Fund for the salaries and benefits paid on their behalf. This resulted in \$2,244,456 of charges for service revenue being generated. This change was made after the 2021 budget preparation so was not budgeted. Engineering fees also exceeded budget by \$808,875. Engineering revenues fluctuate from year-to-year based on the dollar amount of projects completed.
- Licenses and Permits exceeded budget by \$501,078. The City continued to grow at a fast pace so revenues for building construction permits exceeded expectations by \$438,753.
- Fines and Forfeitures were under budget by \$224,568. Municipal Court held approximately 1,500 less court cases in 2021 compared to the prior year.

Actual General Fund expenditures were \$50,550,078 or \$1,137,127 lower than the final budgeted total expenditures in 2021. General government expenditures were under budget by \$1,375,721 due to operational savings in General Fund departments. \$876,023 is made up of salaries and fringe benefit savings from staff turnover and open positions.

Actual other financing sources were \$6,067,258 or \$1,213,601 higher than the final budgeted total other financing sources in 2021. This is due to the transfer to the Roads and Streets department being \$1,261,630 less than budget. Equipment was ordered in 2021, but due to supply chain issues, isn't expected to be received until 2022. The transfers for these pieces of equipment are expected to take place in 2022.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – As of December 31, 2021, the City's capital assets for its governmental and business type activities were \$918,625,518, net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress.

The following table summarizes capital assets for governmental and business-type activities for 2020 and 2021:

City of Bismarck Capital Assets (net of depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 2,767,950	\$ 2,810,082	\$ 18,630,429	\$ 18,630,429	\$ 21,398,379	\$ 21,440,511
Construction in Progress	10,327,798	16,853,167	18,964,700	25,669,072	29,292,498	42,522,239
Buildings and Building Improvements	17,267,502	16,558,537	167,289,829	167,131,055	184,557,331	183,689,592
Improvements Other Than Buildings	12,103	10,844	278,947,368	289,301,730	278,959,471	289,312,574
Infrastructure	334,070,116	343,873,627	-	-	334,070,116	343,873,627
Machinery and Equipment	13,420,303	16,846,977	21,425,101	20,939,998	34,845,404	37,786,975
Total	<u>\$ 377,865,772</u>	<u>\$ 396,953,234</u>	<u>\$ 505,257,427</u>	<u>\$ 521,672,284</u>	<u>\$ 883,123,199</u>	<u>\$ 918,625,518</u>

Significant capital asset construction or acquisition that occurred during the fiscal year ended December 31, 2021, included the following:

- Construction in progress included the airport wetland removal project, solid waste management facility cell, wastewater treatment facility dewatering system, asphalt maintenance throughout City

neighborhoods and the construction of asphalt streets for several new subdivisions. These capital projects are anticipated to be completed in future years.

- Significant construction projects completed in 2021 included the airport parking lot expansion, event center arena bowl lighting upgrade, and cast iron watermain replacements throughout various city neighborhoods,
- Additions to infrastructure included asphalt maintenance throughout various city neighborhoods, construction of asphalt streets for several new subdivisions,
- Additions to machinery and equipment included heavy equipment purchases for roads and streets operations and fleet. Portable radios were also purchased for the fire and police departments.

Additional information on the City's capital assets can be found in Note IV.D on pages 47 – 49 of this report.

Long-term debt – As of December 31, 2021, the City had total long-term debt outstanding of \$206,791,683. Of this amount, \$109,705,000 is special assessment debt 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 Food Tax.

The following table shows various classifications of the City's long-term debt as of December 31, 2021:

City of Bismarck Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Net Pension Liability	\$ 9,608,671	\$ 1,264,964	\$ 1,707,709	\$ -	\$ 11,316,380	\$ 1,264,964
Special Assessment Bonds	112,820,000	109,705,000	-	-	112,820,000	109,705,000
Plus Unamortized Premiums	5,465,170	5,565,105	-	-	5,465,170	5,565,105
Capital Lease Obligations	-	2,311,847	-	-	-	2,311,847
Compensated Absences	3,669,116	3,758,760	949,885	1,028,656	4,619,001	4,787,416
Claims and Judgments	762,770	567,025	231,230	175,975	994,000	743,000
Closure and Postclosure Costs	-	-	3,047,041	3,610,977	3,047,041	3,610,977
Event Center Revenue Bonds	-	-	20,590,000	19,455,000	20,590,000	19,455,000
Less Unamortized Discount	-	-	(18,278)	(16,944)	(18,278)	(16,944)
Water Revenue Bonds-2012	-	-	765,000	-	765,000	-
Plus Unamortized Premium	-	-	2,851	-	2,851	-
Water Revenue Bonds-2014	-	-	8,550,000	7,710,000	8,550,000	7,710,000
Less Unamortized Discount	-	-	(75,169)	(66,058)	(75,169)	(66,058)
Water Revenue Bonds-2020	-	-	4,825,000	4,200,000	4,825,000	4,200,000
Plus Unamortized Premium	-	-	333,089	287,146	333,089	287,146
Water Treatment-2009	-	-	8,230,000	7,330,000	8,230,000	7,330,000
Drinking Water SRF-2020	-	-	3,013,044	-	3,013,044	-
Drinking Water SRF-2021	-	-	-	5,440,840	-	5,440,840
Wastewater Revenue Bonds-2006	-	-	8,335,000	7,250,000	8,335,000	7,250,000
Wastewater Revenue Bonds-2015	-	-	23,540,000	22,270,000	23,540,000	22,270,000
Less Unamortized Discount	-	-	(55,481)	(51,610)	(55,481)	(51,610)
Clean Water SRF-2020	-	-	562,500	4,995,000	562,500	4,995,000
Total	\$132,325,727	\$123,172,701	\$ 84,533,421	\$ 83,618,982	\$216,859,148	\$206,791,683

The City issued total special assessment debt of \$13,635,000 in December 2021. The bonds were issued for special assessment projects completed in 2020 and 2021. The City received an Aa1 bond rating from Moody's. This rating is consistent with previous ratings received from this agency.

In 2021, the City received an additional \$1,995,000 loan from the Drinking Water State Revolving Fund (DWSRF). The 2021 DWSRF loan refunded the 2020 DWSRF loan making the total balance available to be drawn of \$6,995,000. As of December 31, 2021, \$6,822,840 was drawn for DWSRF and \$4,995,000

was drawn for Clean Water State Revolving Fund (CWSRF). \$1,382,000 of the DWSRF loan was forgiven throughout the life of the loan.

In 2021, the City entered into three capital lease agreements to finance the purchase of heavy equipment to be used in roads and streets operations. The City received three street sweepers through the financing arrangement that were placed into service in 2021. The City also financed six motor graders and two front-end loaders that were not received in 2021 due to supply chain issues but are expected to be received in 2022. The total amount financed through capital lease arrangements was \$2,908,995 with \$597,148 in principal payments made during 2021.

The net pension liability of the City as of December 31, 2021 was \$1,264,964, a decrease of \$10,051,416 from 2020. The City has two pension plans: City Employees' Pension Plan and Police Employees' Pension Plan. Actual investment returns exceeded projections in 2021 resulting in a net pension asset of \$1,030,073 for the City Employee's Pension Plan and a net pension liability of \$1,264,964 for the Police Employees' Pension Plan.

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.

More detailed information about the debt position of the City can be found on Note IV.F on page 50 and more detailed information about the City's pension plans can be found on Note IV.M starting on page 59.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Growth has continued in the property tax base with new construction and improvements in residential and commercial properties. The total estimated market value for 2022 increased 10.1% from the prior year. The continued growth of the City leads to an increase in the need for the expansion of infrastructure, improvements for streets and utilities, and additional resources for Police, Fire, and Public Health. In 2022, the City increased the property tax mill levy rate in order to meet the increasing demands.

The City will continue to monitor the effects inflation and rising interest rates have on the local economy and City operations. While the City has been more insulated to recent economic downturns compared to other parts of the nation, it is not entirely immune. City staff will be watching this closely over the coming months. At this time, the local economy remains stable.

The City typically experiences unemployment rates less than that of the national average. The March 2022 unemployment rate reported by the Bureau of Labor Statistics for Bismarck was 2.5% compared to 9.0% at the peak of the COVID-19 pandemic. The City anticipates employment numbers to remain strong into the future.

The City's financial position also remains strong. Bismarck has a strong tax base fueled by economic activity and population growth. The Board of City Commissioners maintained a theme over the 2021 and 2022 budget cycles to focus on the future sustainability of the City and to address critical needs due to a growing population. The City will continue to invest in infrastructure and needs of our citizens to allow for Bismarck to continue to grow and thrive.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in 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 Director of Finance, 221 North Fifth Street, City of 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, 2021

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
ASSETS				
Current Assets				
Cash and Investments	\$ 171,063,874	\$ 71,929,490	\$ 242,993,364	\$ -
Taxes Receivable	306,423	-	306,423	-
Accounts Receivable	10,483,808	5,748,578	16,232,386	1,244,928
Due from Other Entities	1,112,536	-	1,112,536	-
Special Assessments Receivable	90,092,718	8,163,587	98,256,305	-
Interest Receivable	100,846	50,897	151,743	-
Notes Receivable	3,544,953	-	3,544,953	-
Inventory	399,309	114,727	514,036	-
Prepaid Items	202,055	157,926	359,981	-
Internal Balances	(34,849)	34,849	-	-
Total Current Assets	277,271,673	86,200,054	363,471,727	1,244,928
Noncurrent Assets				
Restricted Cash and Investments	-	12,876,165	12,876,165	-
Net Pension Asset	722,057	308,016	1,030,073	-
Land	2,810,082	18,630,429	21,440,511	-
Construction in Progress	16,853,167	25,669,072	42,522,239	-
Buildings and Building Improvements	16,558,537	167,131,055	183,689,592	11,364,554
Improvements Other Than Buildings	10,844	289,301,730	289,312,574	-
Infrastructure	343,873,627	-	343,873,627	-
Machinery and Equipment	16,846,977	20,939,998	37,786,975	2,532,919
Total Noncurrent Assets	397,675,291	534,856,465	932,531,756	13,897,473
Total Assets	674,946,964	621,056,519	1,296,003,483	15,142,401
DEFERRED OUTFLOWS OF RESOURCES				
Asset Retirement Obligation	65,813	-	65,813	-
Pensions	3,629,567	902,985	4,532,552	-
Total Deferred Outflows of Resources	3,695,380	902,985	4,598,365	-
LIABILITIES				
Current Liabilities				
Accounts Payable	4,173,479	3,146,940	7,320,419	132,392
Retainage Payable	960,352	1,063,842	2,024,194	-
Salaries Payable	2,168,292	576,319	2,744,611	-
Due to Other Entities	-	-	-	1,112,536
Accrued Interest Payable	542,279	533,691	1,075,970	-
Unearned Revenue	7,823,395	32,873	7,856,268	-
Customer Deposits	109,440	-	109,440	-
Due Within One Year	20,551,324	7,097,854	27,649,178	452,824
Total Current Liabilities	36,328,561	12,451,519	48,780,080	1,697,752
Noncurrent Liabilities				
Customer Deposits	-	385,564	385,564	-
Due in More Than One Year	101,356,413	76,521,128	177,877,541	11,101,857
Net Pension Liability	1,264,964	-	1,264,964	-
Asset Retirement Obligation	67,500	-	67,500	-
Total Noncurrent Liabilities	102,688,877	76,906,692	179,595,569	11,101,857
Total Liabilities	139,017,438	89,358,211	228,375,649	12,799,609
DEFERRED INFLOWS OF RESOURCES				
Pensions	12,501,314	2,917,682	15,418,996	-
NET POSITION				
Net Investment in Capital Assets	278,950,023	440,243,714	719,193,737	2,342,792
Restricted For				
Building Construction	7,809,563	-	7,809,563	-
Capital Projects	47,687,390	-	47,687,390	-
Debt Service	61,767,739	12,342,474	74,110,213	-
Heavy Equipment	2,240,550	-	2,240,550	-
Unrestricted	128,668,327	77,097,423	205,765,750	-
Total Net Position	\$ 527,123,592	\$ 529,683,611	\$ 1,056,807,203	\$ 2,342,792

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, 2021**

					NET REVENUES (EXPENSE) AND CHANGES IN NET POSITION			
					PRIMARY GOVERNMENT			COMPONENT UNIT
								Central Dakota Communications Center
Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General Government	\$ 19,001,461	\$ 6,657,778	\$ 3,989,528	\$ -	\$ (8,354,155)	\$ -	\$ (8,354,155)	\$ -
Public Safety	30,725,138	4,121,687	1,791,182	-	(24,812,269)	-	(24,812,269)	-
Highways and Streets	10,782,345	6,139,203	3,692,992	3,245	(946,905)	-	(946,905)	-
Health and Welfare	4,006,766	782,942	2,332,414	-	(891,410)	-	(891,410)	-
Culture and Recreation	3,627,670	138,773	481,217	-	(3,007,680)	-	(3,007,680)	-
Public Works	13,436,853	-	-	25,868,286	12,431,433	-	12,431,433	-
Interest and Fiscal Charges	2,659,445	-	-	-	(2,659,445)	-	(2,659,445)	-
Total Governmental Activities	84,239,678	17,840,383	12,287,333	25,871,531	(28,240,431)	-	(28,240,431)	-
Business-Type Activities								
Airport	9,198,785	5,833,766	4,380,247	5,982,505	-	6,997,733	6,997,733	-
Event Center	7,561,220	4,776,014	3,446,574	-	-	661,368	661,368	-
Water	14,347,047	22,718,986	-	6,741,148	-	15,113,087	15,113,087	-
Sanitary Sewer	8,756,497	13,650,274	-	5,269,549	-	10,163,326	10,163,326	-
Solid Waste Disposal	3,399,701	4,227,045	-	-	-	827,344	827,344	-
Solid Waste Collections	4,417,323	5,436,452	-	-	-	1,019,129	1,019,129	-
Storm Water	2,438,293	1,512,307	8,958	458,022	-	(459,006)	(459,006)	-
Northern Plains Commerce Centre	298,481	67,717	-	-	-	(230,764)	(230,764)	-
Parking Authority	1,697,382	1,740,102	-	12,288	-	55,008	55,008	-
Total Business-Type Activities	52,114,729	59,962,663	7,835,779	18,463,512	-	34,147,225	34,147,225	-
Total Primary Government	\$ 136,354,407	\$ 77,803,046	\$ 20,123,112	\$ 44,335,043	(28,240,431)	34,147,225	5,906,794	-
Component Unit								
Central Dakota Comm Center	\$ 4,168,181	\$ 3,828,235	\$ -	\$ 291,700	-	-	-	(48,246)
General Revenues								
Property Taxes					26,793,510	-	26,793,510	-
Sales Tax					28,739,637	-	28,739,637	-
Occupancy Tax					966,856	-	966,856	-
Lodging, Liquor, and Food Tax					3,436,681	-	3,436,681	-
Car Rental Tax					71,203	-	71,203	-
State Aid					5,080,152	-	5,080,152	-
Franchise Taxes					1,027,705	-	1,027,705	-
Other Taxes					1,438,979	32,615	1,471,594	-
Investment Income					1,132,031	90,651	1,222,682	-
Gain on Disposal of Capital Assets					238,565	62,778	301,343	2,887
Transfers					(3,702,703)	3,702,703	-	-
Total General Revenues, Gain (Loss) on Disposal of Capital Assets, and Transfers					65,222,616	3,888,747	69,111,363	2,887
Change in Net Position					36,982,185	38,035,972	75,018,157	(45,359)
Net Position, Beginning of Year					490,141,407	491,647,639	981,789,046	2,388,151
Net Position, End of Year					\$ 527,123,592	\$ 529,683,611	\$ 1,056,807,203	\$ 2,342,792

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

**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 56,724,459	\$ 49,002,113	\$ 7,826,251	\$ 10,178,656	\$ -	\$ 42,625,958	\$ 166,357,437
Taxes Receivable	260,895	-	-	-	-	45,528	306,423
Accounts Receivable	1,330,251	5,237,178	-	-	-	3,648,281	10,215,710
Due from Other Entities	1,112,536	-	-	-	-	-	1,112,536
Special Assessments Receivable	-	-	16,355,987	64,295,491	-	9,441,240	90,092,718
Interest Receivable	1,502	-	-	-	-	-	1,502
Notes Receivable	-	-	-	-	-	3,544,953	3,544,953
Inventory	1,394	-	-	-	-	-	1,394
Interfund Receivables	39,307	-	860,025	16,634,530	-	1,470,440	19,004,302
Prepaid Items	-	-	-	-	-	270	270
Total Assets	<u>\$ 59,470,344</u>	<u>\$ 54,239,291</u>	<u>\$ 25,042,263</u>	<u>\$ 91,108,677</u>	<u>\$ -</u>	<u>\$ 60,776,670</u>	<u>\$ 290,637,245</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE							
LIABILITIES							
Accounts Payable	\$ 870,431	\$ -	\$ -	\$ -	\$ 16,523	\$ 1,946,409	\$ 2,833,363
Retainage Payable	-	-	-	-	788,570	171,782	960,352
Interfund Payables	-	-	-	-	16,634,530	2,404,621	19,039,151
Salaries Payable	1,744,468	-	-	-	-	380,838	2,125,306
Customer Deposits	-	-	-	-	-	109,440	109,440
Unearned Revenue	-	-	-	-	-	7,823,395	7,823,395
Total Liabilities	<u>2,614,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,439,623</u>	<u>12,836,485</u>	<u>32,891,007</u>
DEFERRED INFLOWS OF RESOURCES							
Special Assessments	-	-	13,267,589	49,041,923	-	7,113,407	69,422,919
Property Tax	176,512	-	-	-	-	30,765	207,277
Total Deferred Inflows of Resources	<u>176,512</u>	<u>-</u>	<u>13,267,589</u>	<u>49,041,923</u>	<u>-</u>	<u>7,144,172</u>	<u>69,630,196</u>
FUND BALANCE							
Nonspendable	1,394	-	-	-	-	254,111	255,505
Restricted	7,809,563	47,687,390	11,774,674	42,066,754	-	10,166,861	119,505,242
Committed	-	6,551,901	-	-	-	32,519,534	39,071,435
Assigned	17,052,824	-	-	-	-	300,000	17,352,824
Unassigned	31,815,152	-	-	-	(17,439,623)	(2,444,493)	11,931,036
Total Fund Balances	<u>56,678,933</u>	<u>54,239,291</u>	<u>11,774,674</u>	<u>42,066,754</u>	<u>(17,439,623)</u>	<u>40,796,013</u>	<u>188,116,042</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 59,470,344</u>	<u>\$ 54,239,291</u>	<u>\$ 25,042,263</u>	<u>\$ 91,108,677</u>	<u>\$ -</u>	<u>\$ 60,776,670</u>	<u>\$ 290,637,245</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, 2021**

Total Fund Balances	\$ 188,116,042
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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.	396,557,517
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Other assets are not available to pay for current period expenditures and, therefore, are deferred outflow (inflow) of resources in the governmental funds.	69,729,540
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(121,950,491)
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The net pension liability (asset) 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 governmental funds.	(9,414,654)
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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.	<u>4,085,638</u>
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Total Net Position	<u><u>\$ 527,123,592</u></u>
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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
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 23,902,655	\$ 28,739,637	\$ -	\$ -	\$ -	\$ 8,370,105	\$ 61,012,397
Special Assessments	-	-	4,726,043	23,864,622	105,146	3,550,153	32,245,964
Intergovernmental	7,671,366	-	-	-	-	18,836,767	26,508,133
Charges for Services	8,779,365	-	-	-	-	3,988,132	12,767,497
Licenses and Permits	2,163,253	-	-	-	-	1,875	2,165,128
Fines and Forfeitures	1,238,732	-	-	-	-	64,786	1,303,518
Rentals	96,961	-	-	-	-	94,688	191,649
Investment Income	778,632	352,427	117,394	341,276	-	404,507	1,994,236
Miscellaneous	256,491	-	-	-	-	363,025	619,516
Total Revenues	44,887,455	29,092,064	4,843,437	24,205,898	105,146	35,674,038	138,808,038
EXPENDITURES							
Current							
General Government	11,953,151	126,889	-	-	-	6,351,384	18,431,424
Public Safety	29,929,187	-	-	-	-	1,374,035	31,303,222
Highways and Streets	2,656,377	-	-	-	-	7,888,283	10,544,660
Health and Welfare	2,608,923	-	-	-	-	1,700,547	4,309,470
Culture and Recreation	510,887	-	-	-	-	2,539,254	3,050,141
Public Works	-	-	-	812	263,937	585,195	849,944
Capital Outlay	2,891,553	-	-	-	20,647,923	12,335,253	35,874,729
Debt Service							
Principal	-	-	2,813,846	12,317,754	-	2,215,548	17,347,148
Interest and Fiscal Charges	-	-	592,688	2,333,334	-	262,837	3,188,859
Total Expenditures	50,550,078	126,889	3,406,534	14,651,900	20,911,860	35,252,336	124,899,597
Excess of Revenues Over (Under) Expenditures	(5,662,623)	28,965,175	1,436,903	9,553,998	(20,806,714)	421,702	13,908,441
OTHER FINANCING SOURCES (USES)							
Issuance of Special Assessment Bonds	-	-	-	-	8,770,000	4,865,000	13,635,000
Premium on Special Assessment Bonds	-	-	-	-	391,940	227,418	619,358
Capital Lease Proceeds	-	-	-	-	-	2,908,995	2,908,995
Transfers In	11,103,475	15,749,406	146,651	594,159	5,040,611	15,902,299	48,536,601
Transfers Out	(5,036,217)	(19,530,904)	-	(287,767)	(696,361)	(25,390,245)	(50,941,494)
Total Other Financing Sources (Uses)	6,067,258	(3,781,498)	146,651	306,392	13,506,190	(1,486,533)	14,758,460
Net Change in Fund Balances	404,635	25,183,677	1,583,554	9,860,390	(7,300,524)	(1,064,831)	28,666,901
Fund Balances, Beginning of Year	56,274,298	29,055,614	10,191,120	32,206,364	(10,139,099)	41,860,844	159,449,141
Fund Balances, End of Year	\$ 56,678,933	\$ 54,239,291	\$ 11,774,674	\$ 42,066,754	\$ (17,439,623)	\$ 40,796,013	\$ 188,116,042

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 STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Changes in Fund Balances	\$ 28,666,901
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.	18,692,556
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	(15,899,565)
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. 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.	(17,163,353)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, not reported as expenditures in governmental funds.	21,023,320
Internal service funds are used by management to charge the cost of health insurance, liability insurance, unemployment insurance, and revolving funds to the City's other funds. A portion of the change in net position in the internal service funds is reported with governmental activities.	1,662,326
Change in Net Position	<u>\$ 36,982,185</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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	Airport	Event Center	Water	Sanitary Sewer	Nonmajor Funds	Total	Internal Service Funds
ASSETS							
Current Assets							
Cash and Cash Equivalents	\$ 11,510,385	\$ 1,349,882	\$ 20,432,090	\$ 17,217,266	\$ 20,461,101	\$ 70,970,724	\$ 5,665,203
Accounts Receivable	2,256,311	79,290	1,533,149	1,107,900	771,928	5,748,578	268,098
Special Assessments Receivable	-	-	3,078,396	3,143,428	1,941,763	8,163,587	-
Interest Receivable	7,325	376	15,251	14,710	13,235	50,897	-
Interfund Receivables	-	34,849	-	-	-	34,849	-
Inventory	-	-	114,727	-	-	114,727	397,915
Prepaid Items	20,485	40,622	40,743	22,830	33,246	157,926	201,785
Total Current Assets	13,794,506	1,505,019	25,214,356	21,506,134	23,221,273	85,241,288	6,533,001
Noncurrent Assets							
Restricted Cash and Cash Equivalents	-	161,909	6,417,670	6,296,586	-	12,876,165	-
Net Pension Asset	51,462	43,772	84,216	47,104	81,462	308,016	25,148
Land	8,469,631	912,100	877,279	337,375	8,034,044	18,630,429	-
Construction in Progress	7,556,839	-	413,790	8,840,262	8,858,181	25,669,072	-
Buildings and Building Improvements	12,377,857	26,759,681	59,130,835	47,675,654	21,187,028	167,131,055	-
Improvements Other Than Buildings	92,625,856	-	85,853,617	53,179,471	57,642,786	289,301,730	-
Machinery and Equipment	2,282,016	1,671,685	5,714,540	6,454,775	4,816,982	20,939,998	395,717
Total Noncurrent Assets	123,363,661	29,549,147	158,491,947	122,831,227	100,620,483	534,856,465	420,865
Total Assets	137,158,167	31,054,166	183,706,303	144,337,361	123,841,756	620,097,753	6,953,866
DEFERRED OUTFLOWS OF RESOURCES							
Asset Retirement Obligation	-	-	-	-	-	-	65,813
Pensions	142,910	124,357	242,272	135,509	257,937	902,985	72,231
Total Deferred Outflows of Resources	142,910	124,357	242,272	135,509	257,937	902,985	138,044
LIABILITIES							
Current Liabilities							
Accounts Payable	881,320	70,473	397,066	769,333	920,071	3,038,263	1,448,793
Retainage Payable	477,465	-	34,707	405,177	146,493	1,063,842	-
Salaries Payable	97,574	106,466	144,018	77,358	150,903	576,319	42,986
Unearned Revenue	-	6,653	16,454	8,278	1,488	32,873	-
Accrued Interest Payable	-	89,580	198,584	245,527	-	533,691	-
Compensated Absences Payable	123,585	100,517	167,534	85,327	181,075	658,038	-
Claims and Judgments Payable	-	-	-	-	-	-	743,000
Debt Payable	-	1,175,000	2,378,841	2,710,000	-	6,263,841	-
Total Current Liabilities	1,579,944	1,548,689	3,337,204	4,301,000	1,400,030	12,166,867	2,234,779
Noncurrent Liabilities							
Customer Deposits	-	358,003	-	-	27,561	385,564	-
Compensated Absences Payable	37,727	83,071	74,297	40,612	134,911	370,618	-
Asset Retirement Obligation Liability	-	-	-	-	-	-	67,500
Debt Payable	-	18,263,056	22,523,087	31,753,390	-	72,539,533	-
Closure and Post-Closure Liability	-	-	-	-	3,610,977	3,610,977	-
Total Noncurrent Liabilities	37,727	18,704,130	22,597,384	31,794,002	3,773,449	76,906,692	67,500
Total Liabilities	1,617,671	20,252,819	25,934,588	36,095,002	5,173,479	89,073,559	2,302,279
DEFERRED INFLOWS OF RESOURCES							
Pensions	464,904	419,744	825,655	461,807	745,572	2,917,682	227,415
NET POSITION							
Net Investment in Capital Assets	122,109,778	9,904,709	126,914,197	80,926,639	99,992,674	439,847,997	395,717
Restricted for Debt Service	-	72,329	6,219,086	6,051,059	-	12,342,474	-
Unrestricted	13,108,724	528,922	24,055,049	20,938,363	18,187,968	76,819,026	4,166,499
Total Net Position	\$ 135,218,502	\$ 10,505,960	\$ 157,188,332	\$ 107,916,061	\$ 118,180,642	529,009,497	\$ 4,562,216

Difference Between Business-Type Adjustments to Statement of Net Position	674,114
Total Net Position, Business-Type Activities	<u>\$ 529,683,611</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, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	Airport	Event Center	Water	Sanitary Sewer	Nonmajor Funds	Total	Internal Service Funds
OPERATING REVENUES							
Event Sales	\$ -	\$ 4,085,641	\$ -	\$ -	\$ -	\$ 4,085,641	\$ -
Gas and Oil Sales	-	-	-	-	-	-	907,798
Parts and Labor Sales	114,588	-	212,012	3,640	-	330,240	1,909,241
Water Sales	1,725	-	21,479,405	-	-	21,481,130	-
Sanitation Fees	-	-	21,520	13,556,128	10,842,941	24,420,589	-
Landing and Airport Fees	2,369,908	-	-	-	-	2,369,908	-
Miscellaneous Sales	24,950	8,642	26,446	5,944	77,527	143,509	542,164
Rentals	3,237,368	606,868	828,958	10,800	1,913,177	6,597,171	36,189
Employer Contributions	-	-	-	-	-	-	13,045,768
Employee Contributions	-	-	-	-	-	-	76,193
Total Operating Revenues	<u>5,748,539</u>	<u>4,701,151</u>	<u>22,568,341</u>	<u>13,576,512</u>	<u>12,833,645</u>	<u>59,428,188</u>	<u>16,517,353</u>
OPERATING EXPENSES							
Cost of Goods Sold	-	1,863,156	156,740	-	-	2,019,896	1,721,118
Salaries and Wages	1,441,425	1,773,214	2,231,537	1,286,779	2,314,780	9,047,735	659,300
Fringe Benefits	578,139	564,549	1,010,258	497,768	947,882	3,598,596	339,316
Professional Legal and Contracted Services	1,422,397	122,139	441,667	31,415	698,703	2,716,321	2,232
Building Equipment and Vehicle Services	890,190	701,893	2,803,801	1,210,558	2,480,033	8,086,475	316,891
Travel and Training	5,806	9,265	13,508	4,210	15,354	48,143	41
Operating Services	493,227	474,812	953,129	329,527	2,152,505	4,403,200	11,687,142
Operating Supplies	305,528	123,960	1,329,072	606,082	408,980	2,773,622	19,918
Depreciation Expense	4,062,073	1,128,774	4,760,574	3,833,949	3,225,876	17,011,246	2,434
Total Operating Expenses	<u>9,198,785</u>	<u>6,761,762</u>	<u>13,700,286</u>	<u>7,800,288</u>	<u>12,244,113</u>	<u>49,705,234</u>	<u>14,748,392</u>
Net Operating Income (Loss)	<u>(3,450,246)</u>	<u>(2,060,611)</u>	<u>8,868,055</u>	<u>5,776,224</u>	<u>589,532</u>	<u>9,722,954</u>	<u>1,768,961</u>
NONOPERATING REVENUES (EXPENSES)							
Grants	4,380,247	3,446,574	-	-	8,958	7,835,779	-
Taxes	32,615	-	-	-	-	32,615	-
Special Assessments	-	-	155,509	134,400	158,008	447,917	-
Investment Income (Loss)	38,522	9,320	(72,818)	58,353	50,826	84,203	40,931
Gain (Loss) on Disposal of Capital Assets	29,139	1,862	6,766	5,166	19,845	62,778	77,234
Interest and Fiscal Charges	-	(799,458)	(646,761)	(956,209)	(7,067)	(2,409,495)	-
Total Nonoperating Revenues (Expenses)	<u>4,480,523</u>	<u>2,658,298</u>	<u>(557,304)</u>	<u>(758,290)</u>	<u>230,570</u>	<u>6,053,797</u>	<u>118,165</u>
Net Income (Loss) Before Capital Charges, Capital Grants, Capital Contributions,	<u>1,030,277</u>	<u>597,687</u>	<u>8,310,751</u>	<u>5,017,934</u>	<u>820,102</u>	<u>15,776,751</u>	<u>1,887,126</u>
Capital Charges	-	-	1,830,707	935,303	-	2,766,010	-
Capital Grants	5,982,505	-	1,785,894	-	26,794	7,795,193	-
Capital Contributions	-	2,745	3,302,141	4,413,225	1,397,091	9,115,202	3,245
Transfers In	17,801	2,557,812	-	-	-	2,575,613	363,000
Transfers Out	-	-	(162,489)	-	(371,231)	(533,720)	-
Change in Net Position	<u>7,030,583</u>	<u>3,158,244</u>	<u>15,067,004</u>	<u>10,366,462</u>	<u>1,872,756</u>	<u>37,495,049</u>	<u>2,253,371</u>
Net Position, Beginning of Year	<u>128,187,919</u>	<u>7,347,716</u>	<u>142,121,328</u>	<u>97,549,599</u>	<u>116,307,886</u>		<u>2,308,845</u>
Net Position, End of Year	<u>\$ 135,218,502</u>	<u>\$ 10,505,960</u>	<u>\$ 157,188,332</u>	<u>\$ 107,916,061</u>	<u>\$ 118,180,642</u>		<u>\$ 4,562,216</u>

Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds 540,923
Changes in Net Position, Business-Type Activities \$ 38,035,972

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, 2021**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	Airport	Event Center	Water	Sanitary Sewer	Nonmajor	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts From Customers and Users	\$ 5,613,750	\$ 4,450,627	\$ 21,580,505	\$ 13,807,530	\$ 12,891,524	\$ 58,343,936	\$ 3,541,357
Receipts From Employer	-	-	-	-	-	-	13,045,768
Payments to Suppliers	(3,163,717)	(3,849,645)	(7,819,363)	(2,655,014)	(5,682,906)	(23,170,645)	(14,082,622)
Payments to Employees	(1,521,750)	(1,798,438)	(2,329,606)	(1,355,819)	(2,494,450)	(9,500,063)	(700,536)
Net Cash Provided (Used) by Operating Activities	928,283	(1,197,456)	11,431,536	9,796,697	4,714,168	25,673,228	1,803,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Grants Received	4,380,247	3,446,574	-	-	8,958	7,835,779	-
Payments from Other Funds	17,801	2,522,963	-	-	-	2,540,764	363,000
Payments to Other Funds	-	(1,288,181)	(162,489)	-	(371,231)	(1,821,901)	-
Net Cash Provided (Used) by Noncapital Financing Activities	4,398,048	4,681,356	(162,489)	-	(362,273)	8,554,642	363,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Grants Received	5,982,505	-	1,785,894	-	26,794	7,795,193	-
Taxes Received	32,615	-	-	-	-	32,615	-
Special Assessments Received	-	-	551,279	579,481	312,728	1,443,488	-
Capital Charges Received	-	-	1,830,707	935,303	-	2,766,010	-
Loan Proceeds	-	-	5,440,840	4,437,500	-	9,878,340	-
Payment to Escrow Agent on Refunded Bonds	-	-	(3,008,044)	-	-	(3,008,044)	-
Debt Principal Paid	-	(1,135,000)	(3,135,000)	(2,360,000)	-	(6,630,000)	-
Debt Interest and Fees Paid	-	(802,975)	(690,033)	(948,214)	(7,067)	(2,448,289)	-
Proceeds From Sale of Capital Assets	20,981	1,862	2,809	646	31,154	57,452	2,332
Proceeds from Insurance Recoveries	10,391	-	3,957	4,520	1,424	20,292	74,902
Acquisition and Construction of Capital Assets	(6,959,126)	(206,353)	(5,642,214)	(7,044,866)	(3,983,999)	(23,836,558)	(394,906)
Net Cash Provided (Used) by Capital and Related Financing Activities	(912,634)	(2,142,466)	(2,859,805)	(4,395,630)	(3,618,966)	(13,929,501)	(317,672)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment Income	77,747	8,944	17,779	179,283	183,973	467,726	40,931
Net Increase (Decrease) in Cash and Cash Equivalent	4,491,444	1,350,378	8,427,021	5,580,350	916,902	20,766,095	1,890,226
Cash and Cash Equivalents, Beginning of Year	7,018,941	161,413	18,422,739	17,933,502	19,544,199	63,080,794	3,774,977
Cash and Cash Equivalents, End of Year	\$ 11,510,385	\$ 1,511,791	\$ 26,849,760	\$ 23,513,852	\$ 20,461,101	\$ 83,846,889	\$ 5,665,203
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Net Operating Income (Loss)	\$ (3,450,246)	\$ (2,060,611)	\$ 8,868,055	\$ 5,776,224	\$ 589,532	\$ 9,722,954	\$ 1,768,961
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation Expense	4,062,073	1,128,774	4,760,574	3,833,949	3,225,876	17,011,246	2,434
Change in Deferred Outflows of Resources	43,869	45,704	89,031	52,529	2,747	233,880	15,046
Change in Deferred Inflows of Resources	184,484	160,287	346,728	189,982	294,013	1,175,494	93,338
Change in Net Pension Liability	(326,334)	(293,852)	(574,700)	(325,488)	(495,351)	(2,015,725)	(156,008)
(Increase) Decrease in Accounts Receivable	(134,789)	(8,430)	(26,790)	222,740	57,823	110,554	69,772
(Increase) Decrease in Inventory	-	-	32,581	-	-	32,581	(83,213)
(Increase) Decrease in Prepaid Items	3,821	(2,288)	(1,730)	(4,117)	(1,127)	(5,441)	(195,892)
Increase (Decrease) in Customer Deposits	-	(248,747)	(977,500)	-	(940)	(1,227,187)	-
Increase (Decrease) in Accounts Payable	527,749	12,417	(1,142,039)	28,663	457,742	(115,468)	534,141
Increase (Decrease) in Compensated Absences Payable	10,277	32,091	26,565	6,674	3,164	78,771	-
Increase (Decrease) in Salaries Payable	7,379	30,546	14,307	7,263	15,757	75,252	6,388
Increase (Decrease) in Unearned Revenue	-	6,653	16,454	8,278	996	32,381	-
Increase (Decrease) in Claims and Judgments Payable	-	-	-	-	-	-	(251,000)
Increase (Decrease) in Closure and Post-Closure Liability	-	-	-	-	563,936	563,936	-
Total Adjustments	4,378,529	863,155	2,563,481	4,020,473	4,124,636	15,950,274	35,006
Net Cash Provided (Used) by Operating Activities	\$ 928,283	\$ (1,197,456)	\$ 11,431,536	\$ 9,796,697	\$ 4,714,168	\$ 25,673,228	\$ 1,803,967
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES							
Contributed Capital Assets	\$ -	\$ 2,745	\$ 3,302,141	\$ 4,413,225	\$ 1,397,091	\$ 9,115,202	\$ 3,245
Capital Assets Contributed from Developers	-	-	2,969,038	4,199,846	273,220	7,442,104	-

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 194,936	\$ 787,985
Investments, at Fair Value:		
International Equities	88,497,145	-
International Fixed Income	59,625,762	-
Real Estate	37,011,672	-
Mutual Funds	-	177,060
Invested Cash	603,760	-
Invested Securities Lending	544,666	-
Accounts Receivable	785	-
Accrued Interest and Dividends	317,596	-
Total Assets	<u>186,796,322</u>	<u>965,045</u>
LIABILITIES		
Accounts Payable	165,063	14,549
Securities Lending Collateral	544,666	-
Total Liabilities	<u>709,729</u>	<u>14,549</u>
NET POSITION		
Restricted	186,086,593	950,496
Total Net Position	<u><u>\$ 186,086,593</u></u>	<u><u>\$ 950,496</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Employer Contributions	\$ 4,387,047	\$ -
Employee Contributions	2,267,910	-
Total Contributions	<u>6,654,957</u>	<u>-</u>
Investment Income:		
Net increase (Decrease) in		
Fair Value of Investments	20,673,736	24,327
Interest and Dividend Earnings	3,386,955	-
Securities Lending Income	6,411	-
Total Investment Income	<u>24,067,102</u>	<u>24,327</u>
Investment Expense:		
Investment Activity Expense	(489,493)	-
Securities Lending Expense	(1,280)	-
Net Investment Income (Loss)	<u>23,576,329</u>	<u>24,327</u>
Revenues		
Police Custody Funds Received	-	787,497
Total Revenues	<u>-</u>	<u>787,497</u>
Total Additions	<u>30,231,286</u>	<u>811,824</u>
DEDUCTIONS		
Benefits Paid to Participants	9,362,674	-
Refunds	521,920	45,984
Administration Expenses	139,305	-
Police Custody Funds Paid	-	14,549
Total Deductions	<u>10,023,899</u>	<u>60,533</u>
Change in Net Position	20,207,387	751,291
Net Position, Beginning of Year	165,879,206	199,205
Net Position, End of Year	<u>\$ 186,086,593</u>	<u>\$ 950,496</u>

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

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, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Bismarck, North Dakota (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 known as the Board of City Commissioners (the City Commissioners). 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.

The City operates the Central Dakota 911 Authority, also known as the *Central Dakota Communications Center* (CenCom), under a joint-powers agreement with Burleigh County and the City of Mandan. CenCom dispatches emergency calls for law enforcement, fire, and emergency medical services within member areas and is administered by an appointed board made up of three members, one from each of the members. Membership consists of a Commissioner representing the City of Bismarck, a Commissioner representing the City of Mandan, and a Commissioner representing Burleigh County. Although CenCom is a legally separate entity, CenCom follows the budget process and policies established by the City. The City has agreed to hire, manage, and provide benefits to employees that operate CenCom. The City contributes the majority (52%) of the annual operating expenditures net of fees collected by CenCom. Due to the fiscal dependency on the City and the significant scope of service provided to all members, CenCom is reported as a discretely presented component unit in the City's financial statements and does not issue separate financial statements.

The City operates the Bismarck Veterans' Memorial Public Library (the Library) pursuant to section 40-38 of the North Dakota Century Code (NDCC). The Library is administered by a City-appointed five-member board, known as the Library Board of Directors, with various terms pursuant to the NDCC. The Library primarily finances operations with the established property tax levy, abides by the City's financial policies, and participates in the City's employment benefits. The Library is a separate legal entity with a board that is appointed by the City Commission, has significant fiscal dependency on the City, and any future debt is expected to be repaid by resources of the City. Therefore, the Library is reported as a blended component unit in the City's fund financial statements and does not issue separate financial statements.

The City operates the Bismarck Parking Authority (the Parking Authority) pursuant to section 40-61 of the North Dakota Century Code (NDCC). The Parking Authority is administered by a City-appointed five-member board with various terms pursuant to the NDCC known as the Parking Authority Board. The Parking Authority Board contracts the operations of the facilities with a third-party property management company. Its operations are primarily funded through user fees and long-term rental contracts. The Parking Authority abides by the City's policies. The Parking Authority is a separate legal entity, has significant fiscal dependency on the City, and any future debt and major capital expenditures are expected to be repaid by resources of the City. Therefore, the Parking Authority is reported as a blended component unit within the City's financial statements and does not issue separate financial statements.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Likewise, the primary government is reported separately from the discretely presented component unit.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by 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. 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.

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 are 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 one-half percent sales tax revenue used for voter-approved eligible expenditures.

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

Street Improvement Bond Fund – This debt service 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 capital projects 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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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. Internal service funds predominately serve governmental funds.

Fiduciary Funds – These are pension trust funds used to account for the activities of the City Employees' Pension Plan and the Police Employees' Pension Plan, and custodial funds for Employee Excess Retirement and Police Custodial Fund. The pension trust funds and Employee Excess Retirement accumulate resources for retirement benefit payments made to retirees and City employees. The Police Custodial Fund accumulates resources being held for evidentiary purposes until a court judgement is received.

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. 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 inventories are recorded as expenditures when consumed.

Proprietary funds record any payments made to vendors for services that will benefit periods beyond December 31, 2021, as prepaid items.

3. Capital Assets

Capital assets, which include buildings and building improvements, improvements other than buildings, machinery and 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.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets 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
Machinery and Equipment	2 – 15 Years

4. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets 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, business-type, and/or discretely presented component unit 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 as well as asset retirement obligations 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 and related premiums are 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.

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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Annual leave accrued during the calendar year may be accumulated up to a maximum of 360 hours for eligible employees, except for the 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.

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 respective fund from which the employee is paid.

Sick Leave

The current sick leave policy was established on December 31, 1992. Employees may annually accumulate a maximum of 960 and 1,272 hours for 40-hour per week and 53-hour per week employees, respectively. At year-end, 40% of excess sick leave will be paid to all employees exceeding the maximum. Sick leave is not paid upon termination, except to employees hired with an accumulated sick leave balance 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. 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 were owed to the employee by the City. 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 their individual pay rate on December 31, 1992.

8. Pensions

The City is a majority member of the City of Bismarck Employees' Pension Plan (City Employees' Pension Plan). The City Employees' Pension Plan is a multiple employer cost-sharing defined benefit pension plan that provides benefits to employees of the City and the Bismarck Parks and Recreation District. 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 the 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.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 assets 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 and 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 meet 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 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.

Restricted – 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 – Balances that are subject to a purpose constraint imposed by formal action of the City Commission. The City Commission is the highest level of decision-making authority. The City Commissioners have 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 Commissioners. The City Commission establishes, modifies, or rescinds fund balance commitments by passage of an ordinance.

Assigned – 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 City Commission 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.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned – 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 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 City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers committed balances to have been spent first, then assigned, and, finally, unassigned, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions. As of December 31, 2021, fund balances are composed of the following:

	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable							
Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,841	\$ 253,841
Inventory	1,394	-	-	-	-	-	1,394
Prepaid Items	-	-	-	-	-	270	270
Restricted							
Building Construction	7,809,563	-	-	-	-	-	7,809,563
Heavy Equipment	-	-	-	-	-	2,240,550	2,240,550
Capital Projects	-	47,687,390	-	-	-	-	47,687,390
Debt Service	-	-	11,774,674	42,066,754	-	7,926,311	61,767,739
Committed							
Public Health Programs	-	-	-	-	-	684,490	684,490
Transit System	-	-	-	-	-	6,738	6,738
Public Library	-	-	-	-	-	1,321,084	1,321,084
Drug Enforcement	-	-	-	-	-	447,662	447,662
Highways and Streets	-	-	-	-	-	5,360,775	5,360,775
Street Light Operations	-	-	-	-	-	3,518,021	3,518,021
Economic Development	-	-	-	-	-	1,345,878	1,345,878
Capital Projects	-	6,551,901	-	-	-	19,834,886	26,386,787
Assigned							
Contingencies	825,000	-	-	-	-	-	825,000
Building Construction	2,133,163	-	-	-	-	-	2,133,163
Department Equipment	2,277,595	-	-	-	-	-	2,277,595
Fire Truck and Equipment	1,249,012	-	-	-	-	-	1,249,012
Technology Equipment	128,549	-	-	-	-	-	128,549
Computer Expansion	424,877	-	-	-	-	-	424,877
Parking Lot	98,504	-	-	-	-	-	98,504
27th Payroll Set-Aside	856,291	-	-	-	-	-	856,291
COVID-19 Response	8,992,333	-	-	-	-	-	8,992,333
Asset Retirement Obligation	67,500	-	-	-	-	-	67,500
Economic Development	-	-	-	-	-	300,000	300,000
Unassigned	31,815,152	-	-	-	(17,439,623)	(2,444,493)	11,931,036
Total Fund Balances	\$ 56,678,933	\$ 54,239,291	\$ 11,774,674	\$ 42,066,754	\$ (17,439,623)	\$ 40,796,013	\$ 188,116,042

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The governmental funds balance sheet includes a reconciliation between total governmental fund balances 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:

Debt Payable	\$ (112,016,847)
Plus: Debt Premium, Net	(5,565,105)
Accrued Interest Payable	(542,279)
Asset Retirement Obligation	(67,500)
Compensated Absences	(3,758,760)
	<hr/>
Net Adjustment to Reduce Fund Balance to Arrive at Net Position	\$ (121,950,491)
	<hr/>

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 change 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	\$ 35,874,729
Contributed Capital	714,077
Contributed Capital from Business-Type Activities	10,617
Loss on Disposal of Capital Assets	(10,338)
Capital Outlay Transferred to Business-Type Activities	(1,660,810)
Depreciation Expense	(16,235,719)
	<hr/>
Net Adjustment to Changes in Fund Balances	
to Arrive at Change in Net Position	\$ 18,692,556
	<hr/>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. The details of this reconciliation are as follows:

Change in Deferred Inflows of Resources	\$ (15,002,877)
Change in Interest Receivable	(896,688)
	<hr/>
Net Adjustment to Changes in Fund Balances	
to Arrive at Change in Net Position	\$ (15,899,565)
	<hr/>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

Issuance of long-term debt 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. Governmental funds report the effect of debt proceeds, including premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this reconciliation are as follows:

Capital Lease Proceeds	\$ (2,908,995)
Debt Issuance Principal	(13,635,000)
Plus: Debt Issuance Premium	<u>(619,358)</u>
Net Adjustment to Increase (Decrease) Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ (17,163,353)</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:

Principal Payments	\$ 17,347,148
Changes in Compensated Absences Payable	(89,644)
Change in Accrued Interest Payable	9,991
Amortization Expense of Debt Premium (Discount)	519,423
Change in Net Pension Liability (Asset) and Related Deferred Outflows (Inflows) of Resources	<u>3,236,402</u>
Net Adjustment to Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ 21,023,320</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

The level of budgetary control is established at the fund level. City Commissioner approval is required for the transfer of appropriations between funds. The entire budget may be amended by City Commission approval of the amendment. The proposed budget is presented annually to the City Commissioners for review and approval by August 10th. The City Commissioners hold public hearings and may modify the proposed budget before the annual budget is officially adopted by October 10th.

B. FUND BALANCE DEFICIT

The following individual funds had fund balance deficits as of December 31, 2021, in the fund balance of the following funds:

Fund	Deficit
Street Improvement Construction	\$ (17,439,623)
Sewermain Construction	\$ (907,147)
Sidewalk Construction	\$ (1,537,346)

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

The City maintains cash and investments in accordance with state statute, NDCC 21-06-07.

Cash and Investments

As of December 31, 2021, the City's cash and investments are as follows:

Petty Cash	\$ 40,407
Deposits	128,782,813
Investments	314,489,295
Total Cash and Investments	<u>\$ 443,312,515</u>

The cash and investments presented in the financial statements as of December 31, 2021, are as follows:

Primary Government	
Unrestricted	\$ 242,993,364
Restricted	12,876,165
Fiduciary Funds	
Pension Trust	186,477,941
Custodial	965,045
Total Cash and Investments	<u>\$ 443,312,515</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 City Commissioners. State statutes also require that the deposits be protected by insurance, collateral, or surety bond. The fair value of the collateral pledged 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, 2021, the carrying amount of the City's deposits was \$128,782,813 and the bank balance was \$130,347,157, which was FDIC insured and collateralized.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

B. INVESTMENTS

As of December 31, 2021, the City had the following investments:

Investment Type	Moody's or S&P Rating	Investment Maturities				Percent of Investments	Fair Value Hierarchy
		Less Than One Year	1-5 Years	6-10 Years	Fair Value		
US Government Agency	AA+	\$ 5,000,242	\$ 18,193,141	\$ 997,885	\$ 24,191,268	8%	Level 2
US Government Agency	Not Rated	-	494,645	-	494,645	0%	Level 2
US Treasury STRIPS	Not Rated	146,821	4,818,123	608,728	5,573,672	2%	Level 2
US Treasury Notes	AA+	4,608,624	1,708,278	-	6,316,902	2%	Level 2
US State and Local Securities	A1	-	-	227,993	227,993	0%	Level 2
US State and Local Securities	AA	-	2,716,551	1,413,976	4,130,527	1%	Level 2
US State and Local Securities	AA-	-	600,928	-	600,928	0%	Level 2
US State and Local Securities	AA+	499,785	1,750,510	763,675	3,013,970	1%	Level 2
US State and Local Securities	Aa1	-	452,039	102,793	554,832	0%	Level 2
US State and Local Securities	Aa2	-	1,660,496	926,107	2,586,603	1%	Level 2
US State and Local Securities	Aa3	-	726,218	-	726,218	0%	Level 2
US State and Local Securities	AAA	272,995	1,007,374	2,588,458	3,868,827	1%	Level 2
Commercial Paper	A-1+	71,812,042	-	-	71,812,042	23%	Level 2
Money Market Fund	AA-	2,240,550	-	-	2,240,550	1%	Level 1
Money Market Fund	AAAm	824,932	-	-	824,932	0%	Level 1
Local Government Pool	N/A	187,325,386	-	-	187,325,386	60%	NAV
Total Investments		\$ 272,731,377	\$ 34,128,303	\$ 7,629,615	\$ 314,489,295	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 invest their surplus funds outside of NDCC 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 and custodial funds with the State of North Dakota State Investment Board (SIB).

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.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

Investments in the City Employees' Pension Plan and Police Employees' Pension Plan funds are generally managed by the North Dakota Retirement and Investment Office (NDRIO) under the authority of the State Investment Board. The NDCC 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: <https://www.rio.nd.gov/other-state-investment-board-clients>.

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:

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's investment portfolio were as of December 31, 2021.

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 of North Dakota Investment Board is regulated by an eleven-member board. The audited financial statements may be found at <https://www.rio.nd.gov/state-investment-board-clients>. 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 per unit.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

DETAILED NOTES ON ALL FUNDS (Continued)

C. NOTES RECEIVABLE

Notes receivable as of December 31, 2021, were:

Project	Interest Rate	Maturity Date	Balance
HUD HOME Abused Adult Resource Center - Bonnie's House	0%	7/24/2013 - 7/24/2033	\$ 100,563
HUD HOME Missouri Valley Habitat - Home Ownership Project	0%	7/8/2009 - 7/8/2024	15,600
HUD NSP Pride Inc. - 411 Sunset Place Acquisition	0%	3/30/2010 - 3/30/2025	8,640
HUD HOME BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	347,000
HUD NSP BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	193,443
HUD HOME Washington Court Project	0%	12/23/2020 - 12/23/2030	769,350
HUD HOME Community Works - Boulevard Ave. Apartments	0%	11/1/2020 - 11/1/2035	689,650
HUD NSP Community Works - Boulevard Ave. Apartments	0%	9/21/2020 - 9/21/2035	866,866
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
North Dakota Safety Council	2%	5/24/2018 - 1/1/2024	78,266
Activities for Learning Inc.	2%	12/23/2019 - 11/23/2038	32,611
Total Notes Receivable			<u>\$ 3,544,953</u>

HUD notes receivable are forgivable when the terms of the agreement are met.

The City has entered into eight notes receivable with the Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships Program (HOME) and Neighborhood Stabilization Programs (NSP). The July 24, 2013, HOME loan to Abused Adult Resource Center for Bonnie's House is forgiven after the 20-year period of affordability expires in 2033 or if ownership changes before 2033. The July 8, 2009, HOME loan for the Missouri Valley Habitat Home Ownership project for home buyer assistance is forgivable at 10% of the original loan amount of \$52,000 annually beginning on the sixth year of the loan in 2015 and 100% forgiven after ownership for 15 years. The March 30, 2010, NSP loan to Pride Inc. is forgivable at 10% of the original loan amount of \$21,600 annually beginning on the sixth year of the loan in 2016 and 100% forgiven after ownership for 15 years. The December 20, 2011, NSP and HOME Loans to Burleigh County Housing Authority for the Dakota Apartments Project are forgiven after 20 years in 2031 or if ownership changes before 2031. The December 23, 2020, HOME loan to Washington Court LLC is forgiven after 10 years in 2030 or if ownership changes before 2030. The November 1, 2020, HOME Loan and the September 21, 2020, NSP Loan to Community Works for the Boulevard Avenue Apartments are both forgiven after 15 years in 2035 or if ownership changes before 2035.

The Patterson Place Apartments 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. On April 23, 2020 the amount was subordinated again during a refinancing process to two new lenders replacing the previous subordination.

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 all accruing interest at 2%, with 1% payable to Lewis and Clark Development Group and 1% payable to the Vision Fund. The Laughing Sun Brewing Company, LLC, loan

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

payments are required starting 97 months from the promissory date. Monthly principal and interest 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 principal and interest payments will begin July 1, 2029 in the amount of \$610. The ND Safety Council began making payments in 2021 on their original loan of \$106,014. Payments were required starting 32 months from the promissory date. Monthly principal and interest payments began March 1, 2021. The principal amount received in 2021 totaled 27,748, thereby reducing the total loan amount to \$78,265 at December 31, 2021. The Activities for Learning Inc. loan of \$32,611 with payments starting 121 months from the promissory date. Monthly principal and interest payments will begin July 1, 2030, in the amount of \$455.

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets, Not Being Depreciated:					
Land	\$ 2,767,950	\$ 42,132	\$ -	\$ -	\$ 2,810,082
Construction in Progress	10,327,798	16,338,368	(9,812,999)	-	16,853,167
Total Capital Assets, Not Being Depreciated	13,095,748	16,380,500	(9,812,999)	-	19,663,249
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	37,313,258	256,462	-	-	37,569,720
Improvements Other Than Buildings	66,938	-	-	-	66,938
Infrastructure	475,606,050	22,344,766	-	-	497,950,816
Machinery and Equipment	43,552,575	6,150,973	(1,151,710)	33,741	48,585,579
Total Capital Assets, Being Depreciated	556,538,821	28,752,201	(1,151,710)	33,741	584,173,053
Less Accumulated Depreciation:					
Buildings and Building Improvements	(20,045,756)	(965,427)	-	-	(21,011,183)
Improvements Other Than Buildings	(54,835)	(1,259)	-	-	(56,094)
Infrastructure	(141,535,934)	(12,541,255)	-	-	(154,077,189)
Machinery and Equipment	(30,132,272)	(2,727,778)	1,144,572	(23,124)	(31,738,602)
Total Accumulated Depreciation	(191,768,797)	(16,235,719)	1,144,572	(23,124)	(206,883,068)
Total Capital Assets, Being Depreciated, Net	364,770,024	12,516,482	(7,138)	10,617	377,289,985
Governmental Activities Capital Assets, Net	\$ 377,865,772	\$ 28,896,982	\$ (9,820,137)	\$ 10,617	\$ 396,953,234

In 2021, the City transferred a net book value of \$10,617 of machinery and equipment from the business-type activities to the governmental activities and contributed \$1,660,810 of infrastructure from the governmental activities to the business-type activities, which is reported as a transfer on the statement of activities.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 18,630,429	\$ -	\$ -	\$ -	\$ 18,630,429
Construction in Progress	18,964,700	17,421,621	(10,717,249)	-	25,669,072
Total Capital Assets, Not Being Depreciated	37,595,129	17,421,621	(10,717,249)	-	44,299,501
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	281,425,089	6,058,589	-	-	287,483,678
Improvements Other Than Buildings	407,710,522	19,036,067	(260,798)	-	426,485,791
Machinery and Equipment	39,514,664	1,642,043	(626,474)	(33,741)	40,496,492
Total Capital Assets, Being Depreciated	728,650,275	26,736,699	(887,272)	(33,741)	754,465,961
Less Accumulated Depreciation:					
Buildings and Building Improvements	(114,135,260)	(6,217,363)	-	-	(120,352,623)
Improvements Other Than Buildings	(128,763,154)	(8,681,704)	260,797	-	(137,184,061)
Machinery and Equipment	(18,089,563)	(2,112,179)	622,124	23,124	(19,556,494)
Total Accumulated Depreciation	(260,987,977)	(17,011,246)	882,921	23,124	(277,093,178)
Total Capital Assets, Being Depreciated, Net	467,662,298	9,725,453	(4,351)	(10,617)	477,372,783
Business-Type Activities Capital Assets, Net	\$ 505,257,427	\$ 27,147,074	\$ (10,721,600)	\$ (10,617)	\$ 521,672,284

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

Governmental Activities:

General Government	\$ 1,019,702
Public Safety	1,282,325
Highways and Streets	722,911
Health and Welfare	29,275
Culture and Recreation	671,439
Public Works	12,510,067
Total Depreciation Expense, Governmental Activities	<u>\$ 16,235,719</u>

Business-Type Activities:

Airport	\$ 4,062,073
Event Center	1,128,774
Water	4,760,574
Sanitary Sewer	3,833,949
Solid Waste Disposal	650,733
Solid Waste Collections	294,712
Storm Water	1,279,573
Northern Plains Commerce Centre	215,235
Parking Authority	785,623
Total Depreciation Expense, Business-Type Activities	<u>\$ 17,011,246</u>

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
DISCRETELY PRESENTED COMPONENT UNIT				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	\$ 12,437,605	\$ -	\$ (347,524)	\$ 12,090,081
Machinery and Equipment	2,415,255	291,700	-	2,706,955
Total Capital Assets, Being Depreciated	14,852,860	291,700	(347,524)	14,797,036
Less Accumulated Depreciation:				
Buildings and Building Improvements	(103,647)	(621,880)	-	(725,527)
Machinery and Equipment	-	(174,036)	-	(174,036)
Total Accumulated Depreciation	(103,647)	(795,916)	-	(899,563)
Total Capital Assets, Being Depreciated, Net	14,749,213	(504,216)	(347,524)	13,897,473
Component Unit Capital Assets, Net	\$ 14,749,213	\$ (504,216)	\$ (347,524)	\$ 13,897,473

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivable and interfund payable balances as of December 31, 2021, were as follows:

	Interfund Payable		Total
	Street Improvement Construction Fund	Nonmajor Governmental Funds	
Interfund Receivable			
General Fund	\$ -	\$ 39,307	\$ 39,307
Sewermain Bonds Fund	-	860,025	860,025
Street Improvement Bonds Fund	16,634,530	-	16,634,530
Nonmajor Governmental Funds	-	1,470,440	1,470,440
Event Center Fund	-	34,849	34,849
Total	\$ 16,634,530	\$ 2,404,621	\$ 19,039,151

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. The interfund transfers during fiscal year ended December 31, 2021, were as follows:

Transfers Out	Transfers In				
	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Tax	9,853,526	-	-	-	-
Street Improvement Bonds	-	-	-	-	287,767
Street Improvement Construction	-	-	-	594,159	-
Nonmajor Governmental Funds	1,222,322	15,749,406	146,651	-	4,725,795
Water	27,627	-	-	-	27,049
Nonmajor Enterprise Funds	-	-	-	-	-
Total	\$ 11,103,475	\$ 15,749,406	\$ 146,651	\$ 594,159	\$ 5,040,611

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

Transfers Out	Transfers In				Total
	Nonmajor Governmental Funds	Airport Fund	Event Center Fund	Internal Service Funds	
General Fund	\$ 4,673,217	\$ -	\$ -	\$ 363,000	\$ 5,036,217
Sales Tax	9,677,378	-	-	-	19,530,904
Street Improvement Bonds	-	-	-	-	287,767
Street Improvement Construction	102,202	-	-	-	696,361
Nonmajor Governmental Funds	970,458	17,801	2,557,812	-	25,390,245
Water	107,813	-	-	-	162,489
Nonmajor Enterprise Funds	371,231	-	-	-	371,231
Total	\$ 15,902,299	\$ 17,801	\$ 2,557,812	\$ 363,000	\$ 51,475,214

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

F. LONG-TERM LIABILITIES

Long-term liabilities for the year ended December 31, 2021, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special Assessment Bonds	\$ 112,820,000	\$ 13,635,000	\$ 16,750,000	\$ 109,705,000	\$ 16,580,000
Bond Premiums and Discounts, Net	5,465,170	619,358	519,423	5,565,105	-
Capital Lease Obligations	-	2,908,995	597,148	2,311,847	566,650
Compensated Absences	3,669,116	3,231,135	3,141,491	3,758,760	2,837,649
Claims and Judgments	762,770	6,324,772	6,520,517	567,025	567,025
Total Governmental Activities	122,717,056	26,719,260	27,528,579	121,907,737	20,551,324
BUSINESS-TYPE ACTIVITIES:					
Lodging and Restaurant Tax Revenue Bonds, Series 2013	\$ 20,590,000	\$ -	\$ 1,135,000	\$ 19,455,000	\$ 1,175,000
Bond Discount, Net	(18,278)	-	(1,334)	(16,944)	-
Water Revenue Refunding Bonds, Series 2012	765,000	-	765,000	-	-
Bond Premium, Net	2,851	-	2,851	-	-
Water Revenue Bonds, Series 2014	8,550,000	-	840,000	7,710,000	860,000
Bond Discount, Net	(75,169)	-	(9,111)	(66,058)	-
Water Revenue Refunding Bonds, Series 2020	4,825,000	-	625,000	4,200,000	580,000
Bond Premium, Net	333,089	-	45,943	287,146	-
Water Treatment Loan, 2009	8,230,000	-	900,000	7,330,000	935,000
Drinking Water State Revolving Fund Loan, 2020	3,013,044	-	3,013,044	-	-
Drinking Water State Revolving Fund Loan, 2021	-	5,440,840	-	5,440,840	3,841
Wastewater Treatment Loan, 2006	8,335,000	-	1,085,000	7,250,000	1,120,000
Sanitary Sewer Revenue Bonds, Series 2015	23,540,000	-	1,270,000	22,270,000	1,300,000
Bond Discount, Net	(55,481)	-	(3,871)	(51,610)	-
Clean Water State Revolving Fund Loan, 2020	562,500	4,437,500	5,000	4,995,000	290,000
Landfill Closure and Post-Closure	3,047,041	563,936	-	3,610,977	-
Compensated Absences	949,885	753,563	674,792	1,028,656	658,038
Claims and Judgments	231,230	2,035,156	2,090,412	175,975	175,975
Total Business-Type Activities	82,825,712	13,230,995	12,437,726	83,618,982	7,097,854
Total Long-Term Liabilities	\$ 205,542,768	\$ 39,950,255	\$ 39,966,305	\$ 205,526,719	\$ 27,649,178

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The legal debt margin as of December 31, 2021, was \$221,495,058 with a remaining non-obligated margin of \$221,495,058. The City has not issued any general obligation bonds as of December 31, 2021.

Special Assessment Bonds and Capital Leases

Special assessment bonds outstanding and leases payable as of December 31, 2021, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rates	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series X Refunding	1/1/2008	5/1/2023	3.5-5.4%	\$ 8,210,000	\$ 30,000	\$ -	\$ 10,000	\$ 20,000	\$ 10,000
Series C Refunding	12/14/2011	5/1/2026	2.0-2.8%	9,065,000	2,140,000	-	380,000	1,760,000	360,000
Series E Refunding	4/15/2012	5/1/2021	2.0-2.2%	4,365,000	345,000	-	345,000	-	-
Series F Refunding	12/19/2012	5/1/2027	1.0-1.8%	9,465,000	4,180,000	-	635,000	3,545,000	635,000
Series G Refunding	1/3/2013	5/1/2022	1.5-2.0%	3,790,000	110,000	-	55,000	55,000	55,000
Series I Refunding	12/1/2014	5/1/2029	0.1- 3.0%	24,725,000	10,685,000	-	2,325,000	8,360,000	1,115,000
Series J Refunding	3/25/2015	5/1/2022	2.0-3.0%	6,510,000	1,625,000	-	830,000	795,000	795,000
Series K Refunding	11/10/2015	5/1/2030	2.5-5.0%	31,905,000	17,905,000	-	2,600,000	15,305,000	2,600,000
Series L Refunding	12/15/2016	5/1/2031	2.0-5.0%	18,365,000	12,360,000	-	1,560,000	10,800,000	1,530,000
Series M Refunding	11/14/2017	5/1/2032	2.0-2.5%	17,790,000	14,175,000	-	1,545,000	12,630,000	1,565,000
Series N Refunding	11/27/2018	5/1/2033	3.0-5.0%	13,815,000	11,915,000	-	1,405,000	10,510,000	1,440,000
Series O Refunding	11/26/2019	5/1/2034	2.0-5.0%	8,235,000	7,880,000	-	835,000	7,045,000	845,000
Series P Refunding	11/24/2020	5/1/2035	1.3-4.0%	20,890,000	20,890,000	-	2,800,000	18,090,000	3,375,000
Series Q Refunding	11/9/2021	5/1/2036	1.0-4.0%	11,465,000	-	11,465,000	-	11,465,000	715,000
Total Improvement Special Assessment Bonds				<u>\$ 188,595,000</u>	<u>\$ 104,240,000</u>	<u>\$ 11,465,000</u>	<u>\$ 15,325,000</u>	<u>\$ 100,380,000</u>	<u>\$ 15,040,000</u>
Sidewalk 2010	11/22/2011	5/1/2021	0.5-2.0%	935,000	90,000	-	90,000	-	-
Sidewalk 2011	11/27/2012	5/1/2022	1.2-1.7%	915,000	180,000	-	90,000	90,000	90,000
Sidewalk 2012	11/1/2013	5/1/2023	2.0-2.8%	2,145,000	645,000	-	215,000	430,000	215,000
Sidewalk 2013	12/1/2014	5/1/2024	2.0-3.0%	1,835,000	740,000	-	185,000	555,000	185,000
Sidewalk 2014	12/1/2015	5/1/2025	2.0-3.0%	1,950,000	980,000	-	200,000	780,000	200,000
Sidewalk 2015	12/15/2016	5/1/2026	2.0-4.0%	1,970,000	1,210,000	-	200,000	1,010,000	200,000
Sidewalk 2016	11/14/2017	5/1/2027	2.0-2.5%	1,535,000	1,120,000	-	150,000	970,000	155,000
Sidewalk 2017	11/27/2018	5/1/2028	3.0-5.0%	1,200,000	1,040,000	-	120,000	920,000	120,000
Sidewalk 2018	11/26/2019	5/1/2029	2.0-5.0%	1,135,000	1,095,000	-	115,000	980,000	115,000
Sidewalk 2019	11/24/2020	5/1/2030	1.0-4.0%	1,480,000	1,480,000	-	60,000	1,420,000	155,000
Sidewalk 2020	11/9/2021	5/1/2031	2.0-3.0%	2,170,000	-	2,170,000	-	2,170,000	105,000
Total Sidewalk Bonds				<u>\$ 17,270,000</u>	<u>\$ 8,580,000</u>	<u>\$ 2,170,000</u>	<u>\$ 1,425,000</u>	<u>\$ 9,325,000</u>	<u>\$ 1,540,000</u>
Street Sweepers (3)	8/4/2021	8/4/2025	1.35%	668,445	-	668,445	137,298	531,147	130,128
John Deere Loaders (2)	12/15/2021	12/15/2025	1.31%	1,796,850	-	1,796,850	368,785	1,428,065	350,077
Motor Graders (6)	12/15/2021	12/15/2025	1.31%	443,700	-	443,700	91,065	352,635	86,445
Total Capital Leases				<u>\$ 2,908,995</u>	<u>\$ -</u>	<u>\$ 2,908,995</u>	<u>\$ 597,148</u>	<u>\$ 2,311,847</u>	<u>\$ 566,650</u>
Total Long-Term Liabilities, Governmental Activities				<u>\$ 208,773,995</u>	<u>\$ 112,820,000</u>	<u>\$ 16,543,995</u>	<u>\$ 17,347,148</u>	<u>\$ 112,016,847</u>	<u>\$ 17,146,650</u>

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

On November 9, 2021, the City issued 2021 Refunding Improvement Bonds, Series Q, in the amount of \$11,465,000. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1st, 2022, through 2036. Interest accrues at rates ranging from 1% to 4% per annum.

On November 9, 2021, the City issued 2021 Sidewalk, Curb, and Gutter Warrants, Series SCG-2020 in the amount of \$2,170,000. Bond proceeds were used to reimburse the City for certain improvements for sidewalk, curb, and gutter improvements completed in 2020. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1st, 2022, through 2031. Interest accrues at rates ranging from 2% to 3% per annum.

From 2008 to 2021, the City issued multiple Refunding Improvement Bonds, the total remaining is \$109,705,000 as of December 31, 2021. Bond proceeds were used to finance construction and repairs of various streets, sewer mains, water mains, sidewalks, streetlights, and public parking lots. Principal, interest and fiscal charges due in 2021 were \$19,845,628. Special assessment revenues collected in 2021 related to these bonds was \$31,627,883.

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 NDCC.

During 2021, the City entered into a capital lease agreement to finance the purchase of three street sweepers for roads and streets operations. Principal and interest payments are due annually on August 4th, 2021, through 2025. Interest accrues on the outstanding balance at 1.35% per annum. Capital assets of \$668,445 less accumulated depreciation of \$39,788 are reported as of December 31, 2021.

During 2021, the City entered into a capital lease agreement to finance the purchase of six motor graders for roads and streets operations. The total principal amount financed is \$1,796,850. Principal and interest payments are due annually on December 15th, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. The City has not received the equipment for this lease agreement due to global supply chain issues. Therefore, no capital assets or depreciation are reported as of December 31, 2021. The lease proceeds are being held by a third-party to be used for the purchase of equipment expected to be received in 2022.

During 2021, the City entered into a capital lease agreement to finance the purchase of two front-end loaders for roads and streets operations. The total principal amount financed is \$443,700. Principal and interest payments are due annually on December 15th, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. The City has not received the equipment for this lease agreement due to global supply chain issues. Therefore, no capital assets or depreciation are reported as of December 31, 2021. The lease proceeds are being held by a third-party to be used for the purchase of equipment expected to be received in 2022.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

Governmental debt service requirements to maturity are as follows:

Year Ended December 31,	GOVERNMENTAL ACTIVITIES		
	Principal	Interest	Total
2022	\$ 17,146,650	\$ 2,980,599	\$ 20,127,249
2023	16,144,125	2,428,054	18,572,179
2024	14,786,699	1,898,314	16,685,013
2025	13,204,373	1,449,211	14,653,584
2026	10,910,000	1,096,037	12,006,037
2027-2031	33,265,000	2,512,899	35,777,899
2032-2036	6,560,000	238,881	6,798,881
Total	<u>\$ 112,016,847</u>	<u>\$ 12,603,995</u>	<u>\$ 124,620,842</u>

Business-Type Activities Revenue Bonds and Loans

Business-type activities outstanding debt service as of December 31, 2021, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rate	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lodging and Restaurant Tax Bond (Event Center), 2013	10/16/2013	12/1/2034	3.0 - 4.25%	\$ 27,695,000	\$ 20,590,000	\$ -	\$ 1,135,000	\$ 19,455,000	\$ 1,175,000
Water Revenue Bonds, 2012	4/26/2012	4/1/2021	2.0 - 2.5%	6,415,000	765,000	-	765,000	-	-
Water Revenue Bonds, 2014	11/1/2014	4/1/2029	0.05 - 3.0%	13,535,000	8,550,000	-	840,000	7,710,000	860,000
Water Revenue Bonds, 2020	10/22/2020	4/1/2028	2.0 - 4.0%	4,825,000	4,825,000	-	625,000	4,200,000	580,000
Water Treatment Loan, 2009	6/15/2009	9/1/2028	1.5%	16,320,000	8,230,000	-	900,000	7,330,000	935,000
Water Treatment Loan, 2020	10/5/2020	9/1/2036	1.5%	3,013,044	3,013,044	-	3,013,044	-	-
Water Treatment Loan, 2021	10/4/2021	9/1/2037	1.5%	5,440,841	-	5,440,841	-	5,440,841	3,841
Wastewater Loan, 2006	11/14/2006	9/1/2027	2.5%	18,400,000	8,335,000	-	1,085,000	7,250,000	1,120,000
Wastewater Loan, 2020	7/1/2020	9/1/2036	1.5%	5,000,000	562,500	4,437,500	5,000	4,995,000	290,000
Wastewater Bonds, 2015	11/1/2015	5/1/2035	2.0 - 5.0%	29,000,000	23,540,000	-	1,270,000	22,270,000	1,300,000
Total Long-Term Debt, Business-Type Activities				<u>\$ 129,643,885</u>	<u>\$ 78,410,544</u>	<u>\$ 9,878,341</u>	<u>\$ 9,638,044</u>	<u>\$ 78,650,841</u>	<u>\$ 6,263,841</u>

In 2013, the City issued \$27,695,000 in Lodging and Restaurant Tax Revenue Bonds, Series 2013, to finance the construction of the City's 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. Interest payments are due semi-annually on June 1st and December 1st. Principal payments are due annually beginning on December 1st, 2014, through 2034. Interest accrues at rates ranging from 3% to 4.25% per annum. This bond contains a provision that if liquor, lodging, and restaurant tax revenues are insufficient to make principal and interest payments on the bond, such deficiencies shall be restored out of the following period lodging, liquor, and restaurant tax revenues. 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%. The principal, interest and fiscal charges were \$1,937,975 in 2021. In 2021, lodging, liquor, and restaurant tax revenue totaled \$3,507,884 which covered the bond's debt service requirement. In 2022, the City refunded this debt issuance. Please refer to the subsequent events section.

On October 22, 2020, the City issued Water Revenue Refunding Bonds, Series 2020, in the amount of \$4,825,000. Bond proceeds were used to refund the Water Revenue Bonds, Series 2013, in the amount of \$5,365,000. The City pledged future water revenues to finance the standby power, the water softening expansion project, and the water treatment plant intake project. The transaction resulted in an economic gain of \$523,969 and a difference in the cash flow savings of \$519,845. Interest payments are due semi-annually on April 1st and October 1st. Principal payments are due annually beginning on April 1st, 2021, through 2028. Interest accrues at rates ranging from 2% to 4% per annum. The City will establish, impose and collect

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

reasonable charges for their services, facilities, products and by-products of the utility according to schedules sufficient to pay all principal and interest due.

In previous years, the City issued Water Revenue Bonds, Series 2012 and 2014 with original issues totaling \$19,950,000. The City pledged future water revenues to finance the standby power, the water softening expansion project, and the water treatment plant intake project. Water Revenue Bonds, Series 2012, were paid in full as of December 31, 2021. Interest payments are due semi-annually on April 1st and October 1st. Principal payments are due annually beginning on April 1st through 2036. Interest accrues at rates ranging from 0.05% to 4% per annum. The City will establish, impose and collect reasonable charges for their services, facilities, products and by-products of the utility according to schedules sufficient to pay all principal and interest due.

In 2015, the City issued \$29,000,000 in Sanitary Sewer Revenue Bonds, Series 2015, to finance the construction of a 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. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1st, 2016 through 2035. Interest accrues at rates ranging from 2% to 5% per annum.

In 2020, the City entered into a \$5,000,000 loan from the Drinking Water State Revolving Fund (DWSRF) and a \$5,000,000 loan from the Clean Water State Revolving Fund (CWSRF) through the State of North Dakota. The loan proceeds are used for watermain replacements, lead service line replacements, and improvements to a wastewater treatment facility. In 2021, the City entered into an additional \$1,995,000 loan from the DWSRF. The 2021 DWSRF loan refunded the 2020 DWSRF loan making the total balance \$6,995,000. The loan was refunded at par value without economic or accounting gain or loss. As of December 31, 2021, \$6,087,840 was drawn from DWSRF and \$4,995,000 was drawn from CWSRF. \$647,000 of the proceeds received from the DWSRF were eligible for loan forgiveness. Interest payments are due semi-annually on March 1st and September 1st. Principal payments are due annually beginning September 1st, 2021 through 2037. Interest accrues at a rate of 1.5% per annum.

In 2006 and 2009, the City entered into loan agreements with the North Dakota Public Finance Authority in the amount of \$16,320,000 and \$18,400,000 respectively. In 2022, the Water Treatment Revenue Bond, Series 2009 was amended and allonged to reduce the uniform interest rate from 3.31% to 1.5% per annum. The updated interest payments are reflected in the debt service schedule. The wastewater loan proceeds were used to upgrade the wastewater treatment plant intake system and sanitary sewer improvements. The water loan proceeds were used to upgrade the water treatment facility's sludge plant expansion and replace cast-iron mains. 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 were \$3,260,977 in 2021 for the wastewater revenue bonds and loans. In 2021, the City's revenues for water and sanitary sewer were \$22,568,341 and \$13,576,512, respectively.

For the revenue bond issues that dedicate water and sanitary sewer revenues, the City agreed to comply with similar covenants and requirements. If net revenues at any time are insufficient to make principal and interest payments, such deficiencies shall be restored from water and sanitary sewer 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. In 2021, principal and interest paid was \$3,763,205 for all the water fund related revenue bonds and loans.

In 2021, the City entered into an agreement for an infrastructure revolving fund loan with the Bank of North Dakota to expand the Public Works building. The amount of funding available is \$26,000,000. The City will draw down the funds as construction expenses are incurred. Interest accrues as funding is drawn at a fixed

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DETAILED NOTES ON ALL FUNDS (Continued)

rate of 2% and is payable each May 1st and November 1st. As of December 31, 2021, no construction expenses were incurred. Therefore, the City had no principal or interest balance due as of December 31, 2021. Annual debt service schedule to maturity for revenue bonds are as follows:

Year Ended December 31,	BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total
2022	\$ 6,263,841	\$ 2,163,256	\$ 8,427,097
2023	6,752,000	1,955,481	8,707,481
2024	6,960,000	1,743,776	8,703,776
2025	7,180,000	1,546,601	8,726,601
2026	7,410,000	1,335,526	8,745,526
2027-2031	26,940,000	4,033,619	30,973,619
2032-2036	16,730,000	979,481	17,709,481
2037	415,000	6,225	421,225
Total	<u>\$ 78,650,841</u>	<u>\$ 13,763,965</u>	<u>\$ 92,414,806</u>

In 2020, CenCom entered into a lease agreement for the use of property utilized for CenCom operations. The present value of the future lease payments was \$12,437,605 at the inception date of the lease. In 2021, an additional lease buydown payment of \$250,000 was made by Burleigh County reducing the present value of future lease payments to \$12,341,772. The lease buydown payment also resulted in a \$347,524 reduction in the lease liability and corresponding lease asset as of December 31, 2021. In 2021, \$459,487 in principal and \$182,275 in interest was paid on the lease liability. The City, City of Mandan, and Burleigh County are responsible for failure to make lease payments. The lease term is 20 years. In 2021, the depreciation expense of the building was \$621,880. Accumulated depreciation was \$725,527 with a net book value of \$11,364,554. This lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

Year Ended December 31,	COMPONENT UNIT		
	Principal	Interest	Total
2022	\$ 452,824	\$ 170,216	\$ 623,040
2023	459,664	163,376	623,040
2024	466,606	156,434	623,040
2025	475,731	149,385	625,116
2026	495,500	142,114	637,614
2027 - 2031	2,793,810	590,692	3,384,502
2032 - 2036	3,376,592	360,156	3,736,748
2037 - 2040	3,033,954	91,046	3,125,000
Total	<u>\$ 11,554,681</u>	<u>\$ 1,823,419</u>	<u>\$ 13,378,100</u>

G. CONDUIT DEBT

In previous years, 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. The City, State of North Dakota,

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DETAILED NOTES ON ALL FUNDS (Continued)

or any political subdivision thereof is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2021, three series of industrial revenue bonds were outstanding. The aggregate principal balance is unknown. The State of North Dakota or the City does not have a central repository. The only requirement for this type of issue is to request the amount needed for City Commission approval. The City will be notified once the industrial revenue bonds are paid in full.

H. COMMITMENTS

As of December 31, 2021, the City had commitments on various contracts totaling \$30,616,745.

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 NDCC 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 NDCC 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, 2021, were as follows:

Tax Abatement Programs

Renaissance Zone Exemption - Commercial	\$	122,427
Renaissance Zone Exemption - Residential		42,305
Remodeling Exemption - Commercial		-
Remodeling Exemption - Residential		793
Total Tax Abatement	\$	<u>165,525</u>

**CITY OF BISMARCK, NORTH DAKOTA
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DETAILED NOTES ON ALL FUNDS (Continued)

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 \$5,000,000 per occurrence for general liability and \$5,000,000 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 accordance with NDCC 32-12.1, the City has a liability limitation of \$250,000 per claim with a \$1,000,000 aggregate limit for actions in tort.

As of December 31, 2021, 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:

Sewer Backup Claims				
<u>For year-ended December 31,</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2021	\$ -	\$ 72,666	\$ 72,666	\$ -
2020	\$ -	\$ 104,178	\$ 104,178	\$ -
2019	\$ 9,504	\$ 11,618	\$ 21,122	\$ -

Employee Insurance

The City has established a medical self-insurance fund. The purpose of medical self-insurance fund is to finance medical claims for employees and covered dependents of the City and the Bismarck Parks and Recreation District, and to minimize the total cost of annual medical insurance premiums. Medical claims exceeding \$75,000 per individual per year is covered by the stop-loss insurance. This medical plan has paid an excess of stop-loss coverage of \$1,096,101 for 2021. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. As of December 31, 2021, incurred but not reported (IBNR) liability was estimated by a third-party administrator and reported in the financial statements in the amount of \$743,000. A summary of the IBNR claim reserve liabilities and related claim payments is shown below:

<u>For year-ended December 31,</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2021	\$ 994,000	\$ 8,286,022	\$ 8,537,022	\$ 743,000
2020	\$ 646,000	\$ 8,944,996	\$ 8,596,996	\$ 994,000
2019	\$ 665,000	\$ 7,741,119	\$ 7,760,119	\$ 646,000

State Fire and Tornado and Bonding Fund

The City participates in the State of 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 State of North Dakota Fire and Tornado Fund to provide replacement cost coverage. The State of 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

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DETAILED NOTES ON ALL FUNDS (Continued)

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 State of 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. The State of 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, 2021, the City reported a \$3,610,977 liability as future landfill closure and post-closure, which represents the cumulative costs with an inflation factor on the use of 97.94% of the estimated capacity of the landfill, as provided by the State of North Dakota Department of Environmental Quality. Actual costs may be higher due to inflation, various economic factors, changes in technology, or changes in regulations. The current Municipal Solid Waste Pit is nearing capacity, and it was anticipated it would close in 2021; however, the new pit was not activated for use until 2022 and the process to close out the old pit will take place in 2022.

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 NDCC 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 closure and post-closure requirements are established, this liability and related costs may be covered by the City's future tax revenues and the issuance of the City's general obligation bonds.

L. CERTAIN ASSET RETIREMENT OBLIGATIONS

The City maintains three underground fuel tanks for refueling vehicles and equipment used in City operations. Two tanks are located at the City's public works facility and one is located at the solid waste facility. The Environmental Protection Agency (40 CFR 280.71) establishes the permanent closure requirements for underground fuel tanks no longer in use.

The liability for the asset retirement obligations is based on estimated costs provided by an external consultant which includes the cost to remove, clean, and dispose of the tanks when retired. The estimated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of 39 years. As of December 31, 2021, the asset retirement obligation liability was \$67,500. The City has assigned fund balance in the General Fund to finance the future liability.

Costs included with the cleanup of contaminated soil are not included in the asset retirement obligation liability. At this time, there are no known leaks to the fuel tanks so the cleanup of contaminated soil would not be necessary. If a leak did occur, the City would treat and dispose the contaminated soil with minimal additional liability to the City.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DETAILED NOTES ON ALL FUNDS (Continued)

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 (the 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, North Dakota
Finance Department
P.O. Box 5506
Bismarck, ND 58506-5506

In addition, the City contributes to the Bismarck Firefighters' Relief Association Pension Plan (the 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 NDCC 18-05 and 18-07. The Firefighters' Pension Plan is organized, operated, and maintained in accordance with separate 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. The City contributed \$1,372,100 in 2021. 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 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 Firefighters' Pension Plan.

Plan Membership – Employees begin participation at the first day of employment with a vesting period of five years. As of December 31, 2021, the City Employees' Pension Plan membership was as follows:

Retirees and Beneficiaries Receiving Benefits	272
Terminated Employees - Vested	77
Active Employees:	
Vested	301
Non-Vested	176
Total Members	<u>826</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 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

CITY OF BISMARCK, NORTH DAKOTA
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DETAILED NOTES ON ALL FUNDS (Continued)

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 NDCC 40-46. Chapter 9-07 of the City's code of ordinance grants the authority to the 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. On 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 Custodial 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 beneficiaries 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 beneficiaries 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.

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 (asset) over a closed period of 30 years. The annual contribution is approved in the annual adopted budget.

Net Position – As of December 31, 2021, the net position is \$132,135,296 and the entire amount is restricted for employee pension benefits.

	2021
Actuarially Determined Contributions	\$ 2,333,913
Contributions in Relation to the	
Actuarially Determined Contribution	<u>2,630,901</u>
Contribution Deficiency (Excess)	<u>\$ (296,988)</u>
Covered Payroll	\$ 24,872,879
Contributions as a Percentage of	
Covered Payroll	10.6%

CITY OF BISMARCK, NORTH DAKOTA
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DETAILED NOTES ON ALL FUNDS (Continued)

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 NDCC 21-10-06, and implement these policies by investing the City Employees' Pension Plan assets in the manner described in NDCC 21-10-07, the prudent investor rule. Management's responsibility that is not assigned to the SIB in NDCC 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, 2021:

Asset Class	Target Allocation
World Equity	10%
Large Domestic Equity	15%
Small Domestic Equity	4%
Developed International Equity	10%
Emerging International Equity	3%
Private Equity	4%
Domestic Fixed Income	34%
Real Estate	12%
Infrastructure	6%
Timber	2%
	<u>100%</u>

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 increases or decreases 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.

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DETAILED NOTES ON ALL FUNDS (Continued)

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
World Equity	7.90%
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%
Real Estate	6.40%
Infrastructure	7.50%
Timber	7.10%

Actuarial Assumptions

City Employees' Pension Plan	
Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period-Closed
Remaining Amortization Period	17
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Market
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.50%
Projected Salary Increases:	
All active participants	3.25%
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.

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DETAILED NOTES ON ALL FUNDS (Continued)

Schedule of Net Pension Liability

	2021
Total Pension Liability	\$ 130,922,414
Plan Fiduciary Net Position	132,135,296
Net Pension Liability (Asset)	<u>\$ (1,212,882)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.93%
Covered Payroll	\$ 28,863,264
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-4.2%

Schedule of Changes in Total Pension Liability

Service Cost	\$ 2,899,200
Interest	9,313,987
Differences Between Expected and Actual Experience	860,766
Changes of Assumptions	-
Benefit Payments, including Refunds of Member Contributions	<u>(6,877,653)</u>
Net Change in Total Pension Liability	6,196,300
Total Pension Liability, Beginning of Year	<u>124,726,114</u>
Total Pension Liability, End of Year	<u>\$ 130,922,414</u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - Employer	\$ 3,022,124
Contributions - Employee	1,417,105
Net Investment Income	16,724,323
Benefit Payments, including Refunds of Member Contributions	(6,877,653)
Administrative Expense	<u>(446,763)</u>
Net Change in Fiduciary Net Position	13,839,136
Plan Fiduciary Net Position, Beginning of Year	<u>118,296,160</u>
Plan Fiduciary Net Position, End of Year	<u>\$ 132,135,296</u>

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense	14.3%
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CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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DETAILED NOTES ON ALL FUNDS (Continued)

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:

	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	\$ 147,274,433	\$ 130,922,414	\$ 117,280,000
Plan Fiduciary Net Position	132,135,296	132,135,296	132,135,296
Net Pension Liability (Asset)	<u>\$ 15,139,137</u>	<u>\$ (1,212,882)</u>	<u>\$ (14,855,296)</u>
City Portion	<u>\$ 12,857,326</u>	<u>\$ (1,030,073)</u>	<u>\$ (12,616,268)</u>

Proportionate Share of the Net Pension Liability/(Asset) – As of December 31, 2021, the City's proportionate share of the net pension asset for the City Employees' Pension Plan was \$1,030,073. 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 84.93%.

Net Pension Liability (Asset)	2021
Employer's Proportion of the Net Pension Liability (Asset)	84.93%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ (1,030,073)
Employer's Covered Payroll	\$ 24,872,879
Plan Fiduciary Net Position	\$ 132,135,296
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	-4.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.93%

Deferred Inflows and Outflows of Resources – As of December 31, 2021, the City Employees' Pension Plan recognized pension expense of \$526,416 of total City pension expense of \$146,566. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,055,933	\$ 560,340
Changes of Assumptions	1,633,023	74,441
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	8,442,481
Changes in Proportionate and Differences Between Employer Contributions and Proportionate Share of Contributions	549,289	554,815
Total	<u>\$ 3,238,245</u>	<u>\$ 9,632,077</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

DETAILED NOTES ON ALL FUNDS (Continued)

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

2022	\$ (859,445)
2023	(2,704,869)
2024	(1,679,863)
2025	(1,356,270)
2026	96,893
Thereafter	109,722
Total	<u>\$ (6,393,832)</u>

Bismarck Police Employees' Pension Plan

Plan Description - The Bismarck City Police Pension Plan (Police Employees' Pension Plan) is a single employer defined benefit pension plan. The Police Employees' Pension Plan provides for all full-time sworn police officers and non-sworn members of the police department.

Plan Membership - Memberships begin with their hire date before December 31, 2021, and are vested after five years of service. Membership in the Police Employees' Pension Plan on December 31, 2021, is as follows:

Retirees and Beneficiaries Receiving Benefits	87
Terminated Employees - Vested	25
Active Employees:	
Vested	98
Non-Vested	<u>37</u>
Total Members	<u>247</u>

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 Police Employees' Pension Plan is vested in the Board of Trustees which consists of the Chief of Police, two 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 2.5% 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 annuity. There are no provisions with respect to automatic and ad-hoc post-retirement benefit increases. Employees with five 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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

contributions in excess of 5% 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 5% for the individual employee accounts as of December 31, 2004 has been transferred to an Employee Excess Retirement Fund, a Custodial Fiduciary 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.

Net Position - The net position at December 31, 2021 is \$53,951,296, and the entire amount is restricted for employee pension benefits.

Schedule of Contributions

	2021
Actuarially Determined Contributions	\$ 887,126
Contributions in Relation to the Actuarially Determined Contribution	<u>1,364,923</u>
Contribution Deficiency (Excess)	<u>\$ (477,797)</u>
Covered Payroll	\$ 9,184,417
Contributions as a Percentage of Covered Payroll	14.9%

Measurement Focus and Basis of Accounting – The City's Fiduciary Pension Trust Fund 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 Police Employees' Pension 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 Police Employees' Pension Plan administration is charged against the earnings of the pension plan.

Investments

Investment Policy – The Police 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. It is the policy of the Police Employees' Pension Plan to pursue an investment strategy to improve the pension plan funding status to protect and sustain current and future benefits, minimize the employee and employer contributions needed to fund the pension plan over the long-term, avoid substantial volatility in required contribution rates

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

and fluctuations in the pension plan funding status and to accumulate a funding surplus to provide increases in retiree payments to preserve the purchasing power of their retirement benefits.

The Police Employees' Pension Plan Board of Trustees 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 Police Employees' Pension Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of the pension plan 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 to estimate the potential impact of various asset class mixes on key measures of total plan risk.

The following was the plans asset allocation as of December 31, 2021:

<u>Asset Class</u>	<u>Target Allocation</u>
World Equity	10%
Large Domestic Equity	17%
Small Domestic Equity	4%
Developed International Equity	11%
Emerging International Equity	4%
Private Equity	5%
Domestic Fixed Income	29%
Real Estate	12%
Infrastructure	6%
Timber	2%
	<u>100%</u>

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 increases (decreases) in fair value of investments consists of the realized gains (losses) and the unrealized increases (decreases) in fair value of investments during the year. Realized gains (losses) on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases (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.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
World Equity	7.90%
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%
Real Estate	6.40%
Infrastructure	7.50%
Timber	7.10%

Actuarial Assumptions

Police Employees' Pension Plan

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over
	Remaining Amortization
	Period-Closed
Remaining Amortization Period	17
Mortality Rate	Based on PUBS-2010 Public Safety Employees Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Market
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.50%
Projected Salary Increases:	
All active participants	3.25%
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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021**

DETAILED NOTES ON ALL FUNDS (Continued)

Schedule of Net Pension Liability

	2021
Total Pension Liability	\$ 55,216,260
Plan Fiduciary Net Position	53,951,296
Net Pension Liability (Asset)	<u>\$ 1,264,964</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.7%
Covered Payroll	\$ 9,184,417
Net Pension Liability (Asset) as a Percentage of Covered Payroll	13.8%

Schedule of Changes in Total Pension Liability

Service Cost	\$ 1,070,712
Interest	3,978,279
Differences Between Expected and Actual Experience	(302,269)
Changes of Assumptions	-
Benefit Payments, including Refunds of Member Contributions	(3,006,941)
Net Change in Total Pension Liability	<u>1,739,781</u>
Total Pension Liability, Beginning of Year	53,476,479
Total Pension Liability, End of Year	<u>\$ 55,216,260</u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - Employer	\$ 1,364,923
Contributions - Employee	850,805
Net Investment Income	7,332,248
Benefit Payments, including Refunds of Member Contributions	(3,006,941)
Administrative Expense	(183,315)
Net Change in Fiduciary Net Position	<u>6,357,720</u>
Plan Fiduciary Net Position, Beginning of Year	47,593,576
Plan Fiduciary Net Position, End of Year	<u>\$ 53,951,296</u>

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense	15.6%
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CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2021

DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the Police Employees' Pension Plan is calculated at a discount rate of 7.5%. The pension plans sensitivity of the net pension liability used a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current discount rate:

	Sensitivity of the Net Pension Liability to Changes in the Discount		
		Current	
	1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
Total Pension Liability	\$ 62,639,307	\$ 55,216,260	\$ 49,085,114
Plan Fiduciary Net Position	53,951,296	53,951,296	53,951,296
Net Pension Liability (Asset)	<u>\$ 8,688,011</u>	<u>\$ 1,264,964</u>	<u>\$ (4,866,182)</u>

Deferred Inflows and Outflows of Resources – As of December 31, 2021, the City recognized a reduction in pension expense of \$379,850 of the total City pension expense of \$146,566. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 761,406	\$ 775,777
Changes of Assumptions	532,901	393,926
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	4,617,216
Total	<u>\$ 1,294,307</u>	<u>\$ 5,786,919</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:

2022	\$ (795,915)
2023	(1,686,352)
2024	(1,158,857)
2025	(841,538)
2026	29,478
Thereafter	<u>(39,428)</u>
Total	<u>\$ (4,492,612)</u>

N. SUBSEQUENT EVENTS

Refunding of Lodging and Restaurant Tax Revenue Bonds, Series 2013

On April 13, 2022, the City issued a \$19,615,000 Lodging and Restaurant Tax Refunding Revenue Note to refund the City's Lodging and Restaurant Tax Revenue Bonds, Series 2013. The new Lodging and Restaurant Tax Refunding Revenue Note, Series 2022, will mature on December 1, 2034 and bear a taxable interest rate of 3.15% per annum through September 5, 2022. The note will then convert to a tax-exempt interest rate of 2.52% per annum until maturity or redemption in full. This will result in an economic gain of approximately \$1.3 million for the City over the life of the note. The note is payable solely from the Restaurant and Lodging Tax and closed on April 13, 2022.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF BISMARCK, NORTH DAKOTA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 24,017,214	\$ 24,331,782	\$ 23,902,655	\$ (429,127)
Intergovernmental	7,019,432	5,937,619	7,671,366	1,733,747
Charges for Services	4,263,082	5,626,604	8,779,365	3,152,761
Licenses and Permits	1,662,175	1,662,175	2,163,253	501,078
Fines and Forfeitures	1,463,300	1,463,300	1,238,732	(224,568)
Rentals	91,570	78,970	96,961	17,991
Investment Income	585,612	585,612	778,632	193,020
Miscellaneous	25,900	25,900	256,491	230,591
Total Revenues	<u>39,128,285</u>	<u>39,711,962</u>	<u>44,887,455</u>	<u>5,175,493</u>
EXPENDITURES				
Current				
General Government	12,319,706	13,328,872	11,953,151	1,375,721
Public Safety	30,207,308	28,766,370	29,929,187	(1,162,817)
Highways and Streets	2,914,291	2,895,864	2,656,377	239,487
Health and Welfare	2,824,236	2,843,268	2,608,923	234,345
Culture and Recreation	510,887	510,887	510,887	-
Capital Outlay	2,381,360	3,341,944	2,891,553	450,391
Total Expenditures	<u>51,157,788</u>	<u>51,687,205</u>	<u>50,550,078</u>	<u>1,137,127</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(12,029,503)</u>	<u>(11,975,243)</u>	<u>(5,662,623)</u>	<u>6,312,620</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	13,560,718	11,561,296	11,103,475	(457,821)
Transfers Out	(7,009,495)	(6,707,639)	(5,036,217)	1,671,422
Total Other Financing Sources (Uses)	<u>6,551,223</u>	<u>4,853,657</u>	<u>6,067,258</u>	<u>1,213,601</u>
Change in Fund Balance	(5,478,280)	(7,121,586)	404,635	7,526,221
Fund Balance, Beginning of Year, as Restated	56,274,298	56,274,298	56,274,298	-
Fund Balance, End of Year	<u>\$ 50,796,018</u>	<u>\$ 49,152,712</u>	<u>\$ 56,678,933</u>	<u>\$ 7,526,221</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, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 23,492,533	\$ 23,492,533	\$ 28,739,637	\$ 5,247,104
Investment Income	160,000	160,000	352,427	192,427
Total Revenues	<u>23,652,533</u>	<u>23,652,533</u>	<u>29,092,064</u>	<u>5,439,531</u>
EXPENDITURES				
Current				
General Government	<u>100</u>	<u>39,972</u>	<u>126,889</u>	<u>(86,917)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>23,652,433</u>	<u>23,612,561</u>	<u>28,965,175</u>	<u>5,352,614</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	15,749,406	15,749,406
Transfers Out	<u>(21,986,217)</u>	<u>(21,946,345)</u>	<u>(19,530,904)</u>	<u>2,415,441</u>
Change in Fund Balance	1,666,216	1,666,216	25,183,677	23,517,461
Fund Balance, Beginning of Year	<u>29,055,614</u>	<u>29,055,614</u>	<u>29,055,614</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 30,721,830</u>	<u>\$ 30,721,830</u>	<u>\$ 54,239,291</u>	<u>\$ 23,517,461</u>

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

CITY OF BISMARCK EMPLOYEES' PENSION PLAN

Proportionate Share of the Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021
Employer's Proportion of the Net Pension Liability (Asset)	87.64%	87.29%	86.57%	85.48%	85.53%	85.06%	84.50%	84.93%
Employer's Proportionate Share of the Net Pension Liability (Asset)	847,444	8,022,941	8,478,413	7,555,249	16,095,175	8,455,386	5,433,477	(1,030,073)
Employer's Covered Payroll	21,850,884	23,069,097	23,633,534	23,747,865	23,757,750	24,652,588	24,554,144	24,872,879
Plan Fiduciary Net Position	81,274,325	81,585,449	86,746,756	98,665,938	95,023,653	108,921,100	118,296,160	132,135,296
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	3.88%	34.78%	35.87%	31.81%	67.75%	34.30%	22.13%	-4.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.82%	89.88%	89.88%	91.78%	83.47%	91.64%	94.84%	100.93%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2021 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contributions	\$ 981,273	\$ 1,082,266	\$ 1,806,842	\$ 2,187,386	\$ 2,467,685	\$ 3,181,564	\$ 2,711,120	\$ 2,333,913
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	2,653,396	2,630,901
Contribution Deficiency (Excess)	\$ (1,199,910)	\$ (989,411)	\$ (456,398)	\$ (290,186)	\$ (73,664)	\$ 616,096	\$ 57,724	\$ (296,988)
Covered Payroll	\$ 21,850,884	\$ 23,069,097	\$ 23,633,534	\$ 23,747,865	\$ 23,757,750	\$ 24,652,588	\$ 24,554,144	\$ 24,872,879
Contributions as a Percentage of Covered Payroll	10.0%	9.0%	9.6%	10.4%	10.7%	10.4%	10.8%	10.6%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2021 information presented has a measurement date of December 31.

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period-Closed
Remaining Amortization Period	17
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Market
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.50%
Projected Salary Increases	
All Active Participants	3.25%
Post-Retirement Cost of Living Adjustments	None

BISMARCK CITY POLICE PENSION PLAN

Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability	\$ 39,959,458	\$ 42,555,764	\$ 44,459,890	\$ 47,688,313	\$ 49,718,945	\$ 50,755,803	\$ 53,476,479	\$ 55,216,260
Plan Fiduciary Net Position	34,525,350	33,861,051	35,395,974	40,136,438	38,157,708	43,596,695	47,593,576	53,951,296
Net Pension Liability	\$ 5,434,108	\$ 8,694,713	\$ 9,063,916	\$ 7,551,875	\$ 11,561,237	\$ 7,159,108	\$ 5,882,903	\$ 1,264,964
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.4%	79.6%	79.6%	84.2%	76.7%	85.9%	89.0%	97.7%
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417
Net Pension Liability as a Percentage of Covered Payroll	87.4%	122.4%	118.6%	95.1%	141.8%	83.5%	64.6%	13.8%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2021 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially Determined Contributions	\$ 481,480	\$ 576,620	\$ 837,641	\$ 1,033,660	\$ 1,042,573	\$ 1,339,670	\$ 1,118,814	\$ 887,126
Contributions in Relation to the Actuarially Determined Contribution	941,815	892,803	961,513	1,091,295	1,208,939	1,268,664	1,351,427	1,364,923
Contribution Deficiency (Excess)	\$ (460,335)	\$ (316,183)	\$ (123,872)	\$ (57,635)	\$ (166,366)	\$ 71,006	\$ (232,613)	\$ (477,797)
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417
Contributions as a percentage of covered payroll	15.2%	12.6%	12.6%	13.7%	14.8%	14.8%	14.8%	14.9%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2021 information presented has a measurement date of December 31.

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation Date	January 1, 2022
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period Closed
Remaining Amortization Period	17
Mortality Rate	Based on PUBS-2010 Public Safety Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Market
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.50%
Projected Salary Increases All Active Participants	3.25%
Post-Retirement Cost of Living Adjustments	None

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES



CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 25,070,632	\$ 1,295,624	\$ 16,259,702	\$ 42,625,958
Taxes Receivable	40,927	-	4,601	45,528
Accounts Receivable	3,368,522	-	279,759	3,648,281
Special Assessments Receivable	-	9,133,579	307,661	9,441,240
Notes Receivable	253,841	-	3,291,112	3,544,953
Interfund Receivable	-	1,470,440	-	1,470,440
Prepaid Items	270	-	-	270
Total Assets	<u>\$ 28,734,192</u>	<u>\$ 11,899,643</u>	<u>\$ 20,142,835</u>	<u>\$ 60,776,670</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,237,737	\$ -	\$ 708,672	\$ 1,946,409
Retainage Payable	-	-	171,782	171,782
Interfund Payables	34,849	-	2,369,772	2,404,621
Salaries Payable	380,838	-	-	380,838
Customer Deposits	82,940	-	26,500	109,440
Unearned Revenue	4,832,283	-	2,991,112	7,823,395
Total Liabilities	<u>6,568,647</u>	<u>-</u>	<u>6,267,838</u>	<u>12,836,485</u>
DEFERRED INFLOWS OF RESOURCES				
Special Assessments	-	6,910,711	202,696	7,113,407
Property Taxes	27,658	-	3,107	30,765
Total Deferred Inflows of Resources	<u>27,658</u>	<u>6,910,711</u>	<u>205,803</u>	<u>7,144,172</u>
FUND BALANCES				
Nonspendable	254,111	-	-	254,111
Restricted	5,177,929	4,988,932	-	10,166,861
Committed	16,705,847	-	15,813,687	32,519,534
Assigned	-	-	300,000	300,000
Unassigned	-	-	(2,444,493)	(2,444,493)
Total Fund Balances	<u>22,137,887</u>	<u>4,988,932</u>	<u>13,669,194</u>	<u>40,796,013</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,734,192</u>	<u>\$ 11,899,643</u>	<u>\$ 20,142,835</u>	<u>\$ 60,776,670</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, 2021

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 7,980,077	\$ -	\$ 390,028	\$ 8,370,105
Special Assessments	-	3,037,219	512,934	3,550,153
Intergovernmental	10,894,286	-	7,942,481	18,836,767
Charges for Services	3,676,284	-	311,848	3,988,132
Licenses and Permits	1,875	-	-	1,875
Fines and Forfeitures	64,786	-	-	64,786
Rentals	94,688	-	-	94,688
Investment Income	153,976	48,632	201,899	404,507
Miscellaneous	361,932	-	1,093	363,025
Total Revenues	<u>23,227,904</u>	<u>3,085,851</u>	<u>9,360,283</u>	<u>35,674,038</u>
EXPENDITURES				
Current				
General Government	5,786,790	-	564,594	6,351,384
Public Safety	1,374,035	-	-	1,374,035
Highways and Streets	7,888,283	-	-	7,888,283
Health and Welfare	1,700,547	-	-	1,700,547
Culture and Recreation	2,539,254	-	-	2,539,254
Public Works	-	-	585,195	585,195
Capital Outlay	2,346,431	-	9,988,822	12,335,253
Debt Service				
Principal	597,148	1,618,400	-	2,215,548
Interest and Fiscal Charges	-	262,837	-	262,837
Total Expenditures	<u>22,232,488</u>	<u>1,881,237</u>	<u>11,138,611</u>	<u>35,252,336</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>995,416</u>	<u>1,204,614</u>	<u>(1,778,328)</u>	<u>421,702</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	-	-	4,865,000	4,865,000
Premium on Special Assessment Bonds	-	-	227,418	227,418
Capital Lease Proceeds	2,908,995	-	-	2,908,995
Transfers In	4,123,507	202,108	11,576,684	15,902,299
Transfers Out	(4,289,299)	-	(21,100,946)	(25,390,245)
Total Other Financing Sources (Uses)	<u>2,743,203</u>	<u>202,108</u>	<u>(4,431,844)</u>	<u>(1,486,533)</u>
Change In Fund Balance	3,738,619	1,406,722	(6,210,172)	(1,064,831)
Fund Balance, Beginning of Year	<u>18,399,268</u>	<u>3,582,210</u>	<u>19,879,366</u>	<u>41,860,844</u>
Fund Balance, End of Year	<u>\$ 22,137,887</u>	<u>\$ 4,988,932</u>	<u>\$ 13,669,194</u>	<u>\$ 40,796,013</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 ASSET FORFEITURE – 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 AND TRAFFIC SIGNALS – 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, 2021**

	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	\$ 5,537	\$ 1,427,108	\$ 458,129	\$ 7,227,603	\$ 3,448,866	\$ -	\$ 6,350,090	\$ 1,345,878	\$ 4,807,421	\$ 25,070,632
Taxes Receivable	13,805	27,122	-	-	-	-	-	-	-	40,927
Accounts Receivable	695,756	37,284	-	647,643	192,509	139,396	608,488	-	1,047,446	3,368,522
Notes Receivable	-	-	-	-	-	-	-	253,841	-	253,841
Prepaid Items	-	-	-	-	270	-	-	-	-	270
Total Assets	<u>\$ 715,098</u>	<u>\$ 1,491,514</u>	<u>\$ 458,129</u>	<u>\$ 7,875,246</u>	<u>\$ 3,641,645</u>	<u>\$ 139,396</u>	<u>\$ 6,958,578</u>	<u>\$ 1,599,719</u>	<u>\$ 5,854,867</u>	<u>\$ 28,734,192</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ 699,038	\$ 59,786	\$ 10,467	\$ 22,778	\$ 90,832	\$ 104,547	\$ -	\$ -	\$ 250,289	\$ 1,237,737
Interfund Payables	-	-	-	-	-	34,849	-	-	-	34,849
Salaries Payable	-	92,308	-	168,203	32,522	-	-	-	87,805	380,838
Customer Deposits	-	-	-	82,940	-	-	-	-	-	82,940
Unearned Revenue	-	-	-	-	-	-	-	-	4,832,283	4,832,283
Total Liabilities	<u>699,038</u>	<u>152,094</u>	<u>10,467</u>	<u>273,921</u>	<u>123,354</u>	<u>139,396</u>	<u>-</u>	<u>-</u>	<u>5,170,377</u>	<u>6,568,647</u>
DEFERRED INFLOWS OF RESOURCES										
Property Taxes	<u>9,322</u>	<u>18,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,658</u>
FUND BALANCES										
Nonspendable	-	-	-	-	270	-	-	253,841	-	254,111
Restricted	-	-	-	2,240,550	-	-	2,937,379	-	-	5,177,929
Committed	<u>6,738</u>	<u>1,321,084</u>	<u>447,662</u>	<u>5,360,775</u>	<u>3,518,021</u>	<u>-</u>	<u>4,021,199</u>	<u>1,345,878</u>	<u>684,490</u>	<u>16,705,847</u>
Total Fund Balances	<u>6,738</u>	<u>1,321,084</u>	<u>447,662</u>	<u>7,601,325</u>	<u>3,518,291</u>	<u>-</u>	<u>6,958,578</u>	<u>1,599,719</u>	<u>684,490</u>	<u>22,137,887</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 715,098</u>	<u>\$ 1,491,514</u>	<u>\$ 458,129</u>	<u>\$ 7,875,246</u>	<u>\$ 3,641,645</u>	<u>\$ 139,396</u>	<u>\$ 6,958,578</u>	<u>\$ 1,599,719</u>	<u>\$ 5,854,867</u>	<u>\$ 28,734,192</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, 2021

	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
REVENUES										
Taxes	\$ 1,170,097	\$ 2,335,240	\$ -	\$ -	\$ -	\$ 966,856	\$ 3,507,884	\$ -	\$ -	\$ 7,980,077
Intergovernmental	2,484,393	666,558	-	3,678,522	-	-	-	-	4,064,813	10,894,286
Charges for Services	-	63,236	-	121,810	2,850,455	-	-	-	640,783	3,676,284
Licenses and Permits	-	-	-	1,875	-	-	-	-	-	1,875
Fines and Forfeitures	-	12,431	51,948	-	-	-	-	-	407	64,786
Rentals	-	4,555	-	55,416	1,117	-	33,600	-	-	94,688
Investment Income	295	20,848	3,969	28,672	31,898	-	49,956	15,076	3,262	153,976
Miscellaneous	2,260	1,409	-	16,322	104,131	-	-	1,324	236,486	361,932
Total Revenues	3,657,045	3,104,277	55,917	3,902,617	2,987,601	966,856	3,591,440	16,400	4,945,751	23,227,904
EXPENDITURES										
Current										
General Government	3,439,291	-	-	-	-	725,271	24,235	200,000	1,397,993	5,786,790
Public Safety	-	-	87,190	-	-	-	-	-	1,286,845	1,374,035
Highways and Streets	-	-	-	5,784,090	2,088,526	-	-	-	15,667	7,888,283
Health and Welfare	-	-	-	-	-	-	-	-	1,700,547	1,700,547
Culture and Recreation	-	2,459,102	-	-	-	-	-	-	80,152	2,539,254
Capital Outlay	217,534	295,307	24,997	1,345,351	60,230	-	-	-	403,012	2,346,431
Debt Service										
Principal	-	-	-	597,148	-	-	-	-	-	597,148
Total Expenditures	3,656,825	2,754,409	112,187	7,726,589	2,148,756	725,271	24,235	200,000	4,884,216	22,232,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	220	349,868	(56,270)	(3,823,972)	838,845	241,585	3,567,205	(183,600)	61,535	995,416
OTHER FINANCING SOURCES (USES)										
Capital Lease Proceeds	-	-	-	2,908,995	-	-	-	-	-	2,908,995
Transfers In	-	-	-	3,716,148	7,260	-	-	-	400,099	4,123,507
Transfers Out	-	-	-	(271,867)	(714,189)	(241,585)	(2,351,356)	-	(710,302)	(4,289,299)
Total Other Financing Sources (Uses)	-	-	-	6,353,276	(706,929)	(241,585)	(2,351,356)	-	(310,203)	2,743,203
Net Change in Fund Balances	220	349,868	(56,270)	2,529,304	131,916	-	1,215,849	(183,600)	(248,668)	3,738,619
Fund Balances, Beginning of Year	6,518	971,216	503,932	5,072,021	3,386,375	-	5,742,729	1,783,319	933,158	18,399,268
Fund Balances, End of Year	\$ 6,738	\$ 1,321,084	\$ 447,662	\$ 7,601,325	\$ 3,518,291	\$ -	\$ 6,958,578	\$ 1,599,719	\$ 684,490	\$ 22,137,887

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,233,076	\$ 1,250,179	\$ 1,170,097	\$ (80,082)
Intergovernmental	2,440,350	2,440,350	2,484,393	44,043
Investment Income	2,000	2,000	295	(1,705)
Miscellaneous	-	-	2,260	2,260
Total Revenues	<u>3,675,426</u>	<u>3,692,529</u>	<u>3,657,045</u>	<u>(35,484)</u>
EXPENDITURES				
Current				
General Government	3,675,426	3,675,426	3,439,291	236,135
Capital Outlay	-	-	217,534	(217,534)
Total Expenditures	<u>3,675,426</u>	<u>3,675,426</u>	<u>3,656,825</u>	<u>18,601</u>
Change in Fund Balance	-	17,103	220	(16,883)
Fund Balance, Beginning of Year	<u>6,518</u>	<u>6,518</u>	<u>6,518</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,518</u>	<u>\$ 23,621</u>	<u>\$ 6,738</u>	<u>\$ (16,883)</u>

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, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,341,223	\$ 2,496,430	\$ 2,335,240	\$ (161,190)
Intergovernmental	650,948	650,948	666,558	15,610
Charges for Services	94,818	94,818	63,236	(31,582)
Fines and Forfeitures	10,500	10,500	12,431	1,931
Rentals	9,500	9,500	4,555	(4,945)
Investment Income	20,085	20,085	20,848	763
Miscellaneous	375	375	1,409	1,034
Total Revenues	<u>3,127,449</u>	<u>3,282,656</u>	<u>3,104,277</u>	<u>(178,379)</u>
EXPENDITURES				
Current				
Culture and Recreation	3,006,986	3,075,084	2,459,102	615,982
Capital Outlay	8,000	29,305	295,307	(266,002)
Total Expenditures	<u>3,014,986</u>	<u>3,104,389</u>	<u>2,754,409</u>	<u>349,980</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>112,463</u>	<u>178,267</u>	<u>349,868</u>	<u>171,601</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(74,991)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balance	37,472	178,267	349,868	171,601
Fund Balance, Beginning of Year	<u>971,216</u>	<u>971,216</u>	<u>971,216</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,008,688</u>	<u>\$ 1,149,483</u>	<u>\$ 1,321,084</u>	<u>\$ 171,601</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
POLICE ASSET FORFEITURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and Forfeitures	\$ 100,000	\$ 100,000	\$ 51,948	\$ (48,052)
Investment Income	5,000	5,000	3,969	(1,031)
Miscellaneous	2,500	2,500	-	(2,500)
Total Revenues	107,500	107,500	55,917	(51,583)
EXPENDITURES				
Current				
Public Safety	173,245	173,245	87,190	86,055
Capital Outlay	24,999	24,999	24,997	2
Total Expenditures	198,244	198,244	112,187	86,057
Change in Fund Balance	(90,744)	(90,744)	(56,270)	34,474
Fund Balance, Beginning of Year	503,932	503,932	503,932	-
Fund Balance, End of Year	\$ 413,188	\$ 413,188	\$ 447,662	\$ 34,474

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

**CITY OF BISMARCK, NORTH DAKOTA
ROADS AND STREETS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 3,566,894	\$ 3,566,894	\$ 3,678,522	\$ 111,628
Charges for Services	88,200	88,200	121,810	33,610
Licenses and Permits	1,050	1,050	1,875	825
Rentals	61,000	61,000	55,416	(5,584)
Investment Income	26,300	26,300	28,672	2,372
Miscellaneous	35,000	35,000	16,322	(18,678)
Total Revenues	<u>3,778,444</u>	<u>3,778,444</u>	<u>3,902,617</u>	<u>124,173</u>
EXPENDITURES				
Current				
Highways and Streets	7,575,238	7,309,912	5,784,090	1,525,822
Capital Outlay	2,077,550	3,191,053	1,345,351	1,845,702
Debt Service				
Principal	-	-	597,148	(597,148)
Total Expenditures	<u>9,652,788</u>	<u>10,500,965</u>	<u>7,726,589</u>	<u>2,774,376</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,874,344)</u>	<u>(6,722,521)</u>	<u>(3,823,972)</u>	<u>2,898,549</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	-	-	2,908,995	2,908,995
Transfers In	6,044,076	6,044,076	3,716,148	(2,327,928)
Transfers Out	(169,732)	-	(271,867)	(271,867)
Total Other Financing Sources (Uses)	<u>5,874,344</u>	<u>6,044,076</u>	<u>6,353,276</u>	<u>309,200</u>
Change in Fund Balance	-	(678,445)	2,529,304	3,207,749
Fund Balance, Beginning of Year	<u>5,072,021</u>	<u>5,072,021</u>	<u>5,072,021</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,072,021</u>	<u>\$ 4,393,576</u>	<u>\$ 7,601,325</u>	<u>\$ 3,207,749</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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for Services	\$ 2,836,616	\$ 2,836,616	\$ 2,850,455	\$ 13,839
Rentals	2,000	2,000	1,117	(883)
Investment Income	20,700	20,700	31,898	11,198
Miscellaneous	90,025	90,025	104,131	14,106
Total Revenues	<u>2,949,341</u>	<u>2,949,341</u>	<u>2,987,601</u>	<u>38,260</u>
EXPENDITURES				
Current				
Highways and Streets	2,159,267	2,246,716	2,088,526	158,190
Capital Outlay	714,961	291,650	60,230	231,420
Total Expenditures	<u>2,874,228</u>	<u>2,538,366</u>	<u>2,148,756</u>	<u>389,610</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,113</u>	<u>410,975</u>	<u>838,845</u>	<u>427,870</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	7,260	7,260
Transfers Out	(392,249)	(728,111)	(714,189)	13,922
Total Other Financing Sources (Uses)	<u>(392,249)</u>	<u>(728,111)</u>	<u>(706,929)</u>	<u>21,182</u>
Change in Fund Balance	(317,136)	(317,136)	131,916	449,052
Fund Balance, Beginning of Year	<u>3,386,375</u>	<u>3,386,375</u>	<u>3,386,375</u>	-
Fund Balance, End of Year	<u>\$ 3,069,239</u>	<u>\$ 3,069,239</u>	<u>\$ 3,518,291</u>	<u>\$ 449,052</u>

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 965,000	\$ 966,856	\$ 966,856	\$ -
EXPENDITURES				
Current				
General Government	710,753	725,271	725,271	-
Excess (deficiency) of Revenues Over (Under) Expenditures	254,247	241,585	241,585	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(254,247)	(241,585)	(241,585)	-
Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of the Year	-	-	-	-
Fund Balance, End of the Year	\$ -	\$ -	\$ -	\$ -

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 3,060,000	\$ 3,060,000	\$ 3,507,884	\$ 447,884
Investment Income	40,000	40,000	49,956	9,956
Rentals	28,800	28,800	33,600	4,800
Total Revenues	3,128,800	3,128,800	3,591,440	462,640
EXPENDITURES				
Current				
General Government	12,100	24,214	24,235	(21)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,116,700	3,104,586	3,567,205	462,619
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,673,100)	(3,227,343)	(2,351,356)	875,987
Change in Fund Balance	443,600	(122,757)	1,215,849	1,338,606
Fund Balance, Beginning of Year	5,742,729	5,742,729	5,742,729	-
Fund Balance, End of Year	\$ 6,186,329	\$ 5,619,972	\$ 6,958,578	\$ 1,338,606

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, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment Income	\$ 20,000	\$ 20,000	\$ 15,076	\$ (4,924)
Miscellaneous	-	-	1,324	1,324
Total Revenues	20,000	20,000	16,400	(3,600)
EXPENDITURES				
Current				
General Government	250,000	250,000	200,000	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,000)	(230,000)	(183,600)	46,400
Change in Fund Balance	(230,000)	(230,000)	(183,600)	46,400
Fund Balance, Beginning of Year	1,783,319	1,783,319	1,783,319	-
Fund Balance, End of Year	\$ 1,553,319	\$ 1,553,319	\$ 1,599,719	\$ 46,400

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 5,236,821	\$ 6,807,127	\$ 4,064,813	\$ (2,742,314)
Charges for Services	364,336	364,336	640,783	276,447
Fines and Forfeitures	4,711	4,711	407	(4,304)
Investment Income	4,750	4,750	3,262	(1,488)
Miscellaneous	185,001	185,001	236,486	51,485
Total Revenues	5,795,619	7,365,925	4,945,751	(2,420,174)
EXPENDITURES				
Current				
General Government	1,450,639	1,864,314	1,397,993	466,321
Public Safety	1,244,724	1,377,095	1,286,845	90,250
Highways and Streets	27,800	37,800	15,667	22,133
Health and Welfare	2,899,718	2,188,718	1,700,547	488,171
Culture and Recreation	129,550	107,850	80,152	27,698
Capital Outlay	50,000	445,685	403,012	42,673
Total Expenditures	5,802,431	6,021,462	4,884,216	1,137,246
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,812)	1,344,463	61,535	(1,282,928)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	400,099	400,099
Transfers Out	(279)	(711,279)	(710,302)	977
Total Other Financing Sources (Uses)	(279)	(711,279)	(310,203)	401,076
Change in Fund Balance	(7,091)	633,184	(248,668)	(881,852)
Fund Balance, Beginning of Year	933,158	933,158	933,158	-
Fund Balance, End of Year	\$ 926,067	\$ 1,566,342	\$ 684,490	\$ (881,852)

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 15,708,500	\$ 15,708,500	\$ 23,864,622	\$ 8,156,122
Investment Income	350,000	350,000	341,276	(8,724)
Total Revenues	16,058,500	16,058,500	24,205,898	8,147,398
EXPENDITURES				
Current				
Public Works	-	-	812	(812)
Debt Service				
Principal	11,986,233	11,986,233	12,317,754	(331,521)
Interest and Fiscal Charges	10,131,687	8,960,920	2,333,334	6,627,586
Total Expenditures	22,117,920	20,947,153	14,651,900	6,295,253
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,059,420)	(4,888,653)	9,553,998	14,442,651
OTHER FINANCING SOURCES (USES)				
Issuance of 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	1,550,000	1,550,000	594,159	(955,841)
Transfers Out	(1,000,000)	(1,000,000)	(287,767)	712,233
Total Other Financing Sources (Uses)	6,625,000	6,625,000	306,392	(6,318,608)
Change in Fund Balance	565,580	1,736,347	9,860,390	8,124,043
Fund Balance, Beginning of Year	32,206,364	32,206,364	32,206,364	-
Fund Balance, End of Year	\$ 32,771,944	\$ 33,942,711	\$ 42,066,754	\$ 8,124,043

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, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 3,396,600	\$ 3,396,600	\$ 4,726,043	\$ 1,329,443
Investment Income	150,000	150,000	117,394	(32,606)
Total Revenues	3,546,600	3,546,600	4,843,437	1,296,837
EXPENDITURES				
Debt Service				
Principal	2,596,708	2,596,708	2,813,846	(217,138)
Interest and Fiscal Charges	4,373,699	4,373,699	592,688	3,781,011
Total Expenditures	6,970,407	6,970,407	3,406,534	3,563,873
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,423,807)	(3,423,807)	1,436,903	4,860,710
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	3,500,000	3,500,000	-	(3,500,000)
Premium on Special Assessment Bonds	60,000	60,000	-	(60,000)
Transfers In	500,000	500,000	146,651	(353,349)
Transfers Out	(500,000)	(500,000)	-	500,000
Total Other Financing Sources (Uses)	3,560,000	3,560,000	146,651	(3,413,349)
Change in Fund Balance	136,193	136,193	1,583,554	1,447,361
Fund Balance, Beginning of Year	10,191,120	10,191,120	10,191,120	-
Fund Balance, End of Year	\$ 10,327,313	\$ 10,327,313	\$ 11,774,674	\$ 1,447,361

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, 2021**

	<u>Watermain Bonds</u>	<u>Sidewalk Bonds</u>	<u>Total Nonmajor Debt Service</u>
ASSETS			
Cash and Investments	\$ 462,286	\$ 833,338	\$ 1,295,624
Special Assessments Receivable	1,151,389	7,982,190	9,133,579
Interfund Receivables	-	1,470,440	1,470,440
Total Assets	<u>\$ 1,613,675</u>	<u>\$ 10,285,968</u>	<u>\$ 11,899,643</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
 DEFERRED INFLOWS OF RESOURCES			
Special Assessments	<u>\$ 913,455</u>	<u>\$ 5,997,256</u>	<u>\$ 6,910,711</u>
 FUND BALANCES			
Restricted	<u>700,220</u>	<u>4,288,712</u>	<u>4,988,932</u>
 Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,613,675</u>	<u>\$ 10,285,968</u>	<u>\$ 11,899,643</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
FOR THE YEAR ENDED DECEMBER 31, 2021

	Watermain Bonds	Sidewalk Bonds	Total Nonmajor Debt Service
REVENUES			
Special Assessments	\$ 382,135	\$ 2,655,084	\$ 3,037,219
Investment Income	6,075	42,557	48,632
Total Revenues	<u>388,210</u>	<u>2,697,641</u>	<u>3,085,851</u>
EXPENDITURES			
Debt Service			
Principal	193,400	1,425,000	1,618,400
Interest and Fiscal Charges	40,676	222,161	262,837
Total Expenditures	<u>234,076</u>	<u>1,647,161</u>	<u>1,881,237</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>154,134</u>	<u>1,050,480</u>	<u>1,204,614</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>24,168</u>	<u>177,940</u>	<u>202,108</u>
Change in Fund Balance	178,302	1,228,420	1,406,722
Fund Balance, Beginning of Year	521,918	3,060,292	3,582,210
Fund Balance, End of Year	<u>\$ 700,220</u>	<u>\$ 4,288,712</u>	<u>\$ 4,988,932</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
WATERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 262,500	\$ 262,500	\$ 382,135	\$ 119,635
Investment Income	8,000	8,000	6,075	(1,925)
Total Revenues	270,500	270,500	388,210	117,710
EXPENDITURES				
Debt Service				
Principal	202,081	202,081	193,400	8,681
Interest and Fiscal Charges	506,703	506,703	40,676	466,027
Total Expenditures	708,784	708,784	234,076	474,708
Excess (Deficiency) of Revenues Over (Under) Expenditures	(438,284)	(438,284)	154,134	592,418
OTHER FINANCING SOURCES (USES)				
Issuance of 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	24,168	(225,832)
Transfers Out	(250,000)	(250,000)	-	250,000
Total Other Financing Sources (Uses)	460,000	460,000	24,168	(435,832)
Change in Fund Balance	21,716	21,716	178,302	156,586
Fund Balance, Beginning of Year	521,918	521,918	521,918	-
Fund Balance, End of Year	\$ 543,634	\$ 543,634	\$ 700,220	\$ 156,586

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

**CITY OF BISMARCK, NORTH DAKOTA
SIDEWALK BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 1,749,500	\$ 1,749,500	\$ 2,655,084	\$ 905,584
Investment Income	40,000	40,000	42,557	2,557
Total Revenues	1,789,500	1,789,500	2,697,641	908,141
EXPENDITURES				
Debt Service				
Principal	1,365,000	1,365,000	1,425,000	(60,000)
Interest and Fiscal Charges	428,489	428,489	222,161	206,328
Total Expenditures	1,793,489	1,793,489	1,647,161	146,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,989)	(3,989)	1,050,480	1,054,469
OTHER FINANCING SOURCES (USES)				
Premium (Discount) on Special Assessment Bonds	20,000	20,000	-	(20,000)
Transfers In	50,000	50,000	177,940	127,940
Transfers Out	(50,000)	(50,000)	-	50,000
Total Other Financing Sources (Uses)	20,000	20,000	177,940	157,940
Change in Fund Balance	16,011	16,011	1,228,420	1,212,409
Fund Balance, Beginning of Year	3,060,292	3,060,292	3,060,292	-
Fund Balance, End of Year	\$ 3,076,303	\$ 3,076,303	\$ 4,288,712	\$ 1,212,409

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 AND TRAFFIC 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 the improvements made to arterial streets and traffic systems. Financing is provided by sales tax and grants via the State of 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, 2021**

	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	\$ 3,063,979	\$ -	\$ 1,082,956	\$ 15,806	\$ 12,096,961	\$ -	\$ -	\$ -	\$ 16,259,702
Taxes Receivable	4,601	-	-	-	-	-	-	-	4,601
Accounts Receivable	-	74,598	-	-	205,161	-	-	-	279,759
Special Assessments Receivable	79,073	-	-	-	228,588	-	-	-	307,661
Notes Receivable	-	3,291,112	-	-	-	-	-	-	3,291,112
Total Assets	<u>\$ 3,147,653</u>	<u>\$ 3,365,710</u>	<u>\$ 1,082,956</u>	<u>\$ 15,806</u>	<u>\$ 12,530,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,142,835</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts Payable	\$ 548	\$ 35,291	\$ 466,309	\$ 8,038	\$ 180,451	\$ 13,889	\$ -	\$ 4,146	\$ 708,672
Retainage Payable	-	-	102,289	-	-	33,233	-	36,260	171,782
Interfund Payables	-	39,307	-	-	-	860,025	-	1,470,440	2,369,772
Customer Deposits	-	-	-	-	-	-	-	26,500	26,500
Unearned Revenue	-	2,991,112	-	-	-	-	-	-	2,991,112
Total Liabilities	<u>548</u>	<u>3,065,710</u>	<u>568,598</u>	<u>8,038</u>	<u>180,451</u>	<u>907,147</u>	<u>-</u>	<u>1,537,346</u>	<u>6,267,838</u>
DEFERRED INFLOWS OF RESOURCES									
Special Assessment Taxes	2,229	-	-	-	200,467	-	-	-	202,696
Property Taxes	3,107	-	-	-	-	-	-	-	3,107
Total Deferred Inflows of Resources	<u>5,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>205,803</u>
FUND BALANCES									
Committed	3,141,769	-	514,358	7,768	12,149,792	-	-	-	15,813,687
Assigned	-	300,000	-	-	-	-	-	-	300,000
Unassigned	-	-	-	-	-	(907,147)	-	(1,537,346)	(2,444,493)
Total Fund Balances	<u>3,141,769</u>	<u>300,000</u>	<u>514,358</u>	<u>7,768</u>	<u>12,149,792</u>	<u>(907,147)</u>	<u>-</u>	<u>(1,537,346)</u>	<u>13,669,194</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,147,653</u>	<u>\$ 3,365,710</u>	<u>\$ 1,082,956</u>	<u>\$ 15,806</u>	<u>\$ 12,530,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,142,835</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, 2021

	Special Deficiency	Community Development	Building Improvements	Street Lights and Signals	Highway Construction	Sewermain Construction	Watermain Construction	Sidewalk Construction	Total Capital Projects
REVENUES									
Taxes	\$ 390,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 390,028
Special Assessments	124,220	-	-	-	43,991	-	-	344,723	512,934
Intergovernmental	8,508	242,593	-	-	7,691,380	-	-	-	7,942,481
Charges for Services	281,870	-	-	-	29,978	-	-	-	311,848
Investment Income	29,594	-	10,640	-	161,665	-	-	-	201,899
Miscellaneous	-	-	-	-	1,093	-	-	-	1,093
Total Revenues	<u>834,220</u>	<u>242,593</u>	<u>10,640</u>	<u>-</u>	<u>7,928,107</u>	<u>-</u>	<u>-</u>	<u>344,723</u>	<u>9,360,283</u>
EXPENDITURES									
Current									
General Government	564,594	-	-	-	-	-	-	-	564,594
Public Works	-	195,690	112,597	-	141,480	71,949	5,547	57,932	585,195
Capital Outlay	-	-	2,142,203	809,191	3,954,997	1,251,111	39,876	1,791,444	9,988,822
Total Expenditures	<u>564,594</u>	<u>195,690</u>	<u>2,254,800</u>	<u>809,191</u>	<u>4,096,477</u>	<u>1,323,060</u>	<u>45,423</u>	<u>1,849,376</u>	<u>11,138,611</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>269,626</u>	<u>46,903</u>	<u>(2,244,160)</u>	<u>(809,191)</u>	<u>3,831,630</u>	<u>(1,323,060)</u>	<u>(45,423)</u>	<u>(1,504,653)</u>	<u>(1,778,328)</u>
OTHER FINANCING SOURCES (USES)									
Issuance of Special Assessment Bonds	-	-	-	-	-	2,395,000	300,000	2,170,000	4,865,000
Premium on Special Assessment Bonds	-	-	-	-	-	107,035	13,407	106,976	227,418
Transfers In	-	-	1,429,812	714,189	9,427,272	-	-	5,411	11,576,684
Transfers Out	(788,718)	(46,903)	(335,284)	-	(19,581,282)	(146,651)	(24,168)	(177,940)	(21,100,946)
Total Other Financing Sources (Uses)	<u>(788,718)</u>	<u>(46,903)</u>	<u>1,094,528</u>	<u>714,189</u>	<u>(10,154,010)</u>	<u>2,355,384</u>	<u>289,239</u>	<u>2,104,447</u>	<u>(4,431,844)</u>
Net Change in Fund Balances	<u>(519,092)</u>	<u>-</u>	<u>(1,149,632)</u>	<u>(95,002)</u>	<u>(6,322,380)</u>	<u>1,032,324</u>	<u>243,816</u>	<u>599,794</u>	<u>(6,210,172)</u>
Fund Balances, Beginning of Year	<u>3,660,861</u>	<u>300,000</u>	<u>1,663,990</u>	<u>102,770</u>	<u>18,472,172</u>	<u>(1,939,471)</u>	<u>(243,816)</u>	<u>(2,137,140)</u>	<u>19,879,366</u>
Fund Balances, End of Year	<u>\$ 3,141,769</u>	<u>\$ 300,000</u>	<u>\$ 514,358</u>	<u>\$ 7,768</u>	<u>\$ 12,149,792</u>	<u>\$ (907,147)</u>	<u>\$ -</u>	<u>\$ (1,537,346)</u>	<u>\$ 13,669,194</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.

STORM WATER – This fund accounts for the operations of storm sewers.

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, 2021

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 8,880,646	\$ 5,786,873	\$ 1,430,183	\$ 3,453,379	\$ 910,020	\$ 20,461,101
Accounts Receivable	314,583	335,373	110,953	-	11,019	771,928
Special Assessments Receivable	-	-	1,941,763	-	-	1,941,763
Interest Receivable	6,001	3,640	902	2,211	481	13,235
Prepaid Items	15,690	4,139	2,643	-	10,774	33,246
Total Current Assets	<u>9,216,920</u>	<u>6,130,025</u>	<u>3,486,444</u>	<u>3,455,590</u>	<u>932,294</u>	<u>23,221,273</u>
Noncurrent Assets						
Net Pension Asset	26,616	43,427	11,419	-	-	81,462
Land	1,031,945	603,338	4,972,397	223,212	1,203,152	8,034,044
Construction In Progress	7,808,145	-	1,050,036	-	-	8,858,181
Buildings and Building Improvements	3,014,744	-	-	-	18,172,284	21,187,028
Improvements Other Than Buildings	2,577,169	3,076	49,203,595	5,847,953	10,993	57,642,786
Machinery and Equipment	2,130,156	2,042,264	94,024	-	550,538	4,816,982
Total Noncurrent Assets	<u>16,588,775</u>	<u>2,692,105</u>	<u>55,331,471</u>	<u>6,071,165</u>	<u>19,936,967</u>	<u>100,620,483</u>
Total Assets	<u>25,805,695</u>	<u>8,822,130</u>	<u>58,817,915</u>	<u>9,526,755</u>	<u>20,869,261</u>	<u>123,841,756</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	<u>85,533</u>	<u>139,553</u>	<u>32,851</u>	<u>-</u>	<u>-</u>	<u>257,937</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	444,245	176,816	181,126	66,049	51,835	920,071
Retainage Payable	146,493	-	-	-	-	146,493
Salaries Payable	50,388	81,078	19,437	-	-	150,903
Unearned Revenue	-	-	-	-	1,488	1,488
Compensated Absences Payable	55,492	99,699	25,884	-	-	181,075
Total Current Liabilities	<u>696,618</u>	<u>357,593</u>	<u>226,447</u>	<u>66,049</u>	<u>53,323</u>	<u>1,400,030</u>
Noncurrent Liabilities						
Customer Deposits	-	-	-	-	27,561	27,561
Compensated Absences Payable	43,349	78,588	12,974	-	-	134,911
Closure and Post-Closure Liability	3,610,977	-	-	-	-	3,610,977
Total Noncurrent Liabilities	<u>3,654,326</u>	<u>78,588</u>	<u>12,974</u>	<u>-</u>	<u>27,561</u>	<u>3,773,449</u>
Total Liabilities	<u>4,350,944</u>	<u>436,181</u>	<u>239,421</u>	<u>66,049</u>	<u>80,884</u>	<u>5,173,479</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	<u>240,775</u>	<u>392,844</u>	<u>111,953</u>	<u>-</u>	<u>-</u>	<u>745,572</u>
NET POSITION						
Net Investment in Capital Assets	16,015,812	2,648,678	55,320,052	6,071,165	19,936,967	99,992,674
Unrestricted	5,283,697	5,483,980	3,179,340	3,389,541	851,410	18,187,968
Total Net Position	<u>\$ 21,299,509</u>	<u>\$ 8,132,658</u>	<u>\$ 58,499,392</u>	<u>\$ 9,460,706</u>	<u>\$ 20,788,377</u>	<u>\$ 118,180,642</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
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
OPERATING REVENUES						
Sanitation Fees	\$ 4,057,284	\$ 5,344,261	\$ 1,441,396	\$ -	\$ -	\$ 10,842,941
Miscellaneous Sales	17,317	7,200	53,010	-	-	77,527
Rentals	105,358	-	-	67,717	1,740,102	1,913,177
Total Operating Revenues	<u>4,179,959</u>	<u>5,351,461</u>	<u>1,494,406</u>	<u>67,717</u>	<u>1,740,102</u>	<u>12,833,645</u>
OPERATING EXPENSES						
Salaries and Wages	740,709	1,264,886	309,185	-	-	2,314,780
Fringe Benefits	297,504	530,204	120,174	-	-	947,882
Professional Legal and Contracted Services	164,960	1,090	81,020	1,095	450,538	698,703
Building Equipment and Vehicle Services	899,447	675,164	469,816	66,573	369,033	2,480,033
Travel and Training	7,415	2,285	5,654	-	-	15,354
Operating Services	424,381	1,478,549	153,753	15,578	80,244	2,152,505
Operating Supplies	207,485	170,433	19,118	-	11,944	408,980
Depreciation Expense	650,733	294,712	1,279,573	215,235	785,623	3,225,876
Total Operating Expenses	<u>3,392,634</u>	<u>4,417,323</u>	<u>2,438,293</u>	<u>298,481</u>	<u>1,697,382</u>	<u>12,244,113</u>
Net Operating Income (Loss)	<u>787,325</u>	<u>934,138</u>	<u>(943,887)</u>	<u>(230,764)</u>	<u>42,720</u>	<u>589,532</u>
NONOPERATING REVENUES (EXPENSES)						
Grants	-	-	8,958	-	-	8,958
Special Assessments	-	-	158,008	-	-	158,008
Investment Income	19,328	15,186	8,151	4,674	3,487	50,826
Gain (Loss) on Disposal of Assets	(5,757)	14,294	1,424	-	9,884	19,845
Fiscal Charges	(7,067)	-	-	-	-	(7,067)
Total Nonoperating Revenues (Expenses)	<u>6,504</u>	<u>29,480</u>	<u>176,541</u>	<u>4,674</u>	<u>13,371</u>	<u>230,570</u>
Net Income (Loss) Before Transfers, Capital Grants, and Capital Contributions	<u>793,829</u>	<u>963,618</u>	<u>(767,346)</u>	<u>(226,090)</u>	<u>56,091</u>	<u>820,102</u>
Capital Grants	-	-	26,794	-	-	26,794
Capital Contributions	-	-	1,384,803	-	12,288	1,397,091
Transfers Out	<u>(371,231)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(371,231)</u>
Change in Net Position	<u>422,598</u>	<u>963,618</u>	<u>644,251</u>	<u>(226,090)</u>	<u>68,379</u>	<u>1,872,756</u>
Net Position, Beginning of Year	<u>20,876,911</u>	<u>7,169,040</u>	<u>57,855,141</u>	<u>9,686,796</u>	<u>20,719,998</u>	<u>116,307,886</u>
Net Position, End of Year	<u>\$ 21,299,509</u>	<u>\$ 8,132,658</u>	<u>\$ 58,499,392</u>	<u>\$ 9,460,706</u>	<u>\$ 20,788,377</u>	<u>\$ 118,180,642</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, 2021**

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 4,164,591	\$ 5,326,482	\$ 1,594,495	\$ 67,717	\$ 1,738,239	\$ 12,891,524
Payments to Suppliers	(1,024,462)	(2,801,965)	(861,619)	(83,416)	(911,444)	(5,682,906)
Payments to Employees	(799,655)	(1,373,428)	(321,367)	-	-	(2,494,450)
Net Cash Provided (Used) by Operating Activities	<u>2,340,474</u>	<u>1,151,089</u>	<u>411,509</u>	<u>(15,699)</u>	<u>826,795</u>	<u>4,714,168</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Grants Received	-	-	8,958	-	-	8,958
Payments to Other Funds	(371,231)	-	-	-	-	(371,231)
Net Cash Used by Noncapital Financing Activities	<u>(371,231)</u>	<u>-</u>	<u>8,958</u>	<u>-</u>	<u>-</u>	<u>(362,273)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Grants Received	-	-	26,794	-	-	26,794
Fiscal Charges Paid	(7,067)	-	-	-	-	(7,067)
Proceeds From Sale of Capital Assets	4,860	14,294	-	-	12,000	31,154
Proceeds from Insurance Recoveries	-	-	1,424	-	-	1,424
Special Assessments Received	-	-	312,728	-	-	312,728
Acquisition and Construction of Capital Assets	(3,277,959)	(72,977)	(125,455)	-	(507,608)	(3,983,999)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,280,166)</u>	<u>(58,683)</u>	<u>215,491</u>	<u>-</u>	<u>(495,608)</u>	<u>(3,618,966)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	<u>90,099</u>	<u>46,351</u>	<u>12,978</u>	<u>29,104</u>	<u>5,441</u>	<u>183,973</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,220,824)	1,138,757	648,936	13,405	336,628	916,902
Cash and Cash Equivalents, Beginning of Year	<u>10,101,470</u>	<u>4,648,116</u>	<u>781,247</u>	<u>3,439,974</u>	<u>573,392</u>	<u>19,544,199</u>
Cash and Cash Equivalents, End of Year	<u>\$ 8,880,646</u>	<u>\$ 5,786,873</u>	<u>\$ 1,430,183</u>	<u>\$ 3,453,379</u>	<u>\$ 910,020</u>	<u>\$ 20,461,101</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Net Operating Income (Loss)	<u>\$ 787,325</u>	<u>\$ 934,138</u>	<u>\$ (943,887)</u>	<u>\$ (230,764)</u>	<u>\$ 42,720</u>	<u>\$ 589,532</u>
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	650,733	294,712	1,279,573	215,235	785,623	3,225,876
Change in Deferred Outflows of Resources	(5,946)	(2,551)	11,244	-	-	2,747
Change in Deferred Inflows of Resources	98,270	147,533	48,210	-	-	294,013
Change in Net Pension Liability/Asset	(154,714)	(263,936)	(76,701)	-	-	(495,351)
(Increase) Decrease in Accounts Receivable	(15,368)	(24,979)	100,089	-	(1,919)	57,823
(Increase) Decrease in Prepaid Items	439	(227)	227	-	(1,566)	(1,127)
Increase (Decrease) in Customer Deposits	-	-	-	-	(940)	(940)
Increase (Decrease) in Accounts Payable	412,355	55,987	(12,311)	(170)	1,881	457,742
Increase (Decrease) in Compensated Benefits Payable	(1,778)	1,460	3,482	-	-	3,164
Increase (Decrease) in Salaries Payable	5,222	8,952	1,583	-	-	15,757
Increase (Decrease) in Unearned Revenue	-	-	-	-	996	996
Increase (Decrease) in Closure and Post-Closure Liability	563,936	-	-	-	-	563,936
Total Adjustments	<u>1,553,149</u>	<u>216,951</u>	<u>1,355,396</u>	<u>215,065</u>	<u>784,075</u>	<u>4,124,636</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,340,474</u>	<u>\$ 1,151,089</u>	<u>\$ 411,509</u>	<u>\$ (15,699)</u>	<u>\$ 826,795</u>	<u>\$ 4,714,168</u>
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES						
Capital Contributions	\$ -	\$ -	\$ 1,384,803	\$ -	\$ 12,288	\$ 1,397,091
Contribution of Capital Assets from Developers	-	-	273,220	-	-	273,220

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, 2021

	Fleet Services	Liability Insurance	Workforce Safety Insurance	Employee Insurance	Revolving	Total Internal Service
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 450,169	\$ 402,407	\$ 652,563	\$ 4,048,101	\$ 111,963	\$ 5,665,203
Accounts Receivable	4,775	19	-	-	263,304	268,098
Inventory	397,915	-	-	-	-	397,915
Prepaid Items	5,914	-	6,125	-	189,746	201,785
Total Current Assets	<u>858,773</u>	<u>402,426</u>	<u>658,688</u>	<u>4,048,101</u>	<u>565,013</u>	<u>6,533,001</u>
Noncurrent Assets						
Net Pension Asset	25,148	-	-	-	-	25,148
Machinery and Equipment	395,717	-	-	-	-	395,717
Total Noncurrent Assets	<u>420,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>420,865</u>
Total Assets	<u>1,279,638</u>	<u>402,426</u>	<u>658,688</u>	<u>4,048,101</u>	<u>565,013</u>	<u>6,953,866</u>
DEFERRED OUTFLOWS OF RESOURCES						
Asset Retirement Obligation	65,813	-	-	-	-	65,813
Pensions	72,231	-	-	-	-	72,231
Total Deferred Outflows of Resources	<u>138,044</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,044</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	490,065	-	-	458,886	499,842	1,448,793
Salaries Payable	42,306	-	-	-	680	42,986
Claims and Judgments Payable	-	-	-	743,000	-	743,000
Total Current Liabilities	<u>532,371</u>	<u>-</u>	<u>-</u>	<u>1,201,886</u>	<u>500,522</u>	<u>2,234,779</u>
Noncurrent Liabilities						
Asset Retirement Obligation Liability	67,500	-	-	-	-	67,500
Total Liabilities	<u>599,871</u>	<u>-</u>	<u>-</u>	<u>1,201,886</u>	<u>500,522</u>	<u>2,302,279</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	227,415	-	-	-	-	227,415
NET POSITION						
Net Investment in Capital Assets	395,717	-	-	-	-	395,717
Unrestricted	194,679	402,426	658,688	2,846,215	64,491	4,166,499
Total Net Position	<u>\$ 590,396</u>	<u>\$ 402,426</u>	<u>\$ 658,688</u>	<u>\$ 2,846,215</u>	<u>\$ 64,491</u>	<u>\$ 4,562,216</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, 2021

	Fleet Services	Liability Insurance	Workforce Safety Insurance	Employee Insurance	Revolving	Total Internal Service
OPERATING REVENUES						
Gas and Oil Sales	\$ 907,798	\$ -	\$ -	\$ -	\$ -	\$ 907,798
Parts and Labor Sales	1,909,241	-	-	-	-	1,909,241
Miscellaneous	2,224	154,729	6,491	378,720	-	542,164
Rentals	36,189	-	-	-	-	36,189
Employer Contributions	-	-	-	13,045,768	-	13,045,768
Employee Contributions	-	-	-	76,193	-	76,193
Total Operating Revenues	<u>2,855,452</u>	<u>154,729</u>	<u>6,491</u>	<u>13,500,681</u>	<u>-</u>	<u>16,517,353</u>
OPERATING EXPENSES						
Cost of Goods Sold	1,721,118	-	-	-	-	1,721,118
Salaries and Wages	658,620	-	-	-	680	659,300
Fringe Benefits	278,122	-	47,982	13,212	-	339,316
Professional Legal and Contracted Services	608	487	72	1,065	-	2,232
Building Equipment and Vehicle Services	236,052	-	-	-	80,839	316,891
Travel and Training	41	-	-	-	-	41
Operating Services	100,702	338,856	7,828	11,239,756	-	11,687,142
Operating Supplies	19,731	-	-	187	-	19,918
Depreciation Expense	2,434	-	-	-	-	2,434
Total Operating Expenses	<u>3,017,428</u>	<u>339,343</u>	<u>55,882</u>	<u>11,254,220</u>	<u>81,519</u>	<u>14,748,392</u>
Net Operating Income (Loss)	<u>(161,976)</u>	<u>(184,614)</u>	<u>(49,391)</u>	<u>2,246,461</u>	<u>(81,519)</u>	<u>1,768,961</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	5,146	3,492	5,066	27,227	-	40,931
Gain (Loss) on Disposal of Capital Assets	2,332	-	-	-	74,902	77,234
Total Nonoperating Revenues (Expenses)	<u>7,478</u>	<u>3,492</u>	<u>5,066</u>	<u>27,227</u>	<u>74,902</u>	<u>118,165</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>(154,498)</u>	<u>(181,122)</u>	<u>(44,325)</u>	<u>2,273,688</u>	<u>(6,617)</u>	<u>1,887,126</u>
Capital Contributions	3,245	-	-	-	-	3,245
Transfers In	-	363,000	-	-	-	363,000
Change in Net Position	<u>(151,253)</u>	<u>181,878</u>	<u>(44,325)</u>	<u>2,273,688</u>	<u>(6,617)</u>	<u>2,253,371</u>
Net Position, Beginning of Year	<u>741,649</u>	<u>220,548</u>	<u>703,013</u>	<u>572,527</u>	<u>71,108</u>	<u>2,308,845</u>
Net Position, End of Year	<u>\$ 590,396</u>	<u>\$ 402,426</u>	<u>\$ 658,688</u>	<u>\$ 2,846,215</u>	<u>\$ 64,491</u>	<u>\$ 4,562,216</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, 2021**

	Fleet Services	Liability Insurance	Workforce Safety	Employee Insurance	Revolving	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 2,854,937	\$ 155,115	\$ 6,491	\$ 455,324	\$ 69,490	\$ 3,541,357
Receipts from Employer	-	-	-	13,045,768	-	13,045,768
Payments to Suppliers	(2,017,534)	(339,343)	(63,546)	(11,341,696)	(320,503)	(14,082,622)
Payments to Employees	(700,536)	-	-	-	-	(700,536)
Net Cash Provided (Used) by Operating Activities	136,867	(184,228)	(57,055)	2,159,396	(251,013)	1,803,967
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments from Other Funds	-	363,000	-	-	-	363,000
Payments to Other Funds	-	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	363,000	-	-	-	363,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets	2,332	-	-	-	-	2,332
Proceeds from Insurance Recoveries	-	-	-	-	74,902	74,902
Acquisition/Construction of Capital Assets	(394,906)	-	-	-	-	(394,906)
Net Cash Provided (used) by Capital and Related Financing Activities	(392,574)	-	-	-	74,902	(317,672)
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	5,146	3,492	5,066	27,227	-	40,931
Net Increase (Decrease) in Cash and Cash Equivalents	(250,561)	182,264	(51,989)	2,186,623	(176,111)	1,890,226
Cash and Cash Equivalents, Beginning of Year	700,730	220,143	704,552	1,861,478	288,074	3,774,977
Cash and Cash Equivalents, End of Year	<u>\$ 450,169</u>	<u>\$ 402,407</u>	<u>\$ 652,563</u>	<u>\$ 4,048,101</u>	<u>\$ 111,963</u>	<u>\$ 5,665,203</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Net Operating Income (Loss)	<u>\$ (161,976)</u>	<u>\$ (184,614)</u>	<u>\$ (49,391)</u>	<u>\$ 2,246,461</u>	<u>\$ (81,519)</u>	<u>\$ 1,768,961</u>
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	2,434	-	-	-	-	2,434
Change in Deferred Outflows of Resources	15,046	-	-	-	-	15,046
Change in Deferred Inflows of Resources	93,338	-	-	-	-	93,338
Change in Net Pension Liability/Asset	(156,008)	-	-	-	-	(156,008)
Change in Asset Retirement Obligation Liability	-	-	-	-	-	-
(Increase) Decrease in Accounts Receivable	(515)	386	-	411	69,490	69,772
(Increase) Decrease in Inventory	(83,213)	-	-	-	-	(83,213)
(Increase) Decrease in Prepaid Items	(21)	-	(6,125)	-	(189,746)	(195,892)
Increase (Decrease) in Accounts Payable	422,074	-	(1,539)	163,524	(49,918)	534,141
Increase (Decrease) in Salaries Payable	5,708	-	-	-	680	6,388
Increase (Decrease) in Claims and Judgments Payable	-	-	-	(251,000)	-	(251,000)
Total Adjustments	298,843	386	(7,664)	(87,065)	(169,494)	35,006
Net Cash Provided (Used) by Operating Activities	<u>\$ 136,867</u>	<u>\$ (184,228)</u>	<u>\$ (57,055)</u>	<u>\$ 2,159,396</u>	<u>\$ (251,013)</u>	<u>\$ 1,803,967</u>
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES:						
Contributed Capital Assets	<u>\$ 3,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,245</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 74,439	\$ 120,497	\$ 194,936	\$ 488	\$ 787,497	\$ 787,985
Investments, at Fair Value:						
International Equities	60,954,479	27,542,666	88,497,145	-	-	-
International Fixed Income	44,268,031	15,357,731	59,625,762	-	-	-
Real Estate	26,292,540	10,719,132	37,011,672	-	-	-
Mutual Funds	-	-	-	177,060	-	177,060
Invested Cash	431,459	172,301	603,760	-	-	-
Invested Securities Lending	395,311	149,355	544,666	-	-	-
Accounts Receivable	785	-	785	-	-	-
Accrued Interest and Dividends	230,677	86,919	317,596	-	-	-
Total Assets	<u>132,647,721</u>	<u>54,148,601</u>	<u>186,796,322</u>	<u>177,548</u>	<u>787,497</u>	<u>965,045</u>
LIABILITIES						
Accounts Payable	117,114	47,949	165,063	-	14,549	14,549
Securities Lending Collateral	395,311	149,355	544,666	-	-	-
Total Liabilities	<u>512,425</u>	<u>197,304</u>	<u>709,729</u>	<u>-</u>	<u>14,549</u>	<u>14,549</u>
NET POSITION						
Restricted	132,135,296	53,951,297	186,086,593	177,548	772,948	950,496
Total Net Position	<u>\$ 132,135,296</u>	<u>\$ 53,951,297</u>	<u>\$ 186,086,593</u>	<u>\$ 177,548</u>	<u>\$ 772,948</u>	<u>\$ 950,496</u>

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ADDITIONS						
Employer Contributions	\$ 3,022,124	\$ 1,364,923	\$ 4,387,047	\$ -	\$ -	\$ -
Employee Contributions	1,417,105	850,805	2,267,910	-	-	-
Total Contributions	4,439,229	2,215,728	6,654,957	-	-	-
Investment Income:						
Net increase (Decrease) in						
Fair Value of Investments	14,282,502	6,391,234	20,673,736	24,327	-	24,327
Interest and Dividend Earnings	2,437,257	949,698	3,386,955	-	-	-
Securities Lending Income	4,564	1,847	6,411	-	-	-
Total Investment Income	16,724,323	7,342,779	24,067,102	24,327	-	24,327
Investment Expense:						
Investment Activity Expense	(347,963)	(141,530)	(489,493)	-	-	-
Securities Lending Expense	(912)	(368)	(1,280)	-	-	-
Net Investment Income (Loss)	16,375,448	7,200,881	23,576,329	24,327	-	24,327
Revenues						
Police Custody Funds Received	-	-	-	-	787,497	787,497
Total Revenues	-	-	-	-	787,497	787,497
Total Additions	20,814,677	9,416,609	30,231,286	24,327	787,497	811,824
DEDUCTIONS						
Benefits Paid to Participants	6,577,848	2,784,826	9,362,674	-	-	-
Refunds	299,805	222,115	521,920	45,984	-	45,984
Administration Expenses	97,888	41,417	139,305	-	-	-
Police Custody Funds Paid	-	-	-	-	14,549	14,549
Total Deductions	6,975,541	3,048,358	10,023,899	45,984	14,549	60,533
Change in Net Position	13,839,136	6,368,251	20,207,387	(21,657)	772,948	751,291
Net Position, Beginning of Year	118,296,160	47,583,046	165,879,206	199,205	-	199,205
Net Position, End of Year	\$ 132,135,296	\$ 53,951,297	\$ 186,086,593	\$ 177,548	\$ 772,948	\$ 950,496

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

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, 2021**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	2,810,082
Buildings and Building Improvements	37,569,720
Improvements Other Than Buildings	66,938
Machinery and Equipment	48,585,579
Infrastructure	497,950,816
Construction in Progress	16,853,167
Total Governmental Funds Capital Assets	<u>603,836,302</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General Fund	8,796,976
Special Revenue Funds	24,548,987
Federal and State Grants	131,946,467
Capital Projects Funds	429,326,060
Enterprise Funds	6,102
Donations	9,211,710
Total Governmental Funds Capital Assets	<u>603,836,302</u>

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2021

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Total
General Government:						
Administration and Management	\$ -	\$ -	\$ -	\$ 30,903	\$ -	\$ 30,903
Fiscal, Assessing and Information Services	-	-	-	1,806,658	-	1,806,658
Common Software	-	-	-	1,058,423	-	1,058,423
City/County Office Building	-	7,111,645	-	886,349	-	7,997,994
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	-	-	-	312,098	-	312,098
Building Maintenance	-	-	-	256,683	-	256,683
E/H Transit System	108,421	3,342,424	-	5,495,579	44,223	8,990,647
Total General Government	308,421	11,528,053	-	9,876,345	44,223	21,757,042
Public Safety:						
Police	499,500	7,982,930	37,078	9,221,632	319,359	18,060,499
Fire	580,688	9,274,713	15,790	8,370,769	101,099	18,343,059
Combined Communication Center	-	-	-	636,748	-	636,748
Total Public Safety	1,080,188	17,257,643	52,868	18,229,149	420,458	37,040,306
Highways and Streets:						
Roads and Streets	50,923	-	-	12,438,338	65,184	12,554,445
Engineering	-	-	-	645,866	-	645,866
Forestry	-	-	-	1,581,294	-	1,581,294
Total Highways and Streets	50,923	-	-	14,665,498	65,184	14,781,605
Health:						
Bismarck Burleigh Public Health	-	-	-	506,047	-	506,047
Total Health	-	-	-	506,047	-	506,047
Culture and Recreation:						
Centennial Beach	-	-	-	29,956	-	29,956
Library	324,000	8,784,024	-	5,262,824	104,275	14,475,123
Total Culture and Recreation	324,000	8,784,024	-	5,292,780	104,275	14,505,079
Public Works:						
Sales Tax Fund	22,721	-	-	-	-	22,721
Highway Construction	980,937	-	-	-	117,296,213	118,277,150
Sidewalk Construction	-	-	14,070	-	37,096,367	37,110,437
Street Lights Construction	-	-	-	15,760	3,773,386	3,789,146
Street Improvements	42,892	-	-	-	339,150,710	339,193,602
Total Public Works	1,046,550	-	14,070	15,760	497,316,676	498,393,056
Construction in Progress:	-	2,004,697	-	680	14,847,790	16,853,167
Total Governmental Funds Capital Assets	\$ 2,810,082	\$ 39,574,417	\$ 66,938	\$ 48,586,259	\$ 512,798,606	\$ 603,836,302

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, 2021

FUNCTION AND ACTIVITY	Balance January 1, 2021	Additions	Deductions	Transfers	Balance December 31, 2021
General Government:					
Administration and Management	\$ 24,508	\$ 6,395	\$ -	\$ -	\$ 30,903
Fiscal, Assessing and Information Services	1,413,697	401,660	8,699	-	1,806,658
Common Software	1,058,423	-	-	-	1,058,423
City/County Office Building	7,921,898	76,096	-	-	7,997,994
Bismarck-Mandan Visitor 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	265,922	108,604	8,399	(54,029)	312,098
Building Maintenance	163,829	92,854	-	-	256,683
E/H Transit System	9,401,044	217,534	627,931	-	8,990,647
Total General Government	<u>21,552,957</u>	<u>903,143</u>	<u>645,029</u>	<u>(54,029)</u>	<u>21,757,042</u>
Public Safety:					
Police	16,451,428	2,005,099	258,937	(137,091)	18,060,499
Fire	17,663,763	719,544	100,467	60,219	18,343,059
Combined Communication Center	326,242	310,506	-	-	636,748
Total Public Safety	<u>34,441,433</u>	<u>3,035,149</u>	<u>359,404</u>	<u>(76,872)</u>	<u>37,040,306</u>
Highways and Streets:					
Roads and Streets	10,872,577	1,581,402	64,176	164,642	12,554,445
Engineering	600,880	98,660	53,674	-	645,866
Forestry	1,368,793	228,476	15,975	-	1,581,294
Total Highways and Streets	<u>12,842,250</u>	<u>1,908,538</u>	<u>133,825</u>	<u>164,642</u>	<u>14,781,605</u>
Health:					
Bismarck Burleigh Public Health	358,804	160,695	13,452	-	506,047
Total Health	<u>358,804</u>	<u>160,695</u>	<u>13,452</u>	<u>-</u>	<u>506,047</u>
Culture and Recreation:					
Centennial Beach	29,956	-	-	-	29,956
Library	14,075,213	399,910	-	-	14,475,123
Total Culture and Recreation	<u>14,105,169</u>	<u>399,910</u>	<u>-</u>	<u>-</u>	<u>14,505,079</u>
Public Works:					
Sales Tax Fund	22,721	-	-	-	22,721
Highway Construction	116,105,911	2,171,239	-	-	118,277,150
Sidewalk Construction	34,731,928	2,378,509	-	-	37,110,437
Street Lights Construction	2,980,524	808,622	-	-	3,789,146
Street Improvements	322,165,074	17,028,528	-	-	339,193,602
Total Public Works	<u>476,006,158</u>	<u>22,386,898</u>	<u>-</u>	<u>-</u>	<u>498,393,056</u>
Construction in Progress:	<u>10,327,798</u>	<u>16,338,368</u>	<u>9,812,999</u>	<u>-</u>	<u>16,853,167</u>
Total Governmental Funds Capital Assets	<u>\$ 569,634,569</u>	<u>\$ 45,132,701</u>	<u>\$ 10,964,709</u>	<u>\$ 33,741</u>	<u>603,836,302</u>

STATISTICAL SECTION



STATISTICAL SECTION

This part of the City of Bismarck's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	107
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	112
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	117
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	121
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	123
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The city implemented GASB 34 in 2003; schedules presenting government-wide information beginning in that year.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 166,974,373	\$ 180,195,611	\$ 192,652,784	\$ 197,951,649	\$ 218,218,040	\$ 225,240,744	\$ 230,739,569	\$ 238,971,819	\$ 258,881,437	\$ 278,950,023
Restricted	17,512,811	22,540,504	20,182,943	25,205,341	31,075,288	49,167,595	55,329,012	78,260,446	76,962,378	119,505,242
Unrestricted	120,115,806	136,188,454	148,773,677	171,295,399	181,422,256	170,563,328	166,262,629	145,803,806	154,297,592	128,668,327
Total Governmental Activities Net Position	<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>	<u>\$ 490,141,407</u>	<u>\$ 527,123,592</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 280,053,990	\$ 289,017,006	\$ 319,745,687	\$ 319,247,440	\$ 341,955,183	\$ 374,421,127	\$ 401,875,951	\$ 409,059,784	\$ 426,085,338	\$ 440,243,714
Restricted	8,419,928	7,264,652	9,941,852	36,089,113	12,175,717	11,138,729	11,195,951	12,408,591	13,492,002	12,342,474
Unrestricted	40,723,027	52,359,095	59,056,335	38,560,107	51,133,751	42,895,634	43,933,922	51,736,219	52,070,299	77,097,423
Total Business-type Activities Net Position	<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>	<u>\$ 491,647,639</u>	<u>\$ 529,683,611</u>
Primary Government										
Net Investment in Capital Assets	\$ 447,028,363	\$ 469,212,617	\$ 512,398,471	\$ 517,199,089	\$ 560,173,223	\$ 599,661,871	\$ 632,615,520	\$ 648,031,603	\$ 684,966,775	\$ 719,193,737
Restricted	25,932,739	29,805,156	30,124,795	61,294,454	43,251,005	60,306,324	66,524,963	90,669,037	90,454,380	131,847,716
Unrestricted	160,838,833	188,547,549	207,830,012	209,855,506	232,556,007	213,458,962	210,196,551	197,540,025	206,367,891	205,765,750
Total Primary Government Net Position	<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>	<u>\$ 981,789,046</u>	<u>\$ 1,056,807,203</u>
Component Unit										
Net Investment in Capital Assets	\$ -								\$ 2,388,151	\$ 2,342,792
Total Primary Government Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,388,151</u>	<u>\$ 2,342,792</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General Government	\$ 15,456,780	\$ 15,602,062	\$ 17,017,718	\$ 18,265,605	\$ 16,888,611	\$ 16,268,593	\$ 18,290,495	\$ 16,227,336	\$ 20,219,261	\$ 19,001,461
Public Safety	19,192,839	19,578,855	20,852,897	24,641,875	26,286,801	27,502,752	29,185,109	29,579,689	30,415,140	30,725,138
Highways and Streets	8,061,851	8,324,951	8,727,481	10,413,928	10,407,454	10,946,367	11,430,676	11,597,897	10,975,903	10,782,345
Health and Welfare	3,024,156	3,068,043	2,782,462	3,201,291	3,201,853	3,329,632	3,486,093	3,506,605	3,606,230	4,006,766
Culture and Recreation	2,727,686	2,755,016	2,757,172	2,953,530	3,182,488	3,336,676	3,524,975	3,610,946	3,398,425	3,627,670
Interest and Fiscal Charges	2,067,666	2,245,752	2,063,752	2,400,187	3,041,297	5,144,125	3,849,896	3,835,971	4,314,667	2,659,445
Public Works	16,242,401	9,248,433	9,243,920	9,972,223	11,551,442	13,945,500	14,626,171	12,980,551	16,422,484	13,436,853
Total Governmental Activities Expenses	66,773,379	60,823,112	63,445,402	71,848,639	74,559,946	80,473,645	84,393,415	81,338,995	89,352,110	84,239,678
Business-type Activities										
Airport	6,419,847	6,852,348	8,361,929	8,679,828	7,588,752	7,399,832	7,735,107	8,008,830	8,548,410	9,198,785
Event Center	7,943,750	8,270,394	9,594,634	11,436,810	11,043,455	10,718,816	11,108,512	9,947,984	6,096,566	7,561,220
Water	9,118,635	9,516,385	10,581,458	11,722,982	11,896,989	12,867,647	13,347,820	12,825,126	13,571,779	14,347,047
Sanitary Sewer	5,832,427	6,000,337	6,401,858	7,014,055	7,691,135	8,772,088	8,601,984	8,776,175	8,601,524	8,756,497
Solid Waste Disposal	2,385,838	2,655,380	2,694,350	2,453,612	4,340,662	2,997,121	2,600,476	3,068,343	2,820,233	3,399,701
Solid Waste Collections	2,165,553	2,198,750	3,118,929	4,065,304	3,872,531	4,018,808	4,275,343	4,185,101	4,057,608	4,417,323
Storm Water	1,701,198	1,828,442	2,167,522	1,993,037	2,697,316	3,076,950	4,239,065	2,313,297	5,509,598	2,438,293
Northern Plains Commerce Centre	-	-	-	-	-	-	-	286,817	285,811	298,481
Commercial Property	339,567	379,303	385,053	441,991	293,168	399,710	376,854	26,593	-	-
Parking Authority	990,948	1,030,182	1,114,692	1,608,473	1,639,973	1,596,137	1,575,237	1,615,739	1,641,385	1,697,382
Total Business-type Activities Expenses	36,897,763	38,731,521	44,420,425	49,416,092	51,063,981	51,847,109	53,860,398	51,054,005	51,132,914	52,114,729
Total Primary Government Expenses	\$ 103,671,142	\$ 99,554,633	\$ 107,865,827	\$ 121,264,731	\$ 125,623,927	\$ 132,320,754	\$ 138,253,813	\$ 132,393,000	\$ 140,485,024	\$ 136,354,407
Component Unit										
Central Dakota Communications Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,234,117	\$ 4,168,181
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 4,158,680	\$ 4,951,446	\$ 4,803,514	\$ 4,903,933	\$ 4,141,666	\$ 4,282,664	\$ 4,155,262	\$ 4,105,318	\$ 3,844,027	\$ 6,657,778
Public Safety	1,315,180	1,221,973	1,165,470	1,122,078	1,382,234	1,471,580	1,636,966	2,034,483	3,170,759	4,121,687
Highways and Streets	4,002,264	5,312,152	6,219,938	6,310,840	6,306,131	5,306,563	5,496,307	4,435,164	4,710,938	6,139,203
Health and Welfare	473,245	554,942	446,889	446,618	474,109	575,029	607,188	608,216	514,777	782,942
Culture and Recreation	137,179	127,966	121,094	131,868	135,435	131,136	130,571	123,921	67,127	138,773
Public Works	-	300,235	-	-	-	-	20,000	26,152	-	-
Operating Grants and Contributions	11,335,009	13,663,676	12,042,851	11,067,383	13,162,314	11,751,542	12,039,864	10,372,987	25,630,321	12,287,333
Capital Grants and Contributions	21,559,092	27,917,289	39,286,234	39,485,749	36,180,257	25,081,772	20,673,170	15,830,239	22,330,509	25,871,531
Total Governmental Activities Program Revenue	42,980,649	54,049,679	64,085,990	63,468,469	61,782,146	48,600,286	44,759,328	37,536,480	60,268,458	55,999,247
Business-type Activities										
Charges for Services										
Airport	5,680,205	5,813,095	5,688,130	6,004,126	5,880,634	6,581,900	6,988,947	7,625,965	5,028,751	5,833,766
Event Center	5,627,000	5,400,169	6,178,766	7,106,440	6,817,419	6,904,800	7,293,652	7,447,339	2,945,849	4,776,014
Water	12,276,473	11,600,535	12,320,934	14,179,792	13,918,492	16,101,327	16,504,992	13,963,761	18,822,596	22,718,986
Sanitary Sewer	6,167,542	5,840,563	6,719,385	7,224,309	8,917,828	10,209,905	10,963,919	11,695,570	12,020,917	13,650,274
Solid Waste Disposal	2,842,790	3,739,199	4,201,932	4,307,855	4,355,606	4,375,408	3,902,953	4,213,453	3,995,766	4,227,045
Solid Waste Collections	2,360,138	3,271,983	3,250,198	3,899,855	4,003,128	4,609,120	4,768,732	4,978,616	5,119,114	5,436,452

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Storm Water	983,176	1,183,703	1,242,126	1,352,712	1,390,903	1,825,511	2,305,184	1,484,594	1,455,797	1,512,307
Northern Plains Commerce Centre	-	-	-	-	-	-	-	67,717	67,717	67,717
Commercial Property	424,361	346,142	235,951	255,917	180,632	104,430	102,109	11,058	-	-
Parking Authority	963,953	1,063,898	1,230,561	1,561,998	1,460,754	1,550,277	1,510,575	1,659,091	1,592,410	1,740,102
Operating Grants and Contributions	-	68,057	1,212,522	227,245	40,360	6,666	11,319	38,307	3,015,545	7,835,779
Capital Grants and Contributions	11,361,611	9,212,197	13,475,408	9,924,565	6,748,212	17,502,063	24,121,524	13,085,359	9,548,744	18,463,512
Total Business-type Activities Program Revenue	48,687,249	47,539,541	55,755,913	56,044,814	53,713,968	69,771,407	78,473,906	66,270,830	63,613,206	86,261,954
Total Primary Government Program Revenues	\$ 91,667,898	\$ 101,589,220	\$ 119,841,903	\$ 119,513,283	\$ 115,496,114	\$ 118,371,693	\$ 123,233,234	\$ 103,807,310	\$ 123,881,664	\$ 142,261,201
Component Unit										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,207,013	\$ 3,828,235
Capital Grants and Contributions	-	-	-	-	-	-	-	-	2,415,255	291,700
Total Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,622,268	\$ 4,119,935
Net (Expense)/Revenue										
Government Activities	(23,792,730)	(6,773,433)	640,588	(8,380,170)	(12,777,800)	(31,873,359)	(39,634,087)	(43,802,515)	(29,083,652)	(28,240,431)
Business-type Activities	11,789,486	8,808,020	11,335,488	6,628,722	2,649,987	17,924,298	24,613,508	15,216,825	12,480,292	34,147,225
Total Primary Government Net Expense	\$ (12,003,244)	\$ 2,034,587	\$ 11,976,076	\$ (1,751,448)	\$ (10,127,813)	\$ (13,949,061)	\$ (15,020,579)	\$ (28,585,690)	\$ (16,603,360)	\$ 5,906,794
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (48,246)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 17,230,221	\$ 17,801,629	\$ 18,398,151	\$ 19,270,501	\$ 20,253,570	\$ 21,250,283	\$ 20,628,624	\$ 21,198,684	\$ 22,387,939	\$ 26,793,510
Sales Tax	16,388,127	17,271,062	17,238,016	17,436,203	16,747,940	15,849,579	15,543,636	21,833,317	23,411,959	28,739,637
Occupancy Tax	1,066,817	1,174,646	1,219,152	1,188,853	1,086,064	1,014,964	965,445	1,031,410	619,471	966,856
Lodging, Liquor, and Food Tax	2,498,156	2,672,862	2,809,757	2,910,312	2,848,332	2,877,076	2,919,682	3,036,341	2,553,256	3,436,681
Car Rental Tax	87,310	77,142	72,999	71,808	73,046	78,262	66,121	81,482	39,722	71,203
State Aid	4,882,955	4,958,139	5,539,292	5,069,954	3,902,315	3,888,355	4,498,092	4,784,709	4,202,218	5,080,152
Franchise Taxes	1,246,491	1,341,007	1,427,837	1,123,478	1,243,287	1,218,141	1,158,319	1,093,964	1,040,153	1,027,705
Other Taxes	2,776,357	932,923	1,239,000	1,333,130	1,247,280	1,225,954	1,706,736	1,329,301	1,360,245	1,438,979
Investment Income (Loss)	632,739	362,192	837,497	675,796	690,481	2,954,251	2,342,382	4,277,125	4,040,976	1,132,031
Gain (Loss) on Disposal of Capital Assets	49,510	107,871	(416,026)	-	178,109	121,371	352,053	(30,697)	673,970	238,565
Transfers	(2,173,274)	(5,604,461)	(26,321,428)	1,959,501	(3,580,283)	(4,348,794)	(3,187,460)	(4,128,260)	(4,954,022)	(3,702,703)
Total Governmental Activities	44,685,409	41,095,012	22,044,247	51,039,536	44,690,141	46,129,442	46,993,630	54,507,376	55,375,887	65,222,616
Business-type Activities										
Other Taxes	61,658	56,441	43,158	39,923	40,714	33,643	36,465	45,071	44,737	32,615
Investment Income (Loss)	189,974	82,393	543,817	419,227	375,048	576,858	535,407	1,660,326	1,172,657	90,651
Gain (Loss) on Disposal of Capital Assets	2,402,877	4,892,493	1,859,230	487,056	1,445,890	307,246	177,494	(4,851,712)	(208,663)	62,778
Transfers	2,173,274	5,604,461	26,321,428	(2,153,088)	3,580,283	4,348,794	3,187,460	4,128,260	4,954,022	3,702,703
Total Business-type Activities	4,827,783	10,635,788	28,767,633	(1,206,882)	5,441,935	5,266,541	3,936,826	981,945	5,962,753	3,888,747
Total Primary Government	\$ 49,513,192	\$ 51,730,800	\$ 50,811,880	\$ 49,832,654	\$ 50,132,076	\$ 51,395,983	\$ 50,930,456	\$ 55,489,321	\$ 61,338,640	\$ 69,111,363
Component Unit										
Gain (Loss) on Disposal of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,887
Change in Net Position										
Governmental Activities	\$ 20,892,679	\$ 34,321,579	\$ 22,684,835	\$ 42,659,366	\$ 31,912,341	\$ 14,256,083	\$ 7,359,543	\$ 10,704,861	\$ 26,292,235	\$ 36,982,185
Business-type Activities	16,617,269	19,443,808	40,103,121	5,421,840	8,091,922	23,190,839	28,550,334	16,198,770	18,443,045	38,035,972
Total Primary Government	\$ 37,509,948	\$ 53,765,387	\$ 62,787,956	\$ 48,081,206	\$ 40,004,263	\$ 37,446,922	\$ 35,909,877	\$ 26,903,631	\$ 44,735,280	\$ 75,018,157
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (45,359)

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ -	\$ 200,000	\$ 230,000	\$ 230,000	\$ 230,000	\$ 150,000	\$ -	\$ 38,799	\$ 1,394
Restricted	387,263	1,138,547	423,884	2,414,706	2,741,315	2,553,106	3,128,667	4,718,231	6,049,590	7,809,563
Committed	-	1,243,193	-	-	-	-	-	-	-	-
Assigned	4,656,009	5,654,308	4,928,903	4,236,860	4,555,285	3,622,460	4,316,068	4,765,734	17,300,470	17,052,824
Unassigned	23,284,261	24,868,320	30,743,043	31,714,584	32,800,155	34,269,492	36,360,862	35,556,939	32,885,439	31,815,152
Total General Fund	<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>	<u>\$ 56,274,298</u>	<u>\$ 56,678,933</u>
All Other Governmental Funds										
Nonspendable	\$ 2,379,957	\$ 2,243,109	\$ 2,112,390	\$ -	\$ 1,880,000	\$ -	\$ -	\$ 1,234,481	\$ 281,589	\$ 254,111
Restricted	23,020,798	27,802,558	31,603,572	10,503,322	40,936,613	46,614,489	52,200,345	73,542,216	70,912,788	111,695,679
Committed	39,415,488	42,338,892	40,212,743	76,137,429	55,295,682	56,097,547	46,702,145	37,392,272	46,139,992	39,071,435
Assigned	-	-	-	-	-	-	-	-	300,000	300,000
Unassigned	(20,370,554)	(18,379,791)	(28,128,497)	(21,204,601)	(22,506,461)	(19,880,207)	(9,312,024)	(11,662,049)	(14,459,526)	(19,884,116)
Total All Other Governmental Funds	<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>	<u>\$ 103,174,843</u>	<u>\$ 131,437,109</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 38,399,225	\$ 38,060,526	\$ 40,918,256	\$ 42,010,581	\$ 44,000,157	\$ 42,252,472	\$ 41,694,759	\$ 48,233,253	\$ 50,133,918	\$ 61,012,397
Special Assessments Revenue	13,253,134	18,157,172	17,717,047	18,539,363	21,449,838	21,849,733	22,334,763	22,518,068	24,658,117	32,245,964
Intergovernmental	17,763,798	21,041,079	20,549,194	17,854,293	18,299,828	17,743,566	18,335,857	17,179,104	33,268,246	26,508,133
Charges for Services	5,788,168	7,378,274	8,373,154	8,660,788	8,631,635	7,795,507	7,919,450	7,189,971	10,223,888	12,767,497
Licenses and Permits	2,552,169	3,195,879	2,478,578	2,333,947	2,023,147	1,861,177	1,897,424	2,020,572	1,966,452	2,165,128
Fines and Forfeitures	1,018,317	1,082,254	1,382,099	1,193,693	1,263,594	1,510,695	1,557,451	1,569,334	1,240,338	1,303,518
Rentals	423,403	476,051	404,790	427,935	410,379	402,562	390,677	373,034	275,422	191,649
Investment Income	789,381	633,343	1,099,991	1,142,573	1,087,639	1,406,656	1,896,794	2,995,049	2,716,408	1,994,236
Miscellaneous	628,557	612,875	418,866	398,792	543,337	263,390	448,997	315,837	702,460	619,516
Total Revenues	80,616,152	90,637,453	93,341,975	92,561,965	97,709,554	95,085,758	96,476,172	102,394,222	125,185,249	138,808,038
EXPENDITURES										
Current										
General Government	13,785,186	13,967,053	15,750,318	15,715,568	15,192,348	14,432,957	15,767,436	14,299,862	18,349,413	18,431,424
Public Safety	17,040,285	17,392,151	19,993,552	21,529,929	23,883,543	25,619,157	25,730,050	27,472,723	29,583,737	31,303,222
Highways and Streets	7,923,168	8,103,587	8,656,321	9,131,659	10,243,511	10,734,028	9,974,139	10,738,028	10,296,279	10,544,660
Health and Welfare	2,862,728	2,892,536	2,786,465	2,904,894	3,167,152	3,247,464	3,191,344	3,379,797	3,545,887	4,309,470
Culture and Recreation	2,091,326	2,078,185	2,184,841	2,230,807	2,600,315	2,740,879	2,748,969	2,906,938	2,782,831	3,050,141
Public Works	9,866,920	2,404,256	1,975,649	1,703,421	2,931,214	3,788,925	3,502,262	1,306,187	4,560,864	849,944
Capital Outlay	27,843,527	42,597,079	58,509,103	44,750,179	33,359,349	31,585,615	20,099,187	19,721,519	35,814,373	35,874,729
Debt Service										
Principal	9,690,000	9,715,000	10,660,000	11,730,000	14,415,000	15,755,000	16,170,001	16,455,001	16,710,000	17,347,148
Interest and Fiscal Charges	2,040,805	1,840,051	2,108,120	2,315,618	3,248,717	3,412,221	3,778,000	3,752,817	3,599,805	3,188,859
Total Expenditures	93,143,945	100,989,898	122,624,369	112,012,075	109,041,149	111,316,246	100,961,388	100,032,872	125,243,189	124,899,597
Excess of Revenues Over (Under) Expenditures	(12,527,793)	(10,352,445)	(29,282,394)	(19,450,110)	(11,331,595)	(16,230,488)	(4,485,216)	2,361,350	(57,940)	13,908,441
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	2,133,163	-
Issuance of Special Assessment Bonds	9,465,000	22,605,000	26,560,000	33,855,000	20,335,000	19,325,000	15,015,000	9,370,000	22,370,000	13,635,000
Premium on Special Assessment Bonds	118,586	521,142	18,507	1,889,225	762,423	1,983,299	428,935	458,847	1,264,501	619,358
Discount on Special Assessment Debt	-	(7,278)	(261,951)	-	-	-	-	-	-	-
Capital Lease Proceeds	-	-	-	-	-	-	-	-	-	2,908,995
Payment to Escrow Agent on Refunded Bonds	(5,425,000)	-	-	(7,405,000)	-	-	-	-	(11,000,473)	-
Transfers In	23,914,275	23,576,359	26,863,375	49,932,949	33,181,033	34,653,793	32,490,879	39,723,665	40,614,916	48,536,601
Transfers Out	(23,275,607)	(22,206,862)	(28,710,635)	(43,395,802)	(33,590,238)	(32,157,306)	(33,410,422)	(39,912,101)	(42,235,951)	(50,941,494)
Refunding Bonds Issued	4,365,000	-	-	6,510,000	-	-	-	-	-	-
Total Other Financing Sources (Uses)	9,162,254	24,488,361	24,469,296	41,386,372	20,688,218	23,804,786	14,524,392	9,640,411	13,146,156	14,758,460
Net Change in Fund Balances	(3,365,539)	14,135,916	(4,813,098)	21,936,262	9,356,623	7,574,298	10,039,176	12,001,761	13,088,216	28,666,901
Debt Service as a Percentage of Noncapital Expenditures	18.0%	19.8%	19.9%	20.9%	23.3%	24.0%	24.7%	25.2%	22.7%	23.1%

Source: Fiscal Services

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

Fiscal Year	Property Taxes	Sales Tax	Occupancy Tax	Lodging/ Liquor/Food Tax	Car Rental Tax	State Aid Distribution	Franchise Tax	Other Taxes	Total
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
2020	22,387,939	23,411,959	619,471	2,553,256	39,722	4,202,218	1,040,153	1,404,982	55,659,700
2021	26,793,510	28,739,637	966,856	3,436,681	71,203	5,080,152	1,027,705	1,438,979	67,554,723

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
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
2019	1,578,354,350	2,556,190,778	411,050	62,073,470	4,197,029,648	8,394,059,296	50%	394,141,057	58.88
2020	1,614,437,480	2,635,647,022	413,350	67,707,260	4,318,205,112	8,636,410,224	50%	410,774,405	68.70

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	
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
2019	58.88	58.88	35.30	107.19	34.22	1.00	236.59
2020	68.70	68.70	34.36	107.19	33.69	1.00	244.94

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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Waterford on West Century LLC	\$ 36,610,300	1	0.83 %	9,357,050	3	0.43 %
LaSalle Shopping Center LLC	29,301,300	2	0.66			
EVI Coulee Ridge 1 LLC	25,922,000	3	0.59			
Clark Equipment Company A Company	25,041,800	4	0.57	8,475,900	4	0.39
Medcenter One Inc % Sanford Bismarck	24,917,900	5	0.56	9,992,950	2	0.46
EVI Bismarck Village LLC	22,487,700	6	0.51			
REI Holdings LLC	22,340,700	7	0.50			
First International Bank & Trust	21,728,800	8	0.49			
Clark Equipment Company	21,585,700	9	0.49			
* Mid Dakota Medical Building Partnership	21,172,000	10	0.48	7,894,350	7	0.36
Missouri Slope Luthern Care Center Inc	18,999,100	11	0.43			
CMGL 11 LLC	18,024,600	12	0.41			
Walmart RE Trust -North				8,241,050	6	0.38
Walmart RE Trust-South				7,875,350	8	0.36
Inreit Properties (Edgewood)				8,391,600	5	0.39
Menards Inc				6,176,300	12	0.28
* Gateway Fashion Mall				6,426,200	10	0.30
* Pinehurst Square Acquisition LLC				6,860,300	9	0.32
Regency Midwest Ventures LTD				6,272,600	11	0.29
Kirkwood Mall Acquisition LLC				24,434,000	1	1.12
Totals	<u>\$ 288,131,900</u>		<u>6.52</u>	<u>\$ 110,397,650</u>		<u>5.08</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
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
2020	23,207,026	22,024,806	0.9491	254,806	22,279,612	0.9600
2021	28,220,202	26,564,243	0.9413	228,204	26,792,447	0.9494

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			
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
2020	-	-	118,285,170	-	78,597,556	-	196,882,726	0.0539	2,678
2021	-	-	115,270,105	2,311,847	78,803,374	-	196,385,326	0.0531	2,636

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 121 for personal income and population data.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 119,281,688	\$ 136,124,636	\$ 155,287,825	\$ 173,219,069	\$ 187,430,422	\$ 200,641,234	\$ 205,677,375	\$ 209,851,482	\$ 215,910,256	\$ 221,495,058
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 215,910,256</u>	<u>\$ 221,495,058</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 2021

Total Assessed Value	\$ 4,429,901,151
Debt Limit (5% of Total Assessed Value)	221,495,058
Debt Applicable to Limit:	
General Obligation Bonds	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-
Total Net Debt Applicable to Limit	-
Legal Debt Margin	<u>\$ 221,495,058</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, 2021**

Governmental Unit	2021 Taxable Value	Net Debt Outstanding	Estimated Percentage Applicable¹	Total Direct and Overlapping Debt
City of Bismarck	\$ 415,417,808	\$ 115,270,105	100.00%	\$ 115,270,105
Bismarck Public School	527,541,526	126,683,650	80.41%	99,750,706
Bismarck Park District	415,417,808	29,322,858	100.00%	29,322,858
Burleigh County	563,139,379	63,847,000	75.51%	47,093,547
Total Overlapping Debt	1,506,098,713	219,853,508		176,167,111
Total Direct and Overlapping Debt		<u>\$ 335,123,613</u>		<u>\$ 291,437,216</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, 2021
Bismarck Park District
Burleigh County Levies, 2021
Burleigh County Auditor, 2020 Audit Report

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

Water Revenue Bonds							Sanitary Sewer Bonds					
Fiscal Year	Water Charges	Less:	Net	Debt Service		Coverage	Sanitary Sewer Charges	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest			Operating Expenses	Available Revenue	Principal	Interest	
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
2020	18,822,596	8,039,985	10,782,611	7,515,000	432,151	1.36	12,020,917	3,824,382	8,196,535	3,165,000	745,000	2.10
2021	22,568,341	8,939,712	13,628,629	3,135,000	257,894	4.02	13,576,512	3,966,339	9,610,173	2,360,000	682,125	3.16

Special Assessment Bonds					Motel, Liquor, Restaurant Bonds			
Fiscal Year	Special Assessment Collections	Debt Service		Coverage	Lodging, Liquor, Food Tax Collections *	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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
2020	18,656,859	27,630,000	3,599,804	0.60	2,553,256	1,105,000	835,106	1.32
2021	18,213,912	16,750,000	3,188,859	0.91	3,436,681	1,135,000	801,956	1.77

**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
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	37.5	13,331	2.4
2020	79,658	3,653,485,099	84,007	37.5	13,276	3.4
2021	74,505	3,699,523,016	86,377	37.5	13,476	2.5

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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of ND	4,900	1	12.22 %	4,400	1	12.85 %
Sanford Health	3,386	2	8.44	3,102	2	9.06
Bismarck Public Schools	2,187	3	5.45	1,901	4	5.55
CHI St. Alexius	1,512	4	3.77	2,357	3	6.89
US Government Offices	1,200	5	2.99	1,201	5	3.51
Bobcat/Doosan Company	1,000	6	2.49			
Bismarck State College	733	7	1.83	331	15	0.97
MDU Resources Group	731	8	1.82	743	6	2.17
Walmart North and South Walmart	665	9	1.83	693	7	2.02
City of Bismarck	646	10	1.66	549	9	1.60
Aetna	645	11	1.82	573	8	1.67
Housing Industry Training (HIT)	641	12	1.60			
University of Mary	631	13	1.61	503	12	1.47
Missouri Slope Lutheran Care Center	556	14	1.39	530	11	1.55
Basin Electric Power Cooperative	490	15	1.22	455	13	1.33
Mid Dakota Clinic				531	10	1.55
Coventry Healthcare				440	14	1.29
Total	<u>19,923</u>		<u>50.14</u>	<u>18,309</u>		<u>53.48</u>

Sources:

City of Bismarck 2020 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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	73	80	85	86	86	87	93	92	92	92
Public Safety										
Central Dakota Communications Center	26	26	26	27	30	31	31	31	33	33
Police										
Officers	103	109	112	113	116	128	128	129	129	129
Civilians	28	28	28	30	30	30	30	30	30	30
Fire										
Firefighters and Officers	76	79	80	83	83	82	83	83	86	86
Civilians	6	6	6	2	2	2	2	2	2	2
Highways and Streets										
Engineering	25	26	28	29	29	29	29	29	29	29
Maintenance	55	60	59	63	64	63	64	64	63	63
Health and Welfare	26	26	25	29	29	29	29	28	29	31
Culture and Recreation	17	17	19	22	24	25	25	25	25	25
Airport	21	21	21	21	21	22	23	23	23	23
Solid Waste	38	38	38	38	38	38	36	37	37	38
Water and Sewer	55	58	61	64	64	64	65	65	65	65
Total	549	574	588	607	616	631	638	637	643	646

Source: City of Bismarck Annual Budgets

(Continued on next page)

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Number of Building Permits Issued	2,365	2,218	1,951	1,756	1,648	1,410	1,248	940	1,268	1,110
Number of Building Inspections Done	9,745	9,460	8,926	5,581	5,690	6,321	4,979	4,687	4,265	4,820
Number of Plumbing Permits Issued	1,092	1,153	920	696	644	548	389	353	506	578
Number of Plumbing Inspections Done	2,861	3,050	2,006	2,170	1,946	1,748	1,748	1,129	1,606	1,719
Number of Mechanical/HVAC Permits Issued	2,037	2,037	1,692	1,454	1,649	1,653	1,577	1,376	52	1,859
Number of Mechanical/HVAC Inspections Done	2,991	3,210	2,296	2,924	3,254	2,805	2,708	2,139	2,009	2,436
Number of Electrical Permits Issued	1,589	1,578	1,248	-	1,395	1,071	927	837	1,085	1,048
Number of Electrical Inspections Done	4,789	5,220	3,141	-	3,462	3,505	2,483	2,275	2,455	2,571
Number of Septic Permits Issued	225	193	101	102	52	47	46	33	52	46
Number of Septic Inspections Done	298	249	121	200	129	108	92	60	108	107
Public Safety										
Police										
Physical Arrests	3,862	4,768	4,672	4,750	4,958	5,757	5,728	5,367	4,340	5,486
Traffic Citations	14,309	16,168	15,623	14,831	16,062	17,733	19,279	15,935	14,716	13,081
Parking Citations	8,617	7,898	15,188	11,845	11,342	10,903	10,064	9,557	6,748	7,928
Number of Accidents	3,747	3,985	3,824	3,723	3,789	3,680	3,535	3,821	2,703	3,087
Number of 911 Emergency Dispatches	4,858	3,554	3,907	5,704	5,258	4,981	5,000	4,425	5,557	5,841
Fire										
Number of 911 Emergency Dispatches	3,115	3,106	3,475	3,799	4,289	4,364	4,448	4,580	4,876	5,671
Number of Fire Inspections Conducted	3,130	2,985	3,236	3,256	4,069	4,058	3,291	1,885	3,485	3,505
Highways and Streets										
Engineering										
Number of Excavation Permits	743	820	739	706	647	535	411	419	495	478
Number of Improvement Projects	72	82	57	65	37	28	38	41	37	50
Forestry										
Number of Street Trees Planted	507	477	235	889	806	667	713	648	1,094	636
Number of Street Trees Trimmed	2,948	2,248	2,910	1,904	1,675	4,450	2,720	2,040	2,545	2,366
Number of Street Trees Removed	190	294	162	408	321	439	182	241	220	311
Roads and Streets										
Potholes Repaired	844	5,052	5,634	108,628	103,677	63,953	20,122	28,147	17,185	16,512
Street Striping (Miles)	204	211	211	157	145	156	126	147	162	156
Snow removal (Hours)	1,199	8,854	7,695	12,877	19,060	12,848	12,096	21,122	2,023	3,918
Sand Ice Removal (Tons)	4,005	6,216	4,730	2,329	4,573	5,493	4,998	3,136	3,007	2,013
Salt Ice Removal (Tons)	1,937	1,927	1,658	1,278	1,153	1,690	1,350	1,793	1,347	931
Loads of Snow Hauled	1,382	4,049	1,579	1,417	84,747	21,881	2,386	6,150	2,866	467
Health and Welfare										
Number of COVID Tests	-	-	-	-	-	-	-	-	25,660	2,145
Number of Home Visits	4,240	4,808	4,302	4,033	4,426	4,382	4,473	4,310	4,531	4,969
Number of Immunizations	6,316	9,039	8,833	9,719	7,059	6,881	6,195	6,057	4,893	27,025
Number of Office Visits	3,150	3,174	3,081	3,292	3,217	4,142	4,557	3,874	2,631	2,150
Number of Environmental Health Inspections	2,270	1,534	2,091	1,718	1,821	1,606	1,548	1,379	1,291	1,726

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Culture and Recreation										
Auditorium Events	90	123	174	153	138	150	162	154	82	142
Auditorium Admissions	38,840	37,454	51,820	55,051	41,373	48,480	52,118	42,083	10,494	37,080
Community Center Events	452	416	430	498	531	464	451	477	295	525
Community Center Admissions	359,149	315,580	353,218	420,403	411,619	345,787	343,557	332,978	158,765	255,743
Function										
Airport										
Gallons Fuel Dispensed (Fuel Permit Holders)	4,084,352	4,110,507	4,550,313	4,895,740	4,864,385	4,452,075	4,874,780	5,211,979	3,378,620	4,299,202
Number of Passengers-enplaning	236,172	237,683	245,205	259,734	271,022	272,739	282,363	309,337	150,161	213,668
Number of Passengers-deplaning	235,207	237,450	245,062	261,459	272,251	271,274	281,487	308,279	151,099	214,279
Pounds of Freight-enplaning	29,472	16,813	12,856	19,591	26,288	31,696	35,339	33,609	10,361	4,152
Pounds of Freight-deplaning	48,135	13,738	8,149	10,667	33,840	31,715	22,545	28,482	12,490	5,133
Pounds of Air Cargo Freight-enplaning	2,129,165	1,495,195	1,399,845	1,976,260	1,469,145	614,248	858,106	976,856	767,535	703,285
Pounds of Air Cargo Freight-deplaning	4,853,797	4,535,773	5,193,061	5,926,322	5,699,311	2,860,020	3,036,927	3,793,861	3,270,020	3,370,899
Solid Waste										
Refuse Collected (Tons/Year)	24,826	24,662	25,033	26,789	26,199	26,195	26,338	27,271	26,927	26,740
Garbage Accepted for Disposal (Tons/Year)	98,932	102,197	106,758	108,919	111,131	118,430	107,636	119,037	109,397	105,740
Acres Used at Landfill	2.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Water										
Number of Service Connections	19,420	20,000	20,350	20,978	21,237	21,691	22,024	22,205	22,538	22,685
Average Daily Consumption (Thousand of Gallons)	10,290	9,640	9,390	8,582	9,850	10,800	10,120	7,997	10,100	11,100
Wastewater										
Average Daily Sewage Treatment (Thousand of Gallons)	6,240	6,830	6,620	6,410	6,370	6,430	6,330	6,980	6,400	6,030

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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	21	21	21	21	35	34	34	33	38
Fire Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Paved Streets (Miles)	313	319	339	345	349	365	367	367	369	374
Streetlights	7,990	8,149	8,522	8,596	8,872	9,068	9,113	9,189	9,293	9,414
Traffic Signals	107	107	108	110	110	110	110	107	110	110
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	20	20	21	21	21	21	22	19	18	18
Water										
Watermains (Miles)	336	348	354	365	371	371	373	376	378	378
Fire Hydrants	3,256	3,355	3,430	3,625	3,675	3,720	4,500	4,600	4,653	4,653
Maximum Daily Water Treatment Capacity (Thousand of Gallons)	30,000	30,000	30,000	30,000	30,000	29,000	29,000	29,500	28,500	28,500
Sewer										
Sanitary Sewers (Miles)	297	300	305	307	310	313	307	307	327	333
Storm Sewers (Miles)	147	148	149	149	152	153	153	156	157	160
Maximum Daily Wastewater Treatment Capacity (Thousand of Gallons)	7,500	7,500	7,500	7,500	7,500	7,500	7,500	9,330	9,300	9,300
Parking Lots										
Number of Parking Lots	4	4	5	5	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