

City of

*Bismarck*

North Dakota



**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended December 31, 2019**

# **CITY OF BISMARCK, NORTH DAKOTA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended**

**December 31, 2019**

**Prepared by Fiscal Services**

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

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# INTRODUCTORY SECTION





## Finance Department

July 29, 2020

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

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

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

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

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

State statutes and local ordinances require an annual audit by independent certified public accountants. The firm of Eide Bailly, LLP has audited the financial statements of the City. The audit provides reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. Eide Bailly, LLP concluded that the audit provides a reasonable basis for an unmodified opinion, and the City's financial statements for the fiscal year ending December 31, 2019 are in conformity with generally accepted accounting principles (GAAP). The auditor's report is presented in the financial section of this report.

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

**Finance Department ★ Fiscal Services Division**

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



## **City Profile**

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

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

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

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

## **Local Economic Condition and Statistics**

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

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

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

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

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

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

## **Major Initiatives**

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

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

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

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

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

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

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the year ended December 31, 2018. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the comprehensive annual financial report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Dmitriy Chernyak, CPA  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bismarck**  
**North Dakota**

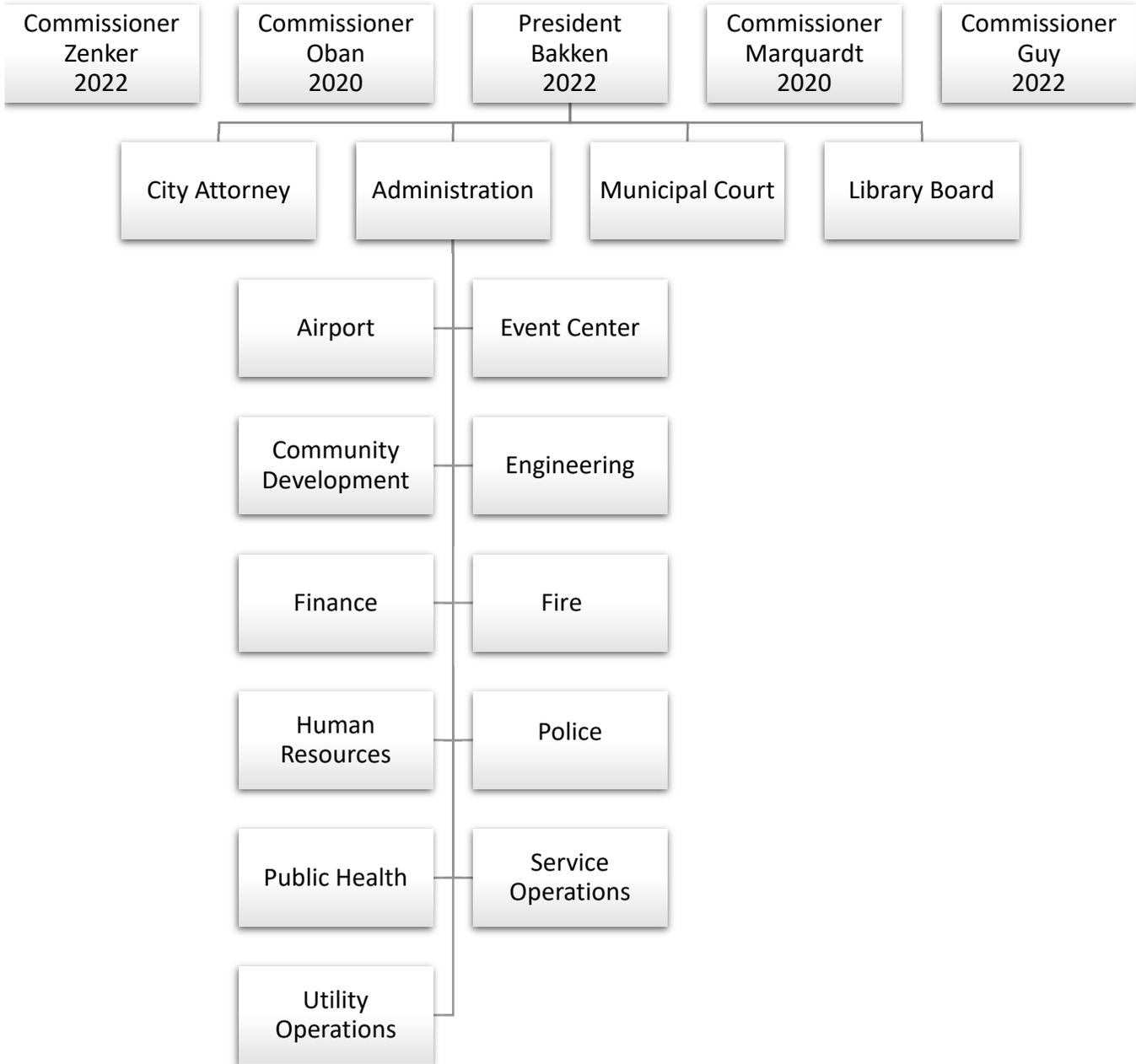
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO

# City of Bismarck



**CITY OF BISMARCK, NORTH DAKOTA  
LIST OF ELECTED AND APPOINTED OFFICIALS**

**Mayor-Commissioners:**

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

**Other Elected Officials:**

Municipal Judge..... William Severin

**Appointed Officials:**

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

**Department Directors:**

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

# FINANCIAL SECTION





## Independent Auditor's Report

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

**Other Reporting Required by Government Auditing Standards**

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

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed address and date.

Bismarck, North Dakota  
July 24, 2020

**MANAGEMENT'S  
DISCUSSION  
AND  
ANALYSIS**

# CITY OF BISMARCK, NORTH DAKOTA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### FINANCIAL HIGHLIGHTS

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

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### **Government-wide financial statements**

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

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

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

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

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

### **Fund financial statements**

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

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

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

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

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

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

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

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

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

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

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 - 70 of this report.

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

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

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

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

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

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

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

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

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

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

### Governmental Activities

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

### Business-Type Activities

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

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### **Governmental Funds**

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

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

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

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

### **Proprietary Funds**

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

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

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

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

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

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

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

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

**City of Bismarck**  
**Capital Assets**  
**(net of depreciation)**

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

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

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

**City of Bismarck Outstanding Debt**

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

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

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

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

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

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

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

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

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

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

### **REQUEST FOR INFORMATION**

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

# **BASIC FINANCIAL STATEMENTS**



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>						<b>GOVERNMENTAL</b>	
	<b>Airport</b>	<b>Event Center</b>	<b>Water</b>	<b>Sanitary Sewer</b>	<b>Storm Water</b>	<b>Nonmajor Enterprise</b>	<b>ACTIVITIES Internal Service Funds</b>	
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash and Cash Equivalents	\$ 7,298,383	\$ 152,947	\$ 5,963,252	\$ 9,033,863	\$ 4,038,777	\$ 22,161,828	\$ 48,649,050	\$ 4,043,986
Accounts Receivable	366,390	153,397	662,091	766,644	91,175	755,913	2,795,610	379,723
Special Assessments Receivable	-	-	4,004,485	4,185,337	2,282,931	-	10,472,753	-
Interest Receivable	52,882	-	72,267	109,470	31,644	175,892	442,155	-
Interfund Receivables	-	22,930	-	-	-	-	22,930	-
Inventories	-	-	164,607	-	-	-	164,607	335,500
Prepaid Items	11,918	64,304	37,599	17,568	3,506	20,535	155,430	5,436
<b>Total Current Assets</b>	<b>7,729,573</b>	<b>393,578</b>	<b>10,904,301</b>	<b>14,112,882</b>	<b>6,448,033</b>	<b>23,114,168</b>	<b>62,702,535</b>	<b>4,764,645</b>
<b>Noncurrent Assets:</b>								
Restricted Cash and Cash Equivalents	-	-	6,927,114	5,481,477	-	-	12,408,591	-
Land	8,469,631	912,100	877,279	337,375	4,972,397	3,007,747	18,576,529	-
Construction in Progress	994,214	-	516,056	616,946	1,875,899	58,482	4,061,597	-
Building and Building Improvements	13,454,184	27,261,789	57,785,343	51,392,472	-	21,145,725	171,039,513	-
Improvements Other Than Buildings	96,147,532	-	77,446,143	48,778,330	45,829,743	9,334,243	277,535,991	-
Machinery and Equipment	1,525,518	1,695,670	5,596,469	6,769,450	101,773	4,977,039	20,665,919	4,665
<b>Total Noncurrent Assets</b>	<b>120,591,079</b>	<b>29,869,559</b>	<b>149,148,404</b>	<b>113,376,050</b>	<b>52,779,812</b>	<b>38,523,236</b>	<b>504,288,140</b>	<b>4,665</b>
<b>Total Assets</b>	<b>128,320,652</b>	<b>30,263,137</b>	<b>160,052,705</b>	<b>127,488,932</b>	<b>59,227,845</b>	<b>61,637,404</b>	<b>566,990,675</b>	<b>4,769,310</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pensions	234,161	215,216	414,052	237,133	55,084	291,354	1,447,000	121,414
<b>LIABILITIES</b>								
<b>Current Liabilities:</b>								
Accounts Payable	290,127	193,666	673,572	276,004	353,708	309,107	2,096,184	1,315,189
Retainage Payable	1,054,792	-	36,580	84,408	-	-	1,175,780	-
Accrued Interest Payable	-	99,208	234,461	264,386	-	-	598,055	-
Compensated Benefits Payable	106,600	108,092	159,327	71,728	23,156	134,415	603,318	-
Salaries Payable	78,487	91,040	110,308	56,745	15,361	91,501	443,442	32,433
Unearned Revenue	-	-	-	-	-	1,569	1,569	-
Claims and Judgments Payable	-	-	-	-	-	-	-	646,000
Debt Payable, Current	-	1,105,000	3,015,000	2,300,000	-	-	6,420,000	-
<b>Total Current Liabilities</b>	<b>1,530,006</b>	<b>1,597,006</b>	<b>4,229,248</b>	<b>3,053,271</b>	<b>392,225</b>	<b>536,592</b>	<b>11,338,348</b>	<b>1,993,622</b>
<b>Noncurrent Liabilities:</b>								
Compensated Benefits Payable	54,727	45,541	48,301	37,662	9,005	129,629	324,865	-
Net Pension Liability	412,748	374,771	733,042	419,823	97,522	536,245	2,574,151	210,525
Customer Deposits	-	633,496	977,500	-	-	26,260	1,637,256	-
Debt Payable, Noncurrent	-	20,570,389	22,837,948	31,815,648	-	-	75,223,985	-
Closure and Post-Closure Liability	-	-	-	-	-	3,065,981	3,065,981	-
<b>Total Noncurrent Liabilities</b>	<b>467,475</b>	<b>21,624,197</b>	<b>24,596,791</b>	<b>32,273,133</b>	<b>106,527</b>	<b>3,758,115</b>	<b>82,826,238</b>	<b>210,525</b>
<b>Total Liabilities</b>	<b>1,997,481</b>	<b>23,221,203</b>	<b>28,826,039</b>	<b>35,326,404</b>	<b>498,752</b>	<b>4,294,707</b>	<b>94,164,586</b>	<b>2,204,147</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Pensions	203,565	188,023	330,523	189,295	43,972	303,847	1,259,225	94,778
<b>NET POSITION</b>								
Net Investment in Capital Assets	119,536,287	8,194,170	116,331,762	73,694,517	52,779,812	38,523,236	409,059,784	4,665
Restricted for Debt Service	-	161,676	6,765,438	5,481,477	-	-	12,408,591	-
Unrestricted	6,817,480	(1,286,719)	8,212,995	13,034,372	5,960,393	18,806,968	51,545,489	2,587,134
<b>Total Net Position</b>	<b>\$ 126,353,767</b>	<b>\$ 7,069,127</b>	<b>\$ 131,310,195</b>	<b>\$ 92,210,366</b>	<b>\$ 58,740,205</b>	<b>\$ 57,330,204</b>	<b>473,013,864</b>	<b>\$ 2,591,799</b>
Difference between business-type adjustments to assets and liabilities:							190,730	
Net position of business-type activities:							<u>\$ 473,204,594</u>	

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

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

	<b>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</b>						<b>GOVERNMENTAL</b>	
	<b>Airport</b>	<b>Event Center</b>	<b>Water</b>	<b>Sanitary Sewer</b>	<b>Storm Water</b>	<b>Nonmajor Enterprise</b>	<b>Internal Service Funds</b>	
<b>OPERATING REVENUES</b>								
Event Sales	\$ -	\$ 6,838,339	\$ -	\$ -	\$ -	\$ -	\$ 6,838,339	\$ -
Sale of Gas and Oil	-	-	-	-	-	-	-	965,244
Sale of Parts and Labor	116,702	-	163,231	4,725	-	-	284,658	2,334,182
Water Sales	1,542	-	13,016,735	-	-	-	13,018,277	-
Sanitation Fees	-	-	15,576	11,251,413	1,453,480	9,066,976	21,787,445	-
Landing and Airport Fees	3,026,437	-	-	-	-	-	3,026,437	-
Miscellaneous Sales	18,304	47,129	30,585	426,176	31,114	35,085	588,393	297,804
Rentals	4,462,979	598,492	737,634	13,257	-	1,827,874	7,640,236	14,420
Employer Contributions	-	-	-	-	-	-	-	10,988,530
Employee Contributions	-	-	-	-	-	-	-	123,475
Total Operating Revenues	<u>7,625,964</u>	<u>7,483,960</u>	<u>13,963,761</u>	<u>11,695,571</u>	<u>1,484,594</u>	<u>10,929,935</u>	<u>53,183,785</u>	<u>14,723,655</u>
<b>OPERATING EXPENSES</b>								
Cost of Goods Sold	-	3,700,065	101,679	-	-	-	3,801,744	2,008,003
Personnel Services - Salaries and Wages	1,432,377	2,220,696	2,109,015	1,220,007	302,360	1,883,050	9,167,505	653,573
Personnel Services - Fringe Benefits	685,123	779,378	1,155,974	649,725	149,337	1,055,311	4,474,848	387,165
Professional Legal and Contracted Services	1,229,552	134,117	209,397	275,090	82,948	768,081	2,699,185	2,288
Building Equipment and Vehicle Services	948,951	879,651	1,961,084	1,219,891	526,257	1,668,126	7,203,960	335,882
Travel and Training	10,669	11,192	48,192	25,151	8,445	2,717	106,366	9,498
Operating Services	234,265	185,687	592,248	106,577	28,884	1,590,724	2,738,385	10,856,883
Operating Supplies	264,327	94,988	1,068,973	501,219	34,092	352,890	2,316,489	15,358
Depreciation Expense	3,231,226	1,106,271	4,786,923	3,703,690	1,187,210	1,907,010	15,922,330	1,006
Total Operating Expenses	<u>8,036,490</u>	<u>9,112,045</u>	<u>12,033,485</u>	<u>7,701,350</u>	<u>2,319,533</u>	<u>9,227,909</u>	<u>48,430,812</u>	<u>14,269,656</u>
Net Operating Income (Loss)	<u>(410,526)</u>	<u>(1,628,085)</u>	<u>1,930,276</u>	<u>3,994,221</u>	<u>(834,939)</u>	<u>1,702,026</u>	<u>4,752,973</u>	<u>453,999</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Grants Revenue	45,072	-	-	-	-	-	45,072	-
Special Assessment Taxes	-	-	819,489	777,336	167,061	-	1,763,886	-
Investment Income	145,383	16,935	530,677	332,347	93,659	535,409	1,654,410	58,440
Gain (Loss) on Disposal of Capital Assets	(5,165,370)	-	5,608	(3,271)	(15,332)	326,653	(4,851,712)	132,414
Interest and Fiscal Charges	-	(863,429)	(839,050)	(1,101,034)	-	-	(2,803,513)	-
Total Nonoperating Revenues (Expenses)	<u>(4,974,915)</u>	<u>(846,494)</u>	<u>516,724</u>	<u>5,378</u>	<u>245,388</u>	<u>862,062</u>	<u>(4,191,857)</u>	<u>190,854</u>
Net Income (Loss) Before Capital Charges, Capital Grants, Capital Contributions, and Transfers	<u>(5,385,441)</u>	<u>(2,474,579)</u>	<u>2,447,000</u>	<u>3,999,599</u>	<u>(589,551)</u>	<u>2,564,088</u>	<u>561,116</u>	<u>644,853</u>
Capital Charges	-	-	206,013	98,970	-	-	304,983	-
Capital Grants	10,699,361	-	-	-	-	-	10,699,361	-
Capital Contributions	-	-	729,522	20,316	3,608,522	-	4,358,360	5,442
Transfers In	20,371	2,278,633	177,621	-	143,007	150,000	2,769,632	330,000
Transfers Out	(159,175)	(225,493)	(869,205)	(177,852)	(103,849)	(1,119,733)	(2,655,307)	(255,889)
Change in Net Position	<u>5,175,116</u>	<u>(421,439)</u>	<u>2,690,951</u>	<u>3,941,033</u>	<u>3,058,129</u>	<u>1,594,355</u>	<u>16,038,145</u>	<u>724,406</u>
Net Position, Beginning of Year	<u>121,178,651</u>	<u>7,490,566</u>	<u>128,619,244</u>	<u>88,269,333</u>	<u>55,682,076</u>	<u>55,735,849</u>	<u>-</u>	<u>1,867,393</u>
Net Position, End of Year	<u>\$ 126,353,767</u>	<u>\$ 7,069,127</u>	<u>\$ 131,310,195</u>	<u>\$ 92,210,366</u>	<u>\$ 58,740,205</u>	<u>\$ 57,330,204</u>	<u>\$ -</u>	<u>\$ 2,591,799</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds 160,625  
Changes in net position of business-type activities \$ 16,198,770

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

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

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

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

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

**ASSETS**

Receivables:

Accrued Interest and Dividends	\$ 310,494
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Investments at Fair Value:

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

**LIABILITIES**

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

**NET POSITION**

Restricted For:

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

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

**ADDITIONS**

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

**DEDUCTIONS**

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

# NOTES TO THE BASIC FINANCIAL STATEMENTS

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. REPORTING ENTITY**

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

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

Proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The operating revenues of the City's enterprise funds and the internal service funds are charges to customers for sales and services. Similarly, operating expenses include the cost of goods and services sold, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

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

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

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

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

**1. Cash and Investments**

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

**2. Inventories and Prepaid Items**

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

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

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

**3. Capital Assets**

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

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

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

**4. Deferred Outflows of Resources**

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

The City reports defined benefit pension plans in this category.

**5. Unearned Revenues**

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

**6. Long-Term Liabilities**

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

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

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

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

**7. Compensated Absences / Termination Benefits**

Annual Leave

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

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

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

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

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

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

Sick Leave

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

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

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

**8. Pensions**

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

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

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

**9. Deferred Inflows of Resources**

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

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

**10. Net Position and Fund Balance**

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

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

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

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

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

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

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

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

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

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

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

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

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

The detail of this reconciliation is as follows:

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

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

In the statement of activities, only the gain/(loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase/(decrease) financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. \$ (297,364)

Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities \$ (297,364)

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

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

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

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

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

### **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. BUDGETARY INFORMATION**

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

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

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

**B. DEFICIT FUND BALANCE**

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

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

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

**IV. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS**

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

**Cash and Investments**

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

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

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

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

**Custodial Credit Risk**

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

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

**B. INVESTMENTS**

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

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

State statutes authorize the City to invest in the following:

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

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

Interest Rate Risk

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

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

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurement

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

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

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

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

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

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

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

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

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**C. NOTES RECEIVABLE**

Notes receivable as of December 31, 2019 were:

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

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

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

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

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**D. CAPITAL ASSETS**

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

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

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

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

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

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

**E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

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

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

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

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

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

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

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**F. LONG-TERM DEBT**

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

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

General Obligation Bonds

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

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

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**Governmental Activities**

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

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

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

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

**Revenue Bonds**

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

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

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

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

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

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

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

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

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

**G. CONDUIT DEBT**

In the past, the City has approved issuance of Industrial Revenue Bonds in the form of conduit debt to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the financed property and are payable solely from payments received on the underlying mortgage loans. Ownership of the acquired facilities will transfer to the private-sector entity upon repayment of the bonds. Neither the City, State of North Dakota, nor

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any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, three series of industrial revenue bonds were outstanding. The aggregate principal balance is unknown. Neither the State of North Dakota nor the City has a central repository. The only requirement for this type of issue is to request the amount needed for City approval. This amount is most often in excess of the actual amount issued. The City will be notified once the industrial revenue bonds are completely paid or called.

**H. COMMITMENTS**

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

**I. TAX ABATEMENTS**

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

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

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

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

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

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

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

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**J. RISK MANAGEMENT**

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

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

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

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

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

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

Employee Insurance

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

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

State Fire and Tornado and Bonding Fund

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

Worker's Compensation

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

**K. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY**

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

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

**L. COST-SHARING ARRANGEMENT**

Central Dakota Communications Center and Emergency Management

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

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

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

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

**CenCom Total Assets:**

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

**M. EMPLOYEE RETIREMENT PLANS**

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

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

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

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

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City of Bismarck Employees' Pension Plan

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

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

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

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

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

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

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

**Contributions**

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

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

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

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

**Investments**

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

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

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

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<u>Asset Class</u>	<u>Target Allocation</u>
Large Domestic Equity	15%
Small Domestic Equity	10%
Developed International Equity	12%
Emerging International Equity	5%
Private Equity	4%
Domestic Fixed Income	30%
International Fixed Income	4%
Real Estate	10%
Infrastructure	5%
Timber	5%
	<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 increase or decrease in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases or decreases are computed based on changes in the fair value of investment between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

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

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

<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%
International Fixed Income	2.85%
Real Estate	6.40%
Infrastructure	7.50%
Timber	7.10%

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**Actuarial Assumptions**

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

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

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

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

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

<b>Schedule of Investment Returns</b>	2019
Annual money-weighted rate of return, net of investment expense	16.5%

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

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

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

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

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<b>Net Pension Liability</b>	<b>2019</b>
Employer's proportion of the net pension liability	85.06%
Employer's proportionate share of the net pension liability	8,455,386
Employer's covered payroll	24,652,588
Plan fiduciary net position	108,921,100
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	34.30%
Plan fiduciary net position as a percentage of the total pension liability	91.64%

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

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

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

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

City of Bismarck Police Pension

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

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

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

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

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

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

**Contributions**

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

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

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

**Schedule of Contributions**

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

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

**Investments**

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

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

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

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The following was the plans asset allocation as of December 31, 2019:

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

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

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

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

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

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**Actuarial Assumptions**

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

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

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

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

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

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

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

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

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

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

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

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

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

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Bismarck Firefighters' Relief Association Plan

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

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

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

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

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

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

**Contributions**

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

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

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

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

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

**Investments**

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

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

**Actuarial Assumptions**

**Firefighters' Association Pension Plan**

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

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

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

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

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

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

<b>Schedule of Investment Returns</b>	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	6.0%

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

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

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

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

**N. SUBSEQUENT EVENTS**

Coronavirus Pandemic

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

Adoption of GASB Statement No. 84, Fiduciary Activities

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

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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

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

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

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

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

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

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

City of Bismarck Employee's Pension

**Proportionate Share of the Net Pension Liability**

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

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

**Schedule of Contributions**

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

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

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

**Notes to the Required Supplementary Information**

**Actuarial Assumptions**

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

**City of Bismarck Police Pension**

**Net Pension Liability**

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

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

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

**Schedule of Contributions**

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

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

**Notes to the Required Supplementary Information**

**Actuarial Assumptions**

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

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

**Bismarck Firefighters' Relief Association Plan**

**Net Pension Liability**

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

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

**Schedule of Contributions**

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

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

**Notes to the Required Supplementary Information**

**Actuarial Assumptions**

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

# **COMBINING & INDIVIDUAL FUND STATEMENTS & SCHEDULES**



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

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

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

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

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

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

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **MAJOR DEBT SERVICE FUNDS**

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

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

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

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

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

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

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

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

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

## **NONMAJOR DEBT SERVICE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## NONMAJOR CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR ENTERPRISE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR INTERNAL SERVICE FUNDS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**

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

**GOVERNMENTAL FUNDS CAPITAL ASSETS:**

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

**INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:**

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

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

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

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

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

# STATISTICAL SECTION



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

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

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

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

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

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

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

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

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

\*Implemented GASB #54 with 2011 CAFR.

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

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

Source: Fiscal Services

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

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

<sup>1</sup> Includes tax revenues from pension trust funds.

Source: Fiscal Services

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

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

Source: Burleigh County Auditor/Treasurer Office

**CITY OF BISMARCK, NORTH DAKOTA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING<sup>1</sup> GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year <sup>2</sup>	City of Bismarck		Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Total City Millage	Burleigh County Millage	Public School Millage	Bismarck Park District	State of North Dakota	
2009	80.63	80.63	54.45	142.03	39.63	1.00	317.74
2010	80.68	80.68	54.55	142.13	39.82	1.00	318.18
2011	79.05	79.05	55.32	140.99	39.62	1.00	315.98
2012	75.77	75.77	53.99	138.39	39.55	1.00	308.70
2013	69.35	69.35	50.28	101.68	38.50	1.00	260.81
2014	63.10	63.10	48.63	103.60	37.30	1.00	253.63
2015	59.07	59.07	47.03	100.42	36.08	1.00	243.60
2016	57.01	57.01	45.77	100.47	34.68	1.00	238.93
2017	57.01	57.01	36.66	103.92	34.31	1.00	232.90
2018	56.88	56.88	31.66	103.91	34.23	1.00	227.68

<sup>1</sup> 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.

<sup>2</sup> 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**

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

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

Source: Assessing Division

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

<b>Fiscal Year</b>	<b>Total Tax Levy for Fiscal Year<sup>1</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2010	15,703,966	14,671,145	0.9342	164,566	14,835,711	0.9447
2011	16,133,477	15,207,718	0.9426	216,757	15,424,475	0.9561
2012	16,431,836	15,478,265	0.9420	187,816	15,666,081	0.9534
2013	16,904,819	15,953,724	0.9437	139,427	16,093,151	0.9520
2014	17,659,802	16,786,435	0.9505	101,201	16,887,636	0.9563
2015	18,327,284	17,501,225	0.9549	86,534	17,587,759	0.9596
2016	19,146,750	18,371,529	0.9595	116,676	18,488,205	0.9656
2017	20,008,099	19,260,495	0.9626	115,708	19,376,203	0.9684
2018	21,478,030	20,279,319	0.9442	135,005	20,414,324	0.9505
2019	21,970,650	20,778,395	0.9457	185,269	20,963,664	0.9542

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

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2019**

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

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

Sources:  
Burleigh County Auditor/Treasurer Office  
Fiscal Services

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

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

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

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

Sources:

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

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

Fiscal Year	Water Revenue Bonds						Sanitary Sewer Bonds					
	Water Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sanitary Sewer Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2010	10,278,544	5,098,702	5,179,842	1,165,000	403,604	3.30	5,428,005	2,641,739	2,786,266	785,000	455,674	2.25
2011	9,957,329	5,637,538	4,319,791	1,210,000	478,992	2.56	5,669,910	3,523,287	2,146,623	810,000	440,375	1.72
2012	12,926,268	5,945,048	6,981,220	7,930,000	412,206	0.84	6,167,541	3,254,117	2,913,424	835,000	420,125	2.32
2013	12,222,233	6,261,250	5,960,983	1,350,000	477,553	3.26	5,840,563	3,387,536	2,453,027	860,000	399,250	1.95
2014	12,869,433	6,195,938	6,673,495	1,685,000	818,438	2.67	6,719,390	3,588,061	3,131,329	885,000	377,750	2.48
2015	14,557,406	6,658,423	7,898,983	2,215,000	1,063,525	2.41	7,224,308	3,851,519	3,372,789	910,000	355,625	2.66
2016	14,483,419	6,476,574	8,006,845	2,765,000	1,018,350	2.12	8,917,827	3,624,122	5,293,705	1,535,000	1,304,875	1.86
2017	16,662,851	7,103,387	9,559,464	2,815,000	956,170	2.53	10,209,905	4,714,551	5,495,354	2,155,000	1,236,750	1.62
2018	16,504,992	7,604,585	8,900,407	2,870,000	880,017	2.37	10,963,919	4,448,093	6,515,826	2,200,000	1,152,750	1.94
2019	13,963,761	7,246,562	6,717,199	2,940,000	808,059	1.79	11,695,571	3,997,660	7,697,911	2,250,000	1,067,125	2.32

Fiscal Year	Special Assessment Bonds				Motel, Liquor, Restaurant Bonds			
	Special Assessment Collections	Debt Service		Coverage	Lodging, Liquor, Food Tax Collections *	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2010	9,109,289	8,165,000	2,213,955	0.88	1,984,688	855,000	142,640	1.99
2011	9,566,595	8,445,000	2,096,794	0.91	2,217,379	910,000	112,715	2.17
2012	10,488,662	13,175,000	1,971,244	0.69	2,498,156	1,940,000	68,548	1.24
2013	11,346,780	9,715,000	1,840,051	0.98	2,672,862	-	-	-
2014	11,690,035	10,660,000	2,108,120	0.92	2,809,757	830,000	1,184,291	1.39
2015	15,506,201	19,135,000	2,315,618	0.72	2,910,312	1,000,000	990,206	1.46
2016	15,657,902	13,175,000	3,208,493	0.96	2,848,332	1,015,000	960,206	1.44
2017	17,236,969	15,755,000	3,356,638	0.90	2,877,076	1,030,000	929,756	1.47
2018	18,394,111	16,170,000	3,740,823	0.92	2,919,682	1,050,000	898,856	1.50
2019	18,499,295	16,455,000	3,444,384	0.93	3,036,341	1,075,000	867,356	1.56

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

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>2</sup></b>	<b>Median Age<sup>1</sup></b>	<b>Public School Enrollment<sup>3</sup></b>	<b>Unemployment Rate<sup>4</sup></b>
2010	61,272	3,495,812,688	57,054	38.0	10,852	3.5
2011	62,120	3,829,946,480	61,654	38.0	10,971	3.1
2012	64,588	4,097,462,720	63,440	38.0	11,424	2.7
2013	66,608	4,892,290,992	73,449	38.0	11,656	2.4
2014	68,601	3,019,653,476	73,371	38.0	12,020	2.5
2015	70,766	3,387,188,980	80,166	38.0	12,380	2.3
2016	72,926	3,387,893,453	78,906	38.0	12,683	2.5
2017	72,793	3,200,488,435	75,384	38.0	12,861	2.6
2018	74,294	3,301,033,103	77,952	38.0	13,007	2.4
2019	77,880	3,497,297,521	82,701	38.0	13,331	2.4

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

Sources:

<sup>1</sup> Community Development

<sup>2</sup> ND State Tax Department

<sup>3</sup> Bismarck Public Schools

<sup>4</sup> North Dakota Job Service Labor Market Information Center website

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

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

Sources:

City of Bismarck 2019 Budget

Bismarck Mandan Chamber

ND Job Service-Labor Market Information Center website

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

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

Source: City of Bismarck Annual Budgets

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

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

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

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

## Sources:

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

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

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

Note: Parking lots only include Parking Authority lots.

Source:

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