



ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Bismarck, ND
For the Fiscal Year Ended December 31, 2022

CITY OF BISMARCK, NORTH DAKOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2022

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
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FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

	Page
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	5
City of Bismarck Organizational Chart	6
List of Elected and Appointed Officials of the City	7

II. FINANCIAL SECTION

Independent Auditor's Report	8
-------------------------------------	---

MANAGEMENT'S DISCUSSION AND ANALYSIS	12
---	----

A. BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

Statement of Net Position	22
Statement of Activities	23

Fund Financial Statements

Governmental Fund Financial Statements

Balance Sheet	24
Reconciliation of Balance Sheet to the Statement of Net Position	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	27

Proprietary Fund Financial Statements

Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Fund Net Position	29
Statement of Cash Flows	30

Fiduciary Fund Financial Statements

Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position	33

Notes to the Financial Statements	34
--	----

Required Supplementary Information

Budgetary Comparison Schedule: General Fund	80
Budgetary Comparison Schedule: Sales Tax Fund	81
City of Bismarck Employees' Pension Plan	82
Bismarck City Police Pension Plan	83

B. SUPPLEMENTARY INFORMATION - COMBINING FUND FINANCIAL STATEMENTS

Nonmajor Governmental Funds - Summary

Balance Sheet	84
Statement of Revenues, Expenditures, and Changes in Fund Balances	85

TABLE OF CONTENTS, Continued

Nonmajor Special Revenue Funds	Page
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Budgetary Comparison Schedule: Public Transit System Fund	88
Budgetary Comparison Schedule: Library Fund	89
Budgetary Comparison Schedule: Police Asset Forfeiture Fund	90
Budgetary Comparison Schedule: Roads and Streets Fund	91
Budgetary Comparison Schedule: Street Lights and Traffic Signals Fund	92
Budgetary Comparison Schedule: Hotel / Motel Tax Fund	93
Budgetary Comparison Schedule: Lodging, Liquor, and Food Tax Fund	94
Budgetary Comparison Schedule: Vision Fund	95
Budgetary Comparison Schedule: Government Grants and Activities Fund	96
Major Debt Service Funds	
Budgetary Comparison Schedule: Street Improvement Bonds	97
Budgetary Comparison Schedule: Sewermain Bonds	98
Nonmajor Debt Service Funds	
Combining Balance Sheet	99
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	100
Budgetary Comparison Schedule: Watermain Bonds	101
Budgetary Comparison Schedule: Sidewalk Bonds	102
Nonmajor Capital Project Funds	
Combining Balance Sheet	103
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Nonmajor Enterprise Funds	
Combining Statement of Net Position	105
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	106
Combining Statement of Cash Flows	107
Internal Service Funds	
Combining Statement of Net Position	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	109
Combining Statement of Cash Flows	110
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	111
Combining Statement of Changes in Fiduciary Net Position	112

TABLE OF CONTENTS, Continued

III. STATISTICAL SECTION

	Page
Net Position by Component	113
Changes in Net Position	114
Fund Balances of Governmental Funds	116
Changes in Fund Balances of Governmental Funds	117
Governmental Activities Tax Revenues by Source	118
Assessed Value and True and Full Value of Taxable Property	119
Property Tax Rates - Direct and Overlapping Governments	120
Principal "Single Property" Taxpayers	121
Property Tax Levies and Collections	122
Ratios of Outstanding Debt by Type	123
Legal Debt Margin Information	124
Direct and Overlapping Governmental Activities Debt	125
Pledged-Revenue Coverage	126
Demographic and Economic Statistics	127
Principal Employers	128
Full-time Equivalent City Government Employees by Function	129
Operating Indicators by Function	130
Capital Asset Statistics by Function	132

INTRODUCTORY SECTION





June 23, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Bismarck, North Dakota (the City) for the fiscal year ended December 31, 2022, is hereby presented. This complete set of financial statements has been prepared by the Fiscal Services Division of the City's Finance Department in accordance with generally accepted accounting principles (GAAP) and audited by an independent licensed certified public accounting firm in accordance with the auditing standards generally accepted in the United States of America (GAAS) and applicable laws.

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

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

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

State statutes and local ordinances require an annual audit by independent certified public accountants. The firm of Eide Bailly, LLP, has audited the financial statements of the City for the year ended December 31, 2022. The annual audit provides reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. Eide Bailly, LLP, concluded that the audit provides a reasonable basis for an unmodified opinion, and the City's financial statements for the fiscal year ending December 31, 2022, are in conformity with generally accepted accounting principles (GAAP). The auditors' opinion is presented in the financial section of this report.

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

City Profile

Incorporated in 1875, the City is the State of North Dakota's (the State) capitol and located in the center of the State in Burleigh County, bounded on the west by the Missouri River. The City currently has a land area of 34.91 square miles and a 2020 census population of 73,622. The City is empowered to levy a property tax on real estate located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is performed periodically by the governing commission.

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

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

The City adopts an annual budget ordinance approved by the City Commission. The level of budgetary control is established at the fund level. Activities of the general fund, special revenue funds, and debt service funds are included in the annually appropriated budget in accordance with the North Dakota Century Code (NDCC) and the City's Home Rule Charter. Charges for fees and services are reviewed and adjusted with budget approval by the City Commission. A five-year capital projects budget is also updated and approved by the City Commission during the same process.

Local Economic Condition and Statistics

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

In 2022, the City's local businesses and restaurants fully recovered and were operational from the effects of the COVID-19 pandemic of 2020. The City continued to experience significant increases in business activity, specifically lodging and entertainment, compared to the peak of the pandemic. The City's sales tax and lodging tax collections exceeded pre-pandemic levels while hotel/motel tax and car rental tax both recovered to near pre-pandemic levels. Similarly, the City's economy was impacted by the national inflation of approximately 9%. Inflation increased costs for the City as well as the sales tax and other similar taxes that are collected by the City. In addition, property values increased across the City due to significant demand for property and inflation.

The City's unemployment rate reported by the U.S. Bureau of Labor Statistics decreased from 2.9% in December 2021 to 2.25% in December 2022. Census population estimates identify the City as one of the top three largest and fastest growing cities in the State. The City continues to gain residents, which is confirmed by the 2020 census reporting a population of 73,622 compared to 61,272 in 2010.

While employment numbers are strong and population growth is expected, the City is facing challenges that are prevalent throughout the nation. Inflation, supply chain issues, and wage growth are three issues that are impacting the City's finances. According to the U.S. Bureau of Labor Statistics, from December 2021 to December 2022, consumer prices for all products rose 6.5%. The City continues to experience larger increases in costs in many products, including specialty chemicals and equipment. Manufacturers are struggling to keep up with demand for equipment, which causes the City to sustain long lead times and place orders early to combat price increases. In 2022, certain vendors canceled orders that were budgeted

and placed previously by the City, specifically vehicles and equipment. Vendors began opening short ordering periods during the year that force the City to weigh pros and cons of ordering vehicles and equipment in advance of the fleet plan but only to receive the order in the following year or later.

Wage growth and low unemployment has created issues with attracting and retaining employees. As wages continue to increase, employee retention and recruitment has become a problem at the City. The impacts of inflation and wage growth were partially offset by market valuation increases from 2021 to 2022. As federal reserve continues to increase interest rates in 2022 and 2023 to combat inflation, the City is optimistic that this will slow-down the economy and cause more stability in the workforce and production in the United States.

In 2021, the City received approximately \$10 million in COVID-19 financial assistance from the federal government. The \$10 million was provided for general COVID-19 response for Public Health, Bismarck Municipal Airport, Bismarck Event Center, and Bis-Man Transit. The City also received notice of an additional \$9.6 million in federal assistance known as the American Rescue Plan Act (ARPA). \$4.8 million of the ARPA funding was received in 2021 with the remaining \$4.8 million was received in 2022. The City elected to use the ARPA funding in 2022 for government services.

The City's real estate market remained active in 2022 and early 2023. Wallethub's ranked Bismarck ranked #9 as the Best State Capital to live in the nation, #13 as Happiest Cities in the US, #23 as Best Places to Raise a Family, and Livability.com includes Bismarck in the Top 100 Best Places to Live in America.

The City continues to experience growth in the tax base through both property value enhancement and new construction. In 2022, 689 building permits were issued within the City's corporate limits. Residential construction in the City's extraterritorial jurisdiction and the adjacent zoned areas of Burleigh County also continued to grow in 2022. Commercial growth also increased which included the construction of new retail services, banks, restaurants, medical and dental clinics, apartments, and school district additions. The growth in the property tax for the year 2022 was 9.01%, which will impact the City's 2024 budget.

Major Initiatives

The City Commission continued the Infrastructure Task Force to review the City's road infrastructure ten-year capital improvement plan which totals \$140 million and develop funding recommendations. The City Commission also continued the Special Assessment Task Force (SATF) to consider a funding reform and recommendations for infrastructure maintenance as well as new development. The City Commission then established a joint task force with representatives from each existing task force committees to meet and consider all the options. Based on the recommendations in 2018, the City Commission approved ballot measures to cap the sales tax used for the 25-mill levy property tax reduction to the 2019 level and add an additional ½ cent sales tax dedicated to a specific list of arterial street project with a ten-year sunset. The City began collection of the ½ cent sales tax in the amount of approximately \$10 million annually to be used for the restricted projects, as noted in the ballot measure. The State of North Dakota authorized the legislation for cities to utilize a street maintenance fee in lieu of special assessments. With this option, property owners would potentially pay a monthly fee on the utility bill and special assessments for street maintenance would be eliminated. This would be similar to the funding used for maintenance of water and sewer. The SATF continues to work toward developing the specifics of the fee with the goal of providing a recommendation to the City Commission in the future. At this point, the City is not active with this project due to failure of a change to state statutes to allow local government(s) to continue to special assess their portion of the street utility fee.

In 2020, the City completed a space needs study to identify needs and uses of City buildings to account for growth and additional space for public safety, public health, and public works functions. The City Commission authorized the expansion of the public works building and construction of new public health building in 2021 to address City needs and serve citizens. The public health building is expected to be completed in 2023 and the Public Works expansion is expected to be complete in late 2023 or 2024. The City Commission continues to evaluate the future building needs based on the study, such as a new police station, which will be discussed as part of the 2024 budget.

The Metropolitan Planning Organization initiated the development of the transportation plan “Arrive 2045.” The plan addressed all transportation issues and opportunities for improvements in the region for the next 25 years. Ideas from community leaders and public input sessions were used to identify projects for streets, public transit, bikes, freight, and pedestrian. The plan, completed in 2022, includes local municipalities such as the City, City of Lincoln, City of Mandan, Morton County, and Burleigh County.

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

In 2023, the City Commission approved a budget with no increases to the City’s property taxes beyond the annual market valuation increase. The City Budget Committee’s goal was to sustain existing services and apply significant objectives such as equipment replacement and afford base operational costs. The City will continue to implement this plan into future years.

The City completed a new water rate study in 2022-2023 to restructure the existing water and sewer rates. The City Commission approved new water rates on April 25, 2023, to be effective immediately.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the year ended December 31, 2021. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes the current report continues to conform to the Certificate of Achievement program requirements and submits to the GFOA to determine eligibility.

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

Respectfully submitted,

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

Dmitriy Chernyak, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bismarck
North Dakota**

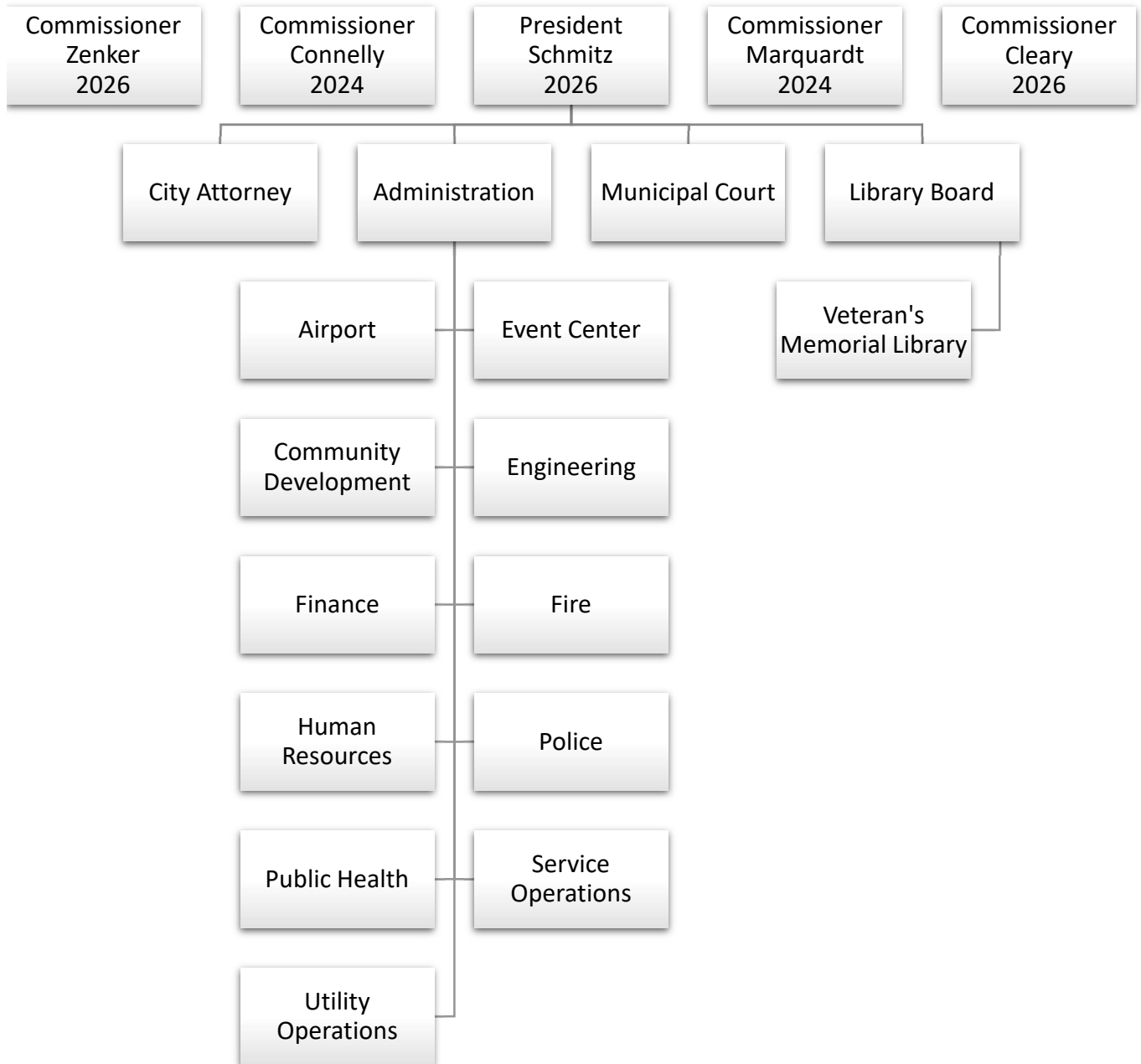
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

City of Bismarck



CITY OF BISMARCK, NORTH DAKOTA

LIST OF ELECTED AND APPOINTED OFFICIALS

Mayor-Commissioners:

	Initial Term <u>Commenced</u>	Current Term Expires <u>2nd Tuesday of June</u>
Mayor, Michael Schmitz	2022	2026
Commissioner, Greg Zenker	2018	2026
Commissioner, Michael Connelly	2023	2024
Commissioner, Steve Marquardt	2014	2024
Commissioner, Anne Cleary	2022	2026

Other Elected Officials:

Municipal JudgeWilliam Severin

Appointed Officials:

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

Department Directors:

Airport.....Greg Haug
 Event CenterCharlie Jeske
 EngineeringGabe Schell
 FinanceDmitriy Chernyak
 Fire DepartmentJoel Boespflug
 Human Resources.....Leanne Schmidt
 LibraryChristine Kujawa
 Public Health.....Rena Moch
 Community Development.....Ben Ehreth
 Police Department.....Dave Draovitch
 Public Works Service Operations.....Steven Salwei
 Public Works Utility OperationsMichelle Klose

FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note Q to the financial statements, the City of Bismarck has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022, resulting in an increase in beginning net position of \$190,127. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note Q to the financial statements, the City determined that the fund balance in the Sewermain Bonds, Street Improvement Bonds, Highway Construction, and Nonmajor Funds of the City were overstated as of December 31, 2021 due to timing of revenue recognition from special assessments. This has resulted in a restatement of the fund balance of the respective funds as of January 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Bismarck's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Bismarck's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bismarck's basic financial statements. The combining major and nonmajor fund financial statements, budget and actual comparisons, and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining major and nonmajor fund financial statements, budget and actual comparisons, and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023 on our consideration of the City of Bismarck's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City of Bismarck's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bismarck's internal control over financial reporting and compliance.

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

Bismarck, North Dakota
June 23, 2023

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

CITY OF BISMARCK, NORTH DAKOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the City of Bismarck, North Dakota (City) offers readers a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2022. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements, and notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,139,418,592 (net position). Of this amount, \$255,756,340 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's business-type activities reported combined ending net position of \$564,493,573 as of December 31, 2022, an increase of \$34,809,962 from the prior year. This is due to revenues exceeding expenditures for Airport, Water, Solid Waste Disposal, and Sanitary Sewer. The underlying reasons for the increase in net position are discussed further on page 16.
- The City's governmental activities reported combined ending net position of \$574,925,019 as of December 31, 2022, an increase of \$47,801,427 from the prior year. This is due to an increase in revenues related to tax collections and intergovernmental revenues. The underlying reasons for the increase in net position are discussed further on page 15.
- The City's governmental funds reported combined ending fund balance of \$181,140,063, an increase of \$4,404,096 from the prior year. The underlying reasons for the increase are discussed further on page 17.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include general government, public safety, highways and streets, health and welfare, culture and recreation, and public works. The business-type activities of the City include Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Northern Plains Commerce Centre, and Parking Authority.

The government-wide financial statements can be found on pages 22 - 23 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Sales Tax Fund, Highway Construction Fund, Sewermain Bond Fund, Street Improvement Bond Fund, and Street Improvement Construction Fund which are considered to be major funds. Data from the other governmental funds are combined into an aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements as supplementary information in this report.

The City adopts an annual appropriated budget for its governmental funds, except for capital project funds. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with the approved budget.

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

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

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

The basic proprietary fund financial statements can be found on pages 28 - 31 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own functions. Fiduciary funds use the accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 - 79 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 80 – 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position – The following table presents condensed financial information on the City's Net Position as of December 31, 2021 and December 31, 2022.

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Current and Other Non-Capital Assets	\$ 277,993,730	\$ 285,064,155	\$ 99,384,235	\$ 120,713,866	\$ 377,377,965	\$ 405,778,021
Capital Assets	396,953,234	440,264,442	521,672,284	544,021,323	918,625,518	984,285,765
Total Assets	674,946,964	725,328,597	621,056,519	664,735,189	1,296,003,483	1,390,063,786
Deferred Outflows of Resources	3,695,380	17,367,070	902,985	4,883,958	4,598,365	22,251,028
Long-Term Liabilities Outstanding	123,240,201	152,468,396	84,004,546	86,141,886	207,244,747	238,610,282
Other Liabilities	15,777,237	13,554,454	5,353,665	5,069,522	21,130,902	18,623,976
Total Liabilities	139,017,438	166,022,850	89,358,211	91,211,408	228,375,649	257,234,258
Deferred Inflows of Resources	12,501,314	1,747,798	2,917,682	13,914,166	15,418,996	15,661,964
Net Position:						
Net Investment in Capital Assets	278,950,023	315,866,703	440,243,714	461,645,551	719,193,737	777,512,254
Restricted	119,505,242	91,855,188	12,342,474	14,294,810	131,847,716	106,149,998
Unrestricted	128,668,327	167,203,128	77,097,423	88,553,212	205,765,750	255,756,340
Total Net Position	\$ 527,123,592	\$ 574,925,019	\$ 529,683,611	\$ 564,493,573	\$ 1,056,807,203	\$ 1,139,418,592

Net position consists of several categories including net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position is the net investment in capital assets of \$777,512,254. This category consists of capital assets and right-to-use lease assets, net of accumulated depreciation/amortization, less any capital related outstanding debt, leases, and liabilities used to acquire those assets. Capital assets are not available for future spending and, therefore, reported separately. \$106,149,998 of the City's net position is restricted due to externally imposed constraints placed on the use of resources. The City's restricted net position is primarily made up of resources required to be used for future building construction, capital projects, or debt service. The remaining balance of \$255,756,340 represents the unrestricted portion of the City's net position. Unrestricted net position may be used to meet the City's ongoing services to the citizens.

Statement of Activities - The following presents the changes in net position for governmental and business-type activities for the fiscal year ending December 31, 2021 and December 31, 2022.

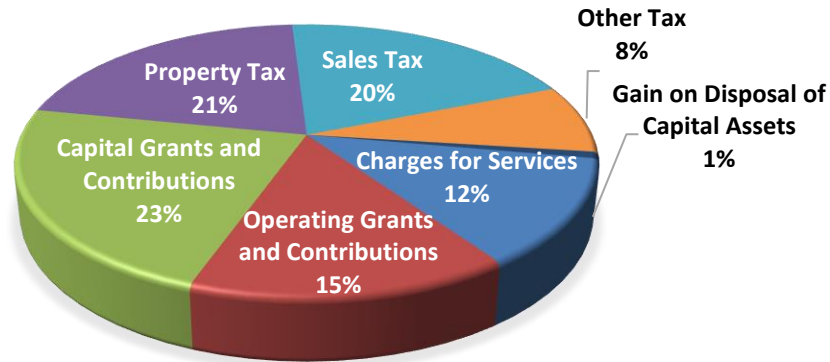
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Revenues:						
Program Revenues:						
Charges for Services	\$ 17,840,383	\$ 18,937,302	\$ 59,962,663	\$ 59,360,974	\$ 77,803,046	\$ 78,298,276
Operating Grants and Contributions	12,287,333	22,837,303	7,835,779	5,557,720	20,123,112	28,395,023
Capital Grants and Contributions	25,871,531	34,198,440	18,463,512	22,333,719	44,335,043	56,532,159
General Revenues:						
Taxes	67,554,723	73,726,609	32,615	44,691	67,587,338	73,771,300
Investment Income (Loss)	1,132,031	(456,178)	90,651	(644,160)	1,222,682	(1,100,338)
Gain on Disposal of Capital Assets	238,565	1,157,268	62,778	1,660,764	301,343	2,818,032
Total Revenues	124,924,566	150,400,744	86,447,998	88,313,708	211,372,564	238,714,452
Expenses:						
General Government	19,001,461	20,791,192	-	-	19,001,461	20,791,192
Public Safety	30,725,138	34,973,641	-	-	30,725,138	34,973,641
Highways and Streets	10,782,345	14,260,875	-	-	10,782,345	14,260,875
Health and Welfare	4,006,766	4,825,140	-	-	4,006,766	4,825,140
Culture and Recreation	3,627,670	4,027,559	-	-	3,627,670	4,027,559
Public Works	13,436,853	16,766,244	-	-	13,436,853	16,766,244
Interest and Fiscal Charges	2,659,445	2,507,919	-	-	2,659,445	2,507,919
Airport	-	-	9,198,785	10,417,823	9,198,785	10,417,823
Event Center	-	-	7,561,220	8,870,482	7,561,220	8,870,482
Solid Waste Disposal	-	-	3,399,701	3,204,427	3,399,701	3,204,427
Solid Waste Collections	-	-	4,417,323	4,791,389	4,417,323	4,791,389
Water	-	-	14,347,047	15,490,859	14,347,047	15,490,859
Sanitary Sewer	-	-	8,756,497	9,619,713	8,756,497	9,619,713
Storm Water	-	-	2,438,293	3,523,528	2,438,293	3,523,528
Northern Plains Commerce Centre	-	-	298,481	267,383	298,481	267,383
Parking Authority	-	-	1,697,382	1,764,888	1,697,382	1,764,888
Total Expenses	84,239,678	98,152,570	52,114,729	57,950,492	136,354,407	156,103,062
Increase in Net Position Before Transfers	40,684,888	52,248,174	34,333,269	30,363,216	75,018,157	82,611,390
Transfers	(3,702,703)	(4,446,747)	3,702,703	4,446,747	-	-
Increase in Net Position	36,982,185	47,801,427	38,035,972	34,809,963	75,018,157	82,611,390
Net Position, Beginning of Year	490,141,407	527,123,592	491,647,639	529,683,611	981,789,046	1,056,807,203
Net Position, End of Year	\$527,123,592	\$574,925,019	\$529,683,611	\$564,493,574	\$1,056,807,203	\$1,139,418,593

Governmental Activities

Governmental activities increased the City's net position by \$47,801,427 accounting for 57.86% of the total increase in the net position of the City. Significant factors that caused the increases from December 31, 2021, to December 31, 2022 are explained as follows:

- Total property tax revenue was \$31,520,584, an increase of \$4,727,074. For 2022, the Board of City Commissioners voted to increase the mill levy rate to address future critical needs of the City. The City also saw growth in residential property valuations from the prior year of 4.67% with a slight decrease in commercial valuations of 0.11%.
- Total revenue from taxes other than property tax was \$42,206,025, an increase of \$1,444,812. Sales tax, occupancy tax, lodging, liquor, and food tax, car rental tax, and state aid all experienced increases from the prior year due to increased business activity within the City.
- Total revenue from operating grants and contributions was \$22,837,303, an increase of \$10,549,970. The primary reason for the increase is one-time federal grant funding. The City received \$9,656,565 in Coronavirus State and Local Fiscal Recovery Funds that was recognized as revenue in 2022.
- Total revenue from capital grants and contributions was \$34,198,440, an increase of \$8,326,909. The City received \$2,500,000 in Municipal Infrastructure Funds from the State of North Dakota to construct or replace City infrastructure. The City also received \$5,374,285 in federal funding through the North Dakota Department of Transportation for a road reconstruction project.

2022 REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES

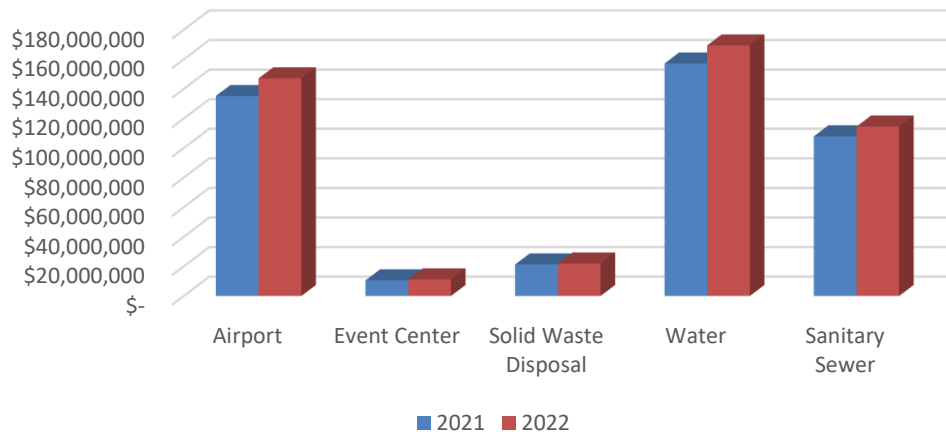


Business-type Activities

Business-type activities increased the City's net position by \$34,809,692 (42.14% of the total growth in net position). Significant factors that caused the increases from December 31, 2021, to December 31, 2022 are explained as follows:

- The Airport's net position increased \$11,955,845. The Airport has received a significant amount of COVID-19-related grant funding. \$5,272,312 of grant revenue was received to cover Airport operations in 2022. The Airport also received an additional \$10,412,195 in AIP capital grants in 2022 used mainly for wetlands mitigation and the construction of Lancair Loop road.
- Water Fund and Sanitary Sewer Fund revenues exceeded expenditures by \$12,225,939 and \$6,637,840, respectively. Both divisions have major capital project needs in the near future. The surpluses from 2022 will be used to reduce the amount of debt needed for future capital projects.

Comparison of Major Business-Type Net Position Balances as of December 31, 2021 and December 31, 2022



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

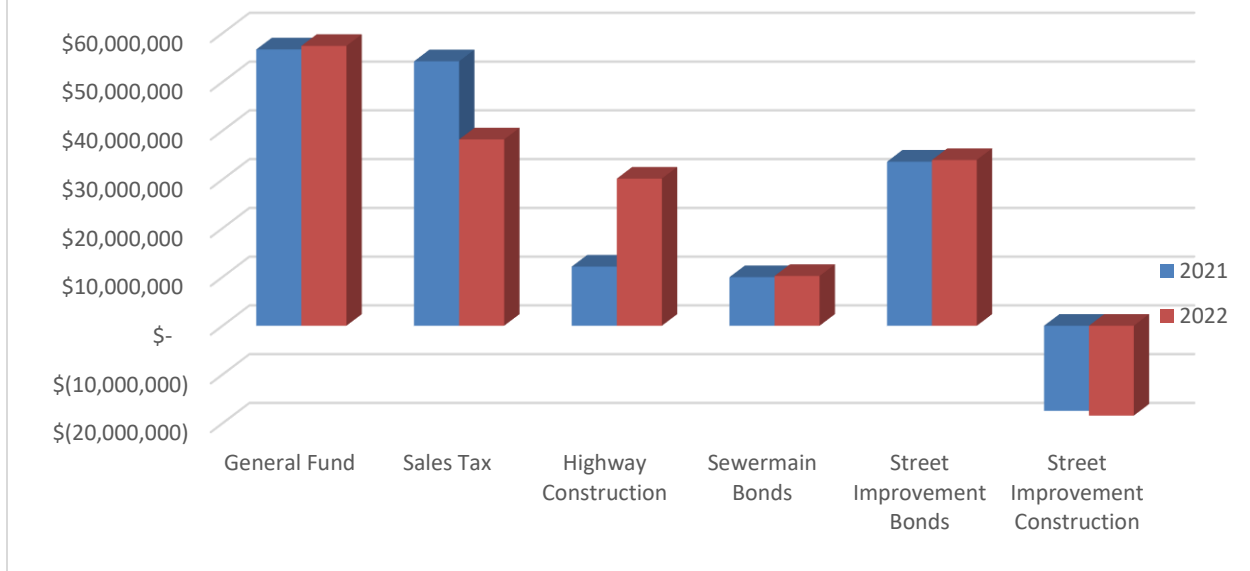
The focus of the City's governmental funds are to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's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

As of December 31, 2022, the City's governmental funds reported combined ending fund balances of \$181,140,063, an increase of \$4,404,096 in comparison with the prior year restated fund balance. The total fund balance consists of nonspendable, restricted, committed, assigned, and unassigned categories. For more information on the City's restrictions, commitments, and assignments of fund balance, refer to the notes to the basic financial statements. Significant factors that resulted in the increase are explained as follows:

- Sales Tax fund balance decreased \$16,020,387 in comparison with the prior year. The City collects a one-half cent sales tax restricted for use on specific arterial street construction and reconstruction projects. The City anticipates completing major road reconstruction projects in 2023. A transfer was made from the Sales Tax Fund to the Highway Construction Fund for the 2023 budgeted street construction projects.
- Highway Construction fund balance increased \$18,044,552 in comparison to the prior year. This is due to transfers from the Sales Tax Fund to cover budgeted costs of road reconstruction projects in 2023.
- Street Improvement Construction fund balance decreased \$992,962. This fund accounts for expenditures related to street improvements and typically carries a deficit fund balance due to timing of when construction costs are incurred and reimbursed. The deficit is related to 2022 construction costs that will be reimbursed through bond proceeds in 2023.
- The Sewermain Bonds Fund and Street Improvement Bonds Fund did not have a significant change in fund balance in comparison with the prior year.

At the end of the current fiscal year, total fund balance of the General Fund reached \$57,395,253 which is an increase of \$716,320 as compared to the prior year. The unassigned fund balance of the General Fund was \$35,184,230, an increase of \$3,369,078 from the prior year. The increase is primarily due to salary savings from vacancies and supply chain issues delaying production and delivery of certain equipment that were budgeted in 2022 but not expected to be received until future years. Restricted fund balance is consistent with the prior year at \$8,021,055 to be used mainly for building construction projects. Assigned fund balance was \$14,177,069, a decrease of \$2,875,755. The decrease is due to the City utilizing fund balance for the construction of a new public health building.

Comparison of Major Governmental Fund Balances as of December 31, 2021 and December 31, 2022



Proprietary Funds

As of December 31, 2022, unrestricted net position of enterprise funds was \$87,547,373, an increase of \$10,728,347. Net investment in capital assets increased \$21,797,555 to \$461,645,552. All individual proprietary funds reported increases in net position except for Storm Water, which had a decrease in net position of \$130,342. The Storm Water decrease is due to an early payoff of special assessments on Storm Water property. Factors that caused changes in the enterprise funds have been discussed in the business-type activity narrative beginning on page 16.

Internal service fund net position remained consistent with the prior year with the exception of employee insurance. Employee insurance net position increased \$1,474,778 from the prior year. Health claims came in lower than anticipated and premiums were increased in 2022 by 7%. This resulted in an increase in net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City had an overall budget increase between the original and final budget of \$2,419,862. This is due to budget amendments needed due to unforeseen expenditures in 2022 and the implementation of *GASB Statement No. 87, Leases*. Actual General Fund revenues were \$57,999,195 or \$9,276,711 higher than the final budgeted total revenues. Factors contributing to the additional revenue are as follows:

- Intergovernmental revenue exceeded budget by \$10,532,039. The primary reason for the increase was \$9,656,565 in Coronavirus State and Local Fiscal Recovery Funds received from the U.S. Department of the Treasury. The City elected to utilize the funds in 2022 for government services which was unknown at the time the budget was prepared.
- Licenses and Permits exceeded budget by \$452,449. The City continued to grow at a fast pace so revenues for construction permits exceeded expectations.
- Investment Income (Loss) was under budget by \$1,241,871. The City had unrealized investment losses throughout 2022 due to rising interest rates and the inverse relationship with bond values.

Actual General Fund expenditures were \$52,296,469 or \$4,606,349 lower than the final budgeted total expenditures in 2022. General government expenditures were under budget by \$1,922,896 due to

operational savings in General Fund departments. This is primarily made up of salaries and fringe benefit savings from staff turnover and vacant positions.

Actual other financing uses were \$4,986,406 or \$2,006,711 lower than the final budgeted total other financing sources (uses). The transfer to the Roads and Streets department was \$1,140,230 less than budget. Due to supply chain issues, equipment budgeted in 2022 isn't expected to be received until future years. The transfers will take place when the equipment is placed into service. Also, transfers to the Bismarck Event Center from the Lodging, Liquor, and Food Tax Fund was less than budget due to delays in capital projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – As of December 31, 2022, the City's capital assets for its governmental and business-type activities were \$984,285,765, net of accumulated depreciation/amortization. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, construction in progress, and right-to-use lease assets.

The following table summarizes capital assets for governmental and business-type activities for 2021 and 2022:

City of Bismarck Capital Assets (net of depreciation/amortization)						
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 2,810,082	\$ 3,248,836	\$ 18,630,429	\$ 18,590,966	\$ 21,440,511	\$ 21,839,802
Construction in Progress	16,853,167	17,253,399	25,669,072	28,122,287	42,522,239	45,375,686
Buildings and Building Improvements	16,558,537	18,028,456	167,131,055	170,819,688	183,689,592	188,848,144
Improvements Other Than Buildings	10,844	9,585	289,301,730	306,422,380	289,312,574	306,431,965
Infrastructure	343,873,627	378,835,032	-	-	343,873,627	378,835,032
Machinery and Equipment	16,846,977	22,133,728	20,939,998	20,056,896	37,786,975	42,190,624
Right-to-Use Lease Assets	-	755,406	-	9,106	-	764,512
Total	<u>\$ 396,953,234</u>	<u>\$ 440,264,442</u>	<u>\$ 521,672,284</u>	<u>\$ 544,021,323</u>	<u>\$ 918,625,518</u>	<u>\$ 984,285,765</u>

Significant capital asset construction or acquisition that occurred during the fiscal year ended December 31, 2022, included the following:

- Construction in progress included an airport wetland removal project, airport snow removal equipment storage building, public works building expansion, sanitary sewer lift station, construction of a new public health building, street maintenance throughout the City, and the construction of new streets for several new subdivisions. These capital projects are anticipated to be completed in future years.
- Major construction projects placed in service in 2022 included wastewater treatment dewatering and disinfection buildings, a solid waste landfill facility cell, library siding and windows replacement, airport road improvements, and the Ash Coulee water tower and tank rehab.
- Additions to infrastructure included road reconstruction projects, asphalt maintenance throughout the City, and construction of streets for several new subdivisions.
- Additions to machinery and equipment included heavy equipment purchases for roads and streets operations, a new aerial firetruck, and purchases of transit buses.
- Right-to-Use lease assets increased during the year with the adoption of *GASB Statement No. 87, Leases*, and its recognition of leased assets.

Additional information on the City's capital assets and right-to-use lease assets can be found in Note IV.E and Note IV.F on pages 51 - 54 of this report.

Long-Term Debt – As of December 31, 2022, the City had total long-term debt outstanding of \$237,166,931. Of this amount, \$112,905,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The City revenue bonds are secured by Water Revenue, Sanitary Sewer Revenue, Waste Disposal Revenue, Waste Collection Revenue, and Lodging, Liquor and Food Tax.

The following table shows various classifications of the City's long-term debt as of December 31, 2022:

City of Bismarck Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Net Pension Liability	\$ 1,264,964	\$ 27,123,408	\$ -	\$ 6,302,500	\$ 1,264,964	\$ 33,425,908
Special Assessment Bonds	109,705,000	112,905,000	-	-	109,705,000	112,905,000
Plus Unamortized Premiums	5,565,105	5,630,706	-	-	5,565,105	5,630,706
Financed Purchase Obligations	2,311,847	1,745,196	-	-	2,311,847	1,745,196
Compensated Absences	3,758,760	3,822,366	1,028,656	1,080,025	4,787,416	4,902,391
Claims and Judgments	567,025	632,381	175,975	226,000	743,000	858,381
Closure and Postclosure Costs	-	-	3,610,977	3,626,597	3,610,977	3,626,597
Event Center Revenue Bonds	-	-	19,455,000	18,200,000	19,455,000	18,200,000
Less Unamortized Discount	-	-	(16,944)	-	(16,944)	-
Water Revenue Bonds-2014	-	-	7,710,000	6,850,000	7,710,000	6,850,000
Less Unamortized Discount	-	-	(66,058)	(56,947)	(66,058)	(56,947)
Water Revenue Bonds-2020	-	-	4,200,000	3,620,000	4,200,000	3,620,000
Plus Unamortized Premium	-	-	287,146	241,203	287,146	241,203
Water Treatment Loan, 2009	-	-	7,330,000	6,395,000	7,330,000	6,395,000
Water Treatment Loan, 2021	-	-	5,440,841	5,487,277	5,440,841	5,487,277
Water Treatment Loan, 2022	-	-	-	223,212	-	223,212
Wastewater Loan, 2006	-	-	7,250,000	6,130,000	7,250,000	6,130,000
Wastewater Loan, 2020	-	-	4,995,000	4,705,000	4,995,000	4,705,000
Sanitary Sewer Revenue Bonds, 2015	-	-	22,270,000	20,970,000	22,270,000	20,970,000
Less Unamortized Discount	-	-	(51,610)	(47,739)	(51,610)	(47,739)
Utility Revenue Bond, 2021	-	-	-	1,355,746	-	1,355,746
Total	\$123,172,701	\$151,859,057	\$ 83,618,983	\$ 85,307,874	\$206,791,684	\$237,166,931

The City issued total special assessment debt of \$19,780,000 in November 2022. The bonds were issued for special assessment projects completed in 2021 and 2022. The City received an Aa1 bond rating from Moody's. This rating is consistent with previous ratings received from this agency.

In 2022, the City issued Lodging and Restaurant Tax Refunding Revenue Note, Series 2022, in the amount of \$19,615,000. Bond proceeds were used to refund Lodging and Restaurant Tax Revenue Bonds, Series 2013, in the amount of \$19,455,000. The refunding resulted in a net economic gain of \$1,374,302, cash flow savings of \$2,016,054, and an unamortized loss on debt refunding in the amount of \$604,232 as of December 31, 2022. \$1,415,000 in principal payments were made during 2022.

In 2021, the City entered into an agreement for a \$26,000,000 infrastructure revolving loan with the Bank of North Dakota known as the Utility Revenue Bond, 2021. The loan proceeds are being drawn down as expenses are incurred to expand the public works building. As of December 31, 2022, \$1,356,273 has been drawn down for eligible construction expenses. \$527 in principal payments were made during 2022.

The net pension liability of the City as of December 31, 2022 was \$33,425,908, an increase of \$32,160,944 from 2021. The City has two pension plans: City Employees' Pension Plan and Police Employees' Pension Plan. Actual investment returns didn't meet projections in 2022 and the actuarial projected investment rate of return was decreased from 7.50% to 7.25% resulting in a net pension liability of \$20,983,974 for the City Employee's Pension Plan and a net pension liability of \$12,441,934 for the Police Employees' Pension Plan.

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

More detailed information about the debt position of the City can be found on Note IV.H on page 56 and more detailed information about the City's pension plans can be found on Note IV.O starting on page 67.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Growth has continued in the property tax base with new construction and improvements in residential and commercial properties. The estimated property market value for 2023 increased 9.76% from the prior year. The continued growth of the City leads to an increase in the need for the expansion of infrastructure, improvements for streets and utilities, and additional resources for Police, Fire, and Public Health. The Bismarck City Commission did not change the property tax mill levy rate for 2023 in order to sustain the existing services of the City.

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

The City typically experiences unemployment rates less than that of the national average. The February 2023 unemployment rate reported by the Bureau of Labor Statistics for Bismarck was 2.7%. The City anticipates employment numbers to remain strong into the future.

The City's financial position remains strong. Bismarck has a strong tax base fueled by economic activity and population growth. The City also maintains a strong fund balance which provides financial stability and improves the creditworthiness of the City. The Bismarck City Commissioners have focused on the future sustainability of the City and the need to address critical needs due to a growing population. The City will continue to invest in infrastructure and the needs of our citizens.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
ASSETS				
Current Assets				
Cash and Investments	\$ 173,903,420	\$ 72,233,944	\$ 246,137,364	\$ -
Taxes Receivable	343,410	-	343,410	-
Accounts Receivable	11,216,085	14,129,878	25,345,963	1,159,727
Due from Other Entities	1,094,537	-	1,094,537	-
Special Assessments Receivable	93,570,606	7,027,177	100,597,783	-
Interest Receivable	614,445	412,961	1,027,406	857
Notes Receivable	3,606,202	-	3,606,202	-
Leases Receivable	254,805	2,180,262	2,435,067	3,505
Inventory	448,927	123,384	572,311	-
Prepaid Items	14,803	171,218	186,021	-
Internal Balances	(42,896)	42,896	-	-
Total Current Assets	285,024,344	96,321,720	381,346,064	1,164,089
Noncurrent Assets				
Restricted Cash and Investments	-	12,774,669	12,774,669	-
Leases Receivable	39,811	11,617,477	11,657,288	236,126
Land	3,248,836	18,590,966	21,839,802	-
Construction in Progress	17,253,399	28,122,287	45,375,686	-
Buildings and Building Improvements	18,028,456	170,819,688	188,848,144	-
Improvements Other Than Buildings	9,585	306,422,380	306,431,965	-
Infrastructure	378,835,032	-	378,835,032	-
Machinery and Equipment	22,133,728	20,056,896	42,190,624	2,389,882
Right-to-Use Lease Assets	755,406	9,106	764,512	7,960,136
Total Noncurrent Assets	440,304,253	568,413,469	1,008,717,722	10,586,144
Total Assets	725,328,597	664,735,189	1,390,063,786	11,750,233
DEFERRED OUTFLOWS OF RESOURCES				
Asset Retirement Obligation	64,125	-	64,125	-
Pensions	17,302,945	4,279,726	21,582,671	-
Loss on Debt Refunding	-	604,232	604,232	-
Total Deferred Outflows of Resources	17,367,070	4,883,958	22,251,028	-
LIABILITIES				
Current Liabilities				
Accounts Payable	5,633,832	2,553,053	8,186,885	65,190
Retainage Payable	1,486,377	1,463,951	2,950,328	-
Salaries Payable	2,427,307	620,906	3,048,213	-
Due to Other Entities	-	-	-	1,094,538
Accrued Interest Payable	607,508	415,331	1,022,839	27,782
Unearned Revenue	2,984,449	7,761	2,992,210	-
Customer Deposits	273,681	6,743	280,424	-
Due Within One Year	21,658,879	7,895,844	29,554,723	-
Leases Payable	141,300	1,777	143,077	303,271
Total Current Liabilities	35,213,333	12,965,366	48,178,699	1,490,781
Noncurrent Liabilities				
Customer Deposits	-	826,669	826,669	-
Due in More Than One Year	103,076,770	71,109,530	174,186,300	-
Leases Payable	541,839	7,343	549,182	7,778,331
Net Pension Liability	27,123,408	6,302,500	33,425,908	-
Asset Retirement Obligation	67,500	-	67,500	-
Total Noncurrent Liabilities	130,809,517	78,246,042	209,055,559	7,778,331
Total Liabilities	166,022,850	91,211,408	257,234,258	9,269,112
DEFERRED INFLOWS OF RESOURCES				
Pensions	1,547,377	318,328	1,865,705	-
Leases	200,421	13,595,838	13,796,259	233,579
Total Deferred Inflows of Resources	1,747,798	13,914,166	15,661,964	233,579
NET POSITION				
Net Investment in Capital Assets	315,866,703	461,645,551	777,512,254	2,247,542
Restricted For				
Building Construction	8,021,055	-	8,021,055	-
Capital Projects	31,988,618	-	31,988,618	-
Debt Service	51,809,837	14,294,810	66,104,647	-
Opioid Settlement	35,678	-	35,678	-
Unrestricted	167,203,128	88,553,212	255,756,340	-
Total Net Position	\$ 574,925,019	\$ 564,493,573	\$ 1,139,418,592	\$ 2,247,542

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

					NET REVENUES (EXPENSE) AND CHANGES IN NET POSITION			
Functions / Programs	Expenses	PROGRAM REVENUES			PRIMARY GOVERNMENT			COMPONENT UNIT
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
Primary Government								
Governmental Activities								
General Government	\$ 20,791,192	\$ 6,985,058	\$ 14,774,113	\$ -	\$ 967,979	\$ -	\$ 967,979	\$ -
Public Safety	34,973,641	4,276,820	1,131,782	33,755	(29,531,284)	-	(29,531,284)	-
Highways and Streets	14,260,875	6,599,763	3,768,877	-	(3,892,235)	-	(3,892,235)	-
Health and Welfare	4,825,140	955,738	2,580,882	-	(1,288,520)	-	(1,288,520)	-
Culture and Recreation	4,027,559	119,923	581,649	-	(3,325,987)	-	(3,325,987)	-
Public Works	16,766,244	-	-	34,164,685	17,398,441	-	17,398,441	-
Interest and Fiscal Charges	2,507,919	-	-	-	(2,507,919)	-	(2,507,919)	-
Total Governmental Activities	98,152,570	18,937,302	22,837,303	34,198,440	(22,179,525)	-	(22,179,525)	-
Business-Type Activities								
Airport	10,417,823	6,779,575	5,272,312	10,412,195	-	12,046,259	12,046,259	-
Event Center	8,870,482	6,318,106	2,064	-	-	(2,550,312)	(2,550,312)	-
Water	15,490,859	18,685,085	-	9,109,290	-	12,303,516	12,303,516	-
Sanitary Sewer	9,619,713	14,103,551	-	2,274,775	-	6,758,613	6,758,613	-
Solid Waste Disposal	3,204,427	4,228,744	-	-	-	1,024,317	1,024,317	-
Solid Waste Collections	4,791,389	5,739,918	-	-	-	948,529	948,529	-
Storm Water	3,523,528	1,536,060	283,344	537,459	-	(1,166,665)	(1,166,665)	-
Northern Plains Commerce Centre	267,383	86,079	-	-	-	(181,304)	(181,304)	-
Parking Authority	1,764,888	1,883,856	-	-	-	118,968	118,968	-
Total Business-Type Activities	57,950,492	59,360,974	5,557,720	22,333,719	-	29,301,921	29,301,921	-
Total Primary Government	\$ 156,103,062	\$ 78,298,276	\$ 28,395,023	\$ 56,532,159	(22,179,525)	29,301,921	7,122,396	-
Component Unit								
Central Dakota Comm Center	\$ 4,285,287	\$ 3,966,110	\$ -	\$ 33,800	-	-	-	(285,377)
General Revenues								
Property Taxes					31,520,584	-	31,520,584	-
Sales Tax					29,929,510	-	29,929,510	-
Occupancy Tax					1,090,781	-	1,090,781	-
Lodging, Liquor, and Food Tax					3,752,153	-	3,752,153	-
Car Rental Tax					72,109	-	72,109	-
State Aid					5,309,646	-	5,309,646	-
Franchise Taxes					978,463	-	978,463	-
Other Taxes					1,073,363	44,691	1,118,054	-
Investment Income (Loss)					(456,178)	(644,160)	(1,100,338)	-
Gain on Disposal of Capital Assets					1,157,268	1,660,764	2,818,032	-
Transfers					(4,446,747)	4,446,747	-	-
Total General Revenues, Gain (Loss) on Disposal of Capital Assets, and Transfers					69,980,952	5,508,042	75,488,994	-
Change in Net Position					47,801,427	34,809,963	82,611,390	(285,377)
Net Position, Beginning of Year, as Restated					527,123,592	529,683,611	1,056,807,203	2,532,919
Net Position, End of Year					\$ 574,925,019	\$ 564,493,574	\$ 1,139,418,593	\$ 2,247,542

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

**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
ASSETS								
Cash and Investments	\$ 56,937,650	\$ 32,804,275	\$ 31,203,379	\$ 8,126,092	\$ 9,479,329	\$ -	\$ 29,049,748	\$ 167,600,473
Taxes Receivable	298,087	-	-	-	-	-	45,323	343,410
Accounts Receivable	1,609,182	5,414,629	686	-	-	-	3,899,152	10,923,649
Due from Other Entities	1,094,537	-	-	-	-	-	-	1,094,537
Special Assessments Receivable	-	-	462,961	14,112,047	69,876,379	-	9,119,219	93,570,606
Interest Receivable	2,568	-	-	-	-	-	282	2,850
Notes Receivable	-	-	-	-	-	-	3,606,202	3,606,202
Leases Receivable	219,096	-	-	-	-	-	75,520	294,616
Inventory	12,899	-	-	-	-	-	-	12,899
Interfund Receivables	41,811	-	-	1,173,868	17,445,818	-	1,759,910	20,421,407
Total Assets	<u>\$ 60,215,830</u>	<u>\$ 38,218,904</u>	<u>\$ 31,667,026</u>	<u>\$ 23,412,007</u>	<u>\$ 96,801,526</u>	<u>\$ -</u>	<u>\$ 47,555,356</u>	<u>\$ 297,870,649</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 597,304	\$ -	\$ 709,246	\$ -	\$ -	\$ 113,103	\$ 2,904,352	\$ 4,324,005
Retainage Payable	-	-	344,959	-	-	873,664	267,754	1,486,377
Interfund Payables	-	-	-	-	-	17,445,818	3,018,485	20,464,303
Salaries Payable	1,882,917	-	-	-	-	-	498,357	2,381,274
Customer Deposits	-	-	-	-	-	-	273,681	273,681
Unearned Revenue	-	-	-	-	-	-	2,984,449	2,984,449
Total Liabilities	<u>2,480,221</u>	<u>-</u>	<u>1,054,205</u>	<u>-</u>	<u>-</u>	<u>18,432,585</u>	<u>9,947,078</u>	<u>31,914,089</u>
DEFERRED INFLOWS OF RESOURCES								
Special Assessments	-	-	438,107	13,188,990	62,801,679	-	7,943,365	84,372,141
Property Tax	211,747	-	-	-	-	-	32,188	243,935
Leases	128,609	-	-	-	-	-	71,812	200,421
Total Deferred Inflows of Resources	<u>340,356</u>	<u>-</u>	<u>438,107</u>	<u>13,188,990</u>	<u>62,801,679</u>	<u>-</u>	<u>8,047,365</u>	<u>84,816,497</u>
FUND BALANCES								
Nonspendable	12,899	-	-	-	-	-	322,450	335,349
Restricted	8,021,055	31,988,618	-	10,223,017	33,999,847	-	7,622,651	91,855,188
Committed	-	6,230,286	30,174,714	-	-	-	24,267,467	60,672,467
Assigned	14,177,069	-	-	-	-	-	300,000	14,477,069
Unassigned	35,184,230	-	-	-	-	(18,432,585)	(2,951,655)	13,799,990
Total Fund Balances	<u>57,395,253</u>	<u>38,218,904</u>	<u>30,174,714</u>	<u>10,223,017</u>	<u>33,999,847</u>	<u>(18,432,585)</u>	<u>29,560,913</u>	<u>181,140,063</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 60,215,830</u>	<u>\$ 38,218,904</u>	<u>\$ 31,667,026</u>	<u>\$ 23,412,007</u>	<u>\$ 96,801,526</u>	<u>\$ -</u>	<u>\$ 47,555,356</u>	<u>\$ 297,870,649</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Total Fund Balances	\$ 181,140,063
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	439,509,036
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Right-to-use lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	755,406
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Other assets are not available to pay for current period expenditures and, therefore, are deferred outflow (inflow) of resources in the governmental funds.	85,227,671
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(124,704,589)
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Leases are not due and payable in the current period and, therefore, are not reported in the funds.	(689,326)
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The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. Deferred outflows and inflows of resources related to pensions are applicable to future periods, and, therefore, are not reported in the governmental funds.	(11,367,840)
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Internal service funds are used by management to charge the cost of employee insurance, liability insurance, unemployment insurance, and revolving cost to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>5,054,598</u>
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Total Net Position	<u><u>\$ 574,925,019</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 28,454,189	\$ 29,929,510	\$ -	\$ -	\$ -	\$ -	\$ 8,923,243	\$ 67,306,942
Special Assessments	-	-	44,198	3,363,979	14,632,878	81,059	2,304,537	20,426,651
Intergovernmental	16,772,722	-	9,930,976	-	-	-	12,273,432	38,977,130
Charges for Services	9,333,153	-	-	-	-	-	4,389,485	13,722,638
Licenses and Permits	2,284,924	-	-	-	-	-	1,575	2,286,499
Fines and Forfeitures	1,156,314	-	-	-	-	-	282,321	1,438,635
Leases and Rentals	215,107	-	-	-	-	-	80,915	296,022
Investment Income (Loss)	(471,921)	(321,615)	(80,015)	(43,997)	112,292	-	(137,314)	(942,570)
Donations	49,929	-	-	-	-	-	326,463	376,392
Miscellaneous	204,778	-	-	-	-	-	347,490	552,268
Total Revenues	57,999,195	29,607,895	9,895,159	3,319,982	14,745,170	81,059	28,792,147	144,440,607
EXPENDITURES								
Current								
General Government	11,848,729	182,066	-	-	-	-	6,921,884	18,952,679
Public Safety	31,391,707	-	-	-	-	-	1,449,414	32,841,121
Highways and Streets	2,830,852	-	-	-	-	-	9,958,556	12,789,408
Health and Welfare	2,820,566	-	-	-	-	-	1,660,079	4,480,645
Culture and Recreation	556,086	-	-	-	-	-	2,701,200	3,257,286
Public Works	-	-	1,086,645	3,167	73,493	2,337,432	217,838	3,718,575
Capital Outlay	2,696,895	-	19,669,841	-	-	22,252,339	17,164,605	61,783,680
Debt Service								
Principal	144,064	-	-	2,527,089	12,299,498	-	2,411,547	17,382,198
Interest	7,570	-	-	569,421	2,142,995	-	296,177	3,016,163
Total Expenditures	52,296,469	182,066	20,756,486	3,099,677	14,515,986	24,589,771	42,781,300	158,221,755
Excess of Revenues Over (Under)								
Expenditures	5,702,726	29,425,829	(10,861,327)	220,305	229,184	(24,508,712)	(13,989,153)	(13,781,148)
OTHER FINANCING SOURCES (USES)								
Issuance of Special Assessment Bonds	-	-	-	-	-	17,341,018	2,438,982	19,780,000
Premium on Special Assessment Bonds	-	-	-	-	-	548,823	90,251	639,074
Proceeds from Sale of Capital Assets	96,065	-	-	-	-	-	452,183	548,248
Lease Proceeds	343,355	-	-	-	-	-	575,331	918,686
Transfers In	9,867,346	-	34,182,763	31,796	375,293	6,001,202	17,037,774	67,496,174
Transfers Out	(15,293,172)	(45,446,216)	(5,276,884)	(4,017)	(265,518)	(375,293)	(4,535,838)	(71,196,938)
Total Other Financing Sources (Uses)	(4,986,406)	(45,446,216)	28,905,879	27,779	109,775	23,515,750	16,058,683	18,185,244
Net Change in Fund Balances	716,320	(16,020,387)	18,044,552	248,084	338,959	(992,962)	2,069,530	4,404,096
Fund Balances, Beginning of Year, as Restated	56,678,933	54,239,291	12,130,162	9,974,933	33,660,888	(17,439,623)	27,491,383	176,735,967
Fund Balances, End of Year	\$ 57,395,253	\$ 38,218,904	\$ 30,174,714	\$ 10,223,017	\$ 33,999,847	\$ (18,432,585)	\$ 29,560,913	\$ 181,140,063

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

CITY OF BISMARCK, NORTH DAKOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Changes in Fund Balances	\$ 4,404,096
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Amounts reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.	43,311,208
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	4,118,056
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The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(21,337,760)
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Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, not reported as expenditures in governmental funds.	15,873,650
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Internal service funds are used by management to charge the cost of health insurance, liability insurance, unemployment insurance, and revolving funds to the City's other funds. A portion of the change in net position in the internal service funds is reported with governmental activities.	1,432,177
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Change in Net Position	\$ 47,801,427
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The notes to the financial statements are an integral part of this statement.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor Funds	Total	Internal Service Funds
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 9,307,315	\$ 1,602,925	\$ 4,130,501	\$ 20,467,596	\$ 20,441,546	\$ 14,975,469	\$ 70,925,352	\$ 7,611,539
Accounts Receivable	9,177,237	80,594	316,172	3,021,205	902,351	632,319	14,129,878	292,436
Special Assessments Receivable	-	-	-	2,500,713	2,570,540	1,955,924	7,027,177	-
Interest Receivable	89,044	-	18,390	105,331	94,245	105,951	412,961	-
Interfund Receivable	-	42,896	-	-	-	-	42,896	-
Leases Receivable	1,858,190	-	-	11,306	3,426	307,340	2,180,262	-
Inventory	-	-	-	123,384	-	-	123,384	436,028
Prepaid Items	16,350	43,745	17,515	47,131	25,706	18,697	169,144	16,884
Total Current Assets	20,448,136	1,770,160	4,482,578	26,276,666	24,037,814	17,995,700	95,011,054	8,356,887
Noncurrent Assets								
Restricted Cash and Cash Equivalents	-	148,220	-	6,356,268	6,270,181	-	12,774,669	-
Leases Receivable	7,835,999	-	-	392,688	252,724	3,136,066	11,617,477	-
Land	8,469,631	912,100	1,031,945	877,279	337,375	6,962,636	18,590,966	-
Construction in Progress	18,093,914	391,199	7,318,247	357,017	1,437,319	524,591	28,122,287	-
Buildings and Building Improvements	11,820,293	25,977,700	2,910,110	57,723,339	54,885,116	17,503,130	170,819,688	-
Improvements Other Than Buildings	89,958,815	-	10,509,918	96,766,594	54,425,972	54,761,081	306,422,380	-
Machinery and Equipment	2,234,755	1,438,296	2,073,512	5,534,612	5,970,679	2,805,042	20,056,896	355,415
Right-to-Use Lease Assets	9,106	-	-	-	-	-	9,106	-
Total Noncurrent Assets	138,422,513	28,867,515	23,843,732	168,007,797	123,579,366	85,692,546	568,413,469	355,415
Total Assets	158,870,649	30,637,675	28,326,310	194,284,463	147,617,180	103,688,246	663,424,523	8,712,302
DEFERRED OUTFLOWS OF RESOURCES								
Asset Retirement Obligation	-	-	-	-	-	-	-	64,125
Pensions	634,878	606,405	425,442	1,139,631	651,496	821,874	4,279,726	290,076
Loss on Refunding	-	604,232	-	-	-	-	604,232	-
Total Deferred Outflows of Resources	634,878	1,210,637	425,442	1,139,631	651,496	821,874	4,883,958	354,201
LIABILITIES								
Current Liabilities								
Accounts Payable	620,854	318,539	461,886	497,221	222,711	318,823	2,440,034	1,422,853
Retainage Payable	886,773	8,454	544,049	24,675	-	-	1,463,951	-
Salaries Payable	110,503	120,115	52,995	148,346	83,932	105,015	620,906	46,033
Accrued Interest Payable	30	38,220	12,603	142,165	222,313	-	415,331	-
Unearned Revenue	-	6,653	-	-	-	1,108	7,761	-
Customer Deposits	-	-	-	3,872	-	2,871	6,743	-
Compensated Absences Payable	135,267	106,935	57,205	171,081	105,293	148,428	724,209	-
Claims and Judgments Payable	-	-	-	-	34,191	-	34,191	824,190
Debt Payable	-	1,320,000	65,146	2,780,489	2,780,000	-	6,945,635	-
Leases Payable	1,777	-	-	-	-	-	1,777	-
Total Current Liabilities	1,755,204	1,918,916	1,193,884	3,767,849	3,448,440	576,245	12,660,538	2,293,076
Noncurrent Liabilities								
Customer Deposits	-	800,559	-	-	-	26,110	826,669	-
Compensated Absences Payable	34,831	96,077	89,081	65,034	10,084	60,709	355,816	-
Debt Payable	-	16,880,000	1,290,600	19,979,256	28,977,261	-	67,127,117	-
Leases Payable	7,343	-	-	-	-	-	7,343	-
Asset Retirement Obligation Liability	-	-	-	-	-	-	-	67,500
Net Pension Liability	949,353	900,562	605,218	1,697,498	970,413	1,179,456	6,302,500	431,067
Closure and Post-Closure Liability	-	-	3,626,597	-	-	-	3,626,597	-
Total Noncurrent Liabilities	991,527	18,677,198	5,611,496	21,741,788	29,957,758	1,266,275	78,246,042	498,567
Total Liabilities	2,746,731	20,596,114	6,805,380	25,509,637	33,406,198	1,842,520	90,906,580	2,791,643
DEFERRED INFLOWS OF RESOURCES								
Pensions	47,896	46,595	17,547	104,735	59,875	41,680	318,328	31,373
Leases	9,536,553	-	-	395,451	248,702	3,415,132	13,595,838	-
Total Deferred Inflows of Resources	9,584,449	46,595	17,547	500,186	308,577	3,456,812	13,914,166	31,373
NET POSITION								
Net Investment in Capital Assets	129,315,623	10,297,871	16,109,097	138,240,367	85,126,114	82,556,480	461,645,552	355,415
Restricted for Debt Service	-	110,000	1,922,840	6,214,102	6,047,868	-	14,294,810	-
Unrestricted	17,858,724	797,732	3,896,888	24,959,802	23,379,919	16,654,308	87,547,373	5,888,072
Total Net Position	\$ 147,174,347	\$ 11,205,603	\$ 21,928,825	\$ 169,414,271	\$ 114,553,901	\$ 99,210,788	563,487,735	\$ 6,243,487
Difference Between Business-Type Adjustments to Statement of Net Position							1,005,838	
Total Net Position, Business-Type Activities							<u>\$ 564,493,573</u>	

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor Funds	Internal Service Funds
OPERATING REVENUES							
Event Sales	\$ -	\$ 5,535,639	\$ -	\$ -	\$ -	\$ -	\$ -
Gas and Oil Sales	-	-	-	-	-	-	1,743,736
Parts and Labor Sales	109,648	-	-	180,601	1,360	-	2,370,520
Water Sales	1,950	-	-	17,506,557	-	-	-
Sanitation Fees	-	-	4,078,148	24,240	14,015,229	7,122,261	-
Landing and Airport Fees	2,556,657	-	-	-	-	-	-
Miscellaneous Sales	31,018	5,253	19,647	33,954	3,086	87,739	739,722
Leases and Rentals	4,024,448	727,042	99,945	844,308	36,265	1,969,215	13,930
Employer Contributions	-	-	-	-	-	-	13,379,348
Employee Contributions	-	-	-	-	-	-	64,658
Total Operating Revenues	6,723,721	6,267,934	4,197,740	18,589,660	14,055,940	9,179,215	18,311,914
OPERATING EXPENSES							
Cost of Goods Sold	-	2,501,207	-	178,633	-	-	2,720,732
Salaries and Wages	1,545,644	2,062,004	860,946	2,278,647	1,326,070	1,559,450	696,697
Fringe Benefits	816,775	830,108	464,573	1,392,386	722,640	959,935	396,126
Professional Legal and Contracted Services	1,336,437	213,703	81,524	407,378	48,805	872,864	33,777
Building Equipment and Vehicle Services	1,568,196	1,012,881	483,896	3,301,522	1,349,338	2,203,942	412,216
Travel and Training	18,713	15,687	1,114	31,820	8,180	1,658	13,840
Operating Services	442,651	423,583	411,169	1,012,470	473,524	1,847,523	12,959,053
Operating Supplies	522,155	119,218	276,256	1,275,805	843,387	297,034	19,585
Depreciation and Amortization Expense	4,155,587	1,160,610	609,332	5,110,109	3,939,795	2,604,782	40,302
Total Operating Expenses	10,406,158	8,339,001	3,188,810	14,988,770	8,711,739	10,347,188	17,292,328
Net Operating Income (Loss)	(3,682,437)	(2,071,067)	1,008,930	3,600,890	5,344,201	(1,167,973)	1,019,586
NONOPERATING REVENUES (EXPENSES)							
Grants	5,272,312	-	-	-	-	283,344	-
Taxes	44,691	-	-	-	-	-	-
Special Assessments	-	-	-	28,682	37,454	429,802	-
Investment Income (Loss)	(51,523)	(8,171)	(44,579)	(418,219)	(73,162)	(42,974)	(31,384)
Gain (Loss) on Disposal of Capital Assets	(57,326)	7,188	26,409	18,739	-	1,665,754	303,689
Interest and Fiscal Charges	(94)	(531,481)	(15,617)	(502,089)	(907,974)	-	-
Total Nonoperating Revenues (Expenses)	5,208,060	(532,464)	(33,787)	(872,887)	(943,682)	2,335,926	272,305
Net Income (Loss) Before Capital Charges, Capital Grants, Capital Contributions, and Transfers	1,525,623	(2,603,531)	975,143	2,728,003	4,400,519	1,167,953	1,291,891
Capital Charges	-	-	-	963,954	472,349	-	-
Capital Grants	10,412,195	-	-	4,771,218	62,824	-	-
Capital Contributions	-	-	-	3,345,436	1,702,148	1,243,020	-
Transfers In	18,027	3,303,174	-	702,410	-	-	389,380
Transfers Out	-	-	(345,827)	(285,082)	-	(81,318)	-
Change in Net Position	11,955,845	699,643	629,316	12,225,939	6,637,840	2,329,655	1,681,271
Net Position, Beginning of Year	135,218,502	10,505,960	21,299,509	157,188,332	107,916,061	96,881,133	4,562,216
Net Position, End of Year	\$ 147,174,347	\$ 11,205,603	\$ 21,928,825	\$ 169,414,271	\$ 114,553,901	\$ 99,210,788	\$ 6,243,487
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						331,724	
Changes in Net Position, Business-Type Activities						\$ 34,809,962	

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							GOVERNMENTAL ACTIVITIES
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts From Customers and Users	\$ (354,841)	\$ 6,709,186	\$ 4,196,151	\$ 17,080,479	\$ 14,245,763	\$ 8,977,007	\$ 50,853,745	\$ 4,908,228
Receipts From Employer	-	-	-	-	-	-	-	13,379,348
Payments to Suppliers	(4,961,258)	(4,871,444)	(1,687,096)	(7,514,904)	(3,961,181)	(6,341,100)	(29,336,983)	(16,351,603)
Payments to Employees	(1,432,090)	(1,939,794)	(742,197)	(2,116,600)	(1,230,460)	(1,441,243)	(8,902,384)	(651,322)
Net Cash Provided (Used) by Operating Activities	(6,748,189)	(102,052)	1,766,858	7,448,975	9,054,122	1,194,664	12,614,378	1,284,651
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grants Received	5,272,312	-	-	-	-	283,344	5,555,656	-
Payments from Other Funds	18,027	3,295,127	-	702,410	-	-	4,015,564	389,380
Payments to Other Funds	-	-	(345,827)	(285,082)	-	(81,318)	(712,227)	-
Net Cash Provided (Used) by Noncapital Financing Activities	5,290,339	3,295,127	(345,827)	417,328	-	202,026	8,858,993	389,380
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Grants Received	10,412,195	-	-	4,771,218	62,824	-	15,246,237	-
Taxes Received	44,691	-	-	-	-	-	44,691	-
Special Assessments Received	-	-	-	606,365	610,342	415,642	1,632,349	-
Capital Charges Received	-	-	-	963,954	472,349	-	1,436,303	-
Loan Proceeds	-	-	1,356,273	916,648	-	-	2,272,921	-
Lease Proceeds	9,585	-	-	-	-	-	9,585	-
Payment to Escrow Agent on Refunded Bonds	-	19,010,768	-	-	-	-	19,010,768	-
Debt Principal Paid	-	(20,870,000)	(527)	(3,022,000)	(2,710,000)	-	(26,602,527)	-
Debt Interest and Fees Paid	-	(565,897)	(3,014)	(595,339)	(927,317)	-	(2,091,567)	-
Lease Principal Paid	(465)	-	-	-	-	-	(465)	-
Lease Interest Paid	(64)	-	-	-	-	-	(64)	-
Proceeds From Sale of Capital Assets	(57,326)	-	26,409	18,132	-	2,301,359	2,288,574	74,732
Proceeds from Insurance Recoveries	-	7,188	-	607	-	-	7,795	228,957
Acquisition and Construction of Capital Assets	(11,020,594)	(527,985)	(7,493,349)	(11,043,485)	(3,211,748)	(576,986)	(33,874,147)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(611,978)	(2,945,926)	(6,114,208)	(7,383,900)	(5,703,550)	2,140,015	(20,619,547)	303,689
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment Income (Loss)	(133,242)	(7,795)	(56,968)	(508,299)	(152,697)	(141,691)	(1,000,692)	(31,384)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,203,070)	239,354	(4,750,145)	(25,896)	3,197,875	3,395,014	(146,868)	1,946,336
Cash and Cash Equivalents, Beginning of Year	11,510,385	1,511,791	8,880,646	26,849,760	23,513,852	11,580,455	83,846,889	5,665,203
Cash and Cash Equivalents, End of Year	\$ 9,307,315	\$ 1,751,145	\$ 4,130,501	\$ 26,823,864	\$ 26,711,727	\$ 14,975,469	\$ 83,700,021	\$ 7,611,539

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor	Internal Service Funds
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities							
Net Operating Income (Loss)	\$ (3,682,437)	\$ (2,071,067)	\$ 1,008,930	\$ 3,600,890	\$ 5,344,201	\$ (1,167,973)	\$ 3,032,544
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization Expense	4,155,587	1,160,610	609,332	5,110,109	3,939,795	2,604,782	17,580,215
Change in Deferred Outflows of Resources from Pension	(491,968)	(482,048)	(339,909)	(897,359)	(515,987)	(649,470)	(3,376,741)
Change in Deferred Inflows of Resources from Leases	(1,974,312)	-	-	(32,210)	(10,190)	(399,789)	(2,416,501)
Change in Deferred Inflows of Resources from Pension	(417,008)	(373,149)	(223,228)	(720,920)	(401,932)	(463,117)	(2,599,354)
Change in Net Pension Liability/Asset	1,000,815	944,334	631,834	1,781,714	1,017,517	1,234,302	6,610,516
(Increase) Decrease in Accounts Receivable	(6,920,926)	(1,304)	(1,589)	(1,488,056)	205,549	(174,974)	(8,381,300)
(Increase) Decrease in Leases Receivable	1,816,676	-	-	23,667	2,742	371,515	2,214,600
(Increase) Decrease in Inventory	-	-	-	(8,657)	-	-	(8,657)
(Increase) Decrease in Prepaid Items	4,135	(3,123)	(1,825)	(6,388)	(2,876)	(1,141)	(11,218)
Increase (Decrease) in Customer Deposits	-	442,556	-	3,872	-	1,420	447,848
Increase (Decrease) in Accounts Payable	(260,466)	248,066	17,641	100,155	(546,622)	(157,003)	(598,229)
Increase (Decrease) in Compensated Absences Payable	8,786	19,424	47,445	(5,716)	(10,562)	(8,008)	51,369
Increase (Decrease) in Salaries Payable	12,929	13,649	2,607	4,328	6,574	4,500	44,587
Increase (Decrease) in Unearned Revenue	-	-	-	(16,454)	(8,278)	(380)	(25,112)
Increase (Decrease) in Claims and Judgments Payable	-	-	-	-	34,191	-	34,191
Increase (Decrease) in Closure and Post-Closure Liability	-	-	15,620	-	-	-	15,620
Total Adjustments	(3,065,752)	1,969,015	757,928	3,848,085	3,709,921	2,362,637	9,581,834
Net Cash Provided (Used) by Operating Activities	<u>\$ (6,748,189)</u>	<u>\$ (102,052)</u>	<u>\$ 1,766,858</u>	<u>\$ 7,448,975</u>	<u>\$ 9,054,122</u>	<u>\$ 1,194,664</u>	<u>\$ 12,614,378</u>

NONCASH INVESTING, CAPITAL, AND RELATED

FINANCING ACTIVITIES

Contributed Capital Assets	\$ -	\$ -	\$ -	\$ 1,231,523	\$ -	\$ 1,135,364	\$ 2,366,887	\$ -
Capital Assets Contributed from Developers	-	-	-	2,113,913	1,702,148	107,656	3,923,717	-

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 366,454	\$ 776,431
Investments, at Fair Value:		
International Equities	77,640,280	-
International Fixed Income	52,662,321	-
Real Estate	32,751,069	-
Mutual Funds	-	94,089
Invested Cash	487,068	-
Invested Securities Lending	649,241	-
Accounts Receivable	955	568
Accrued Interest and Dividends	136,150	-
Total Assets	<u>164,693,538</u>	<u>871,088</u>
LIABILITIES		
Accounts Payable	116,099	4,934
Securities Lending Collateral	649,241	-
Total Liabilities	<u>765,340</u>	<u>4,934</u>
NET POSITION		
Restricted	163,928,198	866,154
Total Net Position	<u><u>\$ 163,928,198</u></u>	<u><u>\$ 866,154</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Pension Trust Funds	Custodial Funds
ADDITIONS		
Employer Contributions	\$ 4,648,132	\$ -
Employee Contributions	2,384,399	-
Total Contributions	<u>7,032,531</u>	<u>-</u>
Investment Income:		
Net increase (Decrease) in Fair Value of Investments	(21,208,390)	(26,993)
Interest and Dividend Earnings	3,037,031	-
Securities Lending Income	8,451	-
Total Investment Income	<u>(18,162,908)</u>	<u>(26,993)</u>
Investment Expense:		
Investment Activity Expense	(407,376)	-
Securities Lending Expense	(1,690)	-
Net Investment Income (Loss)	<u>(18,571,974)</u>	<u>(26,993)</u>
Revenues		
Police Custody Funds Received	-	392,975
Total Revenues	<u>-</u>	<u>392,975</u>
Total Additions	<u>(11,539,443)</u>	<u>365,982</u>
DEDUCTIONS		
Benefits Paid to Participants	9,945,159	-
Refunds	523,694	56,466
Administration Expenses	150,099	-
Police Custody Funds Paid	-	393,858
Total Deductions	<u>10,618,952</u>	<u>450,324</u>
Change in Net Position	(22,158,395)	(84,342)
Net Position, Beginning of Year	186,086,593	950,496
Net Position, End of Year	<u><u>\$ 163,928,198</u></u>	<u><u>\$ 866,154</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

	<u>Page</u>
A. REPORTING ENTITY	34
B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	35
C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION	35
D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCE	37
1. Cash and Investments	37
2. Inventories and Prepaid Items	37
3. Accounts Receivable/Lease Receivable	37
4. Capital Assets	38
5. Right-to-Use Lease Assets	38
6. Deferred Outflows of Resources	39
7. Unearned Revenues	39
8. Long-Term Liabilities	39
9. Compensated Absences/Termination Benefits	39
10. Pensions	40
11. Deferred Inflows of Resources	41
12. Net Position and Fund Balance	41

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION IN THE GOVERNMENTAL ACTIVITIES	43
B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES	43

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION	44
B. FUND BALANCE DEFICIT	44

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS	45
B. INVESTMENTS	46
C. NOTES RECEIVABLE	48
D. LEASES RECEIVABLE	49
E. CAPITAL ASSETS	51
F. RIGHT-TO-USE LEASE ASSETS	53
G. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS	55
H. LONG-TERM LIABILITIES	56
I. LEASES PAYABLE	61
J. COMMITMENTS	63
K. TAX ABATEMENTS	63
L. RISK MANAGEMENT	64
M. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY	66
N. CERTAIN ASSET RETIREMENT OBLIGATIONS	66
O. EMPLOYEE RETIREMENT PLANS	67
P. SUBSEQUENT EVENTS	78
Q. RESTATEMENT	79

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus and the accrual basis of accounting records revenues when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the City's

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

Highway Construction Fund – This capital projects fund accounts for arterial streets. Financing is provided by sales tax and grants via the State of North Dakota Department of Transportation.

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

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

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

The City reports the following major proprietary funds:

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Solid Waste Disposal – This fund accounts for the operations of the municipal landfill.

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

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

Additionally, the City reports the following fund types:

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

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

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

1. Cash and Investments

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

Restricted cash is displayed on the statement of net position for various enterprise funds. Cash is set aside to fulfill bond covenant requirements outlined in the applicable bond documents.

2. Inventories and Prepaid Items

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

Proprietary funds record any payments made to vendors for services that will benefit periods beyond December 31, 2022, as prepaid items.

3. Accounts Receivable/Lease Receivable

Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The City is a lessor for numerous noncancellable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgments include how the City determines (1) the discount rate, (2) lease term, and (3) lease receipts.

The City determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

4. Capital Assets

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

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

Buildings and Building Improvements	10 – 50 Years
Improvements Other Than Buildings	25 – 50 Years
Infrastructure	20 – 100 Years
Machinery and Equipment	2 – 15 Years

5. Right-to-Use Lease Assets

The City recorded right-to-use lease assets as a result of implementing *GASB Statement No. 87, Leases*. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

Key estimates and judgments related to leases include (1) the discount rate, (2) lease term, and (3) lease payments.

The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City determines its estimated borrowing rate based on the applicable State and Local Government Securities rate. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of the leases and will re-measure the right-to-use lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liability.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets by the government that would not be recognized as an outflow of resources (expense/expenditure) until future period(s) in which it is applicable. Deferred outflows are recorded in the government-wide Statement of Net Position under the governmental, business-type, and/or discretely presented component unit columns. Deferred outflows of resources of proprietary and internal service funds are reported in detail in their respective fund statements. The City reports defined benefit pension plans, asset retirement obligations, and loss on debt refunding (accounting loss), net of accumulated amortization, in this category.

7. Unearned Revenues

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

8. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Premiums and discounts are deferred and amortized over the life of the debt issuance on a straight-line basis. Long-term debt payable is reported net of the related debt premium or discount.

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

9. Compensated Absences / Termination Benefits

Annual Leave

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

0 – 3 years	8 hours per month
4 – 7 years	10 hours per month
8 – 12 years	12 hours per month
13 – 18 years	14 hours per month
Over 18 years	16 hours per month

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Sick Leave

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

Employees that had accumulated sick leave prior to December 31, 1992 were allowed to accumulate outstanding sick leave hours for payment upon termination. On December 31, 1992, any hours in excess of the maximum 960 or 1272 hours were reduced by 25%. The remaining sick leave hours, in excess of the maximum, at the rate of pay on December 31, 1992, were owed to the employee by the City. In addition, any employee with a sick leave balance less than the 960 or 1272-hour maximum was allowed to choose an option to either reduce the sick leave hours by 25% or retain the hours in order to reach the maximum at a faster pace. The employees that chose to reduce the sick leave by 25% were allowed to be paid upon termination at their individual pay rate on December 31, 1992.

10. Pensions

The City is a majority member of the City of Bismarck Employees' Pension Plan (City Employees' Pension Plan). The City Employees' Pension Plan is a multiple employer cost-sharing defined benefit pension plan that provides benefits to employees of the City and the Bismarck Parks and Recreation District. The City is required to report a proportionate share of the net pension liability (asset), deferred outflows and inflows of resources, and pension expense using the economic resources measurement focus and accrual basis of accounting. The City also maintains and participates in the Bismarck Police Employees' Pension Plan (Police Employees' Pension Plan), a single employer defined benefit pension plan. The City is required to report related net pension liability (asset), deferred outflows and inflows of resources, and pension expense for the Police Employees' Pension Plan using the economic resources measurement focus and accrual basis of accounting.

For this purpose, benefits and refunds of employee contributions are recognized when due and payable in accordance with the benefit terms and statutes governing the City Employees' Pension Plan and the Police Employees' Pension Plan, accordingly. Expenses are recognized when the liability is incurred, regardless of when the payment is made.

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

The City Employees' Pension Plan employer and plan member contributions are recognized when due pursuant to the City ordinance and requirements. Investment income is recognized as revenue when earned.

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Deferred Inflows of Resources

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

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

12. Net Position and Fund Balance

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

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

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

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers committed balances to have been spent first, then assigned, and, finally, unassigned, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions. As of December 31, 2022, fund balances are composed of the following:

	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Nonmajor Governmental Funds	Governmental Funds
Nonspendable								
Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 322,450	\$ 322,450
Inventory	12,899	-	-	-	-	-	-	12,899
Restricted								
Building Construction	8,021,055	-	-	-	-	-	-	8,021,055
Opioid Settlement	-	-	-	-	-	-	35,678	35,678
Capital Projects	-	31,988,618	-	-	-	-	-	31,988,618
Debt Service	-	-	-	10,223,017	33,999,847	-	7,586,973	51,809,837
Committed								
Public Health Programs	-	-	-	-	-	-	888,673	888,673
Transit System	-	-	-	-	-	-	34,241	34,241
Public Library	-	-	-	-	-	-	1,309,141	1,309,141
Drug Enforcement	-	-	-	-	-	-	535,131	535,131
Highways and Streets	-	-	-	-	-	-	5,237,337	5,237,337
Street Light Operations	-	-	-	-	-	-	3,639,353	3,639,353
Economic Development	-	-	-	-	-	-	1,070,359	1,070,359
Capital Projects	-	6,230,286	30,174,714	-	-	-	11,553,232	47,958,232
Assigned								
Contingencies	825,000	-	-	-	-	-	-	825,000
Department Equipment	2,279,062	-	-	-	-	-	-	2,279,062
Fire Truck and Equipment	261,783	-	-	-	-	-	-	261,783
Technology Equipment	127,747	-	-	-	-	-	-	127,747
Computer Expansion	422,182	-	-	-	-	-	-	422,182
Parking Lot	97,879	-	-	-	-	-	-	97,879
27th Payroll Set-Aside	856,291	-	-	-	-	-	-	856,291
Capital Projects	9,239,625	-	-	-	-	-	-	9,239,625
Asset Retirement Obligation	67,500	-	-	-	-	-	-	67,500
Economic Development	-	-	-	-	-	-	300,000	300,000
Unassigned	35,184,230	-	-	-	-	(18,432,585)	(2,951,655)	13,799,990
Total Fund Balances	\$57,395,253	\$38,218,904	\$30,174,714	\$10,223,017	\$33,999,847	\$ (18,432,585)	\$29,560,913	\$181,140,063

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Debt Payable	\$ (112,905,000)
Plus: Debt Premium, Net	(5,630,706)
Accrued Interest Payable	(601,321)
Financed Purchase Obligations	(1,745,196)
Compensated Absences	(3,822,366)
	<hr/>
Net Adjustment to Reduce Fund Balance to Arrive at Net Position	\$ (124,704,589)
	<hr/>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures and changes in fund balances includes a reconciliation between the changes in fund balances in governmental funds and change in net position in the statement of activities. Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The detail of this reconciliation is as follows:

Capital Outlay	\$ 60,864,994
Contributed Capital	54,755
Loss on Disposal of Capital Assets	(18,329)
Capital Outlay Transferred to Business-Type Activities	(1,135,363)
Depreciation Expense	(17,210,255)
Lease Capital Outlay	918,686
Lease Amortization Expense	(163,280)
	<hr/>
Net Adjustment to Changes in Fund Balances	
to Arrive at Change in Net Position	\$ 43,311,208
	<hr/>

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

Change in Deferred Inflows of Resources	\$ 3,605,805
Change in Interest Receivable	512,251
	<hr/>
Net Adjustment to Changes in Fund Balances	
to Arrive at Change in Net Position	\$ 4,118,056
	<hr/>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

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

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Governmental funds report the effect of debt proceeds, including premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this reconciliation are as follows:

Debt Issued:	
Lease Proceeds	\$ (918,686)
Debt Issuance Principal	(19,780,000)
Plus: Debt Issuance Premium	<u>(639,074)</u>
Net Adjustment to Increase (Decrease) Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ (21,337,760)</u>

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

Principal Payments	\$ 16,580,000
Finance Purchase Obligations Principal Payments	566,651
Lease Principal Payments	235,547
Changes in Compensated Absences Payable	(63,606)
Change in Accrued Interest Payable	(65,229)
Amortization Expense of Debt Premium (Discount)	573,473
Change in Net Pension Liability (Asset) and Related Deferred Outflows (Inflows) of Resources	<u>(1,953,186)</u>
Net Adjustment to Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ 15,873,650</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City adopts an annual budget approved by the City Commissioners. The budget is adopted on a basis of the generally accepted accounting principles (GAAP). Activities of the General Fund, Special Revenue Funds, and Debt Service Funds are included in the annual appropriated budget in accordance with the NDCC 40-40.

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

B. FUND BALANCE DEFICIT

The following individual funds had fund balance deficits as of December 31, 2022, in the fund balance of the following funds:

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

<u>Fund</u>	<u>Deficit</u>
Street Improvement Construction	\$ (18,432,585)
Sewermain Construction	\$ (1,187,773)
Sidewalk Construction	\$ (1,763,882)

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

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

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

Cash and Investments

As of December 31, 2022, the City's cash and investments are as follows:

Petty Cash	\$ 41,536
Deposits	151,067,835
Investments	273,229,615
Total Cash and Investments	<u>\$ 424,338,986</u>

The cash and investments presented in the financial statements as of December 31, 2022, are as follows:

Primary Government	
Unrestricted	\$ 246,137,364
Restricted	12,774,669
Fiduciary Funds	
Pension Trust	164,556,433
Custodial	870,520
Total Cash and Investments	<u>\$ 424,338,986</u>

Custodial Credit Risk

Custodial credit risk is associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The City does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the City maintains deposits at financial institutions authorized by the City Commissioners. State statutes also require that the deposits be protected by insurance, collateral, or surety bond. The fair value of the collateral pledged by the financial institution must be equal to or greater than 110% of the deposits not covered by FDIC insurance or surety bonds. The only exception is deposits with the Bank of North Dakota, which is owned and backed by the full faith and credit of the State of North Dakota. As of December 31, 2022, the carrying amount of the City's deposits was \$151,067,835 and the bank balance was \$154,830,287, which was FDIC insured and collateralized.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

B. INVESTMENTS

As of December 31, 2022, the City had the following investments:

Investment Type	Moody's or S&P Rating	Investment Maturities				Percent of Investments	Fair Value Hierarchy
		Less Than One Year	1-5 Years	6-10 Years	Fair Value		
US Government Agency	AA+	\$ 33,896,971	\$ 13,539,318	\$ 950,362	\$ 48,386,651	18%	Level 2
US Government Agency	AAA	511,790	448,730	-	960,520	0%	Level 2
US Treasury STRIPS	Not Rated	143,845	4,391,304	401,115	4,936,264	2%	Level 2
US Treasury Notes	AA+	1,113,476	-	-	1,113,476	1%	Level 2
US Treasury Notes	AAA	3,467,639	-	-	3,467,639	1%	Level 2
US State and Local Securities	A1	74,406	97,655	178,097	350,158	0%	Level 2
US State and Local Securities	AA	228,754	2,713,338	699,539	3,641,631	1%	Level 2
US State and Local Securities	AA-	144,690	509,141	-	653,831	0%	Level 2
US State and Local Securities	AA+	19,552	2,379,988	425,453	2,824,993	1%	Level 2
US State and Local Securities	Aa1	-	510,804	-	510,804	0%	Level 2
US State and Local Securities	Aa2	-	2,238,006	640,865	2,878,871	1%	Level 2
US State and Local Securities	Aa3	-	672,790	-	672,790	0%	Level 2
US State and Local Securities	AAA	345,597	1,650,813	1,166,303	3,162,713	1%	Level 2
Commercial Paper	A-1+	34,360,950	-	-	34,360,950	13%	Level 2
Money Market Fund	AAAm	278,830	-	-	278,830	0%	Level 1
Local Government Pool	N/A	165,029,494	-	-	165,029,494	61%	Level 2
Total Investments		\$ 239,615,994	\$ 29,151,887	\$ 4,461,734	\$ 273,229,615	100%	

State statutes authorize the City to invest in the following:

- Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress
- Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above
- Certificates of deposit fully insured by the Federal Deposit Insurance Corporation (FDIC) or the State of North Dakota
- Securities of any state and local government
- Commercial paper issued by a United States corporation

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

Interest Rate Risk

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Investments in the City Employees' Pension Plan and Police Employees' Pension Plan funds are generally managed by the North Dakota Retirement and Investment Office (NDRIO) under the authority of the State Investment Board. The NDCC 21-10 allows the State Investment Board to apply the prudent investor rule in investing funds under its supervision. The investments must be exclusively for the benefit of their members and in accordance with the respective funds' investment goals and objectives. For more information, refer to the NDRIO financial reports as follows: <https://www.rio.nd.gov/other-state-investment-board-clients>.

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurement

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

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

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

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

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

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the City's investment portfolio were as of December 31, 2022.

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

The State of North Dakota Investment Board is regulated by an eleven-member board. The audited financial statements may be found at <https://www.rio.nd.gov/state-investment-board-clients>. Several agencies whose investments are under the supervision of the State Investment Board participate in the pooled investments. The agencies transfer money into the investment pools and receive an appropriate percentage ownership of the pooled portfolio based upon fair value. All activities of the investment pools are allocated to the agencies based upon their respective ownership percentages. Each participant unit is valued at \$1 per unit.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

C. NOTES RECEIVABLE

Notes receivable as of December 31, 2022, were:

Project	Interest Rate	Date Range	Balance
HUD HOME Abused Adult Resource Center - Bonnie's House	0%	7/24/2013 - 7/24/2033	\$ 100,563
HUD HOME Missouri Valley Habitat - Home Ownership Project	0%	7/8/2009 - 7/8/2024	10,400
HUD NSP Pride Inc. - 411 Sunset Place Acquisition	0%	3/30/2010 - 3/30/2025	6,480
HUD HOME BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	347,000
HUD NSP BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	193,443
HUD HOME Washington Court Project	0%	12/23/2020 - 12/23/2030	769,350
HUD HOME Community Works - Boulevard Ave. Apartments	0%	11/1/2020 - 11/1/2035	689,650
HUD NSP Community Works - Boulevard Ave. Apartments	0%	9/21/2020 - 9/21/2035	866,867
Patterson Place Apartments Loan	0%	11/28/1983 - 12/31/2039	300,000
Laughing Sun Brewing Company, LLC	2%	5/18/2018 - 12/1/2030	103,337
JB Lozensky Properties, LLP	2%	12/31/2018 - 6/1/2036	39,627
North Dakota Safety Council	2%	5/24/2018 - 1/1/2024	41,176
Activities for Learning Inc.	2%	12/23/2019 - 11/23/2038	32,611
CK Properties	2%	5/3/2022 - 7/1/2037	105,698
Total Notes Receivable			<u>\$ 3,606,202</u>

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

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

The Patterson Place Apartment Loan is a non-forgivable loan with a payment due from surplus cash from the sale of the property, if ownership changes, or when a change in the façade easement is made. The original 1983 loan was subordinated on December 16, 2013, with an extended term until April 1, 2024. On March 24, 2019, the note was assumed by new ownership, and the term was extended to December 31, 2039. On April 23, 2020, the amount was subordinated again during a refinancing process to two new lenders replacing the previous subordination.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Notes receivable authorized from the Vision fund to Laughing Sun Brewing Company, LLC, JB Lozensky Properties, LLP, ND Safety Council, Activities for Learning and CK Properties promote economic and job development in the City. The Vision Fund currently has five outstanding loans all accruing interest at 2%, with 1% payable to Lewis and Clark Development Group and 1% payable to the Vision Fund. The Laughing Sun Brewing Company, LLC, loan payments of \$2,320 are required starting June 1, 2026. The JB Lozensky Properties, LLP loan payment is required starting July 1, 2029, in the amount of \$610. The ND Safety Council began making payments March 1, 2021, on their original loan of \$106,014. The principal amount received in 2022 totaled 37,090, thereby reducing the total loan amount to \$41,176 as of December 31, 2022. The Activities for Learning Inc. loan payments are required starting July 1, 2030, in the amount of \$455. In 2022, the City provided a loan to CK Properties loan on May 3, 2022, in the amount of \$105,698. Payments are required to start April 1, 2030, in the amount of \$2,166.

D. LEASES RECEIVABLE

Governmental Activities

The City entered into a 24-month lease agreement with Burleigh County as the lessor for the use of office space. The City received monthly payments of \$4,000 in 2022 and will receive monthly payments of \$18,710 in 2023. The lease has an interest rate of 4.54% per annum. In 2022, the City recognized a lease receivable of \$257,218 and \$128,609 in lease revenue and \$10,696 in interest revenue. As of December 31, 2022, the City's lease receivable was \$219,096 and deferred inflows of resources was \$128,609.

The City entered into a 36-month lease with the Bismarck-Mandan Convention and Visitors Bureau as lessor for the use of a City-owned building. The City will receive monthly payments of \$3,000 in 2022, \$3,200 in 2023, and \$3,400 in 2024. The lease has an interest rate of 4.54% per annum. In 2022, the City recognized a lease receivable of \$107,719 and \$35,906 in lease revenue and \$4,083 in interest revenue. As of December 31, 2022, the City's lease receivable balance was \$75,520 and deferred inflow of resources balance was \$71,812.

The future principal and interest lease receipts as of December 31, 2022, were as follows:

<u>Year Ended December 31,</u>	GOVERNMENTAL ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 254,805	\$ 7,160	\$ 261,965
2024	39,811	841	40,652
Total	<u>\$ 294,616</u>	<u>\$ 8,001</u>	<u>\$ 302,617</u>

Business-Type Activities

The Bismarck Municipal Airport (Airport) leases real property and structures to third-parties for office space, concessions, hangars, fuel storage, and cropland.

As of December 31, 2022, the Airport held six leases for the rentals of buildings or building space. The terms of the leases range from 28 months to 72 months. The Airport will receive varying payments based on the nature of the lease. The interest rates range from 4.25% to 4.55% per annum. In 2022, the airport recognized a lease receivable of \$4,395,487 and \$862,559 in lease revenue and \$169,259 in interest revenue. As of December 31, 2022, the lease receivable balance is \$3,611,306 and deferred inflow of resources balance is \$3,532,928.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2022, the Airport held twenty-one land leases for buildings constructed by external entities, fuel storage, and cropland. The terms of the leases range from 20 months to 356 months. The Airport will receive varying payments based on the nature of the lease. The interest rates range from 4.16% to 5.30% per annum. In 2022, the airport recognized a lease receivable of \$7,115,378 and \$1,111,753 in lease revenue, and \$285,600 in interest revenue. As of December 31, 2022, the lease receivable balance is \$6,082,883 and deferred inflow of resources balance is \$6,003,625.

As of December 31, 2022, the Water and Sanitary Sewer funds held four leases with cell phone companies for cell tower placement agreements. The terms of the leases range from 14 months to 305 months. The City will receive monthly payments from \$1,103 to \$1,200. The rent amounts increase 5% to 10% at each five-year renewal term. The interest rates range from 4.31% to 4.49% per annum. In 2022, the Water department recognized a lease receivable of \$686,553 and \$42,400 in lease revenue and \$29,208 in interest revenue. As of December 31, 2022, the lease receivable balance is \$660,144 and deferred inflow of resources balance is \$644,153.

The Northern Plains Commerce Center (NPCC) held a 312-month lease with Lafarge North America, Inc. for the lease of land to construct and operate a rail and cement distribution facility. NPCC will receive annual payments of \$67,717. The lease has an interest rate of 4.29% per annum. In 2022, the NPCC recognized a lease receivable of \$1,084,488 and \$41,711 in lease revenue and \$44,368 in interest revenue. As of December 31, 2022, the lease receivable balance is \$1,016,770 and deferred inflow of resources balance is \$1,042,777.

The Bismarck Parking Authority leases its real property for commercial and retail use. In 2022, the Parking Authority held seven leases with various businesses. The terms of the leases range from 13 months to 144 months. The Parking Authority will receive monthly payments ranging from \$817 to \$18,411. The interest rates range from 4.17% to 5.3% per annum. In 2022, the Parking Authority recognized a lease receivable of \$2,730,433 and \$358,078 in lease revenue and \$109,705 in interest revenue. As of December 31, 2022, the lease receivable balance is \$2,426,636 and deferred inflow of resources balance is \$2,372,355.

The future principal and interest lease receipts as of December 31, 2022, were as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,180,262	\$ 548,097	\$ 2,728,359
2024	2,098,989	454,635	2,553,624
2025	2,011,532	365,955	2,377,487
2026	1,796,941	280,027	2,076,968
2027	1,091,707	222,795	1,314,502
2028 - 2032	1,811,866	808,488	2,620,354
2033 - 2037	1,063,753	482,535	1,546,288
2038 - 2042	939,724	279,596	1,219,320
2043 - 2047	654,616	95,456	750,072
2048 - 2051	148,349	11,287	159,636
Total	<u>\$ 13,797,739</u>	<u>\$ 3,548,871</u>	<u>\$ 17,346,610</u>

Discretely Presented Component Unit

CenCom held a 284-month lease with T-Mobile for the use and operation of antenna facilities. CenCom will receive payments of \$1,155 with a 10% escalation at each renewal term. The lease has an interest rate of 4.35% per annum. In 2022, CenCom recognized a lease receivable of \$243,884 and \$10,305 in lease revenue and \$10,463 in interest revenue. As of December 31, 2022, the lease receivable balance is \$239,631 and deferred inflow of resources balance is \$233,579.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

The future principal and interest lease receipts as of December 31, 2022, were as follows:

Year Ended December 31,	COMPONENT UNIT		
	Principal	Interest	Total
2023	\$ 3,505	\$ 10,343	\$ 13,848
2024	3,631	10,216	13,847
2025	4,286	10,021	14,307
2026	5,426	9,801	15,227
2027	5,666	9,559	15,225
2028 - 2032	36,017	43,642	79,659
2033 - 2037	53,659	33,915	87,574
2038 - 2042	76,438	19,832	96,270
2043 - 2045	51,003	2,928	53,931
Total	<u>\$ 239,631</u>	<u>\$ 150,257</u>	<u>\$ 389,888</u>

E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital assets, Not Being Depreciated:					
Land	\$ 2,810,082	\$ 438,754	\$ -	\$ -	\$ 3,248,836
Construction in Progress	16,853,167	16,908,430	(16,508,198)	-	17,253,399
Total Capital Assets, Not Being Depreciated	<u>19,663,249</u>	<u>17,347,184</u>	<u>(16,508,198)</u>	<u>-</u>	<u>20,502,235</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	37,569,720	2,446,171	-	-	40,015,891
Improvements Other Than Buildings	66,938	-	-	-	66,938
Infrastructure	497,950,816	48,040,262	-	-	545,991,078
Machinery and Equipment	48,585,579	8,458,967	(2,375,174)	(12,756)	54,656,616
Total Capital Assets, Being Depreciated	<u>584,173,053</u>	<u>58,945,400</u>	<u>(2,375,174)</u>	<u>(12,756)</u>	<u>640,730,523</u>
Less Accumulated Depreciation:					
Buildings and Building Improvements	(21,011,183)	(976,252)	-	-	(21,987,435)
Improvements Other Than Buildings	(56,094)	(1,259)	-	-	(57,353)
Infrastructure	(154,077,189)	(13,078,857)	-	-	(167,156,046)
Machinery and Equipment	(31,738,602)	(3,153,887)	2,356,845	12,756	(32,522,888)
Total Accumulated Depreciation	<u>(206,883,068)</u>	<u>(17,210,255)</u>	<u>2,356,845</u>	<u>12,756</u>	<u>(221,723,722)</u>
Total Capital Assets, Being Depreciated, Net	<u>377,289,985</u>	<u>41,735,145</u>	<u>(18,329)</u>	<u>-</u>	<u>419,006,801</u>
Governmental Activities Capital Assets, Net	<u>\$ 396,953,234</u>	<u>\$ 59,082,329</u>	<u>\$ (16,526,527)</u>	<u>\$ -</u>	<u>\$ 439,509,036</u>

In 2022, the City contributed \$1,135,363 of infrastructure from the governmental activities to the business-type activities, which is reported as a transfer on the statement of activities.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
BUSINESS-TYPE ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 18,630,429	\$ -	\$ (39,463)	\$ -	\$ 18,590,966
Construction in Progress	25,669,072	19,467,097	(17,013,882)	-	28,122,287
Total Capital Assets, Not Being Depreciated	44,299,501	19,467,097	(17,053,345)	-	46,713,253
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	287,483,678	10,036,812	(9,005)	-	297,511,485
Improvements Other Than Buildings	426,485,791	26,286,671	(407,096)	-	452,365,366
Machinery and Equipment	40,496,492	1,468,380	(530,943)	12,756	41,446,685
Total Capital Assets, Being Depreciated	754,465,961	37,791,863	(947,044)	12,756	791,323,536
Less Accumulated Depreciation:					
Buildings and Building Improvements	(120,352,623)	(6,348,179)	9,005	-	(126,691,797)
Improvements Other Than Buildings	(137,184,061)	(9,085,840)	326,915	-	(145,942,986)
Machinery and Equipment	(19,556,494)	(2,145,716)	325,177	(12,756)	(21,389,789)
Total Accumulated Depreciation	(277,093,178)	(17,579,735)	661,097	(12,756)	(294,024,572)
Total Capital Assets, Being Depreciated, Net	477,372,783	20,212,128	(285,947)	-	497,298,964
Business-Type Activities Capital Assets, Net	\$ 521,672,284	\$ 39,679,225	\$ (17,339,292)	\$ -	\$ 544,012,217

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

Governmental Activities:

General Government	\$ 1,108,973
Public Safety	1,431,215
Highways and Streets	923,623
Health and Welfare	42,521
Culture and Recreation	656,254
Public Works	13,047,669
Total Depreciation Expense, Governmental Activities	<u>\$ 17,210,255</u>

Business-Type Activities:

Airport	\$ 4,155,107
Event Center	1,160,610
Solid Waste Disposal	609,332
Water	5,110,109
Sanitary Sewer	3,939,795
Solid Waste Collections	302,663
Storm Water	1,295,022
Northern Plains Commerce Centre	202,334
Parking Authority	804,763
Total Depreciation Expense, Business-Type Activities	<u>\$ 17,579,735</u>

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

	Beginning Balance As Restated (*)	Increases	Decreases	Ending Balance
DISCRETELY PRESENTED COMPONENT UNIT				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 2,706,955	\$ 51,218	\$ -	\$ 2,758,173
Less Accumulated Depreciation	(174,036)	(194,255)	-	(368,291)
Component Unit Capital Assets, Net	<u>\$ 2,532,919</u>	<u>\$ (143,037)</u>	<u>\$ -</u>	<u>\$ 2,389,882</u>

(*) As a result of implementation of *GASB Statement No. 87, Leases*, \$11,364,554 in buildings and building improvements were removed from the beginning balance presented above. Buildings and building improvements were previously reported as a capital lease. The value of the lease was recalculated to the new carrying value under *GASB Statement No. 87, Leases*, and reclassified as a right-to-use lease asset. Further detail is noted in the restatement footnote disclosure.

F. RIGHT-TO-USE LEASE ASSETS

The City has recorded ten right-to-use lease assets for buildings and equipment. The related leases are discussed further in I. Leases Payable. The right-to-use lease assets are amortized on a straight-line basis over the terms of the related leases.

Governmental right-to-use asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance (*)	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Right-to-Use Lease Assets, Being Amortized:				
Buildings	\$ 343,355	\$ -	\$ -	\$ 343,355
Equipment	29,144	546,187	-	575,331
Total Right-to-Use Lease Assets, Being Amortized	<u>372,499</u>	<u>546,187</u>	<u>-</u>	<u>918,686</u>
Less Right-to-Use Lease Accumulated Amortization:				
Buildings	-	(144,209)	-	(144,209)
Equipment	-	(19,071)	-	(19,071)
Total Right-to-Use Lease Accumulated Amortization	<u>-</u>	<u>(163,280)</u>	<u>-</u>	<u>(163,280)</u>
Total Governmental Right-to-Use Lease Assets, Net	<u>\$ 372,499</u>	<u>\$ 382,907</u>	<u>\$ -</u>	<u>\$ 755,406</u>

(*) As a result of implementation of *GASB Statement No. 87, Leases*, \$372,499 in right-to-use lease assets have been added to the beginning balance presented above. As the right-to-use lease assets are offset by an equal amount of lease liabilities, the City does not report a restatement of beginning net position.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Business-type right-to-use lease asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance (*)	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Right-to-Use Lease Assets, Being Amortized				
Equipment	\$ -	\$ 9,586	\$ -	\$ 9,586
Accumulated Amortization	-	(480)	-	(480)
Total Business-Type Right-to-Use Lease Assets, Net	\$ -	\$ 9,106	\$ -	\$ 9,106

Discretely presented component unit right-to-use lease asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance (*)	Increases	Decreases	Ending Balance
DISCRETELY PRESENTED COMPONENT UNIT				
Right-to-Use Lease Assets, Being Amortized:				
Buildings	\$ 8,394,988	\$ -	\$ -	\$ 8,394,988
Equipment	-	6,280	-	6,280
Total Right-to-Use Lease Assets, Being Amortized	8,394,988	6,280	-	8,401,268
Less Right-to-Use Lease Accumulated Amortization:				
Buildings	-	(440,923)	-	(440,923)
Equipment	-	(209)	-	(209)
Total Right-to-Use Lease Accumulated Amortization	-	(441,132)	-	(441,132)
Total Component Unit Right-to-Use Lease Assets, Net	\$ 8,394,988	\$ (434,852)	\$ -	\$ 7,960,136

(*) As a result of implementation of *GASB Statement No. 87, Leases*, \$262,199 in right-to-use lease assets have been added to the beginning balance presented above. As the right-to-use lease asset is offset by an equal amount of lease liability, the City does not report a restatement of beginning net position. \$8,132,789 of the beginning balance for buildings was previously reported as a capital lease. The beginning balance was adjusted to the new carrying value under *GASB Statement No. 87, Leases*, which resulted in the restatement of beginning net position. Detail noted in the restatement footnote disclosure.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

G. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivable and interfund payable balances as of December 31, 2022, were as follows:

Interfund Receivable	Interfund Payable		Total
	Street Improvement Construction Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 41,811	\$ 41,811
Sewermain Bonds Fund	-	1,173,868	1,173,868
Street Improvement Bonds Fund	17,445,818	-	17,445,818
Nonmajor Governmental Funds	-	1,759,910	1,759,910
Event Center Fund	-	42,896	42,896
Total	\$ 17,445,818	\$ 3,018,485	\$ 20,464,303

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

The interfund transfers during fiscal year ended December 31, 2022, were as follows:

Transfers Out	Transfers In				
	General Fund	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction
General Fund	\$ -	\$ 1,859	\$ -	\$ -	\$ -
Sales Tax	9,853,526	34,180,904	-	-	-
Highway Construction	-	-	-	-	4,574,474
Sewermain Bonds	-	-	-	-	-
Street Improvement Bonds	-	-	-	-	265,518
Street Improvement Construction	-	-	-	375,293	-
Nonmajor Governmental Funds	-	-	31,796	-	810,010
Solid Waste Disposal	-	-	-	-	-
Water	13,820	-	-	-	271,262
Nonmajor Enterprise Funds	-	-	-	-	79,938
Total	\$ 9,867,346	\$ 34,182,763	\$ 31,796	\$ 375,293	\$ 6,001,202

Transfers Out	Transfers In					Total
	Nonmajor Governmental Funds	Airport Fund	Event Center Fund	Water Fund	Internal Service Funds	
General Fund	\$ 14,903,313	\$ -	\$ -	\$ -	\$ 388,000	\$ 15,293,172
Sales Tax	1,411,786	-	-	-	-	45,446,216
Highway Construction	-	-	-	702,410	-	5,276,884
Sewermain Bonds	4,017	-	-	-	-	4,017
Street Improvement Bonds	-	-	-	-	-	265,518
Street Improvement Construction	-	-	-	-	-	375,293
Nonmajor Governmental Funds	372,831	18,027	3,303,174	-	-	4,535,838
Solid Waste Disposal	345,827	-	-	-	-	345,827
Water	-	-	-	-	-	285,082
Nonmajor Enterprise Funds	-	-	-	-	1,380	81,318
Total	\$ 17,037,774	\$ 18,027	\$ 3,303,174	\$ 702,410	\$ 389,380	\$ 71,909,165

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

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

H. LONG-TERM LIABILITIES

Long-term liabilities for the year ended December 31, 2022, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special Assessment Bonds	\$ 109,705,000	\$ 19,780,000	\$ 16,580,000	\$ 112,905,000	\$ 17,440,000
Bond Premiums and Discounts, Net	5,565,105	639,074	573,473	5,630,706	-
Financed Purchase Obligations	2,311,847	-	566,651	1,745,196	574,126
Compensated Absences	3,758,760	3,324,198	3,260,592	3,822,366	3,012,372
Claims and Judgments	567,025	7,218,487	7,153,131	632,381	632,381
Total Governmental Activities	121,907,737	30,961,759	28,133,847	124,735,649	21,658,879
BUSINESS-TYPE ACTIVITIES:					
Lodging and Restaurant Tax Revenue Bonds, Series 2013	\$ 19,455,000	\$ -	\$ 19,455,000	\$ -	\$ -
Bond Discount, Net	(16,944)	-	(16,944)	-	-
Lodging Restaurant Tax Refund Revenue Note, Series 2022	-	19,615,000	1,415,000	18,200,000	1,320,000
Water Revenue Bonds, Series 2014	7,710,000	-	860,000	6,850,000	885,000
Bond Discount, Net	(66,058)	-	(9,111)	(56,947)	-
Water Revenue Refunding Bonds, Series 2020	4,200,000	-	580,000	3,620,000	595,000
Bond Premium, Net	287,146	-	45,943	241,203	-
Water Treatment Loan, 2009	7,330,000	-	935,000	6,395,000	970,000
Water Treatment Loan, 2021	5,440,841	49,436	3,000	5,487,277	317,277
Water Treatment Loan, 2022	-	867,212	644,000	223,212	13,212
Wastewater Loan, 2006	7,250,000	-	1,120,000	6,130,000	1,155,000
Wastewater Loan, 2020	4,995,000	-	290,000	4,705,000	295,000
Sanitary Sewer Revenue Bonds, Series 2015	22,270,000	-	1,300,000	20,970,000	1,330,000
Bond Discount, Net	(51,610)	-	(3,871)	(47,739)	-
Utility Revenue Bond, 2021	-	1,356,273	527	1,355,746	65,146
Landfill Closure and Post-Closure	3,610,977	15,620	-	3,626,597	-
Compensated Absences	1,028,656	843,983	792,614	1,080,025	724,209
Claims and Judgments	175,975	2,375,642	2,325,617	226,000	226,000
Total Business-Type Activities	83,618,983	25,123,166	29,736,775	79,005,374	7,895,844
Total Long-Term Liabilities	\$ 205,526,720	\$ 56,084,925	\$ 57,870,622	\$ 203,741,023	\$ 29,554,723

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The legal debt margin as of December 31, 2022, was \$245,899,936 with a remaining non-obligated margin of \$245,899,936. The City has not issued any general obligation bonds as of December 31, 2022.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Special Assessment Bonds and Financed Purchase Obligations

Special assessment bonds outstanding and financed purchase obligations as of December 31, 2022, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rates	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series X Refunding	1/1/2008	5/1/2023	3.5-5.4%	\$ 8,210,000	\$ 20,000	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
Series C Refunding	12/14/2011	5/1/2026	2.0-2.8%	9,065,000	1,760,000	-	360,000	1,400,000	360,000
Series F Refunding	12/19/2012	5/1/2027	1.0-1.8%	9,465,000	3,545,000	-	635,000	2,910,000	595,000
Series G Refunding	1/3/2013	5/1/2022	1.5-2.0%	3,790,000	55,000	-	55,000	-	-
Series I Refunding	12/1/2014	5/1/2029	0.1- 3.0%	24,725,000	8,360,000	-	1,115,000	7,245,000	1,115,000
Series J Refunding	3/25/2015	5/1/2022	2.0-3.0%	6,510,000	795,000	-	795,000	-	-
Series K Refunding	11/10/2015	5/1/2030	2.5-5.0%	31,905,000	15,305,000	-	2,600,000	12,705,000	1,750,000
Series L Refunding	12/15/2016	5/1/2031	2.0-5.0%	18,365,000	10,800,000	-	1,530,000	9,270,000	1,495,000
Series M Refunding	11/14/2017	5/1/2032	2.0-2.5%	17,790,000	12,630,000	-	1,565,000	11,065,000	1,600,000
Series N Refunding	11/27/2018	5/1/2033	3.0-5.0%	13,815,000	10,510,000	-	1,440,000	9,070,000	1,480,000
Series O Refunding	11/26/2019	5/1/2034	2.0-5.0%	8,235,000	7,045,000	-	845,000	6,200,000	860,000
Series P Refunding	11/24/2020	5/1/2035	1.3-4.0%	20,890,000	18,090,000	-	3,375,000	14,715,000	3,365,000
Series Q Refunding	11/9/2021	5/1/2036	1.0-4.0%	11,465,000	11,465,000	-	715,000	10,750,000	1,360,000
Series R Refunding	11/1/2022	5/1/2037	3.2-5.0%	18,210,000	-	18,210,000	-	18,210,000	1,715,000
Total Improvement Special Assessment Bonds				\$ 202,440,000	\$ 100,380,000	\$ 18,210,000	\$ 15,040,000	\$ 103,550,000	\$ 15,705,000
Sidewalk 2011	11/27/2012	5/1/2022	1.2-1.7%	915,000	90,000	-	90,000	-	-
Sidewalk 2012	11/1/2013	5/1/2023	2-2.75%	2,145,000	430,000	-	215,000	215,000	215,000
Sidewalk 2013	12/1/2014	5/1/2024	2-3%	1,835,000	555,000	-	185,000	370,000	185,000
Sidewalk 2014	12/1/2015	5/1/2025	2-3%	1,950,000	780,000	-	200,000	580,000	200,000
Sidewalk 2015	12/15/2016	5/1/2026	2-4%	1,970,000	1,010,000	-	200,000	810,000	205,000
Sidewalk 2016	11/14/2017	5/1/2027	2-2.5%	1,535,000	970,000	-	155,000	815,000	155,000
Sidewalk 2017	11/27/2018	5/1/2028	3-5%	1,200,000	920,000	-	120,000	800,000	125,000
Sidewalk 2018	11/26/2019	5/1/2029	2-5%	1,135,000	980,000	-	115,000	865,000	115,000
Sidewalk 2019	11/24/2020	5/1/2030	1-4%	1,480,000	1,420,000	-	155,000	1,265,000	155,000
Sidewalk 2020	11/9/2021	5/1/2031	2-3%	2,170,000	2,170,000	-	105,000	2,065,000	225,000
Sidewalk 2021	11/1/2022	5/1/2032	4-5%	1,570,000	-	1,570,000	-	1,570,000	155,000
Total Sidewalk Bonds				\$ 17,905,000	\$ 9,325,000	\$ 1,570,000	\$ 1,540,000	\$ 9,355,000	\$ 1,735,000
Street Sweepers (3)	8/4/2021	8/4/2025	1.35%	668,445	531,147	-	130,128	401,019	131,885
Motor Graders (6)	12/15/2021	12/15/2025	1.31%	1,796,850	1,428,065	-	350,078	1,077,987	354,663
John Deere Loaders (2)	12/15/2021	12/15/2025	1.31%	443,700	352,635	-	86,445	266,190	87,578
Total Financed Purchase Obligations				\$ 2,908,995	\$ 2,311,847	\$ -	\$ 566,651	\$ 1,745,196	\$ 574,126
Total Long-Term Debt, Governmental Activities				\$ 223,253,995	\$ 112,016,847	\$ 19,780,000	\$ 17,146,651	\$ 114,650,196	\$ 18,014,126

On November 1, 2022, the City issued 2022 Refunding Improvement Bonds, Series R, in the amount of \$18,210,000. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1, 2023, through 2037. Interest accrues at rates ranging from 3.2% to 5% per annum.

On November 1, 2022, the City issued 2022 Sidewalk, Curb, and Gutter Warrants, Series SCG-2021 in the amount of \$1,570,000. Bond proceeds were used to reimburse the City for certain improvements for sidewalk, curb, and gutter improvements completed in 2021. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1, 2023, through 2032. Interest accrues at rates ranging from 4% to 5% per annum.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

From 2008 to 2022, the City issued multiple Refunding Improvement Bonds, the total remaining is \$112,905,000 as of December 31, 2022. Bond proceeds were used to finance construction and repairs of various streets, sewer mains, water mains, sidewalks, streetlights, and public parking lots. Principal, interest and fiscal charges due in 2022 were \$19,557,116. Special assessment revenues collected in 2022 related to these bonds was \$19,985,684.

In the event special assessment taxes are insufficient to meet principal and interest payments due on these bonds, the City is required to levy an additional general fund tax on all taxable property within the City for the payment of the assumption upon the maturity of the last bond principal installment pursuant to City ordinance and NDCC.

During 2021, the City entered into a financed purchase obligation to finance the purchase of three street sweepers for roads and streets operations. Principal and interest payments are due annually on August 4, 2021, through 2025. Interest accrues on the outstanding balance at 1.35% per annum. Capital assets of \$668,445 less accumulated depreciation of \$135,281 are reported as of December 31, 2022.

During 2021, the City entered into a financed purchase obligation to finance the purchase of six motor graders for roads and streets operations. The total principal amount financed is \$1,796,850. Principal and interest payments are due annually on December 15, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. Capital assets of \$1,819,540 less accumulated depreciation of \$30,326 are reported as of December 31, 2022.

During 2021, the City entered into a financed purchase obligation to finance the purchase of two front-end loaders for roads and streets operations. The total principal amount financed is \$443,700. Principal and interest payments are due annually on December 15, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. Capital assets of \$442,000 less accumulated depreciation of \$3,069 are reported as of December 31, 2022.

Governmental debt service requirements to maturity are as follows:

<u>Year Ended December 31,</u>	GOVERNMENTAL ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 18,014,126	\$ 3,267,710	\$ 21,281,836
2024	16,356,698	2,651,970	19,008,668
2025	14,844,372	2,122,618	16,966,990
2026	12,455,000	1,689,818	14,144,818
2027	11,160,000	1,358,644	12,518,644
2028 - 2032	33,090,000	3,294,279	36,384,279
2033 - 2037	8,730,000	608,555	9,338,555
Total	<u>\$ 114,650,196</u>	<u>\$ 14,993,594</u>	<u>\$ 129,643,790</u>

Claims and Judgments

Claims and Judgments consist of various city-wide liability claims, sewer backup claims, and employee insurance as described in Note L.

Compensated Absences

Compensated absences consist of annual leave and sick leave as described in Note D.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Business-Type Activities Revenue Bonds and Loans

Business-type activities outstanding debt service as of December 31, 2022, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rate	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lodging and Restaurant Tax Bond (Event Center) 2013	10/16/2013	4/13/2022	3.0 - 4.25%	\$ 27,695,000	\$ 19,455,000	\$ -	\$ 19,455,000	\$ -	\$ -
Lodging Restaurant Tax Refunding Revenue Note, 2022	4/13/2022	12/1/2034	2.52%	19,615,000	-	19,615,000	1,415,000	18,200,000	1,320,000
Water Revenue Bonds, 2014	11/1/2014	4/1/2029	0.05 - 3.0%	13,535,000	7,710,000	-	860,000	6,850,000	885,000
Water Revenue Bonds, 2020	10/22/2020	4/1/2028	2.0 - 4.0%	4,825,000	4,200,000	-	580,000	3,620,000	595,000
Water Treatment Loan, 2009	6/15/2009	9/1/2028	1.5%	16,320,000	7,330,000	-	935,000	6,395,000	970,000
Water Treatment Loan, 2021	10/4/2021	9/1/2037	1.5%	5,487,277	5,440,841	49,436	3,000	5,487,277	317,277
Water Treatment Loan, 2022	6/14/2022	9/1/2038	1.5%	1,500,000	-	867,212	644,000	223,212	13,212
Wastewater Loan, 2006	11/14/2006	9/1/2027	2.5%	18,400,000	7,250,000	-	1,120,000	6,130,000	1,155,000
Wastewater Loan, 2020	7/1/2020	9/1/2036	1.5%	5,000,000	4,995,000	-	290,000	4,705,000	295,000
Wastewater Bonds, 2015	11/1/2015	5/1/2035	2.0-5.0%	29,000,000	22,270,000	-	1,300,000	20,970,000	1,330,000
Utility Revenue Bond, 2021	11/1/2021	5/1/2041	2.0%	26,000,000	-	1,356,273	527	1,355,746	65,146
Total Long-Term Debt, Business-Type Activities				<u>\$ 167,377,277</u>	<u>\$ 78,650,841</u>	<u>\$21,887,921</u>	<u>\$26,602,527</u>	<u>\$ 73,936,235</u>	<u>\$ 6,945,635</u>

On April 13, 2022, the City issued Lodging and Restaurant Tax Refunding Revenue Note, Series 2022, in the amount of \$19,615,000. Bond proceeds were used to refund Lodging and Restaurant Tax Revenue Bonds, Series 2013, in the amount of \$19,455,000. The transaction resulted in a net economic gain of \$1,374,302 and a difference in the cash flow savings of \$2,016,054. The accounting loss on the refunding is \$617,639. The original Lodging and Restaurant Tax Revenue Bonds, Series 2013, were issued to finance the construction of the City's Event Center Exhibit Hall expansion. The City dedicated the future lodging, liquor, and restaurant tax revenue to meet the annual and future debt service requirements. Interest payments are due semi-annually on June 1st and December 1st. Principal payments on the Lodging and Restaurant Refunding Revenue Note, Series 2022, are due annually beginning on December 1, 2022, through 2034. Interest accrues at 2.52% per annum. This bond contains a provision that if proceeds of the Liquor, Lodging and Restaurant Tax Fund on hand at any time are insufficient to make principal and interest payments, such deficiencies shall be restored out of the next net proceeds from the Liquor, Lodging, and Restaurant Tax Fund hereafter received. The principal and interest payments made in 2022 were \$1,512,486. In 2022, lodging, liquor, and restaurant tax revenue totaled \$3,819,305 which covered the bond's debt service requirement. The Note has first priority lien upon the Lodging and Restaurant Tax proceeds.

In 2022, the City's revenues for water and sanitary sewer were \$18,589,660 and \$14,055,940, respectively. Water revenues were dedicated for Water Revenue Bonds Series 2014, Water Revenue Bonds Series 2020, Water Treatment Loan Series 2009, Water Treatment Loan Series 2021, Water Treatment Loan Series 2022, and Utility Revenue Bond Series 2021. Sanitary sewer revenues were dedicated to Wastewater Loan Series 2006, Wastewater Loan Series 2020 and Wastewater Bonds Series 2015. If net revenues at any time are insufficient to make principal and interest payments, such deficiencies shall be restored from water and sanitary sewer revenues collected thereafter. The City is required to own and maintain the capital assets resulting from this construction. However, the City may dispose of any water or sanitary sewer property not essential to the operation in order to meet debt service requirements on these bonds. In 2022, principal and interest paid was \$2,904,315 for all the water fund related revenue bonds and loans and \$3,577,186 for wastewater revenue bonds and loans.

On October 22, 2020, the City issued Water Revenue Refunding Bonds, Series 2020, in the amount of \$4,825,000. Bond proceeds were used to refund the Water Revenue Bonds, Series 2013, in the amount of \$5,365,000. The City pledged future water revenues to finance the standby power, the water softening expansion project, and the water treatment plant intake project. Interest payments are due semi-annually on April 1st and October 1st. Principal payments are due annually on April 1st through 2028. Interest accrues at rates ranging from 2% to 4% per annum. The City will establish, impose and collect reasonable charges for

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

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

In previous years, the City issued Water Revenue Bond Series 2014 in the amount of \$13,535,000. The City pledged future water revenues to finance the water softening expansion project, and the water treatment plant intake project. Interest payments are due semi-annually on April 1st and October 1st. Principal payments are due annually on April 1st through 2029. Interest accrues at rates ranging from 0.05% to 3% per annum. The City will establish, impose and collect reasonable charges for their services, facilities, products and by-products of the utility according to schedules sufficient to pay all principal and interest due.

In 2015, the City issued \$29,000,000 in Sanitary Sewer Revenue Bonds, Series 2015, to finance the construction of a wastewater pumping station for delivery of wastewater to trickling filters. The City dedicated the future sanitary sewer fees and revenue to meet the annual and future debt service requirements. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1, 2016, through 2035. Interest accrues at rates ranging from 2% to 5% per annum.

In 2020, the City entered into a \$5,000,000 loan from the Drinking Water State Revolving Fund (DWSRF) and a \$5,000,000 loan from the Clean Water State Revolving Fund (CWSRF) through the State of North Dakota. The loan proceeds are used for watermain replacements, lead service line replacements, and improvements to a wastewater treatment facility. In 2021, the City entered into an additional \$1,995,000 loan from the DWSRF. The 2021 DWSRF loan refunded the 2020 DWSRF loan making the total balance \$6,995,000. As of December 31, 2022 the Water Treatment Loan 2021 is fully funded at \$6,877,277, of which \$1,390,000 was eligible for loan forgiveness, making the loan balance \$5,487,277. The Wastewater Loan 2020 is also fully funded at \$5,000,000, of which \$295,000 is eligible for loan forgiveness, making the loan balance \$4,705,000. In 2022, the city entered into an additional \$1,500,000 Water Treatment Loan. As of December 31, 2022, drawdowns of \$867,212 were made of which \$644,000 were eligible for loan forgiveness. Interest payments are due semi-annually on March 1st and September 1st. Principal payments are due annually beginning September 1st through 2036 for Wastewater Loan 2020 and through 2037 for Water Treatment Loan 2021 and 2022. Interest accrues at a rate of 1.5% per annum.

In 2006 and 2009, the City entered into loan agreements with the North Dakota Public Finance Authority in the amount of \$16,320,000 and \$18,400,000 respectively. In 2022, the Water Treatment Revenue Bond, Series 2009 was amended and allonged to reduce the uniform interest rate from 3.31% to 1.5% per annum. The updated interest payments are reflected in the debt service schedule. The wastewater loan proceeds were used to upgrade the wastewater treatment plant intake system and sanitary sewer improvements. The water loan proceeds were used to upgrade the water treatment facility's sludge plant expansion and replace cast-iron mains. In the event of default, the North Dakota Public Finance Authority may take any action permitted within state statutes to collect revenues to meet the necessary debt service requirements.

In 2021, the City entered into an agreement for \$26,000,000 infrastructure revolving fund loan with the Bank of North Dakota to expand the Public Works building, known as the Utility Revenue Bond, 2021. The City will draw down the proceeds as construction expenses are incurred. Interest accrues as proceed drawdowns are made. Interest accrues at a fixed rate of 2% per annum and is payable each May 1st and November 1st. As of December 31, 2022, construction expenses of \$1,356,273 were reimbursed. In the event of default on the loan, any bondholder may enforce the holder's rights against the City and the City Commission to perform their duties and obligations. The bond is payable from net revenues of the City's waste disposal, waste collections, and water utility. The water utility revenue is stated above. The waste disposal and collection revenue in 2022 was \$9,882,643. In 2022, principal and interest paid on the loan was \$3,541.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

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

Year Ended December 31,	BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total
2023	\$ 6,945,635	\$ 1,606,247	\$ 8,551,882
2024	7,140,797	1,509,657	8,650,454
2025	7,346,455	1,328,682	8,675,137
2026	7,562,120	1,136,820	8,698,940
2027	7,802,791	944,637	8,747,428
2028-2032	23,784,262	2,658,948	26,443,210
2033-2037	13,047,077	522,905	13,569,982
2038-2041	307,098	12,360	319,458
Total	\$ 73,936,235	\$ 9,720,256	\$ 83,656,491

I. LEASES PAYABLE

Governmental Activities

The City entered into an 18-month lease agreement as a lessee for the use of a shop condo expiring June 30, 2023. A lease liability was recorded in the amount of \$30,561. As of December 31, 2022, the value of the lease liability was \$10,519. The City is required to make monthly principal and interest payments of \$1,700 through June 2022 and \$1,775 thereafter. The lease interest accrues at an interest rate of 4.27% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$10,186 and had accumulated amortization of \$20,375. Interest expense for the current year totaled \$844 and amortization expense totaled \$20,375.

The City entered into a 245-month lease agreement as a lessee for the use of the Municipal Court building expiring May 31, 2042. A lease liability was recorded in the amount of \$147,605. As of December 31, 2022, the value of the lease liability was \$139,327. The City is required to make annual principal and interest payments of \$10,848. The lease interest accrues at an interest rate of 4.18% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$140,375 and had accumulated amortization of \$7,230. Interest expense for the current year totaled \$6,005 and amortization expense totaled \$7,230.

The City entered into a 17-month lease agreement as a lessee for the use of building space from the University of Mary expiring May 31, 2023. A lease liability was recorded in the amount of \$165,189. As of December 31, 2022, the value of the lease liability was \$49,446. The City is required to make monthly principal and interest payments of \$9,995. The lease interest accrues at an interest rate of 4.27% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$48,585 and had accumulated amortization of \$116,604. Interest expense for the current year totaled \$4,336 and amortization expense totaled \$116,604.

The Bismarck Veterans Memorial Public Library entered into a 58-month lease agreement as lessee for the use of eleven copiers and printers expiring October 20, 2026. A lease liability was recorded in the amount of \$29,144. As of December 31, 2022, the value of the lease liability was \$23,493. The City is required to make monthly principal and interest payments of \$552. The lease interest accrues at an interest rate of 4.07% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$23,077 and had accumulated amortization of \$6,067. Interest expense for the current year totaled \$1,057 and amortization expense totaled \$6,067.

The City entered into an 84-month lease agreement as lessee for the use of two John Deere 544P loaders expiring October 31, 2029. A lease liability was recorded in the amount of \$153,614. As of December 31, 2022, the value of the lease liability was \$129,474. The City is required to make annual principal and interest payments of \$24,140. The lease interest accrues at an interest rate of 3.25% per annum. The carrying value

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

of the right-to-use asset as of the end of the current fiscal year was \$149,957 and had accumulated amortization of \$3,657. Interest expense for the current year totaled \$693 and amortization expense totaled \$3,657.

The City entered into an 84-month lease agreement as lessee for the use of four John Deere 644P loaders expiring October 31, 2029. A lease liability was recorded in the amount of \$392,573. As of December 31, 2022, the value of the lease liability was \$330,880. The City is required to make annual principal and interest payments of \$61,692. The lease interest accrues at an interest rate of 3.25% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$383,226 and had accumulated amortization of \$9,347. Interest expense for the current year totaled \$1,770 and amortization expense totaled \$9,347.

The future principal and interest lease payments as of December 31, 2022, were as follows:

<u>Year Ended December 31,</u>	GOVERNMENTAL ACTIVITIES		
	Principal	Interest	Total
2023	\$ 141,300	\$ 21,904	\$ 163,205
2024	84,062	18,712	102,774
2025	86,989	15,765	102,754
2026	88,857	12,777	101,633
2027	86,239	9,867	96,107
2028 - 2032	115,993	22,823	138,816
2033 - 2037	40,565	12,675	53,240
2038 - 2042	39,134	3,294	42,427
Total	<u>\$ 683,139</u>	<u>\$ 117,817</u>	<u>\$ 800,956</u>

Business-Type Activities

The City entered into a 60-month lease agreement as lessee for the use of one copier for the Bismarck Municipal Airport expiring September 30, 2027. A lease liability was recorded in the amount of \$9,586. As of December 31, 2022, the value of the lease liability was \$9,120. The City is required to make monthly principal and interest payments of \$176. The lease interest accrues at an interest rate of 4.06% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$9,106 and had accumulated amortization of \$480. Interest expense for the current year totaled \$94 and amortization expense totaled \$480.

The future principal and interest lease payments as of December 31, 2022, were as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total
2023	\$ 1,777	\$ 332	\$ 2,109
2024	1,850	259	2,109
2025	1,927	181	2,108
2026	2,007	101	2,108
2027	1,559	21	1,580
Total	<u>\$ 9,120</u>	<u>\$ 894</u>	<u>\$ 10,014</u>

Discretely Presented Component Unit

CenCom entered into a 226-month lease agreement as lessee for the use of a building used for CenCom operations expiring October 31, 2040. In previous years, the lease was accounted for as a capital lease with a lease liability of \$11,554,681 as of January 1, 2022. With the implementation of *GASB Statement No. 87, Leases*, the lease asset and liability were adjusted to the new carrying value in the amount of \$8,132,789. As

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

of December 31, 2022, the value of the lease liability was \$7,814,977. The City is required to make monthly principal and interest payments of \$51,920. The lease interest accrues at an interest rate of 4.19% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$7,700,959 and had accumulated amortization of \$431,830. Interest expense for the current year totaled \$332,141 and amortization expense totaled \$431,830.

CenCom entered into a 346-month tower lease agreement as lessee for the use of property necessary to operate 911 radio communication services expiring October 31, 2050. A lease liability was recorded in the amount of \$262,199. As of December 31, 2022, the value of the lease liability was \$260,555. The City is required to make monthly principal and interest payments of \$925. The lease interest accrues at an interest rate of 3.96% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$253,106 and had accumulated amortization of \$9,093. Interest expense for the current year totaled \$10,304 and amortization expense totaled \$9,093.

CenCom entered into a 60-month lease agreement as lessee for the use of one copier expiring October 31, 2027. A lease liability was recorded in the amount of \$6,280. As of December 31, 2022, the value of the lease liability was \$6,070. The City is required to make monthly principal and interest payments of \$115. The lease interest accrues at an interest rate of 4.06% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$6,071 and had accumulated amortization of \$209. Interest expense for the current year totaled \$41 and amortization expense totaled \$209.

The future principal and interest lease payments as of December 31, 2022, were as follows:

Year Ended December 31,	DISCRETELY PRESENTED COMPONENT UNIT		
	Principal	Interest	Total
2023	\$ 303,271	\$ 331,210	\$ 634,481
2024	315,309	319,131	634,440
2025	329,967	304,700	634,667
2026	345,476	290,525	636,001
2027	359,995	275,726	635,721
2028 - 2032	2,040,548	1,135,601	3,176,149
2033 - 2037	2,527,306	657,367	3,184,673
2038 - 2042	1,717,388	131,883	1,849,271
2043 - 2047	82,602	20,508	103,110
2048 - 2050	59,740	3,323	63,063
Total	<u>\$ 8,081,602</u>	<u>\$ 3,469,974</u>	<u>\$ 11,551,576</u>

J. COMMITMENTS

As of December 31, 2022, the City had commitments on various construction contracts totaling \$93,456,717.

K. TAX ABATEMENTS

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

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

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

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

Taxes abated for the year ending December 31, 2022, were as follows:

Tax Abatement Programs

Renaissance Zone Exemption - Commercial	\$ 109,340
Renaissance Zone Exemption - Residential	33,355
Remodeling Exemption - Residential	1,443
Total Tax Abatement	<u>\$ 144,138</u>

L. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City pays an annual premium to the North Dakota Insurance Reserve Fund (NDRF) for its general, personal injury, and auto insurance. The coverage by NDRF is limited to losses of \$5,000,000 per occurrence for general liability. The City has purchased a separate airport liability policy that provides coverage for the Bismarck Municipal Airport.

In accordance with NDCC 32-12.1, the City has a liability limitation of \$375,000 per claim with a \$1,000,000 aggregate limit for actions in tort until July 1, 2023, when that amount rises.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2022, the City-Wide liability claims and any sewer backup claims have been recorded as a liability, as follows:

For year-ended December 31,	City-Wide Liability Claims			
	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2022	\$ -	\$ 440	\$ 250	\$ 190
2021	\$ -	\$ -	\$ -	\$ -
2020	\$ -	\$ -	\$ -	\$ -

	Sewer Backup Claims			
For year-ended December 31,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2022	\$ -	\$ 229,133	\$ 194,942	\$ 34,191
2021	\$ -	\$ 72,666	\$ 72,666	\$ -
2020	\$ -	\$ 104,178	\$ 104,178	\$ -

Employee Insurance

The City has established a medical self-insurance fund. The purpose of medical self-insurance fund is to finance medical claims for employees and covered dependents of the City and the Bismarck Parks and Recreation District, and to minimize the total cost of annual medical insurance premiums. Medical claims exceeding \$75,000 per individual per year is covered by the stop-loss insurance. This medical plan has paid an excess of stop-loss coverage of \$1,727,496 for 2022. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. As of December 31, 2022, incurred but not reported (IBNR) liability was estimated by a third-party administrator and reported in the financial statements in the amount of \$824,000. A summary of the IBNR claim reserve liabilities and related claim payments is shown below:

For year-ended December 31,	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2022	\$ 743,000	\$ 9,408,873	\$ 9,327,873	\$ 824,000
2021	\$ 994,000	\$ 8,286,022	\$ 8,537,022	\$ 743,000
2020	\$ 646,000	\$ 8,944,996	\$ 8,596,996	\$ 994,000

State Fire and Tornado and Bonding Fund

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Worker's Compensation

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

M. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The City maintains the Bismarck Municipal Solid Waste Facility that acts in the form of a landfill. Federal and state regulations require the City to place a final cover and perform certain maintenance and monitoring functions at the site for 30 years after closure. The City reports a portion of these closure and post-closure care costs as an operating expense annually based on landfill capacity used. As of December 31, 2022, the City reported a \$3,626,597 liability as future landfill closure and post-closure, which represents the cumulative costs with an inflation factor on the use of 98.48% of the estimated capacity of the landfill, as provided by the State of North Dakota Department of Environmental Quality. Actual costs may be higher due to inflation, various economic factors, changes in technology, or changes in regulations. The current Municipal Solid Waste pit is nearing capacity, and it was anticipated it would close in 2021; however, the new pit was not activated for use until 2022 and the process to close out the old pit started to take place in 2022. This transition from old to new pit results in the maximum amount of Municipal Solid Waste open area that will be realized at the facility in 2022. The City of Bismarck is actively planning to complete a Municipal Solid Waste closure project in 2023.

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

N. CERTAIN ASSET RETIREMENT OBLIGATIONS

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

The liability for the asset retirement obligations is based on estimated costs provided by an external consultant which includes the cost to remove, clean, and dispose of the tanks when retired. The estimated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of 38 years. As of December 31, 2022, the asset retirement obligation liability was \$67,500. The City has assigned fund balance in the General Fund to finance the future liability.

Costs included with the cleanup of contaminated soil are not included in the asset retirement obligation liability. As of December 31, 2022, there are no known leaks to the fuel tanks. Therefore, the cleanup of contaminated soil would not be necessary. If a leak did occur, the City would treat and dispose the contaminated soil with minimal additional liability to the City.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

O. EMPLOYEE RETIREMENT PLANS

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

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

In addition, the City contributes to the Bismarck Firefighters' Relief Association Pension Plan (the Firefighters' Pension Plan) administered by the Firefighters' Relief Association, which is a separate legal entity and not included in the City's financial statements. The Firefighters' Pension Plan is a single-employer public employee retirement system governed by NDCC 18-05 and 18-07. The Firefighters' Pension Plan is organized, operated, and maintained in accordance with separate articles of incorporation and by-laws. Participating employees contribute to the plan at a minimum of \$261 per bi-weekly payroll or 8% of their covered payroll, whichever is greater. The City contributed \$1,107,273 in 2022. The complete audited financial and pension information can be obtained by contacting:

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

City of Bismarck Employees' Pension Plan

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

Plan Membership – Employees begin participation at the first day of employment with a vesting period of five years. As of December 31, 2022, the City Employees' Pension Plan membership was as follows:

Retirees and Beneficiaries Receiving Benefits	286
Terminated Employees - Vested	82
Active Employees:	
Vested	291
Non-Vested	184
Total Members	<u>843</u>

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

Benefits Provided - Benefit provisions, amendments, and requirements are established under the authority of the City Commissioners. Employees may be eligible for early or normal retirement, as well as death benefits. Normal retirement age for full benefits is age 62. Employees who retire at or after age 62 with 5 years of

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.75% of the average of the member's highest 36-month base salary for each full and fractional year of contributing service before January 2005 and 2.25% for contributing service on or after January 2005. Married participants receive a joint and two-thirds to survivor annuity while single participants receive a life-only annuity. There are no provisions with respect to automatic and post-retirement benefit increases. Employees with five years of credited service may retire at an earlier age and receive actuarially reduced retirement benefit. Benefit terms may be amended in accordance with NDCC 40-46. Chapter 9-07 of the City's code of ordinance grants the authority to the City Commissioners to establish and amend the benefit terms.

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

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

Contributions

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

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

Net Position – As of December 31, 2022, the net position is \$116,080,607 and the entire amount is restricted for employee pension benefits.

	2022
Actuarially Determined Contributions	\$ 1,723,710
Contributions in Relation to the	
Actuarially Determined Contribution	<u>2,795,011</u>
Contribution Deficiency (Excess)	<u>\$ (1,071,301)</u>
Covered Payroll	\$ 24,639,195
Contributions as a Percentage of	
Covered Payroll	11.3%

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Investments

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

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

The City Employees’ Pension Plan Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of these assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plan’s asset allocation as of December 31, 2022:

Asset Class	Target Allocation
Large Domestic Equity	21%
Small Domestic Equity	4%
Developed International Equity	14%
Emerging International Equity	3%
Private Equity	5%
Domestic Fixed Income	33%
Real Estate	12%
Infrastructure	7%
Timber	1%
	<u>100%</u>

Investment Valuation – Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increases or decreases in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases or decreases are computed based on changes in the fair value of investment between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

Long-term Expected Return on Plan Assets – The long-term expected rate of return of 7.25% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

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

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

Actuarial Assumptions

<u>City Employees' Pension Plan</u>	
Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period-Closed
Remaining Amortization Period	16
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Schedule of Net Pension Liability	2022
Total Pension Liability	\$ 140,625,650
Plan Fiduciary Net Position	116,080,607
Net Pension Liability	<u>\$ 24,545,043</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.55%
Covered Payroll	\$ 28,515,711
Net Pension Liability as a Percentage of Covered Payroll	86.1%
Schedule of Changes in Total Pension Liability	
Service Cost	\$ 2,914,400
Interest	9,758,635
Differences Between Expected and Actual Experience	518,712
Changes of Assumptions	3,954,846
Benefit Payments, including Refunds of Member Contributions	<u>(7,443,357)</u>
Net Change in Total Pension Liability	9,703,236
Total Pension Liability, Beginning of Year	<u>130,922,414</u>
Total Pension Liability, End of Year	<u><u>\$ 140,625,650</u></u>
Schedule of Changes in Plan Fiduciary Net Position	
Contributions - Employer	\$ 3,186,234
Contributions - Employee	1,492,188
Net Investment Income	(13,180,710)
Benefit Payments, including Refunds of Member Contributions	(7,443,357)
Administrative Expense	<u>(109,044)</u>
Net Change in Fiduciary Net Position	(16,054,689)
Plan Fiduciary Net Position, Beginning of Year	<u>132,135,296</u>
Plan Fiduciary Net Position, End of Year	<u><u>\$ 116,080,607</u></u>
Schedule of Investment Returns	
Annual Money-Weighted Rate of Return, Net of Investment Expense	-10.1%

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the City Employees' Pension Plan is calculated at a discount rate of 7.25%, as well as what the City Employees' Pension Plan net pension liability would be if calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 158,413,161	\$ 140,625,650	\$ 125,821,881
Plan Fiduciary Net Position	116,080,607	116,080,607	116,080,607
Net Pension Liability	<u>\$ 42,332,554</u>	<u>\$ 24,545,043</u>	<u>\$ 9,741,274</u>
City Portion	<u>\$ 36,190,815</u>	<u>\$ 20,983,974</u>	<u>\$ 8,327,981</u>

Proportionate Share of the Net Pension Liability – As of December 31, 2022, the City's proportionate share of the net pension liability for the City Employees' Pension Plan was \$20,983,974. The calculation was determined by an actuarial valuation based on the City's share of present value of future payroll. The City's proportionate share was 85.49%.

Net Pension Liability	2022
Employer's Proportion of the Net Pension Liability	85.49%
Employer's Proportionate Share of the Net Pension Liability	\$ 20,983,974
Employer's Covered Payroll	\$ 24,639,195
Plan Fiduciary Net Position	\$ 116,080,607
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	85.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.55%

Deferred Inflows and Outflows of Resources – As of December 31, 2022, the City Employees' Pension Plan recognized pension expense of \$4,908,341 of total City pension expense of \$6,777,804. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,087,381	\$ 417,747
Changes of Assumptions	3,842,772	59,949
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,953,325	-
Changes in Proportionate and Differences Between Employer Contributions and Proportionate Share of Contributions	541,532	507,142
Total	<u>\$ 14,425,010</u>	<u>\$ 984,838</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

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

2023	\$ 1,774,586
2024	2,806,351
2025	3,132,096
2026	4,594,936
2027	678,075
Thereafter	454,128
Total	<u>\$ 13,440,172</u>

Bismarck Police Employees' Pension Plan

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

Plan Membership - Memberships begin with their hire date before December 31, 2022 and are vested after five years of service. Membership in the Police Employees' Pension Plan on December 31, 2022, is as follows:

Retirees and Beneficiaries Receiving Benefits	92
Terminated Employees - Vested	24
Active Employees:	
Vested	104
Non-Vested	<u>32</u>
Total Members	<u><u>252</u></u>

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

Benefits Provided - Benefit provisions, amendments, and all requirements are established under the authority of the City Commission. Employees who retire at or after age 55 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final average salary, for each full and fractional year of contributing service. Final average salary is the employees' average salary, excluding overtime and longevity pay, of the highest 36-month period of credited service. Married participants receive a joint and two-thirds to survivor annuity while single participants receive a life annuity. There are no provisions with respect to automatic and ad-hoc post-retirement benefit increases. Employees with five years of credited service may retire at an earlier age and receive an actuarially reduced retirement benefit. Benefit provision is established under the authority of the City Commission.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Pension benefits available under this plan are funded in part from the accumulation of the employees' contribution. Prior to January 2005, employees directed the investment of their contribution utilizing a contracted City investment manager and were eligible to receive a distribution of the interest earned on the contributions in excess of 5% upon retirement. Effective January 1, 2005, all employee contributions are invested with the City pension funds and individual self-directed accounts were discontinued. Interest earned in excess of 5% for the individual employee accounts as of December 31, 2004 has been transferred to an Employee Excess Retirement Fund, a Custodial Fiduciary Fund, and the excess funds in the individual employee accounts continue to be self-directed.

Contributions

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

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

Net Position - The net position at December 31, 2022 is \$47,847,591, and the entire amount is restricted for employee pension benefits.

Schedule of Contributions

	2022
Actuarially Determined Contributions	\$ 565,831
Contributions in Relation to the Actuarially Determined Contribution	<u>1,461,898</u>
Contribution Deficiency (Excess)	<u>\$ (896,067)</u>
Covered Payroll	\$ 9,557,185
Contributions as a Percentage of Covered Payroll	15.3%

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

Investments

Investment Policy – The Police Employees' Pension Plan investment policy and asset class allocations are established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

of the Police Employees' Pension Plan to pursue an investment strategy to improve the pension plan funding status to protect and sustain current and future benefits, minimize the employee and employer contributions needed to fund the pension plan over the long-term, avoid substantial volatility in required contribution rates and fluctuations in the pension plan funding status and to accumulate a funding surplus to provide increases in retiree payments to preserve the purchasing power of their retirement benefits.

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

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

The following was the plans asset allocation as of December 31, 2022:

Asset Class	Target Allocation
Large Domestic Equity	23%
Small Domestic Equity	4%
Developed International Equity	15%
Emerging International Equity	3%
Private Equity	6%
Domestic Fixed Income	29%
Real Estate	12%
Infrastructure	6%
Timber	2%
	<u>100%</u>

Investment Valuation – Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net increases (decreases) in fair value of investments consists of the realized gains (losses) and the unrealized increases (decreases) in fair value of investments during the year. Realized gains (losses) on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases (decreases) are computed based on changes in the fair value of investment between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

Long-Term Expected Return on Plan Assets – The long-term expected rate of return of 7.25% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

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

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

Actuarial Assumptions

<u>Police Employees' Pension Plan</u>	
Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period-Closed
Remaining Amortization Period	16
Mortality Rate	Based on PUBS-2010 Public Safety Employees Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Schedule of Net Pension Liability	2022
Total Pension Liability	\$ 60,289,525
Plan Fiduciary Net Position	47,847,591
Net Pension Liability (Asset)	<u>\$ 12,441,934</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.4%
Covered Payroll	\$ 9,557,185
Net Pension Liability (Asset) as a Percentage of Covered Payroll	130.2%
 Schedule of Changes in Total Pension Liability	
Service Cost	\$ 1,119,130
Interest	4,111,698
Differences Between Expected and Actual Experience	1,047,839
Changes of Assumptions	1,820,094
Benefit Payments, including Refunds of Member Contributions	(3,025,496)
Net Change in Total Pension Liability	<u>5,073,265</u>
Total Pension Liability, Beginning of Year	55,216,260
Total Pension Liability, End of Year	<u>\$ 60,289,525</u>
 Schedule of Changes in Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,461,898
Contributions - Employee	892,212
Net Investment Income	(5,389,574)
Benefit Payments, including Refunds of Member Contributions	(3,025,496)
Administrative Expense	(42,745)
Net Change in Fiduciary Net Position	<u>(6,103,705)</u>
Plan Fiduciary Net Position, Beginning of Year	53,951,296
Plan Fiduciary Net Position, End of Year	<u>\$ 47,847,591</u>
 Schedule of Investment Returns	
Annual Money-Weighted Rate of Return, Net of Investment Expense	-10.1%

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022**

DETAILED NOTES ON ALL FUNDS (Continued)

Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the Police Employees' Pension Plan is calculated at a discount rate of 7.25%. The pension plans sensitivity of the net pension liability used a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate:

		Current Discount Rate (7.25%)	
	1% Decrease (6.25%)		1% Increase (8.25%)
Total Pension Liability	\$ 64,205,294	\$ 60,289,525	\$ 62,199,642
Plan Fiduciary Net Position	47,847,591	47,847,591	47,847,591
Net Pension Liability	<u>\$ 16,357,703</u>	<u>\$ 12,441,934</u>	<u>\$ 14,352,051</u>

Deferred Inflows and Outflows of Resources – As of December 31, 2022, the City recognized pension expense of \$1,869,463 of the total City pension expense of \$6,777,804. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,471,945	\$ 570,809
Changes of Assumptions	1,804,859	310,058
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,880,857	-
Total	<u>\$ 7,157,661</u>	<u>\$ 880,867</u>

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

2023	\$ 617,231
2024	1,144,726
2025	1,462,045
2026	2,333,062
2027	382,327
Thereafter	337,403
Total	<u>\$ 6,276,794</u>

P. SUBSEQUENT EVENTS

On February 13, 2023, the City received \$5,422,924 in loan proceeds from the Utility Revenue Bond, 2021. The proceeds reimbursed the Solid Waste Disposal fund for eligible Public Works building expansion construction expenses. Principal and interest payments will be made semi-annually through 2041 from waste disposal, waste collections, and water utility revenues. Interest will accrue at 2% per annum.

On April 26, 2023, the City agreed to a \$2,183,000 finance purchase obligation with Bank of America to purchase two sweepers, one motor grader, and landfill scraper. Principal and interest payments will be made annually through 2030 proportionately from the Roads and Streets Fund and Solid Waste Disposal Fund. Interest will accrue at 3.905% per annum.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2022

DETAILED NOTES ON ALL FUNDS (Continued)

Q. Restatement

As of January 1, 2022, the City adopted *GASB Statement No. 87, Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use underlying assets. This requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Beginning net position was restated to retroactively adopt the provisions of *GASB Statement No. 87, Leases*, as follows:

	Discretely Presented Component Unit
Net Position - Beginning of Year, as Previously Reported	\$ 2,342,792
Restatement	
Less capital lease asset, net of depreciation prior to GASB Statement No. 87 at January 1, 2022	(11,364,554)
Add capital lease liability prior to GASB Statement No. 87 at January 1, 2022	11,554,681
Add right-to-use intangible asset, net of amortization under GASB Statement No. 87 at January 1, 2022	8,132,789
Less lease liability under GASB Statement No. 87 at January 1, 2022	(8,132,789)
Net Position - Beginning of Year, as Restated	<u>\$ 2,532,919</u>

As of January 1, 2022, the fund balance for the following funds has been restated due to a correction of an error related to the timing of revenue recognition from special assessments. The adjustments to beginning fund balance are as follows:

	Governmental Funds			
	Sewermain Bonds	Street Improvement Bonds	Highway Construction	Nonmajor Funds
Fund Balances, Beginning of Year, as Previously Reported	\$ 11,774,674	\$ 42,066,754	\$ 12,149,792	\$ 28,646,221
Restatement				
Deferred Inflows of Resources - Special Assessments	(1,799,741)	(8,405,866)	(19,630)	(1,154,838)
Fund Balances, Beginning of Year, as Restated	<u>\$ 9,974,933</u>	<u>\$ 33,660,888</u>	<u>\$ 12,130,162</u>	<u>\$ 27,491,383</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF BISMARCK, NORTH DAKOTA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 29,007,077	\$ 29,007,077	\$ 28,454,189	\$ (552,888)
Intergovernmental	6,240,683	6,240,683	16,772,722	10,532,039
Charges for Services	9,275,185	9,275,185	9,333,153	57,968
Licenses and Permits	1,832,475	1,832,475	2,284,924	452,449
Fines and Forfeitures	1,492,800	1,492,800	1,156,314	(336,486)
Leases and Rentals	78,814	78,814	215,107	136,293
Investment Income (Loss)	769,950	769,950	(471,921)	(1,241,871)
Donations	-	-	49,929	49,929
Miscellaneous	25,500	25,500	204,778	179,278
Total Revenues	<u>48,722,484</u>	<u>48,722,484</u>	<u>57,999,195</u>	<u>9,276,711</u>
EXPENDITURES				
Current				
General Government	13,404,914	13,771,625	11,848,729	1,922,896
Public Safety	32,869,192	33,583,184	31,391,707	2,191,477
Highways and Streets	2,975,290	2,998,290	2,830,852	167,438
Health and Welfare	2,975,145	3,029,311	2,820,566	208,745
Culture and Recreation	604,365	604,365	556,086	48,279
Capital Outlay	2,273,130	2,916,043	2,696,895	219,148
Debt Service				
Principal	-	-	144,064	(144,064)
Interest	-	-	7,570	(7,570)
Total Expenditures	<u>55,102,036</u>	<u>56,902,818</u>	<u>52,296,469</u>	<u>4,606,349</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,379,552)</u>	<u>(8,180,334)</u>	<u>5,702,726</u>	<u>13,883,060</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	96,065	96,065
Lease Proceeds	-	-	343,355	343,355
Transfers In	9,853,526	9,853,526	9,867,346	13,820
Transfers Out	(16,227,563)	(16,846,643)	(15,293,172)	1,553,471
Total Other Financing Sources (Uses)	<u>(6,374,037)</u>	<u>(6,993,117)</u>	<u>(4,986,406)</u>	<u>2,006,711</u>
Change in Fund Balance	(12,753,589)	(15,173,451)	716,320	15,889,771
Fund Balance, Beginning of Year	<u>56,678,933</u>	<u>56,678,933</u>	<u>56,678,933</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 43,925,344</u>	<u>\$ 41,505,482</u>	<u>\$ 57,395,253</u>	<u>\$ 15,889,771</u>

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

CITY OF BISMARCK, NORTH DAKOTA
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 23,962,384	\$ 23,962,384	\$ 29,929,510	\$ 5,967,126
Investment Income (Loss)	500,000	500,000	(321,615)	(821,615)
Total Revenues	<u>24,462,384</u>	<u>24,462,384</u>	<u>29,607,895</u>	<u>5,145,511</u>
EXPENDITURES				
Current				
General Government	<u>96,544</u>	<u>96,544</u>	<u>182,066</u>	<u>(85,522)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>24,365,840</u>	<u>24,365,840</u>	<u>29,425,829</u>	<u>5,059,989</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>(45,487,631)</u>	<u>(45,800,298)</u>	<u>(45,446,216)</u>	<u>354,082</u>
Change in Fund Balance	(21,121,791)	(21,434,458)	(16,020,387)	5,414,071
Fund Balance, Beginning of Year	<u>54,239,291</u>	<u>54,239,291</u>	<u>54,239,291</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 33,117,500</u>	<u>\$ 32,804,833</u>	<u>\$ 38,218,904</u>	<u>\$ 5,414,071</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

CITY OF BISMARCK EMPLOYEES' PENSION PLAN

Proportionate Share of the Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Employer's Proportion of the Net Pension Liability (Asset)	87.64%	87.29%	86.57%	85.48%	85.53%	85.06%	84.50%	84.93%	85.49%
Employer's Proportionate Share of the Net Pension Liability (Asset)	847,444	8,022,941	8,478,413	7,555,249	16,095,175	8,455,386	5,433,477	(1,030,073)	20,983,974
Employer's Covered Payroll	21,850,884	23,069,097	23,633,534	23,747,865	23,757,750	24,652,588	24,554,144	24,872,879	24,639,195
Plan Fiduciary Net Position	81,274,325	81,585,449	86,746,756	98,665,938	95,023,653	108,921,100	118,296,160	132,135,296	116,080,607
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	3.88%	34.78%	35.87%	31.81%	67.75%	34.30%	22.13%	-4.14%	85.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.82%	89.88%	89.88%	91.78%	83.47%	91.64%	94.84%	100.93%	82.55%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2022 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contributions	\$ 981,273	\$ 1,082,266	\$ 1,806,842	\$ 2,187,386	\$ 2,467,685	\$ 3,181,564	\$ 2,711,120	\$ 2,333,913	\$ 1,723,710
Contributions in Relation to the Actuarially Determined Contribution	2,181,183	2,071,677	2,263,240	2,477,572	2,541,349	2,565,468	2,653,396	2,630,901	2,795,011
Contribution Deficiency (Excess)	\$ (1,199,910)	\$ (989,411)	\$ (456,398)	\$ (290,186)	\$ (73,664)	\$ 616,096	\$ 57,724	\$ (296,988)	\$ (1,071,301)
Covered Payroll	\$ 21,850,884	\$ 23,069,097	\$ 23,633,534	\$ 23,747,865	\$ 23,757,750	\$ 24,652,588	\$ 24,554,144	\$ 24,872,879	\$ 24,639,195
Contributions as a Percentage of Covered Payroll	10.0%	9.0%	9.6%	10.4%	10.7%	10.4%	10.8%	10.6%	11.3%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2022 information presented has a measurement date of December 31.

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period-Closed
Remaining Amortization Period	16
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases All Active Participants	3.25%
Post-Retirement Cost of Living Adjustments	None

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

BISMARCK CITY POLICE PENSION PLAN

Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability	\$ 39,959,458	\$ 42,555,764	\$ 44,459,890	\$ 47,688,313	\$ 49,718,945	\$ 50,755,803	\$ 53,476,479	\$ 55,216,260	\$ 60,289,525
Plan Fiduciary Net Position	34,525,350	33,861,051	35,395,974	40,136,438	38,157,708	43,596,695	47,593,576	53,951,296	47,847,591
Net Pension Liability	\$ 5,434,108	\$ 8,694,713	\$ 9,063,916	\$ 7,551,875	\$ 11,561,237	\$ 7,159,108	\$ 5,882,903	\$ 1,264,964	\$ 12,441,934
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.4%	79.6%	79.6%	84.2%	76.7%	85.9%	89.0%	97.7%	79.4%
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417	\$ 9,557,185
Net Pension Liability as a Percentage of Covered Payroll	87.4%	122.4%	118.6%	95.1%	141.8%	83.5%	64.6%	13.8%	130.2%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2022 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially Determined Contributions	\$ 481,480	\$ 576,620	\$ 837,641	\$ 1,033,660	\$ 1,042,573	\$ 1,339,670	\$ 1,118,814	\$ 887,126	\$ 565,831
Contributions in Relation to the Actuarially Determined Contribution	941,815	892,803	961,513	1,091,295	1,208,939	1,268,664	1,351,427	1,364,923	1,461,898
Contribution Deficiency (Excess)	\$ (460,335)	\$ (316,183)	\$ (123,872)	\$ (57,635)	\$ (166,366)	\$ 71,006	\$ (232,613)	\$ (477,797)	\$ (896,067)
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417	\$ 9,557,185
Contributions as a percentage of covered payroll	15.2%	12.6%	12.6%	13.7%	14.8%	14.8%	14.8%	14.9%	15.3%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2022 information presented has a measurement date of December 31.

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation Date	January 1, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % of Payroll Over Remaining Amortization Period Closed
Remaining Amortization Period	16
Mortality Rate	Based on PUBS-2010 Public Safety Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases All Active Participants	3.25%
Post-Retirement Cost of Living Adjustments	None

COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES



CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Investments	\$ 19,297,274	\$ 1,011,345	\$ 8,741,129	\$ 29,049,748
Taxes Receivable	40,752	-	4,571	45,323
Accounts Receivable	3,765,561	-	133,591	3,899,152
Special Assessments Receivable	-	9,011,931	107,288	9,119,219
Interest Receivable	282	-	-	282
Notes Receivable	322,450	-	3,283,752	3,606,202
Leases Receivable	75,520	-	-	75,520
Interfund Receivable	-	1,759,910	-	1,759,910
Total Assets	<u>\$ 23,501,839</u>	<u>\$ 11,783,186</u>	<u>\$ 12,270,331</u>	<u>\$ 47,555,356</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,843,915	\$ -	\$ 1,060,437	\$ 2,904,352
Retainage Payable	6,045	-	261,709	267,754
Interfund Payables	42,896	-	2,975,589	3,018,485
Salaries Payable	498,357	-	-	498,357
Customer Deposits	247,102	-	26,579	273,681
Unearned Revenue	697	-	2,983,752	2,984,449
Total Liabilities	<u>2,639,012</u>	<u>-</u>	<u>7,308,066</u>	<u>9,947,078</u>
DEFERRED INFLOWS OF RESOURCES				
Special Assessments	-	7,869,680	73,685	7,943,365
Property Taxes	28,943	-	3,245	32,188
Leases	71,812	-	-	71,812
Total Deferred Inflows of Resources	<u>100,755</u>	<u>7,869,680</u>	<u>76,930</u>	<u>8,047,365</u>
FUND BALANCES				
Nonspendable	322,450	-	-	322,450
Restricted	3,709,145	3,913,506	-	7,622,651
Committed	16,730,477	-	7,536,990	24,267,467
Assigned	-	-	300,000	300,000
Unassigned	-	-	(2,951,655)	(2,951,655)
Total Fund Balances	<u>20,762,072</u>	<u>3,913,506</u>	<u>4,885,335</u>	<u>29,560,913</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,501,839</u>	<u>\$ 11,783,186</u>	<u>\$ 12,270,331</u>	<u>\$ 47,555,356</u>

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 8,517,966	\$ -	\$ 405,277	\$ 8,923,243
Special Assessments	-	1,988,827	315,710	2,304,537
Intergovernmental	12,033,396	-	240,036	12,273,432
Charges for Services	3,874,853	-	514,632	4,389,485
Licenses and Permits	1,575	-	-	1,575
Fines and Forfeitures	282,321	-	-	282,321
Leases and Rentals	80,915	-	-	80,915
Investment Income (Loss)	(131,720)	9,543	(15,137)	(137,314)
Donations	326,463	-	-	326,463
Miscellaneous	347,490	-	-	347,490
Total Revenues	<u>25,333,259</u>	<u>1,998,370</u>	<u>1,460,518</u>	<u>28,792,147</u>
EXPENDITURES				
Current				
General Government	6,278,514	-	643,370	6,921,884
Public Safety	1,449,414	-	-	1,449,414
Highways and Streets	9,958,556	-	-	9,958,556
Health and Welfare	1,660,079	-	-	1,660,079
Culture and Recreation	2,701,200	-	-	2,701,200
Public Works	-	10,029	207,809	217,838
Capital Outlay	7,269,917	-	9,894,688	17,164,605
Debt Service				
Principal	658,133	1,753,414	-	2,411,547
Interest	31,477	264,700	-	296,177
Total Expenditures	<u>30,007,290</u>	<u>2,028,143</u>	<u>10,745,867</u>	<u>42,781,300</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,674,031)</u>	<u>(29,773)</u>	<u>(9,285,349)</u>	<u>(13,989,153)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	-	-	2,438,982	2,438,982
Premium on Special Assessment Bonds	-	-	90,251	90,251
Proceeds from Sale of Capital Assets	452,183	-	-	452,183
Lease Proceeds	575,331	-	-	575,331
Transfers In	5,810,501	61,890	11,165,383	17,037,774
Transfers Out	(3,539,799)	-	(996,039)	(4,535,838)
Total Other Financing Sources (Uses)	<u>3,298,216</u>	<u>61,890</u>	<u>12,698,577</u>	<u>16,058,683</u>
Change In Fund Balance	(1,375,815)	32,117	3,413,228	2,069,530
Fund Balance, Beginning of Year, as Restated	<u>22,137,887</u>	<u>3,881,389</u>	<u>1,472,107</u>	<u>27,491,383</u>
Fund Balance, End of Year	<u>\$ 20,762,072</u>	<u>\$ 3,913,506</u>	<u>\$ 4,885,335</u>	<u>\$ 29,560,913</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

POLICE ASSET FORFEITURE – This fund accounts for programs related to drug enforcement that is funded through forfeitures.

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022**

	Public Transit System	Library	Police Asset Forfeiture	Roads and Streets	Street Lights and Traffic Signals	Hotel / Motel Tax	Lodging, Liquor, and Food Tax	Vision	Government Grants and Activities	Total Nonmajor Special Revenue
ASSETS										
Cash and Investments	\$ 33,108	\$ 1,409,908	\$ 544,132	\$ 5,217,129	\$ 3,651,616	\$ 68,379	\$ 7,055,888	\$1,067,202	\$ 249,912	\$ 19,297,274
Taxes Receivable	13,715	27,037	-	-	-	-	-	-	-	40,752
Accounts Receivable	1,049,810	38,382	-	673,196	211,286	172,443	629,831	3,157	987,456	3,765,561
Interest Receivable	-	-	-	-	-	-	282	-	-	282
Notes Receivable	-	-	-	-	-	-	-	322,450	-	322,450
Leases Receivable	-	-	-	-	-	-	75,520	-	-	75,520
Total Assets	<u>\$ 1,096,633</u>	<u>\$ 1,475,327</u>	<u>\$ 544,132</u>	<u>\$ 5,890,325</u>	<u>\$ 3,862,902</u>	<u>\$ 240,822</u>	<u>\$ 7,761,521</u>	<u>\$1,392,809</u>	<u>\$ 1,237,368</u>	<u>\$ 23,501,839</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ 1,052,657	\$ 54,861	\$ 9,001	\$ 126,400	\$ 180,760	\$ 197,926	\$ -	\$ -	\$ 222,310	\$ 1,843,915
Retainage Payable	-	-	-	-	6,045	-	-	-	-	6,045
Interfund Payables	-	-	-	-	-	42,896	-	-	-	42,896
Salaries Payable	-	92,117	-	279,486	36,744	-	-	-	90,010	498,357
Customer Deposits	-	-	-	247,102	-	-	-	-	-	247,102
Unearned Revenue	-	-	-	-	-	-	-	-	697	697
Total Liabilities	<u>1,052,657</u>	<u>146,978</u>	<u>9,001</u>	<u>652,988</u>	<u>223,549</u>	<u>240,822</u>	<u>-</u>	<u>-</u>	<u>313,017</u>	<u>2,639,012</u>
DEFERRED INFLOWS OF RESOURCES										
Property Taxes	9,735	19,208	-	-	-	-	-	-	-	28,943
Leases	-	-	-	-	-	-	71,812	-	-	71,812
Total Deferred Inflow of Resources	<u>9,735</u>	<u>19,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,812</u>	<u>-</u>	<u>-</u>	<u>100,755</u>
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	322,450	-	322,450
Restricted	-	-	-	-	-	-	3,673,467	-	35,678	3,709,145
Committed	34,241	1,309,141	535,131	5,237,337	3,639,353	-	4,016,242	1,070,359	888,673	16,730,477
Total Fund Balances	<u>34,241</u>	<u>1,309,141</u>	<u>535,131</u>	<u>5,237,337</u>	<u>3,639,353</u>	<u>-</u>	<u>7,689,709</u>	<u>1,392,809</u>	<u>924,351</u>	<u>20,762,072</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,096,633</u>	<u>\$ 1,475,327</u>	<u>\$ 544,132</u>	<u>\$ 5,890,325</u>	<u>\$ 3,862,902</u>	<u>\$ 240,822</u>	<u>\$ 7,761,521</u>	<u>\$1,392,809</u>	<u>\$ 1,237,368</u>	<u>\$ 23,501,839</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Public Transit System	Library	Police Asset Forfeiture	Roads and Streets	Street Lights and Traffic Signals	Hotel / Motel Tax	Lodging, Liquor, and Food Tax	Vision	Government Grants and Activities	Total Nonmajor Special Revenue
REVENUES										
Taxes	\$ 1,215,854	\$ 2,387,069	\$ -	\$ -	\$ -	\$ 1,090,781	\$ 3,824,262	\$ -	\$ -	\$ 8,517,966
Intergovernmental	4,125,710	669,531	-	3,721,436	-	-	-	-	3,516,719	12,033,396
Charges for Services	-	70,894	-	69,078	3,073,030	-	-	-	661,851	3,874,853
Licenses and Permits	-	-	-	1,575	-	-	-	-	-	1,575
Fines and Forfeitures	-	9,280	273,041	-	-	-	-	-	-	282,321
Leases and Rentals	-	9,069	-	31,776	81	-	39,989	-	-	80,915
Investment Income (Loss)	(2,000)	(19,595)	(3,360)	(30,490)	(22,042)	-	(44,946)	(6,910)	(2,377)	(131,720)
Donations	-	-	-	-	-	-	-	-	326,463	326,463
Miscellaneous	-	1,552	-	20,889	289,371	-	-	-	35,678	347,490
Total Revenues	5,339,564	3,127,800	269,681	3,814,264	3,340,440	1,090,781	3,819,305	(6,910)	4,538,334	25,333,259
EXPENDITURES										
Current										
General Government	4,297,419	-	-	-	-	832,955	24,798	200,000	923,342	6,278,514
Public Safety	-	-	176,832	-	-	-	-	-	1,272,582	1,449,414
Highways and Streets	-	-	-	7,524,763	2,389,629	-	-	-	44,164	9,958,556
Health and Welfare	-	-	-	-	-	-	-	-	1,660,079	1,660,079
Culture and Recreation	-	2,588,605	-	-	-	-	-	-	112,595	2,701,200
Capital Outlay	1,044,782	573,652	5,380	4,605,286	837,515	-	-	-	203,302	7,269,917
Debt Service										
Principal	-	5,651	-	652,482	-	-	-	-	-	658,133
Interest	-	979	-	30,498	-	-	-	-	-	31,477
Total Expenditures	5,342,201	3,168,887	182,212	12,813,029	3,227,144	832,955	24,798	200,000	4,216,064	30,007,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,637)	(41,087)	87,469	(8,998,765)	113,296	257,826	3,794,507	(206,910)	322,270	(4,674,031)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	30,140	-	-	422,043	-	-	-	-	-	452,183
Lease Proceeds	-	29,144	-	546,187	-	-	-	-	-	575,331
Transfers In	-	-	-	5,666,547	8,335	-	-	-	135,619	5,810,501
Transfers Out	-	-	-	-	(569)	(257,826)	(3,063,376)	-	(218,028)	(3,539,799)
Total Other Financing Sources (Uses)	30,140	29,144	-	6,634,777	7,766	(257,826)	(3,063,376)	-	(82,409)	3,298,216
Net Change in Fund Balances	27,503	(11,943)	87,469	(2,363,988)	121,062	-	731,131	(206,910)	239,861	(1,375,815)
Fund Balances, Beginning of Year	6,738	1,321,084	447,662	7,601,325	3,518,291	-	6,958,578	1,599,719	684,490	22,137,887
Fund Balances, End of Year	\$ 34,241	\$ 1,309,141	\$ 535,131	\$ 5,237,337	\$ 3,639,353	\$ -	\$ 7,689,709	\$ 1,392,809	\$ 924,351	\$ 20,762,072

**CITY OF BISMARCK, NORTH DAKOTA
PUBLIC TRANSIT SYSTEM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 1,245,442	\$ 1,245,442	\$ 1,215,854	\$ (29,588)
Intergovernmental	4,261,913	4,261,913	4,125,710	(136,203)
Investment Income (Loss)	2,000	2,000	(2,000)	(4,000)
Miscellaneous	-	-	-	-
Total Revenues	<u>5,509,355</u>	<u>5,509,355</u>	<u>5,339,564</u>	<u>(169,791)</u>
EXPENDITURES				
Current				
General Government	5,509,355	5,509,355	4,297,419	1,211,936
Capital Outlay	-	-	1,044,782	(1,044,782)
Total Expenditures	<u>5,509,355</u>	<u>5,509,355</u>	<u>5,342,201</u>	<u>167,154</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(2,637)</u>	<u>(2,637)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>30,140</u>	<u>30,140</u>
Change in Fund Balance	-	-	27,503	27,503
Fund Balance, Beginning of Year	<u>6,738</u>	<u>6,738</u>	<u>6,738</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 6,738</u>	<u>\$ 6,738</u>	<u>\$ 34,241</u>	<u>\$ 27,503</u>

**CITY OF BISMARCK, NORTH DAKOTA
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,570,530	\$ 2,570,530	\$ 2,387,069	\$ (183,461)
Intergovernmental	661,560	661,560	669,531	7,971
Charges for Services	92,000	92,000	70,894	(21,106)
Fines and Forfeitures	10,500	10,500	9,280	(1,220)
Leases and Rentals	20,300	20,300	9,069	(11,231)
Investment Income (Loss)	24,000	24,000	(19,595)	(43,595)
Miscellaneous	1,014	1,014	1,552	538
Total Revenues	<u>3,379,904</u>	<u>3,379,904</u>	<u>3,127,800</u>	<u>(252,104)</u>
EXPENDITURES				
Current				
Culture and Recreation	3,180,752	3,180,752	2,588,605	592,147
Capital Outlay	325,553	325,553	573,652	(248,099)
Debt Service				
Principal	-	-	5,651	(5,651)
Interest	-	-	979	(979)
Total Expenditures	<u>3,506,305</u>	<u>3,506,305</u>	<u>3,168,887</u>	<u>337,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(126,401)</u>	<u>(126,401)</u>	<u>(41,087)</u>	<u>85,314</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	<u>-</u>	<u>-</u>	<u>29,144</u>	<u>29,144</u>
Change in Fund Balance	(126,401)	(126,401)	(11,943)	114,458
Fund Balance, Beginning of Year	<u>1,321,084</u>	<u>1,321,084</u>	<u>1,321,084</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,194,683</u>	<u>\$ 1,194,683</u>	<u>\$ 1,309,141</u>	<u>\$ 114,458</u>

**CITY OF BISMARCK, NORTH DAKOTA
POLICE ASSET FORFEITURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and Forfeitures	\$ 140,000	\$ 140,000	\$ 273,041	\$ 133,041
Investment Income (Loss)	5,000	5,000	(3,360)	(8,360)
Miscellaneous	2,500	2,500	-	(2,500)
Total Revenues	147,500	147,500	269,681	122,181
EXPENDITURES				
Current				
Public Safety	122,891	209,511	176,832	32,679
Capital Outlay	24,999	30,379	5,380	24,999
Total Expenditures	147,890	239,890	182,212	57,678
Change in Fund Balance	(390)	(92,390)	87,469	179,859
Fund Balance, Beginning of Year	447,662	447,662	447,662	-
Fund Balance, End of Year	\$ 447,272	\$ 355,272	\$ 535,131	\$ 179,859

**CITY OF BISMARCK, NORTH DAKOTA
ROADS AND STREETS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,841,933	\$ 3,841,933	\$ 3,721,436	\$ (120,497)
Charges for Services	88,450	88,450	69,078	(19,372)
Licenses and Permits	1,200	1,200	1,575	375
Leases and Rentals	51,000	51,000	31,776	(19,224)
Investment Income (Loss)	51,300	51,300	(30,490)	(81,790)
Miscellaneous	25,500	25,500	20,889	(4,611)
Total Revenues	<u>4,059,383</u>	<u>4,059,383</u>	<u>3,814,264</u>	<u>(245,119)</u>
EXPENDITURES				
Current				
Highways and Streets	8,708,341	8,604,341	7,524,763	1,079,578
Capital Outlay	1,347,650	5,062,500	4,605,286	457,214
Debt Service				
Principal	-	-	652,482	(652,482)
Interest	-	-	30,498	(30,498)
Total Expenditures	<u>10,055,991</u>	<u>13,666,841</u>	<u>12,813,029</u>	<u>853,812</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,996,608)</u>	<u>(9,607,458)</u>	<u>(8,998,765)</u>	<u>608,693</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sales of Capital Assets	7,000	7,000	422,043	415,043
Lease Proceeds	-	-	546,187	546,187
Transfers In	5,989,608	6,921,355	5,666,547	(1,254,808)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,996,608</u>	<u>6,928,355</u>	<u>6,634,777</u>	<u>(293,578)</u>
Change in Fund Balance	-	(2,679,103)	(2,363,988)	315,115
Fund Balance, Beginning of Year	7,601,325	7,601,325	7,601,325	-
Fund Balance, End of Year	<u>\$ 7,601,325</u>	<u>\$ 4,922,222</u>	<u>\$ 5,237,337</u>	<u>\$ 315,115</u>

**CITY OF BISMARCK, NORTH DAKOTA
STREET LIGHTS AND TRAFFIC SIGNALS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for Services	\$ 3,084,579	\$ 3,084,579	\$ 3,073,030	\$ (11,549)
Leases and Rentals	2,000	2,000	81	(1,919)
Investment Income (Loss)	5,750	5,750	(22,042)	(27,792)
Miscellaneous	91,000	91,000	289,371	198,371
Total Revenues	<u>3,183,329</u>	<u>3,183,329</u>	<u>3,340,440</u>	<u>157,111</u>
EXPENDITURES				
Current				
Highways and Streets	2,371,490	2,371,490	2,389,629	(18,139)
Capital Outlay	205,000	1,387,232	837,515	549,717
Total Expenditures	<u>2,576,490</u>	<u>3,758,722</u>	<u>3,227,144</u>	<u>531,578</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>606,839</u>	<u>(575,393)</u>	<u>113,296</u>	<u>688,689</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	8,335	8,335
Transfers Out	(977,956)	-	(569)	(569)
Total Other Financing Sources (Uses)	<u>(977,956)</u>	<u>-</u>	<u>7,766</u>	<u>7,766</u>
Change in Fund Balance	(371,117)	(575,393)	121,062	696,455
Fund Balance, Beginning of Year	3,518,291	3,518,291	3,518,291	-
Fund Balance, End of Year	<u>\$ 3,147,174</u>	<u>\$ 2,942,898</u>	<u>\$ 3,639,353</u>	<u>\$ 696,455</u>

**CITY OF BISMARCK, NORTH DAKOTA
HOTEL / MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 965,000	\$ 1,090,781	\$ 1,090,781	\$ -
EXPENDITURES				
Current				
General Government	727,414	832,955	832,955	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	237,586	257,826	257,826	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(237,586)	(257,826)	(257,826)	-
Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of the Year	-	-	-	-
Fund Balance, End of the Year	\$ -	\$ -	\$ -	\$ -

**CITY OF BISMARCK, NORTH DAKOTA
LODGING, LIQUOR, AND FOOD TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 3,291,254	\$ 3,291,254	\$ 3,824,262	\$ 533,008
Leases and Rentals	32,000	32,000	39,989	7,989
Investment Income (Loss)	85,000	85,000	(44,946)	(129,946)
Total Revenues	<u>3,408,254</u>	<u>3,408,254</u>	<u>3,819,305</u>	<u>411,051</u>
EXPENDITURES				
Current				
General Government	<u>24,731</u>	<u>24,731</u>	<u>24,798</u>	<u>(67)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,383,523</u>	<u>3,383,523</u>	<u>3,794,507</u>	<u>410,984</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(5,022,887)</u>	<u>(5,261,164)</u>	<u>(3,063,376)</u>	<u>2,197,788</u>
Change in Fund Balance	<u>(1,639,364)</u>	<u>(1,877,641)</u>	<u>731,131</u>	<u>2,608,772</u>
Fund Balance, Beginning of Year	<u>6,958,578</u>	<u>6,958,578</u>	<u>6,958,578</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 5,319,214</u></u>	<u><u>\$ 5,080,937</u></u>	<u><u>\$ 7,689,709</u></u>	<u><u>\$ 2,608,772</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
VISION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment Income (Loss)	\$ 20,000	\$ 20,000	\$ (6,910)	\$ (26,910)
EXPENDITURES				
Current				
General Government	250,000	250,000	200,000	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,000)	(230,000)	(206,910)	23,090
Change in Fund Balance	(230,000)	(230,000)	(206,910)	23,090
Fund Balance, Beginning of Year	1,599,719	1,599,719	1,599,719	-
Fund Balance, End of Year	<u>\$ 1,369,719</u>	<u>\$ 1,369,719</u>	<u>\$ 1,392,809</u>	<u>\$ 23,090</u>

**CITY OF BISMARCK, NORTH DAKOTA
GOVERNMENT GRANTS AND ACTIVITIES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 6,750,309	\$ 6,750,309	\$ 3,516,719	\$ (3,233,590)
Charges for Services	710,466	710,466	661,851	(48,615)
Fines and Forfeitures	4,700	4,700	-	(4,700)
Investment Income (Loss)	4,700	4,700	(2,377)	(7,077)
Donations	141,500	242,200	326,463	84,263
Miscellaneous	33,000	33,000	35,678	2,678
Total Revenues	<u>7,644,675</u>	<u>7,745,375</u>	<u>4,538,334</u>	<u>(3,207,041)</u>
EXPENDITURES				
Current				
General Government	1,425,637	1,425,637	923,342	502,295
Public Safety	1,718,404	1,718,404	1,272,582	445,822
Highways and Streets	37,800	37,800	44,164	(6,364)
Health and Welfare	3,000,634	2,964,434	1,660,079	1,304,355
Culture and Recreation	114,600	185,300	112,595	72,705
Capital Outlay	1,347,600	1,413,800	203,302	1,210,498
Total Expenditures	<u>7,644,675</u>	<u>7,745,375</u>	<u>4,216,064</u>	<u>3,529,311</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>322,270</u>	<u>322,270</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	135,619	135,619
Transfers Out	-	-	(218,028)	(218,028)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(82,409)</u>	<u>(82,409)</u>
Change in Fund Balance	-	-	239,861	239,861
Fund Balance, Beginning of Year	684,490	684,490	684,490	-
Fund Balance, End of Year	<u>\$ 684,490</u>	<u>\$ 684,490</u>	<u>\$ 924,351</u>	<u>\$ 239,861</u>

MAJOR DEBT SERVICE FUNDS

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
STREET IMPROVEMENT BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 15,326,000	\$ 15,326,000	\$ 14,632,878	\$ (693,122)
Investment Income (Loss)	350,000	224,219	112,292	(111,927)
Total Revenues	15,676,000	15,550,219	14,745,170	(805,049)
EXPENDITURES				
Current				
Public Works	75,000	11,800	73,493	(61,693)
Debt Service				
Principal	13,302,574	13,302,574	12,299,498	1,003,076
Interest	8,252,195	8,189,614	2,142,995	6,046,619
Total Expenditures	21,629,769	21,503,988	14,515,986	6,988,002
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,953,769)	(5,953,769)	229,184	6,182,953
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	6,000,000	6,000,000	-	(6,000,000)
Premium on Special Assessment Bonds	75,000	75,000	-	(75,000)
Transfers In	1,500,000	1,500,000	375,293	(1,124,707)
Transfers Out	(1,000,000)	(1,000,000)	(265,518)	734,482
Total Other Financing Sources (Uses)	6,575,000	6,575,000	109,775	(6,465,225)
Change in Fund Balance	621,231	621,231	338,959	(282,272)
Fund Balance, Beginning of Year, as Restated	33,660,888	33,660,888	33,660,888	-
Fund Balance, End of Year	\$ 34,282,119	\$ 34,282,119	\$ 33,999,847	\$ (282,272)

**CITY OF BISMARCK, NORTH DAKOTA
SEWERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 2,904,000	\$ 2,904,000	\$ 3,363,979	\$ 459,979
Investment Income (Loss)	150,000	150,000	(43,997)	(193,997)
Total Revenues	3,054,000	3,054,000	3,319,982	265,982
EXPENDITURES				
Current				
Public Works	3,520,400	3,520,400	3,167	3,517,233
Debt Service				
Principal	2,374,813	2,374,813	2,527,089	(152,276)
Interest	565,570	565,570	569,421	(3,851)
Total Expenditures	6,460,783	6,460,783	3,099,677	3,361,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,406,783)	(3,406,783)	220,305	3,627,088
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	3,500,000	3,500,000	-	(3,500,000)
Premium on Special Assessment Bonds	60,000	60,000	-	(60,000)
Transfers In	500,000	500,000	31,796	(468,204)
Transfers Out	(500,000)	(500,000)	(4,017)	495,983
Total Other Financing Sources (Uses)	3,560,000	3,560,000	27,779	(3,532,221)
Change in Fund Balance	153,217	153,217	248,084	94,867
Fund Balance, Beginning of Year, as Restated	9,974,933	9,974,933	9,974,933	-
Fund Balance, End of Year	\$ 10,128,150	\$ 10,128,150	\$ 10,223,017	\$ 94,867

NONMAJOR DEBT SERVICE FUNDS

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2022**

	Watermain Bonds	Sidewalk Bonds	Total Nonmajor Debt Service
ASSETS			
Cash and Investments	\$ 410,041	\$ 601,304	\$ 1,011,345
Special Assessments Receivable	979,736	8,032,195	9,011,931
Interfund Receivables	-	1,759,910	1,759,910
Total Assets	<u>1,389,777</u>	<u>10,393,409</u>	<u>11,783,186</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
 DEFERRED INFLOWS OF RESOURCES			
Special Assessments	<u>933,835</u>	<u>6,935,845</u>	<u>7,869,680</u>
 FUND BALANCES			
Restricted	<u>455,942</u>	<u>3,457,564</u>	<u>3,913,506</u>
 Total Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,389,777</u></u>	<u><u>\$ 10,393,409</u></u>	<u><u>\$ 11,783,186</u></u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Watermain Bonds	Sidewalk Bonds	Total Nonmajor Debt Service
REVENUES			
Special Assessments	\$ 161,041	\$ 1,827,786	\$ 1,988,827
Investment Income (Loss)	(3,549)	13,092	9,543
Total Revenues	<u>157,492</u>	<u>1,840,878</u>	<u>1,998,370</u>
EXPENDITURES			
Current			
Public Works	-	10,029	10,029
Debt Service			
Principal	213,414	1,540,000	1,753,414
Interest and Fiscal Charges	<u>41,185</u>	<u>223,515</u>	<u>264,700</u>
Total Expenditures	<u>254,599</u>	<u>1,773,544</u>	<u>2,028,143</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,107)</u>	<u>67,334</u>	<u>(29,773)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>61,890</u>	<u>61,890</u>
Change in Fund Balance	(97,107)	129,224	32,117
Fund Balance, Beginning of Year, as Restated	553,049	3,328,340	3,881,389
Fund Balance, End of Year	<u><u>\$ 455,942</u></u>	<u><u>\$ 3,457,564</u></u>	<u><u>\$ 3,913,506</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
WATERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 303,000	\$ 303,000	\$ 161,041	\$ (141,959)
Investment Income (Loss)	7,000	7,000	(3,549)	(10,549)
Total Revenues	<u>310,000</u>	<u>310,000</u>	<u>157,492</u>	<u>(152,508)</u>
EXPENDITURES				
Current				
Public Works	7,000	7,000	-	7,000
Debt Service				
Principal	230,500	230,500	213,414	17,086
Interest and Fiscal Charges	<u>512,308</u>	<u>512,308</u>	<u>41,185</u>	<u>471,123</u>
Total Expenditures	<u>749,808</u>	<u>749,808</u>	<u>254,599</u>	<u>495,209</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(439,808)</u>	<u>(439,808)</u>	<u>(97,107)</u>	<u>342,701</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	460,000	460,000	-	(460,000)
Transfers In	250,000	250,000	-	(250,000)
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>	<u>250,000</u>
Total Other Financing Sources (Uses)	<u>460,000</u>	<u>460,000</u>	<u>-</u>	<u>(460,000)</u>
Change in Fund Balance	20,192	20,192	(97,107)	(117,299)
Fund Balance, Beginning of Year, as Restated	<u>553,049</u>	<u>553,049</u>	<u>553,049</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 573,241</u>	<u>\$ 573,241</u>	<u>\$ 455,942</u>	<u>\$ (117,299)</u>

**CITY OF BISMARCK, NORTH DAKOTA
SIDEWALK BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Special Assessments	\$ 2,181,000	\$ 2,181,000	\$ 1,827,786	\$ (353,214)
Investment Income (Loss)	50,000	50,000	13,092	(36,908)
Total Revenues	2,231,000	2,231,000	1,840,878	(390,122)
EXPENDITURES				
Current				
Public Works	15,500	15,500	10,029	5,471
Debt Service				
Principal	1,690,000	1,690,000	1,540,000	150,000
Interest and Fiscal Charges	339,700	339,700	223,515	116,185
Total Expenditures	2,045,200	2,045,200	1,773,544	271,656
Excess (Deficiency) of Revenues Over (Under) Expenditures	185,800	185,800	67,334	(118,466)
OTHER FINANCING SOURCES (USES)				
Premium on Special Assessment Bonds	15,000	15,000	-	(15,000)
Transfers In	50,000	50,000	61,890	11,890
Transfers Out	(235,000)	(235,000)	-	235,000
Total Other Financing Sources (Uses)	(170,000)	(170,000)	61,890	231,890
Change in Fund Balance	15,800	15,800	129,224	113,424
Fund Balance, Beginning of Year, as Restated	3,328,340	3,328,340	3,328,340	-
Fund Balance, End of Year	\$ 3,344,140	\$ 3,344,140	\$ 3,457,564	\$ 113,424

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2022**

	Special Deficiency	Community Development	Building Improvements	Street Light and Signals	Sewermain Construction	Sidewalk Construction	Total Capital Projects
ASSETS							
Cash and Investments	\$ 2,579,865	\$ -	\$ 6,134,685	\$ -	\$ -	\$ 26,579	\$ 8,741,129
Taxes Receivable	4,571	-	-	-	-	-	4,571
Accounts Receivable	-	114,104	19,487	-	-	-	133,591
Special Assessments Receivable	107,288	-	-	-	-	-	107,288
Notes Receivable	-	3,283,752	-	-	-	-	3,283,752
Total Assets	<u>\$ 2,691,724</u>	<u>\$ 3,397,856</u>	<u>\$ 6,154,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,579</u>	<u>\$ 12,270,331</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 1,715	\$ 72,293	\$ 981,630	\$ -	\$ 4,799	\$ -	\$ 1,060,437
Retainage Payable	-	-	248,631	-	9,106	3,972	261,709
Interfund Payables	-	41,811	-	-	1,173,868	1,759,910	2,975,589
Customer Deposits	-	-	-	-	-	26,579	26,579
Unearned Revenue	-	2,983,752	-	-	-	-	2,983,752
Total Liabilities	<u>1,715</u>	<u>3,097,856</u>	<u>1,230,261</u>	<u>-</u>	<u>1,187,773</u>	<u>1,790,461</u>	<u>7,308,066</u>
DEFERRED INFLOWS OF RESOURCES							
Special Assessment Taxes	73,685	-	-	-	-	-	73,685
Property Taxes	3,245	-	-	-	-	-	3,245
Total Deferred Inflows of Resources	<u>76,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,930</u>
FUND BALANCES							
Committed	2,613,079	-	4,923,911	-	-	-	7,536,990
Assigned	-	300,000	-	-	-	-	300,000
Unassigned	-	-	-	-	(1,187,773)	(1,763,882)	(2,951,655)
Total Fund Balances	<u>2,613,079</u>	<u>300,000</u>	<u>4,923,911</u>	<u>-</u>	<u>(1,187,773)</u>	<u>(1,763,882)</u>	<u>4,885,335</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,691,724</u>	<u>\$ 3,397,856</u>	<u>\$ 6,154,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,579</u>	<u>\$ 12,270,331</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Deficiency	Community Development	Building Improvements	Street Lights and Signals	Sewermain Construction	Sidewalk Construction	Total Capital Projects
REVENUES							
Taxes	\$ 405,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 405,277
Special Assessments	62,769	-	-	-	-	252,941	315,710
Intergovernmental	2,124	237,912	-	-	-	-	240,036
Charges for Services	514,632	-	-	-	-	-	514,632
Investment Income (Loss)	(12,820)	-	(2,317)	-	-	-	(15,137)
Total Revenues	<u>971,982</u>	<u>237,912</u>	<u>(2,317)</u>	<u>-</u>	<u>-</u>	<u>252,941</u>	<u>1,460,518</u>
EXPENDITURES							
Current							
General Government	643,370	-	-	-	-	-	643,370
Public Works	-	153,902	-	-	20,058	33,849	207,809
Capital Outlay	-	-	6,748,658	-	1,129,273	2,016,757	9,894,688
Total Expenditures	<u>643,370</u>	<u>153,902</u>	<u>6,748,658</u>	<u>-</u>	<u>1,149,331</u>	<u>2,050,606</u>	<u>10,745,867</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>328,612</u>	<u>84,010</u>	<u>(6,750,975)</u>	<u>-</u>	<u>(1,149,331)</u>	<u>(1,797,665)</u>	<u>(9,285,349)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of Special Assessment Bonds	-	-	-	-	868,982	1,570,000	2,438,982
Premium on Special Assessment Bonds	-	-	-	-	27,502	62,749	90,251
Transfers In	-	-	11,160,528	568	4,017	270	11,165,383
Transfers Out	(810,007)	(84,010)	-	(8,336)	(31,796)	(61,890)	(996,039)
Total Other Financing Sources (Uses)	<u>(810,007)</u>	<u>(84,010)</u>	<u>11,160,528</u>	<u>(7,768)</u>	<u>868,705</u>	<u>1,571,129</u>	<u>12,698,577</u>
Net Change in Fund Balances	<u>(481,395)</u>	<u>-</u>	<u>4,409,553</u>	<u>(7,768)</u>	<u>(280,626)</u>	<u>(226,536)</u>	<u>3,413,228</u>
Fund Balances, Beginning of Year, as Restated	<u>3,094,474</u>	<u>300,000</u>	<u>514,358</u>	<u>7,768</u>	<u>(907,147)</u>	<u>(1,537,346)</u>	<u>1,472,107</u>
Fund Balances, End of Year	<u>\$ 2,613,079</u>	<u>\$ 300,000</u>	<u>\$ 4,923,911</u>	<u>\$ -</u>	<u>\$ (1,187,773)</u>	<u>\$ (1,763,882)</u>	<u>\$ 4,885,335</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2022

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 6,641,948	\$ 1,117,272	\$ 5,684,574	\$ 1,531,675	\$ 14,975,469
Accounts Receivable	364,408	245,626	-	22,285	632,319
Special Assessments Receivable	-	1,955,924	-	-	1,955,924
Interest Receivable	23,750	4,159	64,607	13,435	105,951
Leases Receivable	-	-	23,224	284,116	307,340
Prepaid Items	4,167	2,949	-	11,581	18,697
Total Current Assets	7,034,273	3,325,930	5,772,405	1,863,092	17,995,700
Noncurrent Assets					
Leases Receivable	-	-	993,546	2,142,520	3,136,066
Land	603,338	4,972,397	183,749	1,203,152	6,962,636
Construction in Progress	-	524,591	-	-	524,591
Buildings and Building Improvements	-	-	-	17,503,130	17,503,130
Improvements Other Than Buildings	2,352	49,691,707	5,049,477	17,545	54,761,081
Machinery and Equipment	2,076,056	79,354	-	649,632	2,805,042
Total Noncurrent Assets	2,681,746	55,268,049	6,226,772	21,515,979	85,692,546
Total Assets	9,716,019	58,593,979	11,999,177	23,379,071	103,688,246
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	668,238	153,636	-	-	821,874
LIABILITIES					
Current Liabilities					
Accounts Payable	130,534	70,359	47,830	70,100	318,823
Salaries Payable	83,618	21,397	-	-	105,015
Unearned Revenue	-	-	-	1,108	1,108
Customer Deposits	-	-	-	2,871	2,871
Compensated Absences Payable	123,422	25,006	-	-	148,428
Total Current Liabilities	337,574	116,762	47,830	74,079	576,245
Noncurrent Liabilities					
Customer Deposits	-	-	-	26,110	26,110
Compensated Absences Payable	41,870	18,839	-	-	60,709
Net Pension Liability	950,612	228,844	-	-	1,179,456
Total Noncurrent Liabilities	992,482	247,683	-	26,110	1,266,275
Total Liabilities	1,330,056	364,445	47,830	100,189	1,842,520
DEFERRED INFLOWS OF RESOURCES					
Pensions	27,560	14,120	-	-	41,680
Leases	-	-	1,042,777	2,372,355	3,415,132
Total Deferred Inflows of Resources	27,560	14,120	1,042,777	2,372,355	3,456,812
NET POSITION					
Net Investment in Capital Assets	2,681,746	55,268,049	5,233,226	19,373,459	82,556,480
Unrestricted	6,344,895	3,101,001	5,675,344	1,533,068	16,654,308
Total Net Position	\$ 9,026,641	\$ 58,369,050	\$ 10,908,570	\$ 20,906,527	\$ 99,210,788

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
OPERATING REVENUES					
Sanitation Fees	\$ 5,660,717	\$ 1,461,544	\$ -	\$ -	\$ 7,122,261
Miscellaneous Sales	24,186	62,833	-	720	87,739
Leases and Rentals	-	-	86,079	1,883,136	1,969,215
Total Operating Revenues	<u>5,684,903</u>	<u>1,524,377</u>	<u>86,079</u>	<u>1,883,856</u>	<u>9,179,215</u>
OPERATING EXPENSES					
Salaries and Wages	1,238,224	321,226	-	-	1,559,450
Fringe Benefits	790,997	168,938	-	-	959,935
Professional Legal and Contracted Services	1,625	401,365	1,255	468,619	872,864
Building Equipment and Vehicle Services	559,773	1,196,493	47,830	399,846	2,203,942
Travel and Training	370	1,288	-	-	1,658
Operating Services	1,635,114	116,272	15,964	80,173	1,847,523
Operating Supplies	262,623	22,924	-	11,487	297,034
Depreciation Expense	302,663	1,295,022	202,334	804,763	2,604,782
Total Operating Expenses	<u>4,791,389</u>	<u>3,523,528</u>	<u>267,383</u>	<u>1,764,888</u>	<u>10,347,188</u>
Net Operating Income (Loss)	<u>893,514</u>	<u>(1,999,151)</u>	<u>(181,304)</u>	<u>118,968</u>	<u>(1,167,973)</u>
NONOPERATING REVENUES (EXPENSES)					
Grants	-	283,344	-	-	283,344
Special Assessments	-	429,802	-	-	429,802
Investment Income (Loss)	(18,758)	(7,419)	(15,979)	(818)	(42,974)
Gain (Loss) on Disposal of Assets	20,607	-	1,645,147	-	1,665,754
Total Nonoperating Revenues (Expenses)	<u>1,849</u>	<u>705,727</u>	<u>1,629,168</u>	<u>(818)</u>	<u>2,335,926</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>895,363</u>	<u>(1,293,424)</u>	<u>1,447,864</u>	<u>118,150</u>	<u>1,167,953</u>
Capital Contributions	-	1,243,020	-	-	1,243,020
Transfers Out	<u>(1,380)</u>	<u>(79,938)</u>	<u>-</u>	<u>-</u>	<u>(81,318)</u>
Change in Net Position	<u>893,983</u>	<u>(130,342)</u>	<u>1,447,864</u>	<u>118,150</u>	<u>2,329,655</u>
Net Position, Beginning of Year	<u>8,132,658</u>	<u>58,499,392</u>	<u>9,460,706</u>	<u>20,788,377</u>	<u>96,881,133</u>
Net Position, End of Year	<u>\$ 9,026,641</u>	<u>\$ 58,369,050</u>	<u>\$ 10,908,570</u>	<u>\$ 20,906,527</u>	<u>\$ 99,210,788</u>

**CITY OF BISMARCK , NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 5,655,868	\$ 1,389,704	\$ 112,086	\$ 1,819,349	\$ 8,977,007
Payments to Suppliers	(3,296,812)	(2,018,353)	(83,268)	(942,667)	(6,341,100)
Payments to Employees	(1,148,609)	(292,634)	-	-	(1,441,243)
Net Cash Provided (Used) by Operating Activities	<u>1,210,447</u>	<u>(921,283)</u>	<u>28,818</u>	<u>876,682</u>	<u>1,194,664</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants Received	-	283,344	-	-	283,344
Payments to Other Funds	(1,380)	(79,938)	-	-	(81,318)
Net Cash Used by Noncapital Financing Activities	<u>(1,380)</u>	<u>203,406</u>	<u>-</u>	<u>-</u>	<u>202,026</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds From Sale of Capital Assets	20,607	-	2,280,752	-	2,301,359
Special Assessments Received	-	415,642	-	-	415,642
Acquisition and Construction of Capital Assets	(335,731)	-	-	(241,255)	(576,986)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(315,124)</u>	<u>415,642</u>	<u>2,280,752</u>	<u>(241,255)</u>	<u>2,140,015</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income (Loss)	<u>(38,868)</u>	<u>(10,676)</u>	<u>(78,375)</u>	<u>(13,772)</u>	<u>(141,691)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	855,075	(312,911)	2,231,195	621,655	3,395,014
Cash and Cash Equivalents, Beginning of Year	5,786,873	1,430,183	3,453,379	910,020	11,580,455
Cash and Cash Equivalents, End of Year	<u>\$ 6,641,948</u>	<u>\$ 1,117,272</u>	<u>\$ 5,684,574</u>	<u>\$ 1,531,675</u>	<u>\$ 14,975,469</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Net Operating Income (Loss)	\$ 893,514	\$ (1,999,151)	\$ (181,304)	\$ 118,968	\$ (1,167,973)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	302,663	1,295,022	202,334	804,763	2,604,782
Change in Deferred Outflows of Resources	(528,685)	(120,785)	-	-	(649,470)
Change in Deferred Inflows of Resources from Pension	(365,284)	(97,833)	-	-	(463,117)
Change in Deferred Inflows of Resources from Leases	-	-	(41,711)	(358,078)	(399,789)
Change in Net Pension Liability/Asset	994,039	240,263	-	-	1,234,302
(Increase) Decrease in Accounts Receivable	(29,035)	(134,673)	-	(11,266)	(174,974)
(Increase) Decrease in Leases Receivable	-	-	67,718	303,797	371,515
(Increase) Decrease in Prepaid Items	(28)	(306)	-	(807)	(1,141)
Increase (Decrease) in Customer Deposits	-	-	-	1,420	1,420
Increase (Decrease) in Accounts Payable	(46,282)	(110,767)	(18,219)	18,265	(157,003)
Increase (Decrease) in Compensated Benefits Payable	(12,995)	4,987	-	-	(8,008)
Increase (Decrease) in Salaries Payable	2,540	1,960	-	-	4,500
Increase (Decrease) in Unearned Revenue	-	-	-	(380)	(380)
Total Adjustments	<u>316,933</u>	<u>1,077,868</u>	<u>210,122</u>	<u>757,714</u>	<u>2,362,637</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,210,447</u>	<u>\$ (921,283)</u>	<u>\$ 28,818</u>	<u>\$ 876,682</u>	<u>\$ 1,194,664</u>
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES					
Capital Contributions	\$ -	\$ 1,135,364	\$ -	\$ -	\$ 1,135,364
Contribution of Capital Assets from Developers	-	107,656	-	-	107,656

NONMAJOR INTERNAL SERVICE FUNDS

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

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

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

	Fleet Services	Liability Insurance	Workforce Safety Insurance	Employee Insurance	Revolving	Total Internal Service
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ 230,910	\$ 532,527	\$ 685,968	\$ 5,621,631	\$ 540,503	\$ 7,611,539
Accounts Receivable	4,133	496	-	-	287,807	292,436
Inventory	436,028	-	-	-	-	436,028
Prepaid Items	5,628	-	-	8,911	2,345	16,884
Total Current Assets	<u>676,699</u>	<u>533,023</u>	<u>685,968</u>	<u>5,630,542</u>	<u>830,655</u>	<u>8,356,887</u>
Noncurrent Assets						
Machinery and Equipment	355,415	-	-	-	-	355,415
Total Assets	<u>1,032,114</u>	<u>533,023</u>	<u>685,968</u>	<u>5,630,542</u>	<u>830,655</u>	<u>8,712,302</u>
DEFERRED OUTFLOWS OF RESOURCES						
Asset Retirement Obligation	64,125	-	-	-	-	64,125
Pensions	290,076	-	-	-	-	290,076
Total Deferred Outflows of Resources	<u>354,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>354,201</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	210,648	-	8,429	485,549	718,227	1,422,853
Salaries Payable	45,303	-	-	-	730	46,033
Claims and Judgments Payable	-	190	-	824,000	-	824,190
Total Current Liabilities	<u>255,951</u>	<u>190</u>	<u>8,429</u>	<u>1,309,549</u>	<u>718,957</u>	<u>2,293,076</u>
Noncurrent Liabilities						
Asset Retirement Obligation Liability	67,500	-	-	-	-	67,500
Net Pension Liability	431,067	-	-	-	-	431,067
Total Noncurrent Liabilities	<u>498,567</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,567</u>
Total Liabilities	<u>754,518</u>	<u>190</u>	<u>8,429</u>	<u>1,309,549</u>	<u>718,957</u>	<u>2,791,643</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	<u>31,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,373</u>
NET POSITION						
Net Investment in Capital Assets	355,415	-	-	-	-	355,415
Unrestricted	245,009	532,833	677,539	4,320,993	111,698	5,888,072
Total Net Position	<u>\$ 600,424</u>	<u>\$ 532,833</u>	<u>\$ 677,539</u>	<u>\$ 4,320,993</u>	<u>\$ 111,698</u>	<u>\$ 6,243,487</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Fleet Services	Liability Insurance	Workforce Safety Insurance	Employee Insurance	Revolving	Total Internal Service
OPERATING REVENUES						
Gas and Oil Sales	\$ 1,743,736	\$ -	\$ -	\$ -	\$ -	\$ 1,743,736
Parts and Labor Sales	2,370,520	-	-	-	-	2,370,520
Miscellaneous	4,501	128,920	-	606,301	-	739,722
Leases and Rentals	13,930	-	-	-	-	13,930
Employer Contributions	-	-	31,152	13,348,196	-	13,379,348
Employee Contributions	-	-	-	64,658	-	64,658
Total Operating Revenues	<u>4,132,687</u>	<u>128,920</u>	<u>31,152</u>	<u>14,019,155</u>	<u>-</u>	<u>18,311,914</u>
OPERATING EXPENSES						
Cost of Goods Sold	2,720,732	-	-	-	-	2,720,732
Salaries and Wages	696,647	-	-	-	50	696,697
Fringe Benefits	383,679	-	-	12,447	-	396,126
Professional Legal and Contracted Services	1,396	642	170	31,569	-	33,777
Building Equipment and Vehicle Services	229,136	-	-	-	183,080	412,216
Travel and Training	13,840	-	-	-	-	13,840
Operating Services	91,174	383,265	8,139	12,476,475	-	12,959,053
Operating Supplies	19,459	-	-	126	-	19,585
Depreciation Expense	40,302	-	-	-	-	40,302
Total Operating Expenses	<u>4,196,365</u>	<u>383,907</u>	<u>8,309</u>	<u>12,520,617</u>	<u>183,130</u>	<u>17,292,328</u>
Net Operating Income (Loss)	<u>(63,678)</u>	<u>(254,987)</u>	<u>22,843</u>	<u>1,498,538</u>	<u>(183,130)</u>	<u>1,019,586</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income (Loss)	(1,026)	(2,606)	(3,992)	(23,760)	-	(31,384)
Gain (Loss) on Disposal of Capital Assets	74,732	-	-	-	228,957	303,689
Total Nonoperating Revenues (Expenses)	<u>73,706</u>	<u>(2,606)</u>	<u>(3,992)</u>	<u>(23,760)</u>	<u>228,957</u>	<u>272,305</u>
Net Income (Loss) Before Transfers	<u>10,028</u>	<u>(257,593)</u>	<u>18,851</u>	<u>1,474,778</u>	<u>45,827</u>	<u>1,291,891</u>
Transfers In	<u>-</u>	<u>388,000</u>	<u>-</u>	<u>-</u>	<u>1,380</u>	<u>389,380</u>
Change in Net Position	<u>10,028</u>	<u>130,407</u>	<u>18,851</u>	<u>1,474,778</u>	<u>47,207</u>	<u>1,681,271</u>
Net Position, Beginning of Year	<u>590,396</u>	<u>402,426</u>	<u>658,688</u>	<u>2,846,215</u>	<u>64,491</u>	<u>4,562,216</u>
Net Position, End of Year	<u>\$ 600,424</u>	<u>\$ 532,833</u>	<u>\$ 677,539</u>	<u>\$ 4,320,993</u>	<u>\$ 111,698</u>	<u>\$ 6,243,487</u>

CITY OF BISMARCK , NORTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Fleet Services	Liability Insurance	Workforce Safety	Employee Insurance	Revolving	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 4,133,329	\$ 128,443	\$ -	\$ 670,959	\$ (24,503)	\$ 4,908,228
Receipts from Employer	-	-	31,152	13,348,196	-	13,379,348
Payments to Suppliers	(3,774,972)	(383,717)	6,245	(12,421,865)	222,706	(16,351,603)
Payments to Employees	(651,322)	-	-	-	-	(651,322)
Net Cash Provided (Used) by Operating Activities	<u>(292,965)</u>	<u>(255,274)</u>	<u>37,397</u>	<u>1,597,290</u>	<u>198,203</u>	<u>1,284,651</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments from Other Funds	-	388,000	-	-	1,380	389,380
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from Sale of Capital Assets	74,732	-	-	-	-	74,732
Proceeds from Insurance Recoveries	-	-	-	-	228,957	228,957
Net Cash Provided (used) by Capital and Related Financing Activities	<u>74,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,957</u>	<u>303,689</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income (Loss)	<u>(1,026)</u>	<u>(2,606)</u>	<u>(3,992)</u>	<u>(23,760)</u>	<u>-</u>	<u>(31,384)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(219,259)	130,120	33,405	1,573,530	428,540	1,946,336
Cash and Cash Equivalents, Beginning of Year	450,169	402,407	652,563	4,048,101	111,963	5,665,203
Cash and Cash Equivalents, End of Year	<u>\$ 230,910</u>	<u>\$ 532,527</u>	<u>\$ 685,968</u>	<u>\$ 5,621,631</u>	<u>\$ 540,503</u>	<u>\$ 7,611,539</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Net Operating Income (Loss)	\$ (63,678)	\$ (254,987)	\$ 22,843	\$ 1,498,538	\$ (183,130)	\$ 1,019,586
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	40,302	-	-	-	-	40,302
Change in Deferred Outflows of Resources from Pensions	(217,845)	-	-	-	-	(217,845)
Change in Deferred Inflows of Resources from Pensions	(196,042)	-	-	-	-	(196,042)
Change in Net Pension Liability/Asset	456,215	-	-	-	-	456,215
Change in Asset Retirement Obligation	1,688	-	-	-	-	1,688
(Increase) Decrease in Accounts Receivable	642	(477)	-	-	(24,503)	(24,338)
(Increase) Decrease in Inventory	(38,113)	-	-	-	-	(38,113)
(Increase) Decrease in Prepaid Items	286	-	6,125	(8,911)	187,401	184,901
Increase (Decrease) in Accounts Payable	(279,417)	-	8,429	26,663	218,385	(25,940)
Increase (Decrease) in Salaries Payable	2,997	-	-	-	50	3,047
Increase (Decrease) in Claims and Judgments Payable	-	190	-	81,000	-	81,190
Total Adjustments	<u>(229,287)</u>	<u>(287)</u>	<u>14,554</u>	<u>98,752</u>	<u>381,333</u>	<u>265,065</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (292,965)</u>	<u>\$ (255,274)</u>	<u>\$ 37,397</u>	<u>\$ 1,597,290</u>	<u>\$ 198,203</u>	<u>\$ 1,284,651</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 206,426	\$ 160,028	\$ 366,454	\$ -	\$ 776,431	\$ 776,431
Investments, at Fair Value:						
International Equities	53,316,719	24,323,561	77,640,280	-	-	-
International Fixed Income	38,995,806	13,666,515	52,662,321	-	-	-
Real Estate	23,197,893	9,553,176	32,751,069	-	-	-
Mutual Funds	-	-	-	94,089	-	94,089
Invested Cash	346,424	140,644	487,068	-	-	-
Invested Securities Lending	462,775	186,466	649,241	-	-	-
Accounts Receivable	955	-	955	568	-	568
Accrued Interest and Dividends	99,172	36,978	136,150	-	-	-
Total Assets	<u>116,626,170</u>	<u>48,067,368</u>	<u>164,693,538</u>	<u>94,657</u>	<u>776,431</u>	<u>871,088</u>
LIABILITIES						
Accounts Payable	82,788	33,311	116,099	568	4,366	4,934
Securities Lending Collateral	462,775	186,466	649,241	-	-	-
Total Liabilities	<u>545,563</u>	<u>219,777</u>	<u>765,340</u>	<u>568</u>	<u>4,366</u>	<u>4,934</u>
NET POSITION						
Restricted	116,080,607	47,847,591	163,928,198	94,089	772,065	866,154
Total Net Position	<u>\$ 116,080,607</u>	<u>\$ 47,847,591</u>	<u>\$ 163,928,198</u>	<u>\$ 94,089</u>	<u>\$ 772,065</u>	<u>\$ 866,154</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ADDITIONS						
Employer Contributions	\$ 3,186,234	\$ 1,461,898	\$ 4,648,132	\$ -	\$ -	\$ -
Employee Contributions	1,492,188	892,211	2,384,399	-	-	-
Total Contributions	4,678,422	2,354,109	7,032,531	-	-	-
Investment Income (Loss):						
Net increase (Decrease) in						
Fair Value of Investments	(15,080,281)	(6,128,109)	(21,208,390)	(26,993)	-	(26,993)
Interest and Dividend Earnings	2,182,784	854,247	3,037,031	-	-	-
Securities Lending Income	6,003	2,448	8,451	-	-	-
Total Investment Income (Loss)	(12,891,494)	(5,271,414)	(18,162,908)	(26,993)	-	(26,993)
Investment Expense:						
Investment Activity Expense	(289,216)	(118,160)	(407,376)	-	-	-
Securities Lending Expense	(1,200)	(490)	(1,690)	-	-	-
Net Investment Income (Loss)	(13,181,910)	(5,390,064)	(18,571,974)	(26,993)	-	(26,993)
Revenues						
Police Custody Funds Received	-	-	-	-	392,975	392,975
Total Revenues	-	-	-	-	392,975	392,975
Total Additions	(8,503,488)	(3,035,955)	(11,539,443)	(26,993)	392,975	365,982
DEDUCTIONS						
Benefits Paid to Participants	7,078,446	2,866,713	9,945,159	-	-	-
Refunds	364,911	158,783	523,694	56,466	-	56,466
Administration Expenses	107,844	42,255	150,099	-	-	-
Police Custody Funds Paid	-	-	-	-	393,858	393,858
Total Deductions	7,551,201	3,067,751	10,618,952	56,466	393,858	450,324
Change in Net Position	(16,054,689)	(6,103,706)	(22,158,395)	(83,459)	(883)	(84,342)
Net Position, Beginning of Year	132,135,296	53,951,297	186,086,593	177,548	772,948	950,496
Net Position, End of Year	\$ 116,080,607	\$ 47,847,591	\$ 163,928,198	\$ 94,089	\$ 772,065	\$ 866,154

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	113
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	118
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	123
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	127
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	129
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

STATISTICAL SECTION



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

	2013	2014	2015	2016	2017	2018	2019	2020 *	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 180,195,611	\$ 192,652,784	\$ 197,951,649	\$ 218,218,040	\$ 225,240,744	\$ 230,739,569	\$ 238,971,819	\$ 258,881,437	\$ 278,950,023	\$ 315,866,703
Restricted	22,540,504	20,182,943	25,205,341	31,075,288	49,167,595	55,329,012	78,260,446	76,962,378	119,505,242	91,855,188
Unrestricted	136,188,454	148,773,677	171,295,399	181,422,256	170,563,328	166,262,629	145,803,806	154,297,592	128,668,327	167,203,128
Total Governmental Activities Net Position	<u>\$ 338,924,569</u>	<u>\$ 361,609,404</u>	<u>\$ 394,452,389</u>	<u>\$ 430,715,584</u>	<u>\$ 444,971,667</u>	<u>\$ 452,331,210</u>	<u>\$ 463,036,071</u>	<u>\$ 490,141,407</u>	<u>\$ 527,123,592</u>	<u>\$ 574,925,019</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 289,017,006	\$ 319,745,687	\$ 319,247,440	\$ 341,955,183	\$ 374,421,127	\$ 401,875,951	\$ 409,059,784	\$ 426,085,338	\$ 440,243,714	\$ 461,645,551
Restricted	7,264,652	9,941,852	36,089,113	12,175,717	11,138,729	11,195,951	12,408,591	13,492,002	12,342,474	14,294,810
Unrestricted	52,359,095	59,056,335	38,560,107	51,133,751	42,895,634	43,933,922	51,736,219	52,070,299	77,097,423	88,553,212
Total Business-type Activities Net Position	<u>\$ 348,640,753</u>	<u>\$ 388,743,874</u>	<u>\$ 393,896,660</u>	<u>\$ 405,264,651</u>	<u>\$ 428,455,490</u>	<u>\$ 457,005,824</u>	<u>\$ 473,204,594</u>	<u>\$ 491,647,639</u>	<u>\$ 529,683,611</u>	<u>\$ 564,493,573</u>
Primary Government										
Net Investment in Capital Assets	\$ 469,212,617	\$ 512,398,471	\$ 517,199,089	\$ 560,173,223	\$ 599,661,871	\$ 632,615,520	\$ 648,031,603	\$ 684,966,775	\$ 719,193,737	\$ 777,512,254
Restricted	29,805,156	30,124,795	61,294,454	43,251,005	60,306,324	66,524,963	90,669,037	90,454,380	131,847,716	106,149,998
Unrestricted	188,547,549	207,830,012	209,855,506	232,556,007	213,458,962	210,196,551	197,540,025	206,367,891	205,765,750	255,756,340
Total Primary Government Net Position	<u>\$ 687,565,322</u>	<u>\$ 750,353,278</u>	<u>\$ 788,349,049</u>	<u>\$ 835,980,235</u>	<u>\$ 873,427,157</u>	<u>\$ 909,337,034</u>	<u>\$ 936,240,665</u>	<u>\$ 981,789,046</u>	<u>\$ 1,056,807,203</u>	<u>\$1,139,418,592</u>
Component Unit										
Net Investment in Capital Assets								\$ 2,388,151	\$ 2,532,919	\$ 2,247,542
Total Primary Government Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,388,151</u>	<u>\$ 2,532,919</u>	<u>\$ 2,247,542</u>

* Central Dakota Communications Center (CenCom) was updated to a discretely presented component unit beginning in 2020. Prior to 2020, CenCom was reported in the General Fund.

(Continued on next page)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General Government	\$ 15,602,062	\$ 17,017,718	\$ 18,265,605	\$ 16,888,611	\$ 16,268,593	\$ 18,290,495	\$ 16,227,336	\$ 20,219,261	\$ 19,001,461	\$ 20,791,192
Public Safety	19,578,855	20,852,897	24,641,875	26,286,801	27,502,752	29,185,109	29,579,689	30,415,140	30,725,138	34,973,641
Highways and Streets	8,324,951	8,727,481	10,413,928	10,407,454	10,946,367	11,430,676	11,597,897	10,975,903	10,782,345	14,260,875
Health and Welfare	3,068,043	2,782,462	3,201,291	3,201,853	3,329,632	3,486,093	3,506,605	3,606,230	4,006,766	4,825,140
Culture and Recreation	2,755,016	2,757,172	2,953,530	3,182,488	3,336,676	3,524,975	3,610,946	3,398,425	3,627,670	4,027,559
Interest and Fiscal Charges	2,245,752	2,063,752	2,400,187	3,041,297	5,144,125	3,849,896	3,835,971	4,314,667	2,659,445	2,507,919
Public Works	9,248,433	9,243,920	9,972,223	11,551,442	13,945,500	14,626,171	12,980,551	16,422,484	13,436,853	16,766,244
Total Governmental Activities Expenses	60,823,112	63,445,402	71,848,639	74,559,946	80,473,645	84,393,415	81,338,995	89,352,110	84,239,678	98,152,570
Business-type Activities										
Airport	6,852,348	8,361,929	8,679,828	7,588,752	7,399,832	7,735,107	8,008,830	8,548,410	9,198,785	10,417,823
Event Center	8,270,394	9,594,634	11,436,810	11,043,455	10,718,816	11,108,512	9,947,984	6,096,566	7,561,220	8,870,482
Water	9,516,385	10,581,458	11,722,982	11,896,989	12,867,647	13,347,820	12,825,126	13,571,779	14,347,047	15,490,859
Sanitary Sewer	6,000,337	6,401,858	7,014,055	7,691,135	8,772,088	8,601,984	8,776,175	8,601,524	8,756,497	9,619,713
Solid Waste Disposal	2,655,380	2,694,350	2,453,612	4,340,662	2,997,121	2,600,476	3,068,343	2,820,233	3,399,701	3,204,427
Solid Waste Collections	2,198,750	3,118,929	4,065,304	3,872,531	4,018,808	4,275,343	4,185,101	4,057,608	4,417,323	4,791,389
Storm Water	1,828,442	2,167,522	1,993,037	2,697,316	3,076,950	4,239,065	2,313,297	5,509,598	2,438,293	3,523,528
Northern Plains Commerce Centre	-	-	-	-	-	-	286,817	285,811	298,481	267,383
Commercial Property	379,303	385,053	441,991	293,168	399,710	376,854	26,593	-	-	-
Parking Authority	1,030,182	1,114,692	1,608,473	1,639,973	1,596,137	1,575,237	1,615,739	1,641,385	1,697,382	1,764,888
Total Business-type Activities Expenses	38,731,521	44,420,425	49,416,092	51,063,981	51,847,109	53,860,398	51,054,005	51,132,914	52,114,729	57,950,492
Total Primary Government Expenses	\$ 99,554,633	\$ 107,865,827	\$ 121,264,731	\$ 125,623,927	\$ 132,320,754	\$ 138,253,813	\$ 132,393,000	\$ 140,485,024	\$ 136,354,407	\$ 156,103,062
Component Unit										
Central Dakota Communications Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,234,117	\$ 4,168,181	\$ 4,285,287
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 4,951,446	\$ 4,803,514	\$ 4,903,933	\$ 4,141,666	\$ 4,282,664	\$ 4,155,262	\$ 4,105,318	\$ 3,844,027	\$ 6,657,778	\$ 6,985,058
Public Safety	1,221,973	1,165,470	1,122,078	1,382,234	1,471,580	1,636,966	2,034,483	3,170,759	4,121,687	4,276,820
Highways and Streets	5,312,152	6,219,938	6,310,840	6,306,131	5,306,563	5,496,307	4,435,164	4,710,938	6,139,203	6,599,763
Health and Welfare	554,942	446,889	446,618	474,109	575,029	607,188	608,216	514,777	782,942	955,738
Culture and Recreation	127,966	121,094	131,868	135,435	131,136	130,571	123,921	67,127	138,773	119,923
Public Works	300,235	-	-	-	-	20,000	26,152	-	-	-
Operating Grants and Contributions	13,663,676	12,042,851	11,067,383	13,162,314	11,751,542	12,039,864	10,372,987	25,630,321	12,287,333	22,837,303
Capital Grants and Contributions	27,917,289	39,286,234	39,485,749	36,180,257	25,081,772	20,673,170	15,830,239	22,330,509	25,871,531	34,198,440
Total Governmental Activities Program Revenue:	54,049,679	64,085,990	63,468,469	61,782,146	48,600,286	44,759,328	37,536,480	60,268,458	55,999,247	75,973,045
Business-type Activities										
Charges for Services										
Airport	5,813,095	5,688,130	6,004,126	5,880,634	6,581,900	6,988,947	7,625,965	5,028,751	5,833,766	6,779,575
Event Center	5,400,169	6,178,766	7,106,440	6,817,419	6,904,800	7,293,652	7,447,339	2,945,849	4,776,014	6,318,106
Water	11,600,535	12,320,934	14,179,792	13,918,492	16,101,327	16,504,992	13,963,761	18,822,596	22,718,986	18,685,085
Sanitary Sewer	5,840,563	6,719,385	7,224,309	8,917,828	10,209,905	10,963,919	11,695,570	12,020,917	13,650,274	14,103,551
Solid Waste Disposal	3,739,199	4,201,932	4,307,855	4,355,606	4,375,408	3,902,953	4,213,453	3,995,766	4,227,045	4,228,744
Solid Waste Collections	3,271,983	3,250,198	3,899,855	4,003,128	4,609,120	4,768,732	4,978,616	5,119,114	5,436,452	5,739,918

(Continued from previous page)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Storm Water	1,183,703	1,242,126	1,352,712	1,390,903	1,825,511	2,305,184	1,484,594	1,455,797	1,512,307	1,536,060
Northern Plains Commerce Centre	-	-	-	-	-	-	67,717	67,717	67,717	86,079
Commercial Property	346,142	235,951	255,917	180,632	104,430	102,109	11,058	-	-	-
Parking Authority	1,063,898	1,230,561	1,561,998	1,460,754	1,550,277	1,510,575	1,659,091	1,592,410	1,740,102	1,883,856
Operating Grants and Contributions	68,057	1,212,522	227,245	40,360	6,666	11,319	38,307	3,015,545	7,835,779	5,557,720
Capital Grants and Contributions	9,212,197	13,475,408	9,924,565	6,748,212	17,502,063	24,121,524	13,085,359	9,548,744	18,463,512	22,333,719
Total Business-type Activities Program Revenue:	47,539,541	55,755,913	56,044,814	53,713,968	69,771,407	78,473,906	66,270,830	63,613,206	86,261,954	87,252,413
Total Primary Government Program Revenues	\$ 101,589,220	\$ 119,841,903	\$ 119,513,283	\$ 115,496,114	\$ 118,371,693	\$ 123,233,234	\$ 103,807,310	\$ 123,881,664	\$ 142,261,201	\$ 163,225,458
Component Unit										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,207,013	\$ 3,828,235	\$ 3,966,110
Capital Grants and Contributions	-	-	-	-	-	-	-	2,415,255	291,700	33,800
Total Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,622,268	\$ 4,119,935	\$ 3,999,910
Net (Expense)/Revenue										
Government Activities	(6,773,433)	640,588	(8,380,170)	(12,777,800)	(31,873,359)	(39,634,087)	(43,802,515)	(29,083,652)	(28,240,431)	(22,179,525)
Business-type Activities	8,808,020	11,335,488	6,628,722	2,649,987	17,924,298	24,613,508	15,216,825	12,480,292	34,147,225	29,301,921
Total Primary Government Net Expense	\$ 2,034,587	\$ 11,976,076	\$ (1,751,448)	\$ (10,127,813)	\$ (13,949,061)	\$ (15,020,579)	\$ (28,585,690)	\$ (16,603,360)	\$ 5,906,794	\$ 7,122,396
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (48,246)	\$ (285,377)

General Revenues and Other Changes in Net Position

Governmental Activities										
Property Taxes	\$ 17,801,629	\$ 18,398,151	\$ 19,270,501	\$ 20,253,570	\$ 21,250,283	\$ 20,628,624	\$ 21,198,684	\$ 22,387,939	\$ 26,793,510	\$ 31,520,584
Sales Tax	17,271,062	17,238,016	17,436,203	16,747,940	15,849,579	15,543,636	21,833,317	23,411,959	28,739,637	29,929,510
Occupancy Tax	1,174,646	1,219,152	1,188,853	1,086,064	1,014,964	965,445	1,031,410	619,471	966,856	1,090,781
Lodging, Liquor, and Food Tax	2,672,862	2,809,757	2,910,312	2,848,332	2,877,076	2,919,682	3,036,341	2,553,256	3,436,681	3,752,153
Car Rental Tax	77,142	72,999	71,808	73,046	78,262	66,121	81,482	39,722	71,203	72,109
State Aid	4,958,139	5,539,292	5,069,954	3,902,315	3,888,355	4,498,092	4,784,709	4,202,218	5,080,152	5,309,646
Franchise Taxes	1,341,007	1,427,837	1,123,478	1,243,287	1,218,141	1,158,319	1,093,964	1,040,153	1,027,705	978,463
Other Taxes	932,923	1,239,000	1,333,130	1,247,280	1,225,954	1,706,736	1,329,301	1,360,245	1,438,979	1,073,363
Investment Income (Loss)	362,192	837,497	675,796	690,481	2,954,251	2,342,382	4,277,125	4,040,976	1,132,031	(456,178)
Gain (Loss) on Disposal of Capital Assets	107,871	(416,026)	-	178,109	121,371	352,053	(30,697)	673,970	238,565	1,157,268
Transfers	(5,604,461)	(26,321,428)	1,959,501	(3,580,283)	(4,348,794)	(3,187,460)	(4,128,260)	(4,954,022)	(3,702,703)	(4,446,747)
Total Governmental Activities	41,095,012	22,044,247	51,039,536	44,690,141	46,129,442	46,993,630	54,507,376	55,375,887	65,222,616	69,980,952
Business-type Activities										
Other Taxes	56,441	43,158	39,923	40,714	33,643	36,465	45,071	44,737	32,615	44,691
Investment Income (Loss)	82,393	543,817	419,227	375,048	576,858	535,407	1,660,326	1,172,657	90,651	(644,160)
Gain (Loss) on Disposal of Capital Assets	4,892,493	1,859,230	487,056	1,445,890	307,246	177,494	(4,851,712)	(208,663)	62,778	1,660,764
Transfers	5,604,461	26,321,428	(2,153,088)	3,580,283	4,348,794	3,187,460	4,128,260	4,954,022	3,702,703	4,446,747
Total Business-type Activities	10,635,788	28,767,633	(1,206,882)	5,441,935	5,266,541	3,936,826	981,945	5,962,753	3,888,747	5,508,042
Total Primary Government	\$ 51,730,800	\$ 50,811,880	\$ 49,832,654	\$ 50,132,076	\$ 51,395,983	\$ 50,930,456	\$ 55,489,321	\$ 61,338,640	\$ 69,111,363	\$ 75,488,994
Component Unit										
Gain (Loss) on Disposal of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,887	\$ -

Change in Net Position

Governmental Activities	\$ 34,321,579	\$ 22,684,835	\$ 42,659,366	\$ 31,912,341	\$ 14,256,083	\$ 7,359,543	\$ 10,704,861	\$ 26,292,235	\$ 36,982,185	\$ 47,801,427
Business-type Activities	19,443,808	40,103,121	5,421,840	8,091,922	23,190,839	28,550,334	16,198,770	18,443,045	38,035,972	34,809,963
Total Primary Government	\$ 53,765,387	\$ 62,787,956	\$ 48,081,206	\$ 40,004,263	\$ 37,446,922	\$ 35,909,877	\$ 26,903,631	\$ 44,735,280	\$ 75,018,157	\$ 82,611,390
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (45,359)	\$ (285,377)

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ -	\$ 200,000	\$ 230,000	\$ 230,000	\$ 230,000	\$ 150,000	\$ -	\$ 38,799	\$ 1,394	\$ 12,899
Restricted	1,138,547	423,884	2,414,706	2,741,315	2,553,106	3,128,667	4,718,231	6,049,590	7,809,563	8,021,055
Committed	1,243,193	-	-	-	-	-	-	-	-	-
Assigned	5,654,308	4,928,903	4,236,860	4,555,285	3,622,460	4,316,068	4,765,734	17,300,470	17,052,824	14,177,069
Unassigned	24,868,320	30,743,043	31,714,584	32,800,155	34,269,492	36,360,862	35,556,939	32,885,439	31,815,152	35,184,230
Total General Fund	<u>\$ 32,904,368</u>	<u>\$ 36,295,830</u>	<u>\$ 38,596,150</u>	<u>\$ 40,326,755</u>	<u>\$ 40,675,058</u>	<u>\$ 43,955,597</u>	<u>\$ 45,040,904</u>	<u>\$ 56,274,298</u>	<u>\$ 56,678,933</u>	<u>\$ 57,395,253</u>
All Other Governmental Funds										
Nonspendable	\$ 2,243,109	\$ 2,112,390	\$ -	\$ 1,880,000	\$ -	\$ -	\$ 1,234,481	\$ 281,589	\$ 254,111	\$ 322,450
Restricted	27,802,558	31,603,572	10,503,322	40,936,613	46,614,489	52,200,345	73,542,216	70,912,788	111,695,679	83,834,133
Committed	42,338,892	40,212,743	76,137,429	55,295,682	56,097,547	46,702,145	37,392,272	46,139,992	39,071,435	60,672,467
Assigned	-	-	-	-	-	-	-	300,000	300,000	300,000
Unassigned	(18,379,791)	(28,128,497)	(21,204,601)	(22,506,461)	(19,880,207)	(9,312,024)	(11,662,049)	(14,459,526)	(19,884,116)	(21,384,240)
Total All Other Governmental Funds	<u>\$ 54,004,768</u>	<u>\$ 45,800,208</u>	<u>\$ 65,436,150</u>	<u>\$ 75,605,834</u>	<u>\$ 82,831,829</u>	<u>\$ 89,590,466</u>	<u>\$ 100,506,920</u>	<u>\$ 103,174,843</u>	<u>\$ 131,437,109</u>	<u>\$ 123,744,810</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes	\$ 38,060,526	\$ 40,918,256	\$ 42,010,581	\$ 44,000,157	\$ 42,252,472	\$ 41,694,759	\$ 48,233,253	\$ 50,133,918	\$ 61,012,397	\$ 67,306,942
Special Assessments Revenue	18,157,172	17,717,047	18,539,363	21,449,838	21,849,733	22,334,763	22,518,068	24,658,117	32,245,964	20,426,651
Intergovernmental	21,041,079	20,549,194	17,854,293	18,299,828	17,743,566	18,335,857	17,179,104	33,268,246	26,508,133	38,977,130
Charges for Services	7,378,274	8,373,154	8,660,788	8,631,635	7,795,507	7,919,450	7,189,971	10,223,888	12,767,497	13,722,638
Licenses and Permits	3,195,879	2,478,578	2,333,947	2,023,147	1,861,177	1,897,424	2,020,572	1,966,452	2,165,128	2,286,499
Fines and Forfeitures	1,082,254	1,382,099	1,193,693	1,263,594	1,510,695	1,557,451	1,569,334	1,240,338	1,303,518	1,438,635
Rentals	476,051	404,790	427,935	410,379	402,562	390,677	373,034	275,422	191,649	296,022
Investment Income (Loss)	633,343	1,099,991	1,142,573	1,087,639	1,406,656	1,896,794	2,995,049	2,716,408	1,994,236	(942,570)
Donations	-	-	-	-	-	-	-	-	-	376,392
Miscellaneous	612,875	418,866	398,792	543,337	263,390	448,997	315,837	702,460	619,516	552,268
Total Revenues	90,637,453	93,341,975	92,561,965	97,709,554	95,085,758	96,476,172	102,394,222	125,185,249	138,808,038	144,440,607
EXPENDITURES										
Current										
General Government	13,967,053	15,750,318	15,715,568	15,192,348	14,432,957	15,767,436	14,299,862	18,349,413	18,431,424	18,952,679
Public Safety	17,392,151	19,993,552	21,529,929	23,883,543	25,619,157	25,730,050	27,472,723	29,583,737	31,303,222	32,841,121
Highways and Streets	8,103,587	8,656,321	9,131,659	10,243,511	10,734,028	9,974,139	10,738,028	10,296,279	10,544,660	12,789,408
Health and Welfare	2,892,536	2,786,465	2,904,894	3,167,152	3,247,464	3,191,344	3,379,797	3,545,887	4,309,470	4,480,645
Culture and Recreation	2,078,185	2,184,841	2,230,807	2,600,315	2,740,879	2,748,969	2,906,938	2,782,831	3,050,141	3,257,286
Public Works	2,404,256	1,975,649	1,703,421	2,931,214	3,788,925	3,502,262	1,306,187	4,560,864	849,944	3,718,575
Capital Outlay	42,597,079	58,509,103	44,750,179	33,359,349	31,585,615	20,099,187	19,721,519	35,814,373	35,874,729	61,783,680
Debt Service										
Principal	9,715,000	10,660,000	11,730,000	14,415,000	15,755,000	16,170,001	16,455,001	16,710,000	17,347,148	17,382,198
Interest and Fiscal Charges	1,840,051	2,108,120	2,315,618	3,248,717	3,412,221	3,778,000	3,752,817	3,599,805	3,188,859	3,016,163
Total Expenditures	100,989,898	122,624,369	112,012,075	109,041,149	111,316,246	100,961,388	100,032,872	125,243,189	124,899,597	158,221,755
Excess of Revenues Over (Under) Expenditures	(10,352,445)	(29,282,394)	(19,450,110)	(11,331,595)	(16,230,488)	(4,485,216)	2,361,350	(57,940)	13,908,441	(13,781,148)
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	2,133,163	-	548,248
Issuance of Special Assessment Bonds	22,605,000	26,560,000	33,855,000	20,335,000	19,325,000	15,015,000	9,370,000	22,370,000	13,635,000	19,780,000
Premium on Special Assessment Bonds	521,142	18,507	1,889,225	762,423	1,983,299	428,935	458,847	1,264,501	619,358	639,074
Discount on Special Assessment Debt	(7,278)	(261,951)	-	-	-	-	-	-	-	-
Financed Purchase Obligation Proceeds	-	-	-	-	-	-	-	-	2,908,995	918,686
Payment to Escrow Agent on Refunded Bonds	-	-	(7,405,000)	-	-	-	-	(11,000,473)	-	-
Transfers In	23,576,359	26,863,375	49,932,949	33,181,033	34,653,793	32,490,879	39,723,665	40,614,916	48,536,601	67,496,174
Transfers Out	(22,206,862)	(28,710,635)	(43,395,802)	(33,590,238)	(32,157,306)	(33,410,422)	(39,912,101)	(42,235,951)	(50,941,494)	(71,196,938)
Refunding Bonds Issued	-	-	6,510,000	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	24,488,361	24,469,296	41,386,372	20,688,218	23,804,786	14,524,392	9,640,411	13,146,156	14,758,460	18,185,244
Net Change in Fund Balances	\$ 14,135,916	\$ (4,813,098)	\$ 21,936,262	\$ 9,356,623	\$ 7,574,298	\$ 10,039,176	\$ 12,001,761	\$ 13,088,216	\$ 28,666,901	\$ 4,404,096
Debt Service as a Percentage of Noncapital Expenditures	19.8%	19.9%	20.9%	23.3%	24.0%	24.7%	25.2%	22.7%	23.1%	21.2%

Source: Fiscal Services

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

Fiscal Year	Property Taxes	Sales Tax	Occupancy Tax	Lodging/ Liquor/Food Tax	Car Rental Tax	State Aid Distribution	Franchise Tax	Other Taxes	Total
2013	17,801,629	17,271,062	\$ 1,174,646	\$ 2,672,862	\$ 77,142	\$ 4,958,139	\$ 1,341,007	\$ 932,923	\$ 46,229,410
2014	18,398,151	17,238,016	1,219,152	2,809,757	72,999	5,539,292	1,427,837	1,239,000	47,944,204
2015	19,270,501	17,436,203	1,188,853	2,910,312	71,808	5,069,954	1,123,478	1,333,130	48,404,239
2016	20,253,570	16,747,940	1,086,064	2,848,332	73,046	3,902,315	1,243,287	1,247,280	47,401,834
2017	21,250,283	15,849,579	1,014,964	2,877,076	78,262	3,888,355	1,218,141	1,225,954	47,402,614
2018	20,628,624	15,543,636	965,445	2,919,682	66,121	4,498,092	1,158,319	1,706,736	47,486,655
2019	21,198,684	21,833,317	1,031,410	3,036,341	81,482	4,784,709	1,093,964	1,329,301	54,389,208
2020	22,387,939	23,411,959	619,471	2,553,256	39,722	4,202,218	1,040,153	1,404,982	55,659,700
2021	26,793,510	28,739,637	966,856	3,436,681	71,203	5,080,152	1,027,705	1,438,979	67,554,723
2022	31,520,584	29,929,510	1,090,781	3,752,153	72,109	5,309,646	978,463	1,073,363	73,726,609

Source: Fiscal Services

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

Year	Commercial Land and Buildings	Residential Land and Buildings	Agricultural Land	Public Utilities	Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Taxable Value	Total Direct Tax Rate
2012	\$ 802,091,790	\$ 1,545,634,922	\$ 287,200	\$ 37,619,840	\$ 2,385,633,752	\$ 4,771,267,504	50%	\$ 223,107,026	75.77
2013	917,646,830	1,760,180,545	361,800	44,303,550	2,722,492,725	5,444,985,449	50%	254,647,467	69.35
2014	1,041,981,000	2,012,744,111	401,100	50,630,280	3,105,756,491	6,211,512,982	50%	290,448,208	63.10
2015	1,177,555,620	2,232,032,489	371,000	54,422,280	3,464,381,389	6,928,762,778	50%	324,136,621	59.07
2016	1,308,377,570	2,389,363,545	428,050	50,439,270	3,748,608,435	7,497,216,869	50%	350,957,710	57.01
2017	1,505,305,200	2,454,101,322	475,150	52,943,010	4,012,824,682	8,025,649,364	50%	376,741,455	57.01
2018	1,545,115,150	2,509,157,700	389,950	58,884,700	4,113,547,500	8,227,095,000	50%	386,263,173	56.88
2019	1,578,354,350	2,556,190,778	411,050	62,073,470	4,197,029,648	8,394,059,296	50%	394,141,057	58.88
2020	1,614,437,480	2,635,647,022	413,350	67,707,260	4,318,205,112	8,636,410,224	50%	410,774,405	68.70
2021	1,739,463,700	3,117,471,350	413,650	60,650,028	4,917,998,728	9,835,997,455	50%	415,417,808	77.75

Source: Burleigh County Auditor/Treasurer Office

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

Fiscal Year²	City of Bismarck		Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Total City Millage	Burleigh County Millage	Public School Millage	Bismarck Park District	State of North Dakota	
2012	75.77	75.77	53.99	138.39	39.55	1.00	308.70
2013	69.35	69.35	50.28	101.68	38.50	1.00	260.81
2014	63.10	63.10	48.63	103.60	37.30	1.00	253.63
2015	59.07	59.07	47.03	100.42	36.08	1.00	243.60
2016	57.01	57.01	45.77	100.47	34.68	1.00	238.93
2017	57.01	57.01	36.66	103.92	34.31	1.00	232.90
2018	56.88	56.88	31.66	103.91	34.23	1.00	227.68
2019	58.88	58.88	35.30	107.19	34.22	1.00	236.59
2020	68.70	68.70	34.36	107.19	33.69	1.00	244.94
2021	77.75	77.75	34.40	107.19	33.80	1.00	254.14

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

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

Source: Burleigh County Levies

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

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kirkwood Mall Acquisition LLC	\$ 51,421,400	1	0.97 %	\$ 25,412,100	1	1.12 %
Waterford on West Century LLC	41,441,000	2	0.78	10,199,200	3	0.45
Lasalle Shopping Center LLC	32,858,600	3	0.62	-		
EVI Coulee Ridge 1 LLC	28,883,700	4	0.55	-		
Medcenter One Inc % Sanford Bismarck	28,248,200	5	0.53	10,892,300	2	0.48
Clark Equipment Company	27,751,400	6	0.52	8,475,900	7	0.38
REI Holdings LLC	24,982,000	7	0.47	-		
Clark Equipment Co. A Corp	23,833,600	8	0.45			
EVI Bismarck Village LLC	23,612,100	9	0.45	-		
First International Bank & Trust	22,753,500	10	0.43	-		
Innovas Health LLC	22,230,600	11	0.42	-		
CMGL 11 LLC	20,051,900	12	0.38	-		
Inreit Properties (Edgewood)				8,727,250	4	0.39
* Mid Dakota Clinic				8,603,900	5	0.38
Wal-Mart Property North				8,570,700	6	0.38
Wal-Mart Property South				8,190,350	8	0.36
* TNP SRT Portfolio LLC (Pinehurst Square)				7,134,700	9	0.32
Regency Midwest Ventures LTD				6,837,150	10	0.30
Menards				6,649,300	11	0.29
* Gateway Fashion Mall				6,426,200	12	0.28
Totals	<u>\$ 348,068,000</u>		<u>6.57 %</u>	<u>\$ 116,119,050</u>		<u>5.13 %</u>

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

Source: Assessing Division

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

Fiscal Year	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy			Amount	Percentage of Levy
2013	\$ 16,904,819	\$ 15,953,724	0.9437	% \$	139,427	\$ 16,093,151	0.9520
2014	17,659,802	16,786,435	0.9505		101,201	16,887,636	0.9563
2015	18,327,284	17,501,225	0.9549		86,534	17,587,759	0.9596
2016	19,146,750	18,371,529	0.9595		116,676	18,488,205	0.9656
2017	20,008,099	19,260,495	0.9626		115,708	19,376,203	0.9684
2018	21,478,030	20,279,319	0.9442		135,005	20,414,324	0.9505
2019	21,970,650	20,778,395	0.9457		185,269	20,963,664	0.9542
2020	23,207,026	22,024,806	0.9491		254,806	22,279,612	0.9600
2021	28,220,202	26,564,243	0.9413		228,204	26,792,447	0.9494
2022	32,744,746	30,601,756	0.9346		177,505	30,779,261	0.9400

¹ Previous fiscal year tax levy.

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Special Assessment Bonds	Financed Purchase Obligations	Leases Payable ²	Revenue Bonds	Financed Purchase Obligations	Leases Payable ²			
2013	79,700,000	-	-	70,642,434	5,037	-	150,347,471	0.0307	2,257
2014	95,600,000	-	-	80,777,434	-	-	176,377,434	0.0584	2,571
2015	116,830,000	-	-	105,495,000	-	-	222,325,000	0.0656	3,142
2016	125,651,063	-	-	100,011,979	-	-	225,663,042	0.0666	3,094
2017	130,958,280	-	-	94,017,648	-	-	224,975,928	0.0703	3,091
2018	129,861,275	-	-	87,903,317	-	-	217,764,592	0.0660	2,931
2019	122,832,538	-	-	81,643,984	-	-	204,476,522	0.0585	2,626
2020	118,285,170	-	-	78,597,556	-	-	196,882,726	0.0539	2,678
2021	115,270,105	2,311,847	-	78,803,374	-	-	196,385,326	0.0531	2,636
2022	118,535,706	1,745,196	683,139	74,072,752	-	9,120	195,045,913	0.0451	2,600

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

¹ See the Schedule of Demographic and Economic Statistics on page 127 for personal income and population data.

² GASB Statement No. 87, Leases, was implemented in 2022 resulting in leases payable.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 136,124,636	\$ 155,287,825	\$ 173,219,069	\$ 187,430,422	\$ 200,641,234	\$ 205,677,375	\$ 209,851,482	\$ 215,910,256	\$ 245,899,936	\$ 245,899,936
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 136,124,636</u>	<u>\$ 155,287,825</u>	<u>\$ 173,219,069</u>	<u>\$ 187,430,422</u>	<u>\$ 200,641,234</u>	<u>\$ 205,677,375</u>	<u>\$ 209,851,482</u>	<u>\$ 215,910,256</u>	<u>\$ 245,899,936</u>	<u>\$ 245,899,936</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2022

Total Assessed Value	\$ 4,917,998,728
Debt Limit (5% of Total Assessed Value)	245,899,936
Debt Applicable to Limit:	
General Obligation Bonds	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 245,899,936</u>

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

Sources:
Burleigh County Auditor/Treasurer Office
Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2022**

Governmental Unit	2022 Taxable Value	Net Debt Outstanding	Estimated Percentage Applicable¹	Total Direct and Overlapping Debt
City of Bismarck	\$ 454,803,538	\$ 118,535,706	100.00%	\$ 118,535,706
Bismarck Public School	575,472,477	145,369,220	79.03%	114,885,295
Bismarck Park District	454,803,538	26,528,233	100.00%	26,528,233
Burleigh County	611,474,432	53,109,184	74.38%	39,501,549
Total Overlapping Debt	\$ 1,641,750,447	\$ 225,006,637		\$ 180,915,077
Total Direct and Overlapping Debt		<u>\$ 343,542,343</u>		<u>\$ 299,450,783</u>

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

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

Sources:

Bismarck Public School as of June 30, 2022
Bismarck Park District
Burleigh County Levies, 2022
Burleigh County Auditor, 2021 Audit Report

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

Water Revenue Bonds							Sanitary Sewer Bonds					
Fiscal Year	Water Charges	Less:	Net	Debt Service		Coverage	Sanitary Sewer Charges	Less:	Net	Debt Service		Coverage
		Operating Expenses	Available Revenue	Principal	Interest			Operating Expenses	Available Revenue	Principal	Interest	
2013	12,222,233	6,261,250	5,960,983	1,350,000	477,553	3.26	5,840,563	3,387,536	2,453,027	860,000	399,250	1.95
2014	12,869,433	6,195,938	6,673,495	1,685,000	818,438	2.67	6,719,390	3,588,061	3,131,329	885,000	377,750	2.48
2015	14,557,406	6,658,423	7,898,983	2,215,000	1,063,525	2.41	7,224,308	3,851,519	3,372,789	910,000	355,625	2.66
2016	14,483,419	6,476,574	8,006,845	2,765,000	1,018,350	2.12	8,917,827	3,624,122	5,293,705	1,535,000	1,304,875	1.86
2017	16,662,851	7,103,387	9,559,464	2,815,000	956,170	2.53	10,209,905	4,714,551	5,495,354	2,155,000	1,236,750	1.62
2018	16,504,992	7,604,585	8,900,407	2,870,000	880,017	2.37	10,963,919	4,448,093	6,515,826	2,200,000	1,152,750	1.94
2019	13,963,761	7,246,562	6,717,199	2,940,000	808,059	1.79	11,695,571	3,997,660	7,697,911	2,250,000	1,067,125	2.32
2020	18,822,596	8,039,985	10,782,611	7,515,000	432,151	1.36	12,020,917	3,824,382	8,196,535	3,165,000	745,000	2.10
2021	22,568,341	8,939,712	13,628,629	3,135,000	628,205	3.62	13,576,512	3,966,339	9,610,173	2,360,000	890,679	2.96
2022	18,589,660	9,878,661	9,878,661	3,022,000	526,263	2.78	14,055,940	4,771,944	9,283,996	2,710,527	574,499	2.83
Special Assessment Bonds					Motel, Liquor, Restaurant Bonds							
Fiscal Year	Special Assessment Collections	Debt Service		Coverage	Lodging, Liquor, Food Tax Collections *	Debt Service		Coverage				
		Principal	Interest			Principal	Interest					
2013	11,346,780	9,715,000	1,840,051	0.98	2,672,862	-	-	-				
2014	11,690,035	10,660,000	2,108,120	0.92	2,809,757	830,000	1,184,291	1.39				
2015	15,506,201	19,135,000	2,315,618	0.72	2,910,312	1,000,000	990,206	1.46				
2016	15,657,902	13,175,000	3,208,493	0.96	2,848,332	1,015,000	960,206	1.44				
2017	17,236,969	15,755,000	3,356,638	0.90	2,877,076	1,030,000	929,756	1.47				
2018	18,394,111	16,170,000	3,740,823	0.92	2,919,682	1,050,000	898,856	1.50				
2019	18,499,295	16,455,000	3,444,384	0.93	3,036,341	1,075,000	867,356	1.56				
2020	18,656,859	27,630,000	3,599,804	0.60	2,553,256	1,105,000	835,106	1.32				
2021	18,213,912	16,750,000	3,188,859	0.91	3,436,681	1,135,000	801,956	1.77				
2022	17,363,652	16,580,000	2,977,116	0.89	3,752,153	1,415,000	97,487	2.48				

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

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Median Age¹	Public School Enrollment³	Unemployment Rate⁴
2013	66,608	4,892,290,992	73,449	38.0	11,656	2.4
2014	68,601	3,019,653,476	73,371	38.0	12,020	2.5
2015	70,766	3,387,188,980	80,166	38.0	12,380	2.3
2016	72,926	3,387,893,453	78,906	38.0	12,683	2.5
2017	72,793	3,200,488,435	75,384	38.0	12,861	2.6
2018	74,294	3,301,033,103	77,952	38.0	13,007	2.4
2019	77,880	3,497,297,521	82,701	37.5	13,331	2.4
2020	79,658	3,653,485,099	84,007	37.5	13,276	3.4
2021	74,505	3,699,523,016	86,377	37.5	13,476	2.5
2022	75,028	4,327,719,605	100,942	37.5	13,638	2.0

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

Sources:

¹ Community Development

² ND State Tax Department

³ Bismarck Public Schools

⁴ North Dakota Job Service Labor Market Information Center website

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

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sanford Health	3,445	1	8.59 %	3,102	2	9.06 %
State of ND	3,418	2	8.52	4,400	1	12.85
Bismarck Public Schools	2,299	3	5.73	1,901	4	5.55
CHI St. Alexius	1,347	4	3.36	2,357	3	6.89
Bismarck State College	838	5	2.09	331	15	0.97
Basin Electric Power Cooperative	774	6	1.93	455	13	1.33
MDU Resources Group	756	7	1.88	743	6	2.17
Walmart North and South Walmart	690	8	1.72	693	7	2.02
City of Bismarck	657	9	1.64	549	9	1.60
University of Mary	604	10	1.51	503	12	1.47
Housing Industry Training (HIT)	525	11	1.31			
Missouri Slope Lutheran Care Center	457	12	1.14	530	11	1.55
US Government Offices*				1,201	5	3.51
Bobcat/Doosan Company*						
Aetna*				573	8	1.67
Mid Dakota Clinic				531	10	1.55
Coventry Healthcare				440	14	1.29
Total	<u>15,810</u>		<u>39.42</u>	<u>18,309</u>		<u>53.48</u>

Sources:

City of Bismarck 2022 Budget

*Employer no longer willing to disclose information

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	80	85	86	86	87	93	92	92	92	102
Public Safety										
Central Dakota Communications Center	26	26	27	30	31	31	31	33	33	34
Police										
Officers	109	112	113	116	128	128	129	129	129	133
Civilians	28	28	30	30	30	30	30	30	30	30
Fire										
Firefighters and Officers	79	80	83	83	82	83	83	86	86	88
Civilians	6	6	2	2	2	2	2	2	2	2
Highways and Streets										
Engineering	26	28	29	29	29	29	29	29	29	29
Maintenance	60	59	63	64	63	64	64	63	63	55
Health and Welfare	26	25	29	29	29	29	28	29	31	32
Culture and Recreation	17	19	22	24	25	25	25	25	25	25
Airport	21	21	21	21	22	23	23	23	23	23
Solid Waste	38	38	38	38	38	36	37	37	38	38
Water and Sewer	58	61	64	64	64	65	65	65	65	66
Total	574	588	607	616	631	638	637	643	646	657

Source: City of Bismarck Annual Budgets

(Continued on next page)

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Number of Building Permits Issued	2,218	1,951	1,756	1,648	1,410	1,248	940	1,268	1,110	947
Number of Building Inspections Done	9,460	8,926	5,581	5,690	6,321	4,979	4,687	4,265	4,820	4,514
Number of Plumbing Permits Issued	1,153	920	696	644	548	389	353	506	578	539
Number of Plumbing Inspections Done	3,050	2,006	2,170	1,946	1,748	1,748	1,129	1,606	1,719	1,598
Number of Mechanical/HVAC Permits Issued	2,037	1,692	1,454	1,649	1,653	1,577	1,376	52	1,859	1,781
Number of Mechanical/HVAC Inspections Done	3,210	2,296	2,924	3,254	2,805	2,708	2,139	2,009	2,436	2,122
Number of Electrical Permits Issued	1,578	1,248	-	1,395	1,071	927	837	1,085	1,048	1,005
Number of Electrical Inspections Done	5,220	3,141	-	3,462	3,505	2,483	2,275	2,455	2,571	2,396
Number of Septic Permits Issued	193	101	102	52	47	46	33	52	46	30
Number of Septic Inspections Done	249	121	200	129	108	92	60	108	107	63
Public Safety										
Police										
Physical Arrests	4,768	4,672	4,750	4,958	5,757	5,728	5,367	4,340	5,486	3,964
Traffic Citations	16,168	15,623	14,831	16,062	17,733	19,279	15,935	14,716	13,081	9,914
Parking Citations	7,898	15,188	11,845	11,342	10,903	10,064	9,557	6,748	7,928	8,605
Number of Accidents	3,985	3,824	3,723	3,789	3,680	3,535	3,821	2,703	3,087	3,271
Number of 911 Emergency Dispatches	3,554	3,907	5,704	5,258	4,981	5,000	4,425	5,557	5,841	5,273
Fire										
Number of 911 Emergency Dispatches	3,106	3,475	3,799	4,289	4,364	4,448	4,580	4,876	5,671	6,361
Number of Fire Inspections Conducted	2,985	3,236	3,256	4,069	4,058	3,291	1,885	3,485	3,505	4,213
Highways and Streets										
Engineering										
Number of Excavation Permits	820	739	706	647	535	411	419	495	478	497
Number of Improvement Projects	82	57	65	37	28	38	41	37	50	41
Forestry										
Number of Street Trees Planted	477	235	889	806	667	713	648	1,094	636	920
Number of Street Trees Trimmed	2,248	2,910	1,904	1,675	4,450	2,720	2,040	2,545	2,366	2,529
Number of Street Trees Removed	294	162	408	321	439	182	241	220	311	221
Roads and Streets										
Potholes Repaired	5,052	5,634	108,628	103,677	63,953	20,122	28,147	17,185	16,512	24,878
Street Striping (Miles)	211	211	157	145	156	126	147	162	156	153
Snow removal (Hours)	8,854	7,695	12,877	19,060	12,848	12,096	21,122	2,023	3,918	3,612
Sand Ice Removal (Tons)	6,216	4,730	2,329	4,573	5,493	4,998	3,136	3,007	2,013	4,003
Salt Ice Removal (Tons)	1,927	1,658	1,278	1,153	1,690	1,350	1,793	1,347	931	1,170
Loads of Snow Hauled	4,049	1,579	1,417	84,747	21,881	2,386	6,150	2,866	467	3,112
Health and Welfare										
Number of COVID Tests	-	-	-	-	-	-	-	25,660	2,145	N/A
Number of Home Visits	4,808	4,302	4,033	4,426	4,382	4,473	4,310	4,531	4,969	4,810
Number of Immunizations	9,039	8,833	9,719	7,059	6,881	6,195	6,057	4,893	27,025	8,952
Number of Office Visits	3,174	3,081	3,292	3,217	4,142	4,557	3,874	2,631	2,150	3,642
Number of Environmental Health Inspections	1,534	2,091	1,718	1,821	1,606	1,548	1,379	1,291	1,726	1,786

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Culture and Recreation										
Auditorium Events	123	174	153	138	150	162	154	82	142	167
Auditorium Admissions	37,454	51,820	55,051	41,373	48,480	52,118	42,083	10,494	37,080	46,654
Community Center Events	416	430	498	531	464	451	477	295	525	608
Community Center Admissions	315,580	353,218	420,403	411,619	345,787	343,557	332,978	158,765	255,743	296,190
Function										
Airport										
Gallons Fuel Dispensed (Fuel Permit Holders)	4,110,507	4,550,313	4,895,740	4,864,385	4,452,075	4,874,780	5,211,979	3,378,620	4,299,202	4,411,314
Number of Passengers-enplaning	237,683	245,205	259,734	271,022	272,739	282,363	309,337	150,161	213,668	241,927
Number of Passengers-deplaning	237,450	245,062	261,459	272,251	271,274	281,487	308,279	151,099	214,279	239,779
Pounds of Freight-enplaning	16,813	12,856	19,591	26,288	31,696	35,339	33,609	10,361	4,152	1,331
Pounds of Freight-deplaning	13,738	8,149	10,667	33,840	31,715	22,545	28,482	12,490	5,133	40
Pounds of Air Cargo Freight-enplaning	1,495,195	1,399,845	1,976,260	1,469,145	614,248	858,106	976,856	767,535	703,285	695,437
Pounds of Air Cargo Freight-deplaning	4,535,773	5,193,061	5,926,322	5,699,311	2,860,020	3,036,927	3,793,861	3,270,020	3,370,899	2,888,046
Solid Waste										
Refuse Collected (Tons/Year)	24,662	25,033	26,789	26,199	26,195	26,338	27,271	26,927	26,740	28,056
Garbage Accepted for Disposal (Tons/Year)	102,197	106,758	108,919	111,131	118,430	107,636	119,037	109,397	105,740	110,208
Acres Used at Landfill	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Water										
Number of Service Connections	20,000	20,350	20,978	21,237	21,691	22,024	22,205	22,538	22,685	22,861
Average Daily Consumption (Thousand of Gallons)	9,640	9,390	8,582	9,850	10,800	10,120	7,997	10,100	11,100	9,670
Wastewater										
Average Daily Sewage Treatment (Thousand of Gallons)	6,830	6,620	6,410	6,370	6,430	6,330	6,980	6,400	6,030	6,770

Sources:

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

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	21	21	21	35	34	34	33	38	42
Fire Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Paved Streets (Miles)	319	339	345	349	365	367	367	369	374	377
Streetlights	8,149	8,522	8,596	8,872	9,068	9,113	9,189	9,293	9,414	9,468
Traffic Signals	107	108	110	110	110	110	107	110	110	109
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1
Waste Collection										
Collection Trucks	20	21	21	21	21	22	19	18	18	18
Water										
Watermains (Miles)	348	354	365	371	371	373	376	378	378	391
Fire Hydrants	3,355	3,430	3,625	3,675	3,720	4,500	4,600	4,653	4,653	3,966
Maximum Daily Water Treatment Capacity (Thousand of Gallons)	30,000	30,000	30,000	30,000	29,000	29,000	29,500	28,500	28,500	28,500
Sewer										
Sanitary Sewers (Miles)	300	305	307	310	313	307	307	327	333	347
Storm Sewers (Miles)	148	149	149	152	153	153	156	157	160	163
Maximum Daily Wastewater Treatment Capacity (Thousand of Gallons)	7,500	7,500	7,500	7,500	7,500	7,500	9,330	9,300	9,300	12,400
Parking Lots										
Number of Parking Lots	4	5	5	5	5	5	5	5	5	5

Note: Parking lots only include Parking Authority lots.

Source:

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