

CITY OF DICKINSON

**FINANCIAL STATEMENTS
DECEMBER 31, 2021**

WITH INDEPENDENT AUDITOR'S REPORT

CITY OF DICKINSON
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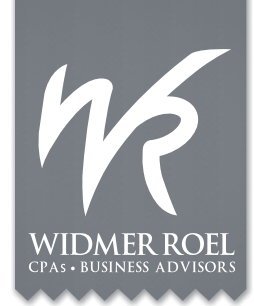
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CITY OF DICKINSON
CITY OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2021

Current

Scott Decker	President
John Odermann	Vice President
Suzi Sobolik	Commissioner
Robert Baer	Commissioner
Jason Fridrich	Commissioner



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INDEPENDENT AUDITOR'S REPORT

City Commission
City of Dickinson
Dickinson, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **City of Dickinson** (City), 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business type activities, each major fund, and the aggregate remaining fund information of the City of Dickinson, as of December 31, 2021, and the respective changes in financial position, and 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 (GAS)*, 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 Dickinson** 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

City of Dickinson's 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 **City of Dickinson's** ability to continue as a going concern for one year after the date that the financial statements are issued.

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 GAS 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 GAS, 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 Dickinson'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 Dickinson'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 Budgetary Comparison Schedule – General Fund, Schedule of Employer's proportionate Share of Net Pension Liability, Schedule of Employer Contributions, and Notes to the Required Supplementary Information, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **City of Dickinson's** basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The City officials listing has not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2023, on our consideration of the **City of Dickinson's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 Dickinson's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "William Rowe". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
July 7, 2023

CITY OF DICKINSON
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 68,717,026	\$ 15,008,405	\$ 83,725,431
Accounts receivable	65,184	884,687	949,871
Special assessment receivable	1,574,728	-	1,574,728
Intergovernmental receivable	4,933,891	-	4,933,891
Inventory	-	256,675	256,675
Restricted cash	-	3,725,335	3,725,335
Capital assets, not being depreciated			
Land	909,832	720,161	1,629,993
Construction in progress	1,461,005	2,635,018	4,096,023
Capital assets, net of accumulated depreciation			
Buildings	62,999,008	35,766,855	98,765,863
Improvements other than buildings	137,835,753	73,467,385	211,303,138
Machinery and equipment	4,087,998	4,375,441	8,463,439
Total assets	<u>282,584,425</u>	<u>136,839,962</u>	<u>419,424,387</u>
DEFERRED OUTFLOWS OF RESOURCES			
Derived from pensions	7,456,890	2,424,883	9,881,773
Derived from OPEB	688,416	191,874	880,290
Total deferred outflows of resources	<u>8,145,306</u>	<u>2,616,757</u>	<u>10,762,063</u>
Total assets and deferred outflows of resources	<u>\$ 290,729,731</u>	<u>\$ 139,456,719</u>	<u>\$ 430,186,450</u>
LIABILITIES			
Accounts payable	\$ 1,082,115	\$ 471,743	\$ 1,553,858
Accrued expenses - other	196,443	-	196,443
Accrued payroll	270,613	48,521	319,134
Deposit liability	13,626	-	13,626
Interest payable	16,840	420,208	437,048
Retainage payable	57,000	-	57,000
Non current liabilities			
Due within one year			
Compensated absences	151,244	27,348	178,592
Bonds payable, net of premium	1,393,652	-	1,393,652
Notes payable	-	3,775,000	3,775,000
Capital leases payable	270,391	629,219	899,610
Due in more than one year			
Compensated absences	1,361,199	222,616	1,583,815
Bond payable, net of premium	4,925,961	-	4,925,961
Notes payable	-	50,211,469	50,211,469
Capital leases payable	691,907	1,624,938	2,316,845
Net pension liability	9,135,478	2,941,102	12,076,580
Net OPEB liability	1,753,118	443,279	2,196,397
Accrued closure and post-closure care costs	-	1,150,672	1,150,672
Total liabilities	<u>21,319,587</u>	<u>61,966,115</u>	<u>83,285,702</u>
DEFERRED INFLOWS OF RESOURCES			
Derived from pensions	9,388,702	2,691,983	12,080,685
Derived from OPEB	1,601,478	380,847	1,982,325
Total deferred inflows of resources	<u>10,990,180</u>	<u>3,072,830</u>	<u>14,063,010</u>
NET POSITION			
Net investment in fixed assets	200,011,685	60,724,234	260,735,919
Restricted for special purposes	50,011,110	-	50,011,110
Unrestricted	8,397,169	13,693,540	22,090,709
Total net position	<u>258,419,964</u>	<u>74,417,774</u>	<u>332,837,738</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 290,729,731</u>	<u>\$ 139,456,719</u>	<u>\$ 430,186,450</u>

CITY OF DICKINSON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for	Operating	Capital	Governmental	Business-Type	Total
	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	
PRIMARY GOVERNMENT							
GOVERNMENTAL ACTIVITIES							
General government	\$ 11,004,068	\$ -	\$ 69,079	\$ -	\$ (10,934,989)	\$ -	\$ (10,934,989)
Public safety	9,564,846	-	49,764	-	(9,515,082)	-	(9,515,082)
Public works	4,626,451	-	-	-	(4,626,451)	-	(4,626,451)
Culture and recreation	2,503,784	-	71,910	-	(2,431,874)	-	(2,431,874)
Other	957,935	-	3,407,554	-	2,449,619	-	2,449,619
Interest on long-term debt	6,565,226	-	-	-	(6,565,226)	-	(6,565,226)
Total governmental activities	<u>35,222,310</u>	<u>-</u>	<u>3,598,307</u>	<u>-</u>	<u>(31,624,003)</u>	<u>-</u>	<u>(31,624,003)</u>
BUSINESS-TYPE ACTIVITIES							
Water distribution utility	9,298,670	7,195,111	-	-	-	(2,103,559)	(2,103,559)
Wastewater	6,024,257	3,278,231	-	-	-	(2,746,026)	(2,746,026)
Solid waste utility	4,964,185	4,532,559	-	-	-	(431,626)	(431,626)
Storm water utility	26,748	316,190	-	-	-	289,442	289,442
Total business-type activities	<u>20,313,860</u>	<u>15,322,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,991,769)</u>	<u>(4,991,769)</u>
Total primary government	<u>\$ 55,536,170</u>	<u>\$ 15,322,091</u>	<u>\$ 3,598,307</u>	<u>\$ -</u>	<u>(31,624,003)</u>	<u>(4,991,769)</u>	<u>(36,615,772)</u>
GENERAL REVENUES							
Property taxes; levied for general purposes					5,176,215	-	5,176,215
State aid revenue					1,899,731	-	1,899,731
City sales tax					9,378,596	-	9,378,596
Occupancy tax					963,203	-	963,203
Oil and gas tax					14,115,552	-	14,115,552
Interest expense and service charges					-	(1,411,039)	(1,411,039)
Investment income and other revenue					14,193,017	-	14,193,017
Miscellaneous revenues					-	1,538,891	1,538,891
Other nonoperating expenses					-	(321,305)	(321,305)
Total general revenues					<u>45,726,314</u>	<u>(193,453)</u>	<u>45,532,861</u>
Transfers					<u>(6,509,946)</u>	<u>6,509,946</u>	<u>-</u>
Change in net position					7,592,365	1,324,724	8,917,089
Net position - January 1					<u>250,827,599</u>	<u>73,093,050</u>	<u>323,920,649</u>
Net position - December 31					<u>\$ 258,419,964</u>	<u>\$ 74,417,774</u>	<u>\$ 332,837,738</u>

See Notes to Financial Statements

CITY OF DICKINSON
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Major Funds				Other	Total
	General Fund	One Percent Sales Tax	Oil Impact	Annual Street Project Fund	Governmental Funds	Government Funds
ASSETS						
Cash and investments	\$ 17,824,351	\$ 11,899,474	\$ 21,839,884	\$ 2,034,368	\$ 14,376,722	\$ 67,974,799
Accounts receivable	59,049	-	-	-	8,750	67,799
Special assessment receivable	-	-	-	994,468	580,260	1,574,728
Intergovernmental receivables	<u>510,559</u>	<u>1,154,957</u>	<u>2,480,203</u>	<u>-</u>	<u>788,171</u>	<u>4,933,890</u>
Total assets	<u>\$ 18,393,959</u>	<u>\$ 13,054,431</u>	<u>\$ 24,320,087</u>	<u>\$ 3,028,836</u>	<u>\$ 15,753,903</u>	<u>\$ 74,551,216</u>
LIABILITIES						
Accounts payable	\$ 318,969	\$ 301,805	\$ 175,288	\$ 178,299	\$ 78,546	\$ 1,052,907
Accrued expenses	249,171	-	114,990	81,454	14,241	459,856
Deposit liability	13,626	-	-	-	-	13,626
Retainage payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,000</u>	<u>-</u>	<u>57,000</u>
Total liabilities	<u>581,766</u>	<u>301,805</u>	<u>290,278</u>	<u>316,753</u>	<u>92,787</u>	<u>1,583,389</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>(2,668)</u>	<u>-</u>	<u>-</u>	<u>994,468</u>	<u>580,260</u>	<u>1,572,060</u>
Total deferred inflows of resources	<u>(2,668)</u>	<u>-</u>	<u>-</u>	<u>994,468</u>	<u>580,260</u>	<u>1,572,060</u>
FUND BALANCES						
Restricted	-	12,752,626	24,029,809	-	13,228,675	50,011,110
Committed	-	-	-	-	1,254,374	1,254,374
Assigned	3,302,270	-	-	1,717,615	597,807	5,617,692
Unassigned	<u>14,512,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,512,591</u>
Total fund balances	<u>17,814,861</u>	<u>12,752,626</u>	<u>24,029,809</u>	<u>1,717,615</u>	<u>15,080,856</u>	<u>71,395,767</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 18,393,959</u>	<u>\$ 13,054,431</u>	<u>\$ 24,320,087</u>	<u>\$ 3,028,836</u>	<u>\$ 15,753,903</u>	<u>\$ 74,551,216</u>

CITY OF DICKINSON
RECONCILIATION OF GOVERNMENTAL FUNDS –
BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total fund balances for governmental funds \$ 71,395,767

Total net position reported for government activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds

Cost of capital assets	\$ 332,133,148	
Less accumulated depreciation	<u>(124,839,552)</u>	
Net capital assets		207,293,596

Property taxes and special assessments will be collected after year-end, but not available soon enough to pay for the current period's expenditures and are reported as deferred inflows in the funds. Uncertified special assessments are reported on the statement of net position.

1,572,060

Internal service funds are used by management to charge the costs of certain activities as fuel services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.

Current assets		739,613
Current liabilities		(36,408)

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows		8,145,306
Deferred inflows		(10,990,180)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities-both current and long-term are reported in the statement of net position. Balances at December 31, 2021 are:

Interest payable	(16,840)	
Compensated absences	(1,512,443)	
Bonds payable, net premium	(6,319,613)	
Capital leases payable	(962,298)	
Net pension liability	(9,135,478)	
Total OPEB liability	<u>(1,753,118)</u>	
Total long-term liabilities		<u>(19,699,790)</u>

Total net position of governmental activities \$ 258,419,964

CITY OF DICKINSON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Major Funds				Other	Total
	General	One Percent Sales Tax	Oil Impact	Annual Street Project Fund	Governmental Funds	Government Funds
REVENUES						
Taxes	\$ 4,791,755	\$ 6,252,397	\$ 14,115,552	\$ -	\$ 4,891,951	\$ 30,051,655
Licenses, permits and fees	547,229	-	-	-	-	547,229
Intergovernmental revenues	3,467,303	-	-	6,814	2,579,966	6,054,083
Charges for services	3,097,135	-	-	-	138,950	3,236,085
Fines and forfeits	393,848	-	-	-	3,290	397,138
Special assessments	-	-	-	470,957	697,495	1,168,452
Interest and investment income (loss)	(33,635)	-	-	-	-	(33,635)
Donations	34,255	200,000	-	-	238,756	473,011
Miscellaneous	298,556	-	-	15,455	28,415	342,426
Proceeds from sale of assets	104,943	-	-	-	-	104,943
Total revenues	<u>12,701,389</u>	<u>6,452,397</u>	<u>14,115,552</u>	<u>493,226</u>	<u>8,578,823</u>	<u>42,341,387</u>
EXPENDITURES						
Current						
General government	4,372,012	1,654,457	141,034	-	313,735	6,481,238
Public safety	9,121,715	-	-	-	204,233	9,325,948
Public works	4,345,796	-	-	-	-	4,345,796
Culture and recreation	761,921	-	-	-	1,505,050	2,266,971
Other	61,578	-	-	-	-	61,578
Debt service:						
Principal	-	-	-	-	318,246	318,246
Interest and fees	-	-	-	-	9,604,292	9,604,292
Capital outlay	<u>508,249</u>	<u>490,701</u>	<u>2,587,779</u>	<u>6,705,282</u>	<u>113,552</u>	<u>10,405,563</u>
Total expenditures	<u>19,171,271</u>	<u>2,145,158</u>	<u>2,728,813</u>	<u>6,705,282</u>	<u>12,059,108</u>	<u>42,809,632</u>
Excess (deficiency) of revenues over expenditures	<u>(6,469,882)</u>	<u>4,307,239</u>	<u>11,386,739</u>	<u>(6,212,056)</u>	<u>(3,480,285)</u>	<u>(468,245)</u>
Other financing sources and uses						
Transfers in	8,786,659	-	-	5,849,007	2,245,479	16,881,145
Debt proceeds	-	-	-	-	6,510,868	6,510,868
Transfers out	<u>(3,227,260)</u>	<u>(3,532,500)</u>	<u>(13,536,502)</u>	<u>-</u>	<u>(3,894,132)</u>	<u>(24,190,394)</u>
Total other financing sources and uses	<u>5,559,399</u>	<u>(3,532,500)</u>	<u>(13,536,502)</u>	<u>5,849,007</u>	<u>4,862,215</u>	<u>(798,381)</u>
Net change in fund balances	<u>(910,483)</u>	<u>774,739</u>	<u>(2,149,763)</u>	<u>(363,049)</u>	<u>1,381,930</u>	<u>(1,266,626)</u>
FUND BALANCES - JANUARY 1	<u>18,725,344</u>	<u>11,977,887</u>	<u>26,179,572</u>	<u>2,080,664</u>	<u>13,698,926</u>	<u>72,662,393</u>
FUND BALANCES - DECEMBER 31	<u>\$ 17,814,861</u>	<u>\$ 12,752,626</u>	<u>\$ 24,029,809</u>	<u>\$ 1,717,615</u>	<u>\$ 15,080,856</u>	<u>\$ 71,395,767</u>

See Notes to Financial Statements

CITY OF DICKINSON

RECONCILIATION OF THE GOVERNMENTAL FUNDS – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds \$ (1,266,626)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Current year disposals	\$ (5,462,130)	
Current year capital outlay	25,071,790	
Depreciation expense	<u>(12,980,812)</u>	
		6,628,848

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net decrease in interest payable	83,016	
Net increase in compensated absences	58,222	
Net increase in net pension liability	8,692,323	
Net increase in total OPEB liability	<u>1,471,525</u>	
		10,305,086

Changes to pension and OPEB related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in deferred outflows	(2,609,109)	
Net change in deferred inflows - pensions	(7,388,288)	
Net change in deferred inflows - OPEB	<u>(1,483,119)</u>	
		(11,480,516)

Government funds report the effect of bond premiums when debt is first issued, whereas these amounts are amortized in the statement of activities.

28,652

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2,615,000

Government funds report liability from new leases as lease proceeds and repayments on lease principal as expenditures. Issuances and repayment of lease liabilities are increases or decreases in liabilities on the statement of net position.

80,490

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of the decrease in taxes and special assessments receivable.

536,193

The net revenue of certain activities of the internal service funds is reported with governmental activities.

145,238

Change in net position of governmental activities. **\$ 7,592,365**

CITY OF DICKINSON
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2021

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Distribution Utility Fund	Wastewater Fund	Solid Waste Utility Fund	Other Enterprise Fund	Total	
ASSETS						
Current assets						
Cash and cash equivalents	\$ 4,581,157	\$ 7,108,830	\$ 2,258,431	\$ 1,059,987	\$ 15,008,405	\$ 502,560
Investments	-	-	-	-	-	237,053
Accounts receivable	423,570	160,572	284,567	15,978	884,687	-
Inventory	220,225	24,511	-	11,939	256,675	-
Total current assets	<u>5,224,952</u>	<u>7,293,913</u>	<u>2,542,998</u>	<u>1,087,904</u>	<u>16,149,767</u>	<u>739,613</u>
Noncurrent assets						
Restricted cash and cash equivalents	-	3,725,335	-	-	3,725,335	-
Capital assets not being depreciated						
Land	83,040	574,029	63,092	-	720,161	-
Construction in progress	1,258,218	586,603	742,856	47,341	2,635,018	-
Capital assets (net of accumulated depreciation)						
Buildings and improvements	1,738,677	33,632,285	395,893	-	35,766,855	-
Improvements other than buildings	23,982,395	47,410,525	2,014,052	60,413	73,467,385	-
Machinery and equipment	83,170	150,648	4,114,942	26,681	4,375,441	15,854
Total noncurrent assets	<u>27,145,500</u>	<u>86,079,425</u>	<u>7,330,835</u>	<u>134,435</u>	<u>120,690,195</u>	<u>15,854</u>
Total assets	<u>32,370,452</u>	<u>93,373,338</u>	<u>9,873,833</u>	<u>1,222,339</u>	<u>136,839,962</u>	<u>755,467</u>
DEFERRED OUTFLOWS OF RESOURCES						
Derived from pensions	419,530	461,483	1,543,870	-	2,424,883	-
Derived from OPEB	27,553	42,266	117,967	4,088	191,874	-
Total deferred outflows of resources	<u>447,083</u>	<u>503,749</u>	<u>1,661,837</u>	<u>4,088</u>	<u>2,616,757</u>	<u>-</u>
Total assets and deferred outflows	<u>\$ 32,817,535</u>	<u>\$ 93,877,087</u>	<u>\$ 11,535,670</u>	<u>\$ 1,226,427</u>	<u>\$ 139,456,719</u>	<u>\$ 755,467</u>
LIABILITIES						
Current liabilities						
Accounts payable	\$ 279,401	\$ 82,822	\$ 104,450	\$ 5,070	\$ 471,743	\$ 29,213
Accrued payroll	8,052	9,190	31,279	-	48,521	7,201
Interest payable	-	420,208	-	-	420,208	-
Notes payable	-	3,775,000	-	-	3,775,000	-
Capital lease payable	-	-	629,219	-	629,219	-
Total current liabilities	<u>287,453</u>	<u>4,287,220</u>	<u>764,948</u>	<u>5,070</u>	<u>5,344,691</u>	<u>36,414</u>
Noncurrent liabilities						
Compensated absences	27,213	18,547	204,204	-	249,964	72,675
Notes payable	-	50,211,469	-	-	50,211,469	-
Capital lease payable	-	186,913	1,438,025	-	1,624,938	-
Accrued closure and post closure liability	-	-	1,150,672	-	1,150,672	-
Net pension liability	236,972	260,669	2,443,461	-	2,941,102	-
Net OPEB Liability	52,581	116,874	256,812	17,012	443,279	61,882
Total noncurrent liabilities	<u>316,766</u>	<u>50,794,472</u>	<u>5,493,174</u>	<u>17,012</u>	<u>56,621,424</u>	<u>134,557</u>
Total liabilities	<u>604,219</u>	<u>55,081,692</u>	<u>6,258,122</u>	<u>22,082</u>	<u>61,966,115</u>	<u>170,971</u>
DEFERRED INFLOWS OF RESOURCES						
Derived from pensions	454,037	499,440	1,738,506	-	2,691,983	-
Derived from OPEB	41,709	105,089	216,987	17,062	380,847	3,708
Total deferred inflows of resources	<u>495,746</u>	<u>604,529</u>	<u>1,955,493</u>	<u>17,062</u>	<u>3,072,830</u>	<u>3,708</u>
NET POSITION						
Net investment in capital assets	27,145,500	28,180,708	5,263,591	134,435	60,724,234	15,854
Unrestricted	<u>4,572,070</u>	<u>10,010,158</u>	<u>(1,941,536)</u>	<u>1,052,848</u>	<u>13,693,540</u>	<u>564,934</u>
Total net position	<u>31,717,570</u>	<u>38,190,866</u>	<u>3,322,055</u>	<u>1,187,283</u>	<u>74,417,774</u>	<u>580,788</u>
Total liabilities, deferred inflows, and net position	<u>\$ 32,817,535</u>	<u>\$ 93,877,087</u>	<u>\$ 11,535,670</u>	<u>\$ 1,226,427</u>	<u>\$ 139,456,719</u>	<u>\$ 755,467</u>

CITY OF DICKINSON
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 - Internal Service Funds
	Water Distribution Utility Fund	Wastewater Fund	Solid Waste Utility Fund	Other Enterprise Fund	Total	
OPERATING REVENUES						
Charges for services	\$ 7,195,111	\$ 3,278,231	\$ 4,532,559	\$ 316,190	\$ 15,322,091	\$ 301,562
Total operating revenues	<u>7,195,111</u>	<u>3,278,231</u>	<u>4,532,559</u>	<u>316,190</u>	<u>15,322,091</u>	<u>301,562</u>
OPERATING EXPENSES						
Salaries	384,541	347,175	1,590,444	(14,571)	2,307,589	390,154
Employment cost	268,627	156,464	749,211	(42,450)	1,131,852	101,506
Administrative and general	1,052,242	568,500	640,350	47,400	2,308,492	-
Supplies	99,861	176,282	358,004	3,269	637,416	364,545
Services	165,750	665,768	310,875	11,983	1,154,376	14,239
Maintenance	20,150	202,300	256,947	2,357	481,754	-
Inventory expense	80,756	301,080	-	-	381,836	-
Miscellaneous	5,532,263	(2,331)	34,053	(1,403)	5,562,582	(3,651)
Depreciation	1,694,480	3,609,019	1,024,301	20,163	6,347,963	2,628
Employee distributions	-	-	-	-	-	55,230
Total operating expenses	<u>9,298,670</u>	<u>6,024,257</u>	<u>4,964,185</u>	<u>26,748</u>	<u>20,313,860</u>	<u>924,651</u>
Operating income (loss)	<u>(2,103,559)</u>	<u>(2,746,026)</u>	<u>(431,626)</u>	<u>289,442</u>	<u>(4,991,769)</u>	<u>(623,089)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest and investment income	-	-	-	-	-	1,213
Interest expense and service charges	-	(1,411,039)	-	-	(1,411,039)	-
Miscellaneous revenue	203,630	1,039,324	281,518	14,419	1,538,891	-
Other nonoperating expenses	(167,278)	(34,934)	(119,093)	-	(321,305)	(28,088)
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>36,352</u>	<u>(406,649)</u>	<u>162,425</u>	<u>14,419</u>	<u>(193,453)</u>	<u>(26,875)</u>
Net income (loss) before transfers	<u>(2,067,207)</u>	<u>(3,152,675)</u>	<u>(269,201)</u>	<u>303,861</u>	<u>(5,185,222)</u>	<u>(649,964)</u>
Transfers in	516,200	6,354,542	58,200	-	6,928,942	789,992
Transfers out	<u>(18,334)</u>	<u>(154,874)</u>	<u>(232,429)</u>	<u>(13,359)</u>	<u>(418,996)</u>	<u>9,311</u>
Change in net position	<u>(1,569,341)</u>	<u>3,046,993</u>	<u>(443,430)</u>	<u>290,502</u>	<u>1,324,724</u>	<u>149,339</u>
Net position - January 1	<u>33,286,911</u>	<u>35,143,873</u>	<u>3,765,485</u>	<u>896,781</u>	<u>73,093,050</u>	<u>431,449</u>
Net position - December 31	\$ <u>31,717,570</u>	\$ <u>38,190,866</u>	\$ <u>3,322,055</u>	\$ <u>1,187,283</u>	\$ <u>74,417,774</u>	\$ <u>580,788</u>

CITY OF DICKINSON
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021

	Business Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water Distribution Utility Fund	Wastewater Fund	Solid Waste Utility Fund	Other Enterprise Fund	Total	
Cash flows from operating activities						
Cash received from customers and users	\$ 7,326,789	\$ 3,285,679	\$ 4,500,691	\$ 316,806	\$ 15,429,965	\$ 301,562
Cash paid to suppliers	(6,957,285)	(2,134,402)	(1,295,882)	(142,976)	(10,530,545)	(465,005)
Cash paid to employees	(645,060)	(521,089)	(2,286,922)	41,087	(3,411,984)	(552,266)
Net cash provided (used) by operating activities	(275,556)	630,188	917,887	214,917	1,487,436	(715,709)
Cash flows from noncapital financing activities						
Transfers from other funds	516,200	6,354,542	58,200	-	6,928,942	789,992
Transfers to other funds	(18,334)	(154,874)	(232,429)	(13,359)	(418,996)	9,311
Nonoperating revenues (expenses)	36,352	1,004,390	162,425	14,419	1,217,586	(28,088)
Net cash provided (used) by noncapital financing activities	534,218	7,204,058	(11,804)	1,060	7,727,532	771,215
Cash flows from capital and related financing activities						
Proceeds from issuance of notes payable	-	511,595	-	-	511,595	-
Principal payments on notes payable	-	(3,685,166)	-	-	(3,685,166)	-
Proceeds from capital leases	-	186,913	1,624,014	-	1,810,927	-
Principal payments on capital lease	-	-	(1,301,818)	-	(1,301,818)	-
Interest payments	-	(1,411,039)	-	-	(1,411,039)	-
Purchase of capital assets	(2,039,394)	(594,166)	(1,592,959)	(47,345)	(4,273,864)	-
Net cash provided (used) by capital and related financing activities	(2,039,394)	(4,991,863)	(1,270,763)	(47,345)	(8,349,365)	-
Cash flows from investing activities						
Purchase of investments	-	-	-	-	-	(62)
Interest and investment income	-	-	-	-	-	1,213
Net cash provided (used) by investing activities	-	-	-	-	-	1,151
Net change in cash and cash equivalents	(1,780,732)	2,842,383	(364,680)	168,632	865,603	56,657
Cash and cash equivalents January 1, 2021	6,361,889	7,991,782	2,623,111	891,355	17,868,137	445,903
Cash and cash equivalents December 31, 2021	\$ 4,581,157	\$ 10,834,165	\$ 2,258,431	\$ 1,059,987	\$ 18,733,740	\$ 502,560
Reconciliation to the statement on net position						
Unrestricted cash and cash equivalents	\$ 4,581,157	\$ 7,108,830	\$ 2,258,431	\$ 1,059,987	\$ 15,008,405	\$ 502,560
Restricted cash and cash equivalents	-	3,725,335	-	-	3,725,335	-
Total cash and cash equivalents	\$ 4,581,157	\$ 10,834,165	\$ 2,258,431	\$ 1,059,987	\$ 18,733,740	\$ 502,560
Reconciliation of operating loss to net cash provided (used) by operating activities						
Operating income (loss)	\$ (2,103,559)	\$ (2,746,026)	\$ (431,626)	\$ 289,442	\$ (4,991,769)	\$ (623,089)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities						
Depreciation expense	1,694,480	3,609,019	1,024,301	20,163	6,347,963	2,628
Change in assets and liabilities						
Receivables	131,678	7,448	(31,868)	616	107,874	-
Compensated absences liability	3,866	(19,080)	46,649	(14,571)	16,864	(6,729)
Accounts payable	(160,942)	(257,584)	47,443	(35,521)	(406,604)	(89,872)
Accrued payroll	4,242	1,630	44,435	(1,363)	48,944	1,353
Pension and OPEB liabilities, inflows and outflows	154,679	34,781	218,553	(43,849)	364,164	-
Net cash provided (used) by operating activities	\$ (275,556)	\$ 630,188	\$ 917,887	\$ 214,917	\$ 1,487,436	\$ (715,709)

CITY OF DICKINSON
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2021

	City of Dickinson Pension Plans	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 16,632,968	\$ 1,028,313
Due from other government	<u>-</u>	<u>48,303</u>
Total assets	\$ <u><u>16,632,968</u></u>	\$ <u><u>1,076,616</u></u>
LIABILITIES		
Due to other parties	\$ <u>-</u>	\$ <u><u>1,076,616</u></u>
NET POSITION		
Held in trust for pension benefits	<u>16,632,968</u>	
Total net position	\$ <u><u>16,632,968</u></u>	

CITY OF DICKINSON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>City of Dickinson Pension Plans</u>	<u>Custodial Funds</u>
Additions		
Contributions	\$ 1,835,447	\$ 1,006,073
Investment earnings	<u>1,994,955</u>	<u>-</u>
Total additions	<u>3,830,402</u>	<u>1,006,073</u>
Deductions		
Administration expense	98,590	1,006,073
Benefits	<u>2,679,323</u>	<u>-</u>
Total deductions	<u>2,777,913</u>	<u>1,006,073</u>
Change in net position	<u>1,052,489</u>	<u>-</u>
Net position - January 1	<u>15,580,479</u>	<u>-</u>
Net position - December 31	\$ <u><u>16,632,968</u></u>	\$ <u><u>-</u></u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Dickinson (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Financial Reporting Entity

The accompanying financial statements present the activities of the City. The City has considered all potential component units for which the City is financially accountable and other organizations for which the nature and significance of their relationships with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing board and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or imposed specific financial burdens on the City of Dickinson.

Based on these criteria, there are no component units discussed below that are included within the City's reporting entity.

Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities display information about the primary government, the City of Dickinson. These statements include the financial activities of the overall government, except for financial activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

One Percent Sales Tax Fund: This fund accounts for the use of the City sales tax for debt service, capital facility, job creation, RSVP and Eldercare within the City.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Oil Impact Fund: This fund is used to account for the money received from the state and federal government that are directed to be used to alleviate the effects of oil impact in the area.

Annual Street Project Fund: This fund is used to account for the annual street, sidewalk, and trails projects throughout the City.

The City reports the following major enterprise funds:

Water Distribution Utility Fund: This fund accounts for the operations of the water distribution system for the City of Dickinson. This fund also accounts for the capital assets of the water treatment plant which benefits the Southwest Pipeline project which is operated by the Southwest Water Authority.

Wastewater Fund: This fund accounts for the operations and capital assets the sewer system for the City of Dickinson.

Solid Waste Utility Fund: This fund accounts for the operations and capital assets of the solid waste system for the City of Dickinson.

Additionally, the City reports the following fund type:

Internal Service Fund: This fund accounts for providing fueling services provided to other departments of the City of Dickinson on a cost reimbursement basis. The fund is also used to charge the cost of the City mechanic to the individual funds.

Pension Trust Fund: These funds account for the activities of the City of Dickinson Employee's Pension Plan, Police Pension Plan, and the Firemen's Pension Plan which accumulates resources for pension benefit payment to qualified City employees.

Custodial Funds: These funds account for assets held by the City in a custodial capacity as an agent on behalf of others.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-wide proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Exchange transactions include primarily fees for water, sewer and garbage services. Revenues primarily are recognized and services are rendered.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursements grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position available to finance the problem. It is the City's policy to first apply cost-reimbursement grant resources to such programs, and then by general revenues.

Cash and Investments

Cash and cash equivalents include amounts in demand deposits, money market accounts and highly liquid investments with an original maturity of three months or less.

The investments of the City's governmental and enterprise funds, during the year ended December 31, 2021, consisted of bonds, certificates of deposit, mutual funds, and money market accounts stated at fair value.

Investments of the pension trust funds consisted of bonds, mutual funds, and money market accounts. The investments of the pension trust funds are stated at fair value at December 31, 2021.

Property Taxes

All real estate is assessed on current value as of February 1 of each year. Property taxes are attached as an enforceable lien on the real estate and become due January 1 of the year following the assessment date. A 5.0% reduction of taxes is allowed if taxes are paid in full by February 15. To avoid being delinquent, one-half of taxes due must be paid by March 1 and the remaining balance paid by October 15.

Accounts Receivable

Accounts receivable consist of amounts on open account from individuals for goods and services furnished by the City. Management has determined all accounts receivable are collectable as of December 31, 2021 and accordingly, no allowance for uncollectable accounts has been recorded.

Restricted Assets

Certain resources set aside for debt service in the Wastewater fund are classified as restricted assets because their use is limited by bond and loan covenants.

Inventory

Inventories are valued at cost using the first-in/first-out (FIFO) method. The consumption method is used for accounting for inventories. Under the consumption method, expenditures are recognized as the goods are used.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Capital Assets

Capital assets include property, plant and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. General infrastructure assets acquired prior to July 1, 1980, are reported at historical cost using deflated replacement cost. Donated capital assets are recorded at estimated fair market 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 the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	50 years
Improvements other than building	20 to 50 years
Machinery and equipment	5 to 20 years

Compensated Absences

Full time employees are granted vacation benefits from 40 to 192 hours per year depending on tenure with the City. Employees can accrue up to a maximum of 240 hours of vacation at year end. Upon termination of employment, employees will be paid for vacation benefits that have accrued at the employee's rate of pay on their last day of employment. Sick leave benefits accrue at the rate of 8 hours per month. Unused sick leave benefits are allowed to accumulate indefinitely. Upon termination of employment or retirement, unused sick leave will be paid at a rate of 25.0% of the employee's hourly wage at the time of separation for all unused days. Vested or accumulated leave is reported in the statement of net position and in the enterprise funds.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position and proprietary fund financial statements, respectively. Bond premiums, discounts, and issuance costs are recognized in the current period since the amounts are not material.

In the governmental fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System ("NDPERS"); additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS), and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Non-spendable – Fund balances are reported as non-spendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash such as inventories or prepaid expenses) or (b) legally or contractually required to be maintained intact (i.e., endowment funds).

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, contributors, or law or regulations of other governments (i.e., funds restricted by state statute, unspent bond proceeds, grants earned but not spent, debt covenants or taxes raised for a specific purpose).

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City commission through the adoption of a resolution. The City commission also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

1. Committed
2. Assigned
3. Unassigned

Net Position – Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulation depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except reimbursements, are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reporting amounts and disclosures (such as estimated useful lives in determining depreciation expense); accordingly, results could differ from those estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the City maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in another financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities of 110% of the deposits not covered by insurance or bonds.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities, or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States or other securities approved by the banking board.

At year ended December 31, 2021, the City's carrying amount of deposits was \$65,315,667 and the bank balances were \$65,755,341. Of the bank balance, \$35,250,000 was covered by Federal Depository Insurance. The remaining balance was collateralized with securities held by the pledging financial institution's agent in the government's name.

Investments

As of December 31, 2021 the City's non-pension investments had the following investments and maturities:

	Market Value	Maturity			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
US government bonds	\$ 19,840,807	\$ -	\$ 4,291,932	\$ 14,019,026	\$ 1,529,849
Mutual funds	2,357,169	2,357,169	-	-	-
Money market	744,399	744,399	-	-	-
Totals	\$ 22,942,375	\$ 3,101,568	\$ 4,291,932	\$ 14,019,026	\$ 1,529,849

As of December 31, 2021 the City's non-pension investments had the following credit ratings:

	Market Value	S&P Rating					
		Not Rated	AA+	AA	A	BBB+	BBB
US government bonds	\$ 19,840,807	\$ 3,599,215	\$ 16,241,592	\$ -	\$ -	\$ -	\$ -
Mutual funds	2,357,169	2,357,169	-	-	-	-	-
Money market	744,399	744,399	-	-	-	-	-
Totals	\$ 22,942,375	\$ 6,700,783	\$ 16,241,592	\$ -	\$ -	\$ -	\$ -

As of December 31, 2021 the City's Pension Trust Funds had the following investments and maturities:

	Market Value	Maturity			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Corporate bonds	\$ 1,546,678	\$ -	\$ 1,025,689	\$ 520,989	\$ -
Mutual funds	4,407,922	4,407,922	-	-	-
Money market	228,809	228,809	-	-	-
Totals	\$ 6,183,409	\$ 4,636,731	\$ 1,025,689	\$ 520,989	\$ -

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

As of December 31, 2021 the City's Pension Trust Funds had the following credit ratings:

	Market Value	S&P Rating					
		Not Rated	AA	A-	BBB+	BBB	BBB-
Corporate bonds	\$ 1,546,678	\$ -	\$ -	\$ 288,006	\$ 725,093	\$ 303,679	\$ 229,900
Mutual funds	4,407,922	4,407,922	-	-	-	-	-
Money market	228,809	228,809	-	-	-	-	-
Totals	\$ 6,183,409	\$ 4,636,731	\$ -	\$ 288,006	\$ 725,093	\$ 303,679	\$ 229,900

Interest Rate Risk

The City does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk

The City may invest idle funds as authorized in North Dakota Statutes, as follows:

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an Act of Congress.
- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of Deposit fully insured by the federal deposit insurance corporation.
- d) Obligations of the state.

Funds invested by the City at December 31, 2021 were in investments authorized by the North Dakota Statutes as identified above.

Concentration of Credit Risk

The City does not have a limit on the amount the City may invest in any one issuer. The City does not have a formal investment policy that limits investments based on the investment credit ratings.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Fair Value Measurement

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

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

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual Funds – Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Corporate, Foreign and Government Bonds – Valued at the most recent traded prices reported on the active market on which the individual securities are traded. When the held asset is infrequently traded, valuations are based on various market and industry inputs including a combination of the relative changes in market interest rates, changes in the credit quality of bonds, and the relative supply of and demand for bonds.

Money Market Account – Valued at the NAV of interest held by the Plan at year-end. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient would not be used if it is determined to be probable that the account will sell the investment for an amount different than the reported NAV.

The following table presents the City's non-pension investments measured at fair value at December 31, 2021:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
US government bonds	\$ 19,840,807	\$ -	\$ 19,840,807	\$ -
Mutual funds	<u>2,357,169</u>	<u>2,357,169</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	22,197,976	2,357,169	19,840,807	-
Investments measured at net assets value - money market	<u>744,399</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets at fair value	\$ <u><u>22,942,375</u></u>	\$ <u><u>2,357,169</u></u>	\$ <u><u>19,840,807</u></u>	\$ <u><u>-</u></u>

(Continued)

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

The following table presents the City's Pension Trust Fund investments measured at fair value at December 31, 2021:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets (Level 1)</u>	<u>Other Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Corporate bonds	\$ 1,546,678	\$ -	\$ 1,546,678	\$ -
Municipal bonds	-	-	-	-
Mutual funds	<u>4,407,922</u>	<u>4,407,922</u>	<u>-</u>	<u>-</u>
Total assets in the fair value hierarchy	5,954,600	4,407,922	1,546,678	-
Investments measured at net assets value - money market	<u>228,809</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets at fair value	<u>\$ 6,183,409</u>	<u>\$ 4,407,922</u>	<u>\$ 1,546,678</u>	<u>\$ -</u>

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.

NOTE 3 – TAXES RECEIVABLE AND SPECIAL ASSESSMENTS RECEIVABLE

Taxes and special assessments receivable represent the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes and special assessments receivable.

The county treasurer acts as an agent to collect property taxes levied in the City for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5.00% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent, and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2021:

Governmental Activities	Beginning Balance	Additions	Transfers	Dispositions	Ending Balance
Capital assets not being depreciated					
Land	\$ 1,209,832	\$ -	\$ -	\$ 300,000	\$ 909,832
Construction in progress	<u>7,217,623</u>	<u>21,013,129</u>	<u>(26,769,747)</u>	<u>-</u>	<u>1,461,005</u>
Total capital assets not being depreciated	<u>8,427,455</u>	<u>21,013,129</u>	<u>(26,769,747)</u>	<u>300,000</u>	<u>2,370,837</u>
Capital assets, being depreciated					
Buildings and improvements	81,327,030	3,151,630	2,692,706	2,309,014	84,862,352
Improvements other than buildings	208,748,088	186,436	24,077,041	4,400,657	228,610,908
Machinery and equipment	<u>15,791,828</u>	<u>720,595</u>	<u>-</u>	<u>223,372</u>	<u>16,289,051</u>
Total capital assets, being depreciated	<u>305,866,946</u>	<u>4,058,661</u>	<u>26,769,747</u>	<u>6,933,043</u>	<u>329,762,311</u>
Less accumulated depreciation for					
Buildings and improvements	21,372,571	2,040,786	-	1,550,013	21,863,344
Improvements other than buildings	81,133,618	9,740,140	-	98,603	90,775,155
Machinery and equipment	<u>11,123,464</u>	<u>1,199,886</u>	<u>-</u>	<u>122,297</u>	<u>12,201,053</u>
Total accumulated depreciation	<u>113,629,653</u>	<u>12,980,812</u>	<u>-</u>	<u>1,770,913</u>	<u>124,839,552</u>
Total capital assets, being depreciated, net	<u>192,237,293</u>	<u>(8,922,151)</u>	<u>26,769,747</u>	<u>5,162,130</u>	<u>204,922,759</u>
Governmental activities capital assets, net	<u>\$ 200,664,748</u>	<u>\$ 12,090,978</u>	<u>\$ -</u>	<u>\$ 5,462,130</u>	<u>\$ 207,293,596</u>

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

Governmental Activities

General government	\$ 6,296,510
Public safety	871,261
Public works	4,607,256
Culture and recreation	<u>1,205,785</u>
Total depreciation expense - governmental activities	<u>\$ 12,980,812</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Business-type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfers</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land	\$ 720,161	\$ -	\$ -	\$ -	\$ 720,161
Construction in progress	<u>2,036,926</u>	<u>4,466,503</u>	<u>(3,868,412)</u>	<u>-</u>	<u>2,635,017</u>
Total capital assets not being depreciated	<u>2,757,087</u>	<u>4,466,503</u>	<u>(3,868,412)</u>	<u>-</u>	<u>3,355,178</u>
Capital assets, being depreciated					
Buildings and improvements	47,658,479	-	-	-	47,658,479
Improvements other than buildings	109,700,063	109,843	3,868,412	1,302,466	112,375,852
Machinery and equipment	<u>13,230,749</u>	<u>1,083,137</u>	<u>-</u>	<u>732,262</u>	<u>13,581,624</u>
Total capital assets, being depreciated	<u>170,589,291</u>	<u>1,192,980</u>	<u>3,868,412</u>	<u>2,034,728</u>	<u>173,615,955</u>
Less accumulated depreciation for					
Buildings and improvements	10,825,999	1,065,625	-	-	11,891,624
Improvements other than buildings	34,835,610	4,072,857	-	-	38,908,467
Machinery and equipment	<u>8,645,806</u>	<u>1,210,183</u>	<u>-</u>	<u>649,807</u>	<u>9,206,182</u>
Total accumulated depreciation	<u>54,307,415</u>	<u>6,348,665</u>	<u>-</u>	<u>649,807</u>	<u>60,006,273</u>
Total capital assets, being depreciated, net	<u>116,281,876</u>	<u>(5,155,685)</u>	<u>3,868,412</u>	<u>1,384,921</u>	<u>113,609,682</u>
Business-type activities - capital assets, net	\$ <u>119,038,963</u>	\$ <u>(689,182)</u>	\$ <u>-</u>	\$ <u>1,384,921</u>	\$ <u>116,964,860</u>

Business-type activities depreciation expense by fund is as follows:

Business-type Activities

Water distribution utility fund	\$ 1,694,480
Wastewater fund	3,609,019
Solid waste utility fund	1,025,003
Storm sewer utility fund	<u>20,163</u>
	\$ <u>6,348,665</u>

NOTE 5 – INTEREST PAYABLE

Interest payable consists of interest on long-term liabilities accrued to December 31, 2021.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 6 – UNAVAILABLE REVENUE

Unavailable revenue on the fund financial statements consists of amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, such amounts are measurable but not available and include taxed receivable and special assessments receivable.

NOTE 7 – LONG-TERM DEBT

Changes in Long-Term Liabilities

Government Activities

During the year ended December 31, 2021, the following changes occurred in liabilities reported in the long-term liabilities for governmental activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue bonds payable	\$ 8,820,000	\$ 6,535,000	\$ 9,150,000	\$ 6,205,000	\$ 1,365,000
Bond premium	143,265	-	28,652	114,613	28,652
Compensated absences	1,570,665	699,184	757,406	1,512,443	151,244
Capital leases payable	<u>1,042,788</u>	<u>231,907</u>	<u>312,397</u>	<u>962,298</u>	<u>270,391</u>
Total	\$ <u>11,576,718</u>	\$ <u>7,466,091</u>	\$ <u>10,248,455</u>	\$ <u>8,794,354</u>	\$ <u>1,815,287</u>

The change in compensated absences is shown as a net change because changes in salary prohibit exact calculations of increases and decreases.

Revenue Bonds

Revenue bonds payable outstanding in the City's governmental activities at December 31, 2021 are as follows:

\$6,535,000 Sales and Hospitality Revenue Refunding Bonds, Series 2021 due in annual installments of \$330,000 to \$2,060,000 through October 1, 2025; interest at 0.4% to 0.7% paid semi-annually.	\$ <u>6,205,000</u>
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Revenue bonds are issued to finance capital improvement projects in which revenue from operations of such improvement projects or revenue pledged from a designated revenue stream is used to pay the debt service. The City has committed thirty percent of its one percent sales and use tax and seventy-five percent of its one percent hospitality tax to pay the annual principal and interest requirements on the 2013 sales and hospitality tax revenue bonds.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

The annual requirements to amortize the outstanding bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,365,000	\$ 347,025	\$ 1,712,025
2023	1,390,000	285,600	1,675,600
2024	1,390,000	228,600	1,618,600
2025	<u>2,060,000</u>	<u>162,000</u>	<u>2,222,000</u>
	<u>\$ 6,205,000</u>	<u>\$ 1,023,225</u>	<u>\$ 7,228,225</u>

Debt Refunding

On July 7, 2021, the City issued \$6,535,000 of Sales and Hospitality Tax Revenue Refunding Bonds Series 2021 to advance refund the Sales and Hospitality Tax Revenue Bonds, Series 2013, which carried an outstanding balance of \$8,820,000 at the date of refunding. The total net proceeds of the bonds of \$6,473,000, after \$25,645 in bond discounts and \$36,355 in bond issuance costs, were used immediately in a direct refunding of the 2013 bonds.

The City's total debt service payments will be reduced by \$981,160 over the life of the bonds. The economic gain on the refunding was \$888,607.

Business-type Activities

During the year ended December 31, 2021, the following changes occurred in liabilities reported in the long-term liabilities for business-type activities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes payable	\$ 57,160,040	\$ 511,595	\$ 3,685,166	\$ 53,986,469	\$ 3,775,000
Compensated absences	233,100	174,720	157,855	249,965	27,348
Capital leases payable	<u>1,745,048</u>	<u>1,810,927</u>	<u>1,301,818</u>	<u>2,254,157</u>	<u>629,219</u>
Total	<u>\$ 59,138,188</u>	<u>\$ 2,497,242</u>	<u>\$ 5,144,839</u>	<u>\$ 56,490,591</u>	<u>\$ 4,431,567</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Notes Payable

Notes payable outstanding in the City's business-type activities at December 31, 2021 are as follows:

\$40,500,000 State Revolving Fund Loan due in annual installments of \$1,840,000 to \$2,530,000 through September 1, 2032; interest at 2.0% paid semi-annually.	\$ 24,725,000
\$42,108,000 State Revolving Fund Loan due in annual installments of \$1,615,000 to \$2,275,000 through September 1, 2034; interest at 2.0% paid semi-annually.	22,620,000
\$10,000,000 State Revolving Fund Loan due in annual installments of \$194,275 to \$275,000 through September 1, 2035; interest at 2.0% paid semi-annually.	3,355,000
\$2,370,000 State Revolving Fund Loan; \$1,872,770 drawn on loan at December 31, 2020 with \$497,230 available to be drawn; due in annual installments of \$60,000 to \$105,000 through September 1, 2049; interest at 1.5% paid semi-annually.	2,030,000
\$1,500,000 State Revolving Fund Loan; \$992,270 drawn on loan at December 31, 2020 with \$507,730 available to be drawn; due in annual installments of \$35,000 to \$65,000 through September 1, 2050; interest at 1.5% paid semi-annually.	<u>1,256,469</u>
	<u>\$ 53,986,469</u>

The annual requirements to amortize the outstanding revenue bond debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 3,775,000	\$ 1,066,325	\$ 4,841,325
2023	3,865,000	991,300	4,856,300
2024	3,960,000	914,475	4,874,475
2025	4,065,000	835,750	4,900,750
2026	21,860,000	2,927,200	24,787,200
2027-2031	14,650,000	800,350	15,450,350
2032-2036	635,000	132,600	767,600
2037-2041	641,193	82,950	724,143
2042-2046	<u>535,276</u>	<u>28,200</u>	<u>563,476</u>
	<u>\$ 53,986,469</u>	<u>\$ 7,779,150</u>	<u>\$ 61,765,619</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 8 – CAPITAL LEASES

The following represent the debt service requirements on capital leases as of December 31, 2021:

<u>Year Ending December 31</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
2022	\$ 270,391	\$ 629,219
2023	262,074	629,219
2024	249,946	625,406
2025	193,936	336,757
2026	<u>41,875</u>	<u>152,143</u>
Total minimum lease payments	1,018,222	2,372,744
Less: amounts representing interest	<u>55,924</u>	<u>118,587</u>
Present value of minimum lease payments	<u><u>\$ 962,298</u></u>	<u><u>\$ 2,254,157</u></u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 9 – NET POSITION AND FUND BALANCES

As of December 31, 2021, the specific purposes of fund balances and net position were as follows:

	<u>General</u>	<u>One Percent Sales Tax</u>	<u>Oil Impact</u>	<u>Annual Street Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances restricted for:						
Debt, property tax reductions and infrastructure	\$ -	\$ 6,376,313	\$ -	\$ -	\$ 1,898,128	\$ 8,274,441
Urban and economic development	-	3,825,788	-	-	11,194,800	15,020,588
Job creation and senior citizen activities	-	2,550,525	-	-	-	2,550,525
Oil impacted operations	-	-	24,029,809	-	-	24,029,809
Grants	-	-	-	-	135,747	135,747
Total restricted	<u>-</u>	<u>12,752,626</u>	<u>24,029,809</u>	<u>-</u>	<u>13,228,675</u>	<u>50,011,110</u>
Committed for:						
Occupancy tax	-	-	-	-	43,250	43,250
Hospitality	-	-	-	-	1,211,124	1,211,124
Total committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,254,374</u>	<u>1,254,374</u>
Assigned for:						
Future fund	3,136,553	-	-	-	-	3,136,553
Cemetery	165,717	-	-	-	-	165,717
Street projects	-	-	-	1,717,615	-	1,717,615
Library	-	-	-	-	596,784	596,784
Museum	-	-	-	-	1,023	1,023
Total assigned	<u>3,302,270</u>	<u>-</u>	<u>-</u>	<u>1,717,615</u>	<u>597,807</u>	<u>5,617,692</u>
Unassigned	<u>14,512,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,512,591</u>
Total fund balances	\$ <u>17,814,861</u>	\$ <u>12,752,626</u>	\$ <u>24,029,809</u>	\$ <u>1,717,615</u>	\$ <u>15,080,856</u>	\$ <u>71,395,767</u>
					<u>Governmental Activities</u>	
Net position restricted for:						
Debt, property tax reductions and infrastructure					\$ 8,274,441	
Urban and economic development					15,020,588	
Job creation and senior citizen activities					2,550,525	
Oil impacted operations					24,029,809	
Grants					135,747	
Total restricted net position					\$ <u>50,011,110</u>	

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 10 – TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2021:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 8,786,659	\$ 3,227,260
Annual Street Project Fund	5,849,007	-
One Percent Sales Tax Fund	-	3,532,500
Oil Impact Fund	-	13,536,502
Half Percent Sales Tax Fund	-	2,800,000
Hospitality Tax Fund	-	600,000
Museum Fund	-	-
Wastewater Backup Reserve Fund	-	-
Grant Fund	-	-
Dickinson Public Library Fund	186,100	5,132
Emergency Shelter Fund	-	-
ARPA Fund	-	489,000
2013 Sales Tax Revenue Bonds Fund	1,700,000	-
General Capital Leases Fund	359,379	-
Building Construction Fund	-	-
Water Distribution Utility Fund	516,200	18,334
Wastewater Fund	6,354,542	154,874
Solid Waste Utility Fund	58,200	232,429
Storm Sewer Utility Fund	-	13,359
Internal Service Fund	799,303	-
	<u> </u>	<u> </u>
Total	\$ <u>24,609,390</u>	\$ <u>24,609,390</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss relating to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The City pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and automobile; and \$6,854,966 for public assets.

The City also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The City pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of one million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the City with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The City has worker's compensation with the Department of Workforce Safety and Insurance and purchases commercial insurance for employee health and accident insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 12 – CONTINGENT LIABILITIES

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City of Dickinson's management, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

NOTE 13 – OPEB PLANS

North Dakota Public Employees Retirement System OPEB Plan

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit Other Post-Employment Benefits (OPEB) plan that covers members receiving retirement benefits from the NDPERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The Retiree Health Insurance Credit Fund is advance funded on an actuarially determined basis.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

OPEB Benefits

The employer contribution for the NDPERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund ("RHIC"). Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "prefunded credit applied" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the NDPERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, the City reported a liability of \$348,481 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2021, the City's proportion was 0.626569 percent, which was an increase of 0.003624 from its proportion measured as of June 30, 2020.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2021, the City recognized OPEB expense of \$107,521. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 20,014	\$ 9,552
Changes of assumptions	53,966	-
Net difference between projected and actual earnings on pension plan investments	-	119,398
Changes in proportion and differences between employer contributions and proportionate share of contributions	250,479	-
Employer contributions subsequent to measurement date	<u>41,527</u>	<u>-</u>
	\$ <u><u>365,986</u></u>	\$ <u><u>128,950</u></u>

\$41,527 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022.

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

Year Ended June 30:

2022	\$ 52,689
2023	51,830
2024	46,552
2025	32,350
2026	12,088
Thereafter	-

Actuarial Assumptions

The total OPEB liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	6.50% net of investment expenses
Cost-of-living adjustments	None

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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For active members, inactive members and healthy retirees, mortality rates were based on the Mortality Pub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103.0% for males and 101.0% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117.0% for males and 112.0% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92.0% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap domestic equities	33.00%	5.85%
Small cap domestic equities	6.00%	6.75%
Domestic fixed income	40.00%	0.50%
International equities	21.00%	6.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Plans as of June 30, 2021, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of net pension liability	\$ <u>516,842</u>	\$ <u>348,481</u>	\$ <u>206,022</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

City of Dickinson OPEB Plan Description

The City operates a single-employer retiree benefit plan which provides health insurance benefits for retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a stand-alone financial report.

OPEB Benefits

Any full-time City employee, who is at least 62 years old or who is at least 55 years old and has completed 25 years of service and retires from City employment is eligible for a benefit consisting of a subsidy of their actual monthly health insurance cost based on the type of benefit plan, whether a single or family, the retiree carried at the time of retirement from the date of retirement until the retiree is eligible for federal Medicare. The benefit will consist of a subsidy of 2.0% of the retiree's actual monthly health insurance cost for each full year of employment with the City to a maximum of 50.0% of the retiree's actual monthly health insurance cost. At no time will the monthly subsidy exceed the City's actual group premium cost for a comparable type of policy times the applicable percentage. If an employee covered by the City's group plan dies while employed by the City or a retiree covered by this subsection dies before attaining federal Medicare eligibility, the person(s) covered under the employee's or retiree's health insurance benefit at the time of death, or the employee or retiree may continue to receive said benefit for the remainder of the employee's/retiree's benefit allowance period or three years whichever is less.

Membership of the Other Post Employment Benefit plan consisted of the following at December 31, 2021, the date of the latest actuarial valuation:

Inactive employees or beneficiaries receiving benefit payments	13
Active employees	<u>157</u>
	<u><u>170</u></u>

Total OPEB Liability

The City's total OPEB liability of \$1,847,916 was measured as of December 31, 2021 and was determined by an actuarial valuation as of December 31, 2021.

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and the entry age normal actuarial cost method.

The discount rate used to measure the total OPEB liability was 2.06% which reflects the index rate for 20-year tax-exempt general obligation municipal bonds as of the measurement date.

The healthcare cost trend rate for 2020 was 17.0%. Increases in City premiums occur every two years. Consequently, the healthcare cost trend rate for 2021 and all odd years is 0.00%. The rate for even years decreases 1.00% each year to an ultimate biennial rate of 10.0%.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Mortality rates are from the RP-2014 generational mortality table using Scale MP-2020. 100% of employees with medical coverage are assumed to elect medical coverage in the plan at retirement, if eligible. 80% of employees with family coverage are assumed to be married and elect coverage for their spouse at retirement, if eligible. Husbands are assumed to be three years older than wives.

The retirement rates for police employees are 100% at earlier of age 55 or 30 years of service. The retirement rate for other employees is 100% at earlier of age 62 or 30 years of service.

The actuarial assumptions used were based on actual City experience at the actuarial valuation date and measurement date of December 31, 2021.

Schedule of Net OPEB Liability

Total OPEB liability	\$ 1,847,916
Plan fiduciary net position	<u>237,053</u>
Total OPEB liability, ending	<u><u>\$ 1,610,863</u></u>

Schedule of Changes in Total OPEB Liability

Total OPEB liability, beginning of year	\$ 3,423,908
Changes for the year	
Service cost	386,909
Interest	80,204
Changes of benefit terms	-
Differences between expected and actual experience	(801,242)
Changes of assumptions	(1,186,633)
Benefit payments	<u>(55,230)</u>
Total OPEB liability, ending	<u><u>\$ 1,847,916</u></u>

Schedule of Changes in Plan Fiduciary Net Position

Plan fiduciary net position, beginning of year	\$ 236,991
Contributions - employer	55,230
Net investment income	1,213
Benefit payments	(55,230)
Administrative expense	<u>(1,151)</u>
Total plan fiduciary net position, ending	<u><u>\$ 237,053</u></u>

Changes of assumptions reflect a change in the discount rate from 2.12% at December 31, 2020 to 2.06% at December 31, 2021.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Sensitivity of the City's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1.0% lower or 1.0% higher than the current discount rate.

	<u>1% Decrease (1.06%)</u>	<u>Current Discount Rate (2.06%)</u>	<u>1% Increase (3.06%)</u>
Total OPEB liability	\$ <u>1,658,675</u>	\$ <u>1,847,916</u>	\$ <u>2,058,930</u>

Sensitivity of the City's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using biennial healthcare cost trend rates that are 1.0% lower (16.0%) or 1.0% higher (18.0%) than the current healthcare cost trend rates.

	<u>1% Decrease (9 to 16%)</u>	<u>Current Discount Rate (10 to 17%)</u>	<u>1% Increase (11 to 18%)</u>
Total OPEB liability	\$ <u>2,163,424</u>	\$ <u>1,847,916</u>	\$ <u>1,590,241</u>

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$266,171. At December 31, 2021, the City reported deferred inflows and outflows of resources related to OPEB from the following resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,445	\$ 736,992
Changes of assumptions	502,859	1,113,047
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>3,336</u>
	\$ <u>514,304</u>	\$ <u>1,853,375</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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The remaining amount reported as deferred inflows and outflows of resources related to OPEB will be recognized as OPEB expense as follows:

2022	\$ (197,082)
2023	(199,055)
2024	(197,509)
2025	(191,238)
2026	(178,213)
Thereafter	(375,974)

NOTE 14 – PENSION PLANS (NDPERS)

North Dakota Public Employees Retirement System (Main System)

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to North Dakota Century Code (“NDCC”) Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies, and various participating political subdivisions. NDPERS provides for pension, death, and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by active membership of the NDPERS system; one member elected by the retired public employees; and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020, the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the member’s accumulated contributions plus interest.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50.0% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25.0% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member is terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7.00% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 7.00% and employer contribution rates are 8.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25, and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability of \$4,739,445 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of covered payroll in the Main System pension plan relative to the covered payroll of all participation Main System employers. At June 30, 2021, the City's proportion was 0.454710 percent, which was an increase of 0.039402 from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the City recognized pension expense of \$1,854,432. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 81,826	\$ 483,725
Changes of assumptions	5,245,645	6,839,225
Net difference between projected and actual earnings on pension plan investments	-	1,757,785
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,900,428	-
Employer contributions subsequent to measurement date	<u>162,699</u>	<u>-</u>
	<u>\$ 8,390,598</u>	<u>\$ 9,080,735</u>

\$162,699 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

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

Year Ended June 30:

2022	\$ 556,579
2023	258,499
2024	(65,847)
2025	(1,602,067)
2026	-

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.50% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	30.00%	6.00%
International equity	21.00%	6.70%
Private equity	7.00%	9.50%
Domestic fixed income	23.00%	0.73%
International fixed income	0.00%	0.00%
Global real assets	19.00%	4.77%
Cash equivalents	0.00%	0.00%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

CITY OF DICKINSON
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FOR THE YEAR ENDED DECEMBER 31, 2021

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 4.64%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.64%) or 1-percentage-point higher (5.64%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of net pension liability	\$ <u>7,537,310</u>	\$ <u>4,739,445</u>	\$ <u>2,409,782</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

North Dakota Public Employees Retirement System (Law Enforcement System)

The following brief description of the Law Enforcement System is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

The Law Enforcement System is a cost-sharing multiple-employer defined benefit pension plan that covers peace officers and correctional officers employed by participating political subdivisions. Effective August 1, 2015, the plan will include National Guard Security Officers and Fire-fighters. The Law Enforcement System provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Pension Benefits

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (55) with three or more years of service. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members first enrolled in the plan after December 31, 2019, the multiplier was reduced from 2.00% to 1.75%. The plan permits early retirement at ages 50-55 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service in the Law Enforcement System, a death benefit equals to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Law Enforcement System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50.0% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25.0% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Member and Employer Contributions

Member and employer contributions paid to NDPERS are established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Contribution rates for the Law Enforcement System are established as follows:

<u>Plan</u>	<u>Member Contribution Rate</u>	<u>Employer Contribution Rate</u>
Law enforcement with previous service		
Political subdivisions	5.50%	9.81%
State	6.00%	9.81%
National guard	5.50%	9.81%
Law enforcement without previous service	5.50%	7.93%

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25, and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported a liability of \$(604,302) for its proportionate share of the net pension assets. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of covered payroll in the Law Enforcement System pension plan relative to the covered payroll of all participation Main System employers. At June 30, 2021, the City's proportion was 27.226061 percent, which was an increase of 1.034778 from its proportion measured as of June 30, 2020.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

For the year ended December 31, 2021, the City recognized pension expense of \$430,184. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 44,618	\$ 187,379
Changes of assumptions	1,255,108	1,666,816
Net difference between projected and actual earnings on pension plan investments	-	385,198
Changes in proportion and differences between employer contributions and proportionate share of contributions	549	205,240
Employer contributions subsequent to measurement date	<u>107,657</u>	<u>-</u>
	\$ <u>1,407,932</u>	\$ <u>2,444,633</u>

\$107,657 reported as deferred outflows of resources related to pension resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022.

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

Year Ended June 30:

2022	\$ (254,069)
2023	(264,335)
2024	(178,406)
2025	(266,054)
2026	(181,494)

Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.50% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

(Continued)

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	30.00%	6.30%
International equity	21.00%	6.70%
Private equity	7.00%	9.50%
Domestic fixed income	23.00%	0.73%
International fixed income	0.00%	0.00%
Global real assets	19.00%	4.77%
Cash equivalents	0.00%	0.00%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6%) or 1-percentage-point higher (8%) than the current rate:

Schedule of Changes in Plan Fiduciary Net Position

Contributions - employer	\$ 86,169
Net investment income (loss)	44,818
Benefit payments, including refunds of member contributions	(102,339)
Administrative expense	(2,973)
Net change in plan fiduciary net position	<u>25,675</u>
Plan fiduciary net position - beginning	394,125
Plan fiduciary net position - ending (b)	<u><u>\$ 419,800</u></u>
 Net Pension Liability - ending (a) - (b)	 <u><u>\$ 22,812</u></u>
 Discount rate used to measure Total Pension Liability	 7.00%

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expenses	11.70%
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Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 15 – CITY OF DICKINSON PENSION PLANS

The City of Dickinson administers three separate defined benefit pension plans – the City Employee Pension Plan, the Police Pension Plan and the Volunteer Firemen's Pension Plan. All three plans are considered a part of the City of Dickinson's reporting entity and are included in the City of Dickinson's financial reports as Pension Trust Funds. Separately issued financial statements are not available.

Summary of Significant Accounting Policies

Basis of Accounting – All three of the pensions plan financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments – Investments for all three pension plans are recorded at fair value.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Plan Descriptions and Contribution Information

Membership of each plan consisted of the following at January 1, 2022, the date of the latest actuarial valuation:

	<u>City Employee</u>	<u>Police</u>	<u>Volunteer Firemen</u>
Retirees and beneficiaries receiving benefits	38	16	14
Terminated plan members entitled to but not receiving benefits	10	7	7
Active plan members	<u>12</u>	<u>10</u>	<u>16</u>
Total	<u><u>60</u></u>	<u><u>33</u></u>	<u><u>37</u></u>
Number of participating employers	2	1	1

Plan Description – The City Employee Pension Plan is a multiple employer defined pension benefit plan. The Police Pension Plan and the Volunteer Firemen’s Pension Plans are single employer defined pension benefit plans which cover substantially all full-time employees (volunteers, in the case of the Volunteer Firemen’s Pension Plan). Each plan provides retirement, disability and death benefits to plan members and their beneficiaries. All benefit provisions and all requirements are established by City ordinance.

City ordinance provided that prior to April 2006 all employees became participants upon employment. However, effective January 1, 2019, the plans were closed to new hires. Employees hired after this date would instead be required to participate in one of the NDPERS plans. Furthermore, employees currently participating in one of the City pension plans have the option to transfer their account balances to NDPERS to purchase service credit with the NDPERS plan.

Benefits become fully vested after 7 years of service. Employees who retire at or after age 62 with 15 years of credited service or after 30 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.30% of the final average compensation multiplied by the number of full and remaining fractional years of service completed by the participant or by a monthly benefit equal to one-twelfth of 3.30% of the total basic compensation for each full year and completed month of service. The amount used is the greater of the two calculations.

Contributions – City employee and police plan participants are required to contribute 5.00% of the employee’s monthly salary to the plan. The City is required to contribute the remaining amounts necessary to fund the plans on a sound actuarial basis. Administrative costs are financed through investment earnings. For the volunteer firemen’s plan, there are no required contributions as annual investment income is adequate to pay the annual pension cost.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Actuarial Assumptions

	<u>City Employee</u>	<u>Police</u>	<u>Volunteer Firemen</u>
Valuation date	1/1/2022	1/1/2022	1/1/2022
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level \$ closed 30 year period	Level \$ closed 30 year period	Level \$ closed 30 year period
Remaining amortization period	19 years	19 years	19 years
Asset valuation method	Smoothing of gains and losses	Smoothing of gains and losses	Smoothing of gains and losses
Investment rate of return	6.50%	6.50%	7.00%
Projected salary increases	4.00%	4.00%	N/A
Assumed inflation rate			
Mortality	Pub-2010 Mortality Table using Scale MP-2021	Pub-2010 Mortality Table using Scale MP-2021	Pub-2010 Mortality Table using Scale MP-2021

The actuary does not determine the pension contribution rates; rather it is done by employer recommendations within the limits established by state statute. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources.

Investments

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

The Board adopted a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plan's target asset allocation as of December 31, 2021 for the following plans:

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Target Allocation

	<u>City Employee</u>	<u>Police</u>	<u>Volunteer Firemen</u>
Equity	67.00%	67.00%	67.00%
Fixed income	33.00%	33.00%	33.00%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation service and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increase or decrease in fair value of the 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 investments between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

The long-term expected rate of return on pension plan investments was determined by the Plan's investment advisor using a building-block method in which best estimate of expected future real rates of return (expected returns, net of pension plan investment expense and market comparison) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available). The best estimates of expected future real rates of return were developed by American Trust Center in their annual meeting with the City of Dickinson Board of Trustees. The expected real rate of return is summarized in the following tables for each plan:

Expected Real Rate of Return

	<u>City Employee</u>	<u>Police</u>	<u>Volunteer Firemen</u>
Equity	8.00%	8.00%	8.00%
Fixed income	5.00%	5.00%	5.00%

City Employee Pension Plan

Schedule of Net Pension Liability

Total Pension Liability	\$ 17,039,825
Plan fiduciary net position	<u>8,734,233</u>
Net pension liability	<u>8,305,592</u>
City's share of net pension liability	<u>\$ 4,514,027</u>
Plan fiduciary net position as a percentage of the total pension liability	51.26%
Covered payroll	\$ 951,965
Net Pension liability as a percentage of covered payroll	474.18%

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Changes in Total Pension Liability

Service cost	\$ 111,473
Interest	1,083,409
Differences between expected and actual experience	17,426
Changes of assumptions	5,914
Benefit payments, including refunds of member contributions	<u>(1,469,497)</u>
Net change in total pension liability	(251,275)
Total Pension Liability - Beginning	17,291,100
Total Pension Liability - Ending (a)	<u><u>\$ 17,039,825</u></u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - employer	\$ 1,045,286
Contributions - member	50,723
Net investment income (loss)	895,681
Benefit payments, including refunds of member contributions	(1,469,497)
Administrative expense	<u>(52,387)</u>
Net change in plan fiduciary net position	469,806
Plan fiduciary net position - beginning	8,264,427
Plan fiduciary net position - ending (b)	<u><u>\$ 8,734,233</u></u>
 Net Pension Liability - ending (a) - (b)	 <u><u>\$ 8,305,592</u></u>

Discount rate used to measure Total Pension Liability	6.50%
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Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expenses	11.10%
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The discount rate used to measure the total pension liability was 6.5% for the year ended December 31, 2021.

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City Employee pension plan calculated at a discount rate of 6.5%, as well as what the City Employee's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

City Employee Discount Rate Sensitivity

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Total Pension Liability	\$ 18,455,566	\$ 17,039,825	\$ 15,805,144
Plan Fiduciary Net Position	<u>8,734,233</u>	<u>8,734,233</u>	<u>8,734,233</u>
Net Pension Liability	<u>\$ 9,721,333</u>	<u>\$ 8,305,592</u>	<u>\$ 7,070,911</u>
City Share	<u>\$ 5,283,472</u>	<u>\$ 4,514,027</u>	<u>\$ 3,842,987</u>

City's Share of Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City of Dickinson reported a liability of \$4,514,027 for its proportionate share of the net pension liability. The net pension liability was measured as of January 1, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Dickinson's proportion of the net pension liability was based on the City of Dickinson's share of the present value of future payroll in the pension plan relative to the present value of future payroll of all participating employers. At December 31, 2021, City of Dickinson's proportion was 54.349253%.

For the year ended December 31, 2021, the City of Dickinson recognized pension expense of \$657,178. At December 31, 2021, the City of Dickinson reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City Employee - Deferred outflows and inflows of resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ 194,336
	<u>\$ -</u>	<u>\$ 194,336</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

City Employee - Deferred outflow and inflow of resources recognition

Year Ended December 31:

2022	\$ 1,523
2023	(92,053)
2024	(38,708)
2025	(33,995)

Volunteer Firemen Pension Plan

Schedule of Net Pension Liability

Total pension liability	\$ 442,612
Plan fiduciary net position	419,800
Net pension liability	\$ <u>22,812</u>

Plan fiduciary net position as a percentage of the total pension liability	94.85%
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Covered payroll	N/A
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Net pension liability as a percentage of covered payroll	N/A
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Schedule of Changes in Total Pension Liability

Service cost	\$ 9,441
Interest	27,917
Differences between expected and actual experience	67,135
Changes of assumptions	(87)
Benefit payments, including refunds of member contributions	<u>(102,339)</u>
Net change in total pension liability	2,067
Total Pension Liability - Beginning	440,545
Total Pension Liability - Ending (a)	\$ <u>442,612</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Changes in Plan Fiduciary Net Position

Contributions - employer	\$ 86,169
Net investment income (loss)	44,818
Benefit payments, including refunds of member contributions	(102,339)
Administrative expense	<u>(2,973)</u>
Net change in plan fiduciary net position	25,675
Plan fiduciary net position - beginning	394,125
Plan fiduciary net position - ending (b)	<u><u>\$ 419,800</u></u>
 Net Pension Liability - ending (a) - (b)	 <u><u>\$ 22,812</u></u>
 Discount rate used to measure Total Pension Liability	 7.00%

Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expenses	11.70%
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Volunteer Firemen Pension Plan calculated at a discount rate of 7%, as well as what the Volunteer Firemen's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Firemen Discount Rate Sensitivity

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Total Pension Liability	\$ <u>493,756</u>	\$ <u>442,612</u>	\$ <u>399,556</u>
Plan Fiduciary Net Position	<u>419,800</u>	<u>419,800</u>	<u>419,800</u>
 Net Pension Liability	 <u><u>\$ 73,956</u></u>	 <u><u>\$ 22,812</u></u>	 <u><u>\$ (20,244)</u></u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City of Dickinson recognized pension expense of \$11,250. At December 31, 2021, the City of Dickinson reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Firemen Deferred Outflows and Inflows

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 59,482	\$ 27,382
Changes of assumptions	1,774	1,665
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>16,759</u>
Total	\$ <u>61,256</u>	\$ <u>45,806</u>

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

Firemen Deferred Outflows and Inflows Recognition

2022	\$ 1,338
2023	(6,756)
2024	5,129
2025	6,079
2026	9,660

Police Pension Plan

Schedule of Net Pension Liability

Total Pension Liability	\$ 10,883,533
Plan fiduciary net position	7,478,935
Net pension liability	\$ <u>3,404,598</u>
Plan fiduciary net position as a percentage of the total pension liability	68.72%
Covered payroll	\$ 850,346
Net Pension liability as a percentage of covered payroll	400.38%

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Changes in Total Pension Liability

Service cost	\$ 126,646
Interest	682,692
Differences between expected and actual experience	43,971
Changes of assumptions	5
Benefit payments, including refunds of member contributions	<u>(692,163)</u>
Net change in total pension liability	161,151
Total Pension Liability - Beginning	10,722,382
Total Pension Liability - Ending (a)	<u><u>\$ 10,883,533</u></u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - employer	\$ 487,802
Contributions - member	45,793
Net investment income (loss)	759,104
Benefit payments, including refunds of member contributions	(692,163)
Administrative expense	<u>(43,529)</u>
Net change in plan fiduciary net position	557,007
Plan fiduciary net position - beginning	6,921,928
Plan fiduciary net position - ending (b)	<u><u>\$ 7,478,935</u></u>

Net Pension Liability - ending (a) - (b)	<u><u>\$ 3,404,598</u></u>
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Discount rate used to measure Total Pension Liability	6.50%
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Schedule of Investment Returns

Annual money-weighted rate of return, net of investment expense	11.10%
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Police pension plan calculated at a discount rate of 6.5%, as well as what the Police's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1- percentage point higher than the current rate:

Police Discount Rate Sensitivity

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Total Pension Liability	\$ 11,993,274	\$ 10,883,533	\$ 9,936,789
Plan Fiduciary Net Position	<u>7,478,935</u>	<u>7,478,935</u>	<u>7,478,935</u>
Net Pension Liability	<u><u>\$ 4,514,339</u></u>	<u><u>\$ 3,404,598</u></u>	<u><u>\$ 2,457,854</u></u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City of Dickinson recognized pension expense of \$274,844. At December 31, 2021, the City of Dickinson reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Police Deferred Outflows and Inflows

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 21,985	\$ -
Changes of assumptions	2	-
Net difference between projected and actual earnings on pension plan investments	<u>-</u>	<u>315,175</u>
Total	\$ <u>21,987</u>	\$ <u>315,175</u>

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

Police Deferred Outflows and Inflows Recognition

2022	\$ 15,949
2023	(173,723)
2024	(72,263)
2025	(63,151)

Combining Statement of Net Position

	<u>City Employees Pension</u>	<u>Police Pension</u>	<u>Volunteer Firemen Pension</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 122,761	\$ 101,145	\$ 4,505	\$ 228,411
Investments, at fair value				
Corporate bonds	907,576	639,102	-	1,546,678
Mutual funds	6,351,909	5,590,737	348,001	12,290,647
Equity dividend focus	1,351,987	1,147,951	67,294	2,567,232
Total investments	<u>8,611,472</u>	<u>7,377,790</u>	<u>415,295</u>	<u>16,404,557</u>
Accounts receivable	-	-	-	-
Total assets	\$ <u>8,734,233</u>	\$ <u>7,478,935</u>	\$ <u>419,800</u>	\$ <u>16,632,968</u>
Liabilities	\$ -	\$ -	\$ -	\$ -
Net Position				
Held in trust for pension benefits	<u>8,734,233</u>	<u>7,478,935</u>	<u>419,800</u>	<u>16,632,968</u>
Total net position	\$ <u>8,734,233</u>	\$ <u>7,478,935</u>	\$ <u>419,800</u>	\$ <u>16,632,968</u>

CITY OF DICKINSON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NOTE 16 – CLOSURE AND POST CLOSURE CARE COSTS

State and federal laws and regulations require that the City of Dickinson place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfill used during the year. The estimate liability for landfill closure and post closure care costs has a balance of \$1,159,308 at December 31, 2021, which is based on 36.9% usage (filled) of municipal solid waste in the landfill and 40.4% usage (filled) of municipal solid waste and inert material combined in the landfill. It is estimated that an additional \$1,788,726 will be recognized as closure and post closure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and post closure care of \$2,948,034 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2021. However, the actual cost of closure and post closure care may be higher due to inflation, changes to technology, or changes in landfill laws and regulations.

CITY OF DICKINSON

**REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

CITY OF DICKINSON
REQUIRED SUPPLEMENTARY INFORMATION - CITY PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of the Employer's Proportionate Share of the Net Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	54.35%	54.69%	57.35%	56.60%	55.45%	54.22%	55.51%	59.69%
Employer's proportionate share of the net pension liability	\$ 4,514,027	\$ 4,936,416	\$ 5,829,418	\$ 7,020,062	\$ 5,743,145	\$ 5,771,804	\$ 5,552,647	\$ 5,157,267
Employer's covered payroll	\$ 951,965	\$ 1,137,144	\$ 1,097,005	\$ 1,141,305	\$ 1,100,840	\$ 1,216,809	\$ 1,193,687	\$ 1,474,076
Employer's proportionate share of the net pension liability as a percentage of covered payroll	474.18%	434.11%	531.39%	615.09%	521.71%	474.34%	465.17%	349.86%
Plan fiduciary net position as a percentage of the total pension liability	51.26%	47.80%	43.53%	35.59%	42.30%	39.97%	41.17%	44.20%

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

Schedule of Changes in Total Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Service cost	\$ 111,473	\$ 178,464	\$ 224,339
Interest	1,083,409	1,142,675	1,042,310
Differences between expected and actual experience	17,426	(811,530)	64,212
Changes of assumptions	5,914	(22,291)	(1,460,948)
Benefit payments, including refunds of member contributions	(1,469,497)	(1,194,744)	(1,127,492)
Net change in total pension liability	(251,275)	(707,426)	(1,257,579)
Total pension liability -beginning	<u>17,291,100</u>	<u>17,998,526</u>	<u>19,256,105</u>
Total pension liability - ending (a)	\$ <u>17,039,825</u>	\$ <u>17,291,100</u>	\$ <u>17,998,526</u>

**Complete data for this schedule is not available prior to 2019. The information presented has a measurement date of December 31.

Schedule of Changes in Plan Fiduciary Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contribution - employer	\$ 1,045,286	\$ 1,045,285	\$ 1,051,136
Contribution - member	50,723	68,092	75,518
Net investment income	895,681	556,739	1,028,160
Benefit payments, including refunds of member contributions	(1,469,497)	(1,194,744)	(1,127,492)
Administrative expense	(52,387)	(45,059)	(45,815)
Net change in plan fiduciary net position	<u>469,806</u>	<u>430,313</u>	<u>981,507</u>
Plan fiduciary net position - beginning	<u>8,264,427</u>	<u>7,834,114</u>	<u>6,852,607</u>
Plan fiduciary net position - ending (b)	\$ <u>8,734,233</u>	\$ <u>8,264,427</u>	\$ <u>7,834,114</u>
Net pension liability - ending (a) - (b)	\$ <u>8,305,592</u>	\$ <u>9,026,673</u>	\$ <u>10,164,412</u>

**Complete data for this schedule is not available prior to 2019. The information presented has a measurement date of December 31.

(Continued)

CITY OF DICKINSON
REQUIRED SUPPLEMENTARY INFORMATION - CITY PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of the Employer's Contributions

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 894,772	\$ 987,763	\$ 970,050	\$ 959,130	\$ 943,145	\$ 899,949	\$ 817,871	\$ 854,400
Contributions in relation to the actuarially determined contribution	<u>1,045,286</u>	<u>1,045,285</u>	<u>1,051,136</u>	<u>823,296</u>	<u>814,789</u>	<u>814,740</u>	<u>840,574</u>	<u>823,620</u>
Contribution deficiency (excess)	<u>\$ (150,514)</u>	<u>\$ (57,522)</u>	<u>\$ (81,086)</u>	<u>\$ 135,834</u>	<u>\$ 128,356</u>	<u>\$ 85,209</u>	<u>\$ (22,703)</u>	<u>\$ 30,780</u>
Employer's covered payroll	\$ 951,965	\$ 1,137,144	\$ 1,097,005	\$ 1,141,305	\$ 1,100,840	\$ 1,216,809	\$ 1,193,687	\$ 1,474,076
Contributions as a percentage of covered payroll	109.80%	91.92%	95.82%	72.14%	74.02%	66.96%	70.42%	55.87%

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

Notes to the Required Supplementary Information

Valuation date	January 1, 2022
Actuarial cost method	Level \$ closed 30 year period
Amortization method	Level \$ open 30 year period
Remaining amortization period	19 years
Asset valuation method	Smoothing of gains and losses
Investment rate of return	6.5%
Projected salary increases	4.0%
Assumed inflation rate	4.0%
Mortality	Pub-2010 Mortality Table using Scale MP-2021

CITY OF DICKINSON

REQUIRED SUPPLEMENTARY INFORMATION – VOLUNTEER FIREMEN PENSION PLAN FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Net Pension Liability	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	\$ 442,612	\$ 440,545	\$ 429,906	\$ 413,894	\$ 403,806	\$ 384,902	\$ 413,002	\$ 376,696
Plan fiduciary net position	<u>419,800</u>	<u>394,125</u>	<u>368,686</u>	<u>319,891</u>	<u>332,763</u>	<u>310,396</u>	<u>301,264</u>	<u>288,225</u>
Net pension liability	<u>\$ 22,812</u>	<u>\$ 46,420</u>	<u>\$ 61,220</u>	<u>\$ 94,003</u>	<u>\$ 71,043</u>	<u>\$ 74,506</u>	<u>\$ 111,738</u>	<u>\$ 88,471</u>
Plan fiduciary net position as a percentage of the total pension liability	94.85%	89.46%	85.76%	77.29%	82.41%	80.64%	72.94%	76.51%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Schedule of Changes in Total Pension Liability	2021	2020	2019	2018	2017	2016	2015	2014
Service cost	\$ 9,441	\$ 9,394	\$ 10,787	\$ 10,783	\$ 13,568	\$ 15,479	\$ 14,870	\$ 14,918
Interest	27,917	30,112	29,039	28,559	26,729	29,031	27,059	26,248
Differences between expected and actual experience	67,135	(9,479)	(3,538)	(15,624)	12,381	(44,345)	(5,667)	(17,014)
Changes of assumptions	(87)	(1,135)	(610)	(425)	(513)	(747)	10,055	-
Benefit payments, including refunds of member contributions	<u>(102,339)</u>	<u>(18,253)</u>	<u>(19,666)</u>	<u>(13,205)</u>	<u>(33,261)</u>	<u>(27,518)</u>	<u>(10,011)</u>	<u>(15,028)</u>
Net change in total pension liability	2,067	10,639	16,012	10,088	18,904	(28,100)	36,306	9,124
Total pension liability -beginning	<u>440,545</u>	<u>429,906</u>	<u>413,894</u>	<u>403,806</u>	<u>384,902</u>	<u>413,002</u>	<u>376,696</u>	<u>367,572</u>
Total pension liability - ending (a)	<u>\$ 442,612</u>	<u>\$ 440,545</u>	<u>\$ 429,906</u>	<u>\$ 413,894</u>	<u>\$ 403,806</u>	<u>\$ 384,902</u>	<u>\$ 413,002</u>	<u>\$ 376,696</u>

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

Schedule of Changes in Plan Fiduciary Net Position	2021	2020	2019	2018	2017	2016	2015	2014
Contribution - employer	\$ 86,169	\$ 18,875	\$ 21,169	\$ 26,240	\$ 26,241	\$ 26,241	\$ 27,408	\$ 27,447
Net investment income	44,818	27,053	49,944	(23,243)	32,424	13,771	(2,294)	14,756
Benefit payments, including refunds of member contributions	(102,339)	(18,253)	(19,666)	(13,205)	(33,261)	(27,518)	(10,011)	(15,028)
Administrative expense	<u>(2,973)</u>	<u>(2,236)</u>	<u>(2,652)</u>	<u>(2,664)</u>	<u>(3,037)</u>	<u>(3,362)</u>	<u>(2,064)</u>	<u>(2,926)</u>
Net change in plan fiduciary net position	25,675	25,439	48,795	(12,872)	22,367	9,132	13,039	24,249
Plan fiduciary net position - beginning	<u>394,125</u>	<u>368,686</u>	<u>319,891</u>	<u>332,763</u>	<u>310,396</u>	<u>301,264</u>	<u>288,225</u>	<u>263,976</u>
Plan fiduciary net position - ending (b)	<u>\$ 419,800</u>	<u>\$ 394,125</u>	<u>\$ 368,686</u>	<u>\$ 319,891</u>	<u>\$ 332,763</u>	<u>\$ 310,396</u>	<u>\$ 301,264</u>	<u>\$ 288,225</u>
Net pension liability - ending (a) - (b)	<u>\$ 22,812</u>	<u>\$ 46,420</u>	<u>\$ 61,220</u>	<u>\$ 94,003</u>	<u>\$ 71,043</u>	<u>\$ 74,506</u>	<u>\$ 111,738</u>	<u>\$ 88,471</u>

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

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CITY OF DICKINSON

REQUIRED SUPPLEMENTARY INFORMATION – VOLUNTEER FIREMEN PENSION PLAN FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Contributions	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 16,630	\$ 17,411	\$ 18,491	\$ 20,303	\$ 22,136	\$ 26,297	\$ 25,147	\$ 26,730
Contributions in relation to the actuarially determined contribution	<u>86,169</u>	<u>18,875</u>	<u>21,169</u>	<u>26,240</u>	<u>26,241</u>	<u>26,241</u>	<u>27,408</u>	<u>27,447</u>
Contribution deficiency (excess)	\$ <u>(69,539)</u>	\$ <u>(1,464)</u>	\$ <u>(2,678)</u>	\$ <u>(5,937)</u>	\$ <u>(4,105)</u>	\$ <u>56</u>	\$ <u>(2,261)</u>	\$ <u>(717)</u>
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

Notes to the Required Supplementary Information

Valuation date	January 1, 2022
Actuarial cost method	Level \$ closed 30 year period
Amortization method	Level \$ open 30 year period
Remaining amortization period	19 years
Asset valuation method	Smoothing of gains and losses
Investment rate of return	7.0%
Projected salary increases	N/A
Assumed inflation rate	4.0%
Mortality	Pub-2010 Mortality Table using Scale MP-2021

CITY OF DICKINSON
REQUIRED SUPPLEMENTARY INFORMATION – POLICE PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Net Pension Liability	2021	2020	2019	2018	2017	2016	2015
Total pension liability	\$ 10,883,533	\$ 10,722,382	\$ 10,591,636	\$ 10,240,367	\$ 10,107,743	\$ 10,219,577	\$ 9,763,488
Plan fiduciary net position	<u>7,478,935</u>	<u>6,921,928</u>	<u>6,410,192</u>	<u>5,629,282</u>	<u>6,138,876</u>	<u>5,643,465</u>	<u>5,527,313</u>
Net pension liability	<u>\$ 3,404,598</u>	<u>\$ 3,800,454</u>	<u>\$ 4,181,444</u>	<u>\$ 4,611,085</u>	<u>\$ 3,968,867</u>	<u>\$ 4,576,112</u>	<u>\$ 4,236,175</u>
Plan fiduciary net position as a percentage of the total pension liability	68.72%	64.56%	60.52%	54.97%	60.73%	55.22%	56.61%
Covered payroll	\$ 850,346	\$ 921,957	\$ 1,037,922	\$ 1,201,109	\$ 1,141,191	\$ 1,129,831	\$ 1,297,585
Net pension liability as a percentage of covered payroll	400.38%	412.22%	402.87%	383.90%	347.78%	405.03%	326.47%

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

Schedule of Changes in Total Pension Liability	2021	2020	2019	2018	2017	2016	2015
Service cost	\$ 126,646	\$ 123,522	\$ 133,708	\$ 188,538	\$ 205,099	\$ 192,323	\$ 216,356
Interest	682,692	678,915	653,348	651,292	659,621	629,158	571,205
Differences between expected and actual experience	43,971	(99,817)	200,079	(143,883)	(408,724)	72,319	330,967
Changes of assumptions	5	(31,247)	9,267	(10,530)	(14,496)	115,196	297,090
Benefit payments, including refunds of member contributions	<u>(692,163)</u>	<u>(540,627)</u>	<u>(645,133)</u>	<u>(552,793)</u>	<u>(553,334)</u>	<u>(552,907)</u>	<u>(447,090)</u>
Net change in total pension liability	161,151	130,746	351,269	132,624	(111,834)	456,089	968,528
Total pension liability -beginning	<u>10,722,382</u>	<u>10,591,636</u>	<u>10,240,367</u>	<u>10,107,743</u>	<u>10,219,577</u>	<u>9,763,488</u>	<u>8,794,960</u>
Total pension liability - ending (a)	<u>\$ 10,883,533</u>	<u>\$ 10,722,382</u>	<u>\$ 10,591,636</u>	<u>\$ 10,240,367</u>	<u>\$ 10,107,743</u>	<u>\$ 10,219,577</u>	<u>\$ 9,763,488</u>

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

Schedule of Changes in Plan Fiduciary Net Position	2021	2020	2019	2018	2017	2016	2015
Contributions - employer	\$ 487,802	\$ 570,086	\$ 537,802	\$ 460,568	\$ 460,570	\$ 460,570	\$ 423,057
Contributions - member	45,793	56,134	54,162	60,179	61,961	68,391	72,282
Net investment income	759,104	463,798	870,284	(441,603)	561,154	173,154	(7,931)
Benefit payments, including refunds of member contributions	<u>(692,163)</u>	<u>(540,627)</u>	<u>(645,133)</u>	<u>(552,793)</u>	<u>(553,334)</u>	<u>(552,907)</u>	<u>(447,090)</u>
Administrative expense	<u>(43,529)</u>	<u>(37,655)</u>	<u>(36,205)</u>	<u>(35,945)</u>	<u>(34,940)</u>	<u>(33,056)</u>	<u>(33,723)</u>
Net change in plan fiduciary net position	557,007	511,736	780,910	(509,594)	495,411	116,152	6,595
Plan fiduciary net position - beginning	<u>6,921,928</u>	<u>6,410,192</u>	<u>5,629,282</u>	<u>6,138,876</u>	<u>5,643,465</u>	<u>5,527,313</u>	<u>5,520,718</u>
Plan fiduciary net position - ending (b)	<u>\$ 7,478,935</u>	<u>\$ 6,921,928</u>	<u>\$ 6,410,192</u>	<u>\$ 5,629,282</u>	<u>\$ 6,138,876</u>	<u>\$ 5,643,465</u>	<u>\$ 5,527,313</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,404,598</u>	<u>\$ 3,800,454</u>	<u>\$ 4,181,444</u>	<u>\$ 4,611,085</u>	<u>\$ 3,968,867</u>	<u>\$ 4,576,112</u>	<u>\$ 4,236,175</u>

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

(Continued)

CITY OF DICKINSON
REQUIRED SUPPLEMENTARY INFORMATION – POLICE PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2021

Schedule of Contributions	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 455,376	\$ 456,931	\$ 436,541	\$ 471,202	\$ 509,608	\$ 472,890	\$ 446,886
Contributions in relation to the actuarially determined contribution	<u>487,802</u>	<u>570,086</u>	<u>537,802</u>	<u>460,568</u>	<u>460,570</u>	<u>460,570</u>	<u>423,057</u>
Contribution deficiency (excess)	\$ <u>(32,426)</u>	\$ <u>(113,155)</u>	\$ <u>(101,261)</u>	\$ <u>10,634</u>	\$ <u>49,038</u>	\$ <u>12,320</u>	\$ <u>23,829</u>
Covered payroll	\$ 850,346	\$ 921,957	\$ 1,201,109	\$ 1,201,109	\$ 1,141,191	\$ 1,129,831	\$ 1,297,858
Contributions as a percentage of covered payroll	57.37%	61.83%	44.78%	38.35%	40.36%	40.76%	32.60%

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

Notes to the Required Supplementary Information

Valuation date	January 1, 2022
Actuarial cost method	Level \$ closed 30 year period
Amortization method	Level \$ open 30 year period
Remaining amortization period	19 years
Asset valuation method	Smoothing of gains and losses
Investment rate of return	6.5%
Projected salary increases	4.0%
Assumed inflation rate	4.0%
Mortality	Pub-2010 Mortality Table using Scale MP-2021

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY – CITY EMPLOYEE
LAST 10 FISCAL YEARS*

Schedule of Employer's Share of Net Pension Liability

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
ND PERS	6/30/2021	0.454710%	\$ 4,739,445	\$ 5,149,095	92.04%	78.26%
ND PERS	6/30/2020	0.415308%	\$ 13,065,679	\$ 4,581,351	285.19%	48.91%
ND PERS	6/30/2019	0.291008%	\$ 3,410,824	\$ 3,026,981	112.68%	104.80%

* Complete data for this schedule is not available prior to 2019.

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS – CITY EMPLOYEE
LAST 10 FISCAL YEARS*

Schedule of Employer's Pension Contributions						
<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
ND PERS	6/30/2021	\$ 379,723	\$ 363,660	\$ 16,063	\$ 5,149,095	7.06%
ND PERS	6/30/2020	\$ 324,399	\$ 310,370	\$ 14,029	\$ 4,581,351	6.77%
ND PERS	6/30/2019	\$ 220,381	\$ 107,906	\$ 112,475	\$ 3,026,981	3.56%

* Complete data for this schedule is not available prior to 2019.

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY –
PUBLIC SAFETY
LAST 10 FISCAL YEARS*

Schedule of Employer's Share of Net Pension Liability

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
ND PERS	6/30/2021	27.226061%	\$ (604,302)	\$ 3,021,285	-20.00%	115.21%
ND PERS	6/30/2020	26.191283%	\$ 1,672,203	\$ 2,835,135	58.98%	65.83%
ND PERS	6/30/2019	27.573000%	\$ (126,870)	\$ 2,699,317	-4.70%	104.84%

* Complete data for this schedule is not available prior to 2019.

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS –
PUBLIC SAFETY
LAST 10 FISCAL YEARS*

Schedule of Employer's Contributions						
<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
ND PERS	6/30/2021	\$ 244,118	\$ 242,305	\$ 1,813	\$ 3,021,285	8.02%
ND PERS	6/30/2020	\$ 256,075	\$ 221,290	\$ 34,785	\$ 2,835,132	7.81%
ND PERS	6/30/2019	\$ 184,823	\$ 103,859	\$ 80,964	\$ 2,699,317	3.85%

* Complete data for this schedule is not available prior 2019.

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

Schedule of Employer's Share of Net Pension Liability - OPEB

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
NDPERS - OPEB	6/30/2021	0.626569%	\$ 348,481	\$ 6,831,216	5.10%	76.63%
NDPERS - OPEB	6/30/2020	0.622945%	\$ 524,020	\$ 7,101,387	7.38%	63.38%
NDPERS - OPEB	6/30/2019	0.513175%	\$ 412,176	\$ 5,726,298	7.20%	63.13%

* Complete data for this schedule is not available prior to 2019.

CITY OF DICKINSON
SCHEDULE OF EMPLOYER'S OPEB CONTRIBUTION
LAST 10 FISCAL YEARS*

Schedule of Employer's Contributions - OPEB

<u>Pension Plan</u>	<u>Measurement Date</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
NDPERS - OPEB	6/30/2021	\$ 82,147	\$ 82,378	\$ (231)	\$ 6,831,216	1.21%
NDPERS - OPEB	6/30/2020	\$ 83,426	\$ 80,473	\$ 2,953	\$ 7,101,387	1.13%
NDPERS - OPEB	6/30/2019	\$ 66,597	\$ 32,208	\$ 34,389	\$ 5,726,298	0.56%

* Complete data for this schedule is not available prior 2018.

CITY OF DICKINSON

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS LAST 10 FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
City Pension Plan - OPEB				
Service cost	\$ 386,909	\$ 330,638	\$ 222,273	\$ 177,493
Interest	80,204	86,633	91,029	75,503
Changes of benefit terms	-	-	169,956	-
Differences between expected and actual experience	(801,242)	(39,138)	15,906	-
Changes in assumptions	(1,186,633)	246,698	420,041	(141,912)
Benefit payments	(55,230)	(64,153)	(118,710)	(131,410)
Net change in total OPEB liability	<u>(1,575,992)</u>	<u>560,678</u>	<u>800,495</u>	<u>(20,326)</u>
 Total OPEB liability beginning of year	 <u>3,423,908</u>	 <u>2,863,230</u>	 <u>2,062,735</u>	 <u>2,083,061</u>
 Total OPEB liability end of year	 <u>\$ 1,847,916</u>	 <u>\$ 3,423,908</u>	 <u>\$ 2,863,230</u>	 <u>\$ 2,062,735</u>
 Total covered payroll	 <u>\$ 11,500,000</u>	 <u>\$ 11,000,000</u>	 <u>\$ 10,700,000</u>	 <u>\$ 9,800,000</u>
 Total OPEB liability as a percentage of covered payroll	 <u>16.07%</u>	 <u>31.13%</u>	 <u>26.76%</u>	 <u>21.05%</u>
 Actuarially determined contribution	 \$ 55,230	 \$ 64,153	 \$ 118,710	 \$ 131,410
Contributions in relation to actuarially determined contribution	<u>55,230</u>	<u>64,153</u>	<u>118,710</u>	<u>131,410</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Total covered payroll	 <u>\$ 11,500,000</u>	 <u>\$ 11,000,000</u>	 <u>\$ 10,700,000</u>	 <u>\$ 9,800,000</u>
 Total contributions as a percentage of covered payroll	 <u>0.48%</u>	 <u>0.58%</u>	 <u>1.11%</u>	 <u>1.34%</u>

CITY OF DICKINSON
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Taxes	\$ 4,673,185	\$ 4,673,185	\$ 4,791,755	\$ 118,570
Licenses, permits and fees	488,875	488,875	547,229	58,354
Intergovernmental revenue	3,145,850	3,145,850	3,467,303	321,453
Charges for services	2,687,942	2,687,942	3,097,135	409,193
Fines and forfeits	370,200	370,200	393,848	23,648
Special assessment revenues	1,800	1,800	-	(1,800)
Interest and investment income (loss)	130,000	130,000	(33,635)	(163,635)
Donations	-	-	34,255	34,255
Miscellaneous revenues	135,000	135,000	298,556	163,556
Proceeds from sale of assets	30,000	30,000	104,943	74,943
Total revenues	<u>11,662,852</u>	<u>11,662,852</u>	<u>12,701,389</u>	<u>1,038,537</u>
EXPENDITURES				
Current				
General government	4,246,007	4,246,007	4,372,012	126,005
Public Safety	8,548,395	8,548,395	9,121,715	573,320
Public works	4,645,409	4,645,409	4,345,796	(299,613)
Culture and recreation	740,305	740,305	761,921	21,616
Other	70,000	70,000	61,578	(8,422)
Capital outlay	747,880	747,880	508,249	(239,631)
Total expenditures	<u>18,997,996</u>	<u>18,997,996</u>	<u>19,171,271</u>	<u>173,275</u>
Excess (deficiency) of revenues over expenditures	<u>(7,335,144)</u>	<u>(7,335,144)</u>	<u>(6,469,882)</u>	<u>865,262</u>
Other financing sources (uses)				
Transfers in	-	-	8,786,659	-
Transfers out	<u>-</u>	<u>-</u>	<u>(3,227,260)</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>5,559,399</u>	<u>-</u>
Net change in fund balance	<u>(7,335,144)</u>	<u>(7,335,144)</u>	<u>(910,483)</u>	<u>865,262</u>
FUND BALANCE, JANUARY 1	<u>18,725,344</u>	<u>18,725,344</u>	<u>18,725,344</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 11,390,200</u>	<u>\$ 11,390,200</u>	<u>\$ 17,814,861</u>	<u>\$ 865,262</u>

CITY OF DICKINSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information:

The governing board adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States for the general fund, special revenue funds, debt service funds, and capital project funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) On or before September 10th of the preceding fiscal year, the City prepares a preliminary budget for the next succeeding year beginning January 1st. The preliminary budget includes a detailed breakdown of the estimated revenues and appropriations.
- b) The governing board holds a public hearing where any taxpayer may testify in favor or against and proposed disbursements or tax levies requested in the preliminary budget. After the budget hearing and on or before October 1st, the board adopts the final budget.
- c) The final budget must be filed with the county auditor by October 10th.
- d) No disbursement shall be made, or liability incurred in excess of the total appropriation by fund. However, the governing board may amend the budget during the year for any revenue and appropriations not anticipated at the time the budget was prepared. The budget amendments must be approved by the board and the approval must be noted in the proceedings of the board.
- e) All appropriations lapse at year-end.

The City's general fund expenditures exceeded budget by \$173,275 in 2021. No remedial action is anticipated.

NOTE 2 – PENSIONS (NDPERS)

Main System

Changes of Benefit Terms:

The interest rate earned on member contributions decreased from 7.00% to 6.50% effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75% (compared to the current benefit multiplier of 2.00%). The fixed employer contribution for new members of the Main System increased from 7.12% to 8.26%. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions:

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

CITY OF DICKINSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

Law Enforcement System

Changes of Benefit Terms:

The interest rate earned on member contributions decreased from 7.00% to 6.50% effective January 1, 2021, (based on the adopted decrease in the investment return assumption). New Public Safety members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75% (compared to the current benefit multiplier of 2.00%). The fixed employer contribution for new members of the Main System increased from 7.12% to 8.26%. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions:

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

NOTE 3 – PENSIONS (CITY PLANS)

Changes of Benefit Terms:

There were no changes in benefit terms from the last actuarial valuation as of December 31, 2020.

Changes of assumptions:

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of December 31, 2020.

NOTE 4 – OTHER POST EMPLOYMENT BENEFITS - NDPERS

Changes of Benefit Terms:

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions:

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

CITY OF DICKINSON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

NOTE 5 – OTHER POST EMPLOYMENT BENEFITS – CITY OF DICKINSON

Changes of Benefit Terms:

There were no changes in benefit terms from the last actuarial valuation as of December 31, 2020.

Changes of assumptions:

The medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience. The discount rate was updated from 2.12% to 2.06% based on the Bond Buyer 20-Bond GO Index (2.06% as of December 31, 2021) and the long-term return on assets assumption (2.10%). Withdrawal, retirement, mortality, and salary scale assumptions were updated to vary by pension plan. City pension plan assumptions were updated to reflect the assumptions used in the January 1, 2022, Actuarial Valuations for the City of Dickinson Pension Plans.

CITY OF DICKINSON

**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENT FUNDS
DECEMBER 31, 2021**

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash	\$ 7,257,246	\$ 1,889,378	\$ 5,230,098	\$ 14,376,722
Intergovernmental receivable	788,171	-	-	788,171
Accounts receivable	-	8,750	-	8,750
Special assessments receivable	<u>-</u>	<u>-</u>	<u>580,260</u>	<u>580,260</u>
Total assets	\$ <u>8,045,417</u>	\$ <u>1,898,128</u>	\$ <u>5,810,358</u>	\$ <u>15,753,903</u>
LIABILITIES				
Accrued payroll	\$ 14,241	\$ -	\$ -	\$ 14,241
Accrued interest	-	-	-	-
Accounts payable	<u>78,546</u>	<u>-</u>	<u>-</u>	<u>78,546</u>
Total liabilities	<u>92,787</u>	<u>-</u>	<u>-</u>	<u>92,787</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>-</u>	<u>-</u>	<u>580,260</u>	<u>580,260</u>
FUND BALANCES				
Restricted	6,100,449	1,898,128	5,230,098	13,228,675
Committed	1,254,374	-	-	1,254,374
Assigned	<u>597,807</u>	<u>-</u>	<u>-</u>	<u>597,807</u>
Total fund balances	<u>7,952,630</u>	<u>1,898,128</u>	<u>5,230,098</u>	<u>15,080,856</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>8,045,417</u>	\$ <u>1,898,128</u>	\$ <u>5,810,358</u>	\$ <u>15,753,903</u>

CITY OF DICKINSON
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2021

	Downtown Improvement District	Half Percent Sales Tax	Hospitality Tax	Grant Fund	Museum Fund	Dickinson Public Library	Occupancy Tax	Emergency Shelter	ARPA	Total Nonmajor Special Revenue Funds
ASSETS										
Cash	\$ 72,840	\$ 3,972,299	\$ 1,053,754	\$ 168,130	\$ 1,023	\$ 619,860	\$ 27,255	\$ 15,047	\$ 1,327,038	\$ 7,257,246
Intergovernmental receivable	-	577,478	157,370	-	-	10,154	43,169	-	-	788,171
Total assets	<u>\$ 72,840</u>	<u>\$ 4,549,777</u>	<u>\$ 1,211,124</u>	<u>\$ 168,130</u>	<u>\$ 1,023</u>	<u>\$ 630,014</u>	<u>\$ 70,424</u>	<u>\$ 15,047</u>	<u>\$ 1,327,038</u>	<u>\$ 8,045,417</u>
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accrued payroll	\$ -	\$ -	\$ -	\$ 33	\$ -	\$ 14,208	\$ -	\$ -	\$ -	\$ 14,241
Accounts payable	-	-	-	32,350	-	19,022	27,174	-	-	78,546
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,383</u>	<u>-</u>	<u>33,230</u>	<u>27,174</u>	<u>-</u>	<u>-</u>	<u>92,787</u>
FUND BALANCES										
Restricted	72,840	4,549,777	-	135,747	-	-	-	15,047	1,327,038	6,100,449
Committed	-	-	1,211,124	-	-	-	43,250	-	-	1,254,374
Assigned	-	-	-	-	1,023	596,784	-	-	-	597,807
Total fund balances	<u>72,840</u>	<u>4,549,777</u>	<u>1,211,124</u>	<u>135,747</u>	<u>1,023</u>	<u>596,784</u>	<u>43,250</u>	<u>15,047</u>	<u>1,327,038</u>	<u>7,952,630</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 72,840</u>	<u>\$ 4,549,777</u>	<u>\$ 1,211,124</u>	<u>\$ 168,130</u>	<u>\$ 1,023</u>	<u>\$ 630,014</u>	<u>\$ 70,424</u>	<u>\$ 15,047</u>	<u>\$ 1,327,038</u>	<u>\$ 8,045,417</u>

CITY OF DICKINSON
COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2021

	2013 Sales Tax Revenue Bonds	General Capital Leases	Total Nonmajor Debt Service Funds
ASSETS			
Cash	\$ 1,879,684	\$ 9,694	\$ 1,889,378
Accounts receivable	<u>8,750</u>	<u>-</u>	<u>8,750</u>
Total assets	\$ <u><u>1,888,434</u></u>	\$ <u><u>9,694</u></u>	\$ <u><u>1,898,128</u></u>
LIABILITIES			
Lease payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
FUND BALANCES			
Restricted	\$ 1,888,434	\$ 9,694	\$ 1,898,128
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,888,434</u>	<u>9,694</u>	<u>1,898,128</u>
Total liabilities, and fund balances	\$ <u><u>1,888,434</u></u>	\$ <u><u>9,694</u></u>	\$ <u><u>1,898,128</u></u>

CITY OF DICKINSON
COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2021

	<u>Building Construction</u>	<u>Impact Fee Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
ASSETS			
Cash	\$ 99,061	\$ 5,131,037	\$ 5,230,098
Special assessments receivable	<u>-</u>	<u>580,260</u>	<u>580,260</u>
Total assets	<u><u>\$ 99,061</u></u>	<u><u>\$ 5,711,297</u></u>	<u><u>\$ 5,810,358</u></u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	<u>\$ -</u>	<u>\$ 580,260</u>	<u>\$ 580,260</u>
FUND BALANCES			
Restricted	<u>\$ 99,061</u>	<u>\$ 5,131,037</u>	<u>\$ 5,230,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 99,061</u></u>	<u><u>\$ 5,711,297</u></u>	<u><u>\$ 5,810,358</u></u>

CITY OF DICKINSON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS FOR YEAR ENDED DECEMBER 31, 2021

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 4,891,951	\$ -	\$ -	\$ 4,891,951
Intergovernmental revenues	2,579,966	-	-	2,579,966
Charges for services	138,950	-	-	138,950
Fines and Forfeits	3,290	-	-	3,290
Special assessments	-	-	697,495	697,495
Donations	10,006	228,750	-	238,756
Miscellaneous	28,415	-	-	28,415
	<u>7,652,578</u>	<u>228,750</u>	<u>697,495</u>	<u>8,578,823</u>
Total revenues				
EXPENDITURES				
Current				
General government	282,296	31,439	-	313,735
Public safety	204,233	-	-	204,233
Culture and recreation	1,505,050	-	-	1,505,050
Debt service				
Principal	-	318,246	-	318,246
Interest and service charges	-	9,604,292	-	9,604,292
Capital outlay	113,552	-	-	113,552
	<u>2,105,131</u>	<u>9,953,977</u>	<u>-</u>	<u>12,059,108</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>5,547,447</u>	<u>(9,725,227)</u>	<u>697,495</u>	<u>(3,480,285)</u>
Other financing sources (uses)				
Transfers in	186,100	2,059,379	-	2,245,479
Debt proceeds	-	6,510,868	-	6,510,868
Transfers out	(3,894,132)	-	-	(3,894,132)
Total other financing sources and uses	<u>(3,708,032)</u>	<u>8,570,247</u>	<u>-</u>	<u>4,862,215</u>
NET CHANGES IN FUND BALANCES	<u>1,839,415</u>	<u>(1,154,980)</u>	<u>697,495</u>	<u>1,381,930</u>
FUND BALANCES - JANUARY 1	<u>6,113,215</u>	<u>3,053,108</u>	<u>4,532,603</u>	<u>13,698,926</u>
FUND BALANCES - DECEMBER 31	<u>\$ 7,952,630</u>	<u>\$ 1,898,128</u>	<u>\$ 5,230,098</u>	<u>\$ 15,080,856</u>

CITY OF DICKINSON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

	Downtown Improvement District	Half Percent Sales Tax	Hospitality Tax	Grant Fund	Museum	Dickinson Public Library	Occupancy Tax	Emergency Shelter	ARPA	Total Nonmajor Special Revenue Funds
REVENUES										
Taxes	\$ -	\$ 3,126,198	\$ 963,202	\$ -	\$ -	\$ 470,459	\$ 332,092	\$ -	\$ -	\$ 4,891,951
Intergovernmental revenues	-	-	-	114,976	-	439,962	-	208,990	1,816,038	2,579,966
Charges for services	-	-	-	-	-	138,950	-	-	-	138,950
Fines and Forfeits	-	-	-	-	-	3,290	-	-	-	3,290
Donations	-	-	-	1,115	5,155	3,736	-	-	-	10,006
Miscellaneous	-	-	-	12,685	-	15,730	-	-	-	28,415
Total revenues	-	3,126,198	963,202	128,776	5,155	1,072,127	332,092	208,990	1,816,038	7,652,578
EXPENDITURES										
Current										
General government	-	175,000	97,500	-	3,190	6,606	-	-	-	282,296
Public safety	-	-	-	10,290	-	-	-	193,943	-	204,233
Culture and recreation	-	-	-	-	942	1,181,585	322,523	-	-	1,505,050
Capital outlay	-	-	-	110,469	-	3,083	-	-	-	113,552
Total expenditures	-	175,000	97,500	120,759	4,132	1,191,274	322,523	193,943	-	2,105,131
Excess (deficiency) of revenues over expenditures	-	2,951,198	865,702	8,017	1,023	(119,147)	9,569	15,047	1,816,038	5,547,447
Other financing sources (uses)										
Transfers in	-	-	-	-	-	186,100	-	-	-	186,100
Transfers out	-	(2,800,000)	(600,000)	-	-	(5,132)	-	-	(489,000)	(3,894,132)
Total other financing sources and uses	-	(2,800,000)	(600,000)	-	-	180,968	-	-	(489,000)	(3,708,032)
NET CHANGES IN FUND BALANCES	-	151,198	265,702	8,017	1,023	61,821	9,569	15,047	1,327,038	1,839,415
FUND BALANCES - JANUARY 1	72,840	4,398,579	945,422	127,730	-	534,963	33,681	-	-	6,113,215
FUND BALANCES - DECEMBER 31	\$ 72,840	\$ 4,549,777	\$ 1,211,124	\$ 135,747	\$ 1,023	\$ 596,784	\$ 43,250	\$ 15,047	\$ 1,327,038	\$ 7,952,630

CITY OF DICKINSON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR DEBT SERVICE FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

	2013 Sales Tax Revenue Bonds	General Capital Leases	Total Nonmajor Debt Service Funds
REVENUES			
Donations	\$ 228,750	\$ -	\$ 228,750
Total revenues	<u>228,750</u>	<u>-</u>	<u>228,750</u>
EXPENDITURES			
Debt service:			
General government	-	31,439	31,439
Principal	-	318,246	318,246
Interest and service charges	<u>9,604,292</u>	<u>-</u>	<u>9,604,292</u>
Total expenditures	<u>9,604,292</u>	<u>349,685</u>	<u>9,953,977</u>
Excess (deficiency) of revenues over expenditures	<u>(9,375,542)</u>	<u>(349,685)</u>	<u>(9,725,227)</u>
Other financing sources (uses)			
Transfers in	1,700,000	359,379	2,059,379
Debt proceeds	<u>6,510,868</u>	<u>-</u>	<u>6,510,868</u>
Total other financing sources and uses	<u>8,210,868</u>	<u>359,379</u>	<u>8,570,247</u>
NET CHANGES IN FUND BALANCES	<u>(1,164,674)</u>	<u>9,694</u>	<u>(1,154,980)</u>
FUND BALANCES - JANUARY 1	<u>3,053,108</u>	<u>-</u>	<u>3,053,108</u>
FUND BALANCES - DECEMBER 31	<u>\$ 1,888,434</u>	<u>\$ 9,694</u>	<u>\$ 1,898,128</u>

CITY OF DICKINSON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
FOR YEAR ENDED DECEMBER 31, 2021

	<u>Building Construction</u>	<u>Impact Fee Capital Projects</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES			
Special assessments	\$ -	\$ 697,495	\$ 697,495
NET CHANGES IN FUND BALANCES	<u> -</u>	<u> 697,495</u>	<u> 697,495</u>
FUND BALANCES - JANUARY 1	<u> 99,061</u>	<u> 4,433,542</u>	<u> 4,532,603</u>
FUND BALANCES - DECEMBER 31	\$ <u><u> 99,061</u></u>	\$ <u><u> 5,131,037</u></u>	\$ <u><u> 5,230,098</u></u>

CITY OF DICKINSON

STATEMENT OF NET POSITION – NONMAJOR ENTERPRISE FUND DECEMBER 31, 2021

	<u>Storm Sewer Utility Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,059,987
Accounts receivable	15,978
Inventory	<u>11,939</u>
Total current assets	<u>1,087,904</u>
Noncurrent assets	
Capital assets not being depreciated	
Construction in progress	47,341
Capital assets, net of accumulated depreciation	
Improvements other than buildings	60,413
Machinery and equipment	<u>26,681</u>
Total noncurrent assets	<u>134,435</u>
Total assets	<u>1,222,339</u>
DEFERRED OUTFLOWS OF RESOURCES	
Derived from OPEB	<u>4,088</u>
Total assets and deferred outflows	\$ <u><u>1,226,427</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 5,070
Noncurrent liabilities	
Net OPEB liability	<u>17,012</u>
Total liabilities	<u>22,082</u>
DEFERRED INFLOWS OF RESOURCES	
Derived from OPEB	<u>17,062</u>
Net position	
Net investment in capital assets	134,435
Unrestricted	<u>1,052,848</u>
Total net position	<u>1,187,283</u>
Total liabilities, deferred inflows, and net position	\$ <u><u>1,226,427</u></u>

CITY OF DICKINSON
STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUND
FOR YEAR ENDED DECEMBER 31, 2021

	<u>Storm Sewer Utility Fund</u>
OPERATING REVENUES	
Charges for services	\$ 316,190
Total operating revenues	<u>316,190</u>
OPERATING EXPENDITURES	
Salaries	(14,571)
Employment cost	(42,450)
Administrative and general	47,400
Supplies	3,269
Services	11,983
Maintenance	2,357
Miscellaneous	(1,403)
Depreciation	20,163
Total operating expenses	<u>26,748</u>
Operating income	<u>289,442</u>
Nonoperating revenues (expenses)	
Miscellaneous revenue	14,419
Transfers out	(13,359)
Total nonoperating revenues	<u>1,060</u>
Change in net position	<u>290,502</u>
Net position - January 1	<u>896,781</u>
Net position - December 31	\$ <u><u>1,187,283</u></u>

CITY OF DICKINSON
STATEMENT OF CASH FLOWS – NONMAJOR ENTERPRISE FUND
DECEMBER 31, 2021

	<u>Storm Sewer Utility Fund</u>
Cash flow from operating activities	
Cash received from customers and users	\$ 316,806
Cash paid to suppliers	(142,976)
Cash paid to employees	41,087
Net cash provided (used) by operating activities	<u>214,917</u>
Cash flow from noncapital financing activities	
Transfers to other funds	(13,359)
Nonoperating revenues	14,419
Net cash provided (used) by noncapital financing activities	<u>1,060</u>
Cash flow from capital and related financing activities	
Purchase of capital assets	<u>(47,345)</u>
Net change in cash and cash equivalents	<u>168,632</u>
Cash and cash equivalents January 1, 2019	<u>891,355</u>
Cash and cash equivalents December 31, 2019	\$ <u><u>1,059,987</u></u>
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ <u>289,442</u>
Adjustments to reconcile operating loss to net cash provided by operating loss	
Depreciation expense	<u>20,163</u>
Change in assets and liabilities	
Receivables	616
Compensated absences liability	(14,571)
Accounts payable	(35,521)
Accrued payroll	(1,363)
Pension and OPEB liabilities, inflows and outflows	<u>(43,849)</u>
Net cash provided by operating activities	\$ <u><u>214,917</u></u>