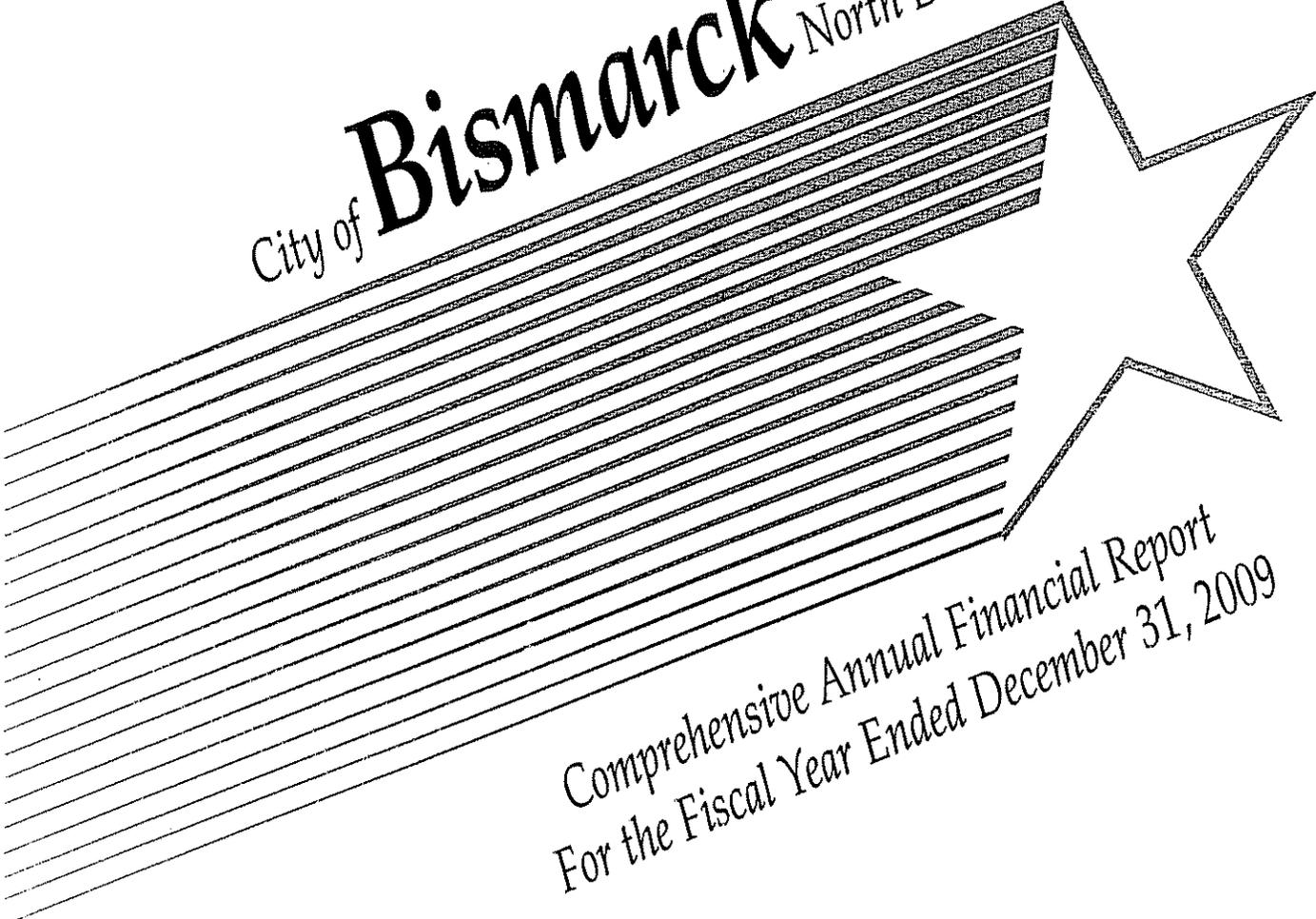


City of **Bismarck** North Dakota



Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2009

CITY OF BISMARCK, NORTH DAKOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

December 31, 2009

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009**

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June 30, 2010

**The Honorable Mayor,
Members of the City Commission,
And Citizens of Bismarck, North Dakota**

The Comprehensive Annual Financial Report (CAFR) of the City of Bismarck, North Dakota for the fiscal year ended December 31, 2009 is hereby submitted. This complete set of financial statements has been prepared by the Fiscal Services Division of the City's Finance Department in accordance with generally accepted accounting principles (GAAP) and audited by an independent licensed certified public accounting firm in accordance with the generally accepted auditing standards and applicable laws.

GAAP requires management to provide a narrative introduction overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). The MD&A section follows the report of the independent auditors. This transmittal letter is designed to complement 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 of Bismarck. 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 unqualified opinion, and the City of Bismarck's financial statements for the fiscal year ending December 31, 2009 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 Single Audit Act of 1996 and Office of Management and Budget Circular A-133.

City of Bismarck Profile

The City of Bismarck, incorporated in 1875, is North Dakota's state 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 31.52 square miles and an estimated population of 60,389. 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 done periodically by the governing body of the City.

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, and city attorney and hiring department heads. 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. There are no component units that are defined as legally separate entities for which the primary government is financially accountable. 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 and wastewater utility service, solid waste disposal, municipal airport, library, and cultural centers and events.

The City adopts an annual appropriated budget approved by the City's governing body. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annual appropriated budget in accordance with the North Dakota Century Code (N.D.C.C.) and the City of Bismarck's Home Rule Charter. All 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. To support this effort, the citizens of Bismarck voted to dedicate a portion of sales tax revenue to be used to attract new business and industry to the City. The Vision Fund Committee administers this funding and has yielded some positive results in attracting new businesses to the City with development incentives such as building lease provisions, workforce training and property and corporate tax exemptions.

In 2008 the Mayor also established the Economic Development Advisory Group (MEDAG) in conjunction with the Mayor of the City of Mandan to develop a vision and provide specific recommendations to enable more efficient and effective local economic development efforts. In 2009 MEDAG identified enabling strategies for three global initiatives: quality of life, sustainable opportunity and opportunity development and identified objectives and goals for each area. The Mayors have re-established the collaborate group of commissioners from the two local cities and counties, MBBM, (Mandan, Bismarck, Burleigh and Morton) to develop strategies for implementation of the initiatives.

The Commission is committed to new as well as current initiatives that support the economic growth of our City. The Commission adopted a Growth Plan that manages residential and commercial development to enhance the quality of life and promote economic vitality. The Commission established the Renaissance Zone to encourage reinvestment in a 25 block area of downtown properties. This program provides both property and income tax incentives for investments in qualified projects. The City approved four rehabilitation projects, two purchase with major improvement projects and eight lease projects in 2009. This is supplemented by the CORE Incentives Programs to stimulate new development and encourage rehabilitation of the downtown area. The incentives for the projects are funded by the downtown Tax Increment District. Eleven projects were approved in 2009. These programs reflect the

commitment of the City Commission to support the revitalization of downtown and strengthen the core of our community.

An important factor instrumental in attracting new industry, business, and families to the Bismarck area is the exceptionally low crime rate. The City of Bismarck continues to enjoy one of the lowest crime rates in the country and was ranked 35th safest metro area by Morgan Quinto Press. Members of the Bismarck Police Department are committed to working with members of our community to ensure this trend continues. The Police Department is also the only accredited Municipal Law Enforcement agency in the state and was re-accredited in 2008 with meritorious status for 15 or more years of accreditation.

Bismarck continues to receive recognition from a number of publications in 2009. CBS's MoneyWatch.com puts Bismarck in the #4 spot for "Best Places to Retire." Outdoor Life magazine ranked Bismarck #6 on 200 Best Places to Live list and Bismarck was selected for Relocate America's Top 100 Places to Live list. Bismarck was also named Playful City USA by Kaboom!. CNNMoney ranked Bismarck #2 in the best metro areas for small business startups. Forbes magazine ranked Bismarck #6 for the best small areas for business and careers. North Dakota was also #7 on Forbes rankings of the best states to do business in. The ratings reflect the City's commitment to preserve the quality of life and attract new business.

Many articles including Time Magazines and MSNBC featured stories on the strength and dynamic economy in North Dakota. Despite the closure of the Bobcat production facility, Bismarck has managed to avoid falling into economic recession. In accordance with the Bureau of Labor Statistics reported in Business Week August 30, 2009, Bismarck continued to have the nation's lowest unemployment rate, government workers increased from 11,700 to 12,600 and education and health-service employees were 11,100 up from 10,800 a year ago. The local economic outlook remains positive.

Taxable sales and purchases have stabilized in 2009 as compared to 2008 for Bismarck. Sales tax was down 1.6% but hospitality taxes were up. The revenue increase for motel, restaurant and liquor tax was 5.2%, the hotel and motel tax was 8.43% and car rental tax was 16.47%.

Bismarck continues to experience growth in its tax base through both property value enhancement and new construction. In 2009, 202 building permits were issued for residential construction within the City's corporate limits. This included 186 single-family homes and 16 multi-family homes, which provided an additional 294 residential units. Residential construction in the City's extraterritorial jurisdiction and the adjacent zoned areas of Burleigh County also continues to grow with a total of 76 single-family building permits issued in 2009. Growth in the property tax base for the year 2009 was 5.46%. The table below provides the percentage change by property classification.

Property Class	2008 Market Value	2009 Market Value	Percentage Change
Commercial	\$1,396,963,500	\$1,493,923,900	6.94 %
Residential	2,573,960,400	2,693,652,400	4.65 %
Agricultural	312,600	313,000	.13 %
Total	\$ 3,971,236,500	\$4,187,889,300	5.46 %

All cash balances of the City are invested in certificate of deposits, bonds, treasury bills, or other securities that are a direct obligation insured or guaranteed by the treasury of the United States. The amount of income earned on the investments for the City was \$1,551,802 with an average interest rate of 2.01% for the fiscal year. Pension funds are invested with the North Dakota Retirement and Investment Office. The City Employee pension and Police pension had a net investment increase of \$8,598,693 for an average gain of 13.5% for the fiscal year.

Major Initiatives in 2009

The Commission authorized a number of new construction projects. These projects are in addition to the Children's Library Renovation project. The \$600,000 project was funded with private donations raised by the Library Foundation and completed in December of 2009.

The Commission authorized the purchase of land for a new north fire station in 2007. In 2008 construction funding of \$2.378 million was authorized by the voters in 2008 from Sales Tax. The station was bid and construction started in the spring of 2009 with completion scheduled for early 2010. In addition the Commission authorized 15 additional firefighters to staff the station and \$937,000 for the purchase of a new Quint fire truck.

The Commission continued the \$2 million annual funding from Sales Tax for a new street replacement program to replace hard surfaced streets in the City with permanent full depth concrete which is coordinated with water and sewer main replacement projects. The project in 2009 included a 55 block area in the Highland Acres addition. The program will be completed over period of years. The program was expanded to also include a \$1 million subsidy for the annual city wide street resurfacing mill and overlay chip seal project.

The stimulus projects for 2009 included several major street improvements. The projects included West Main Avenue concrete rehabilitation, under drain installation and pavement reconstruction for North 19th Street and pavement mill and overlay of 7th, 9th and Washington Streets.

Major upgrades continue in the Water Treatment Plant. Construction began in the horizontal collector well water intake with scheduled completion in 2012. Water transmission mains from the treatment plant were upgraded and two 24" diameter mains were replaced with a 30" main and a 42" main for greater capacity. The \$20 million upgrade of the Wastewater Treatment Plant was completed in 2009.

The Commission created the Bismarck Recycling Task Force to formulate recommendations for their consideration. This was in response to a citizen survey in 2008 that indicated there was a need for more recycling opportunities in the City. The Task Force recommendation include consideration for a two-sort curbside recycling program, pay as you throw volume base fee structure, recycling education program and contracting with commercial garbage haulers for the recycling program.

In June of 2009, two new hubs were provided at the Bismarck Airport. This included non-stop air service from Bismarck to Salt Lake City UT with Delta Airlines and Chicago (O'Hare), IL with United Airlines. Passenger boardings increased to 175,626 in 2009, up 4% from 2008. The Bismarck Airport also received the 2008 Commercial Service Airport of the Year and the 2009 FAA Great Lakes Safety Award. The construction of corporate hangar was also completed in 2009.

All of these initiatives reflect the Commission's commitment to improve the level of service and enhance the quality of life in our community.

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 of Bismarck for its comprehensive annual financial report for the year ended December 31, 2008. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized 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,

A handwritten signature in black ink, appearing to read "Sheila Hillman". The signature is written in a cursive, flowing style.

Sheila Hillman
Director of Finance

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



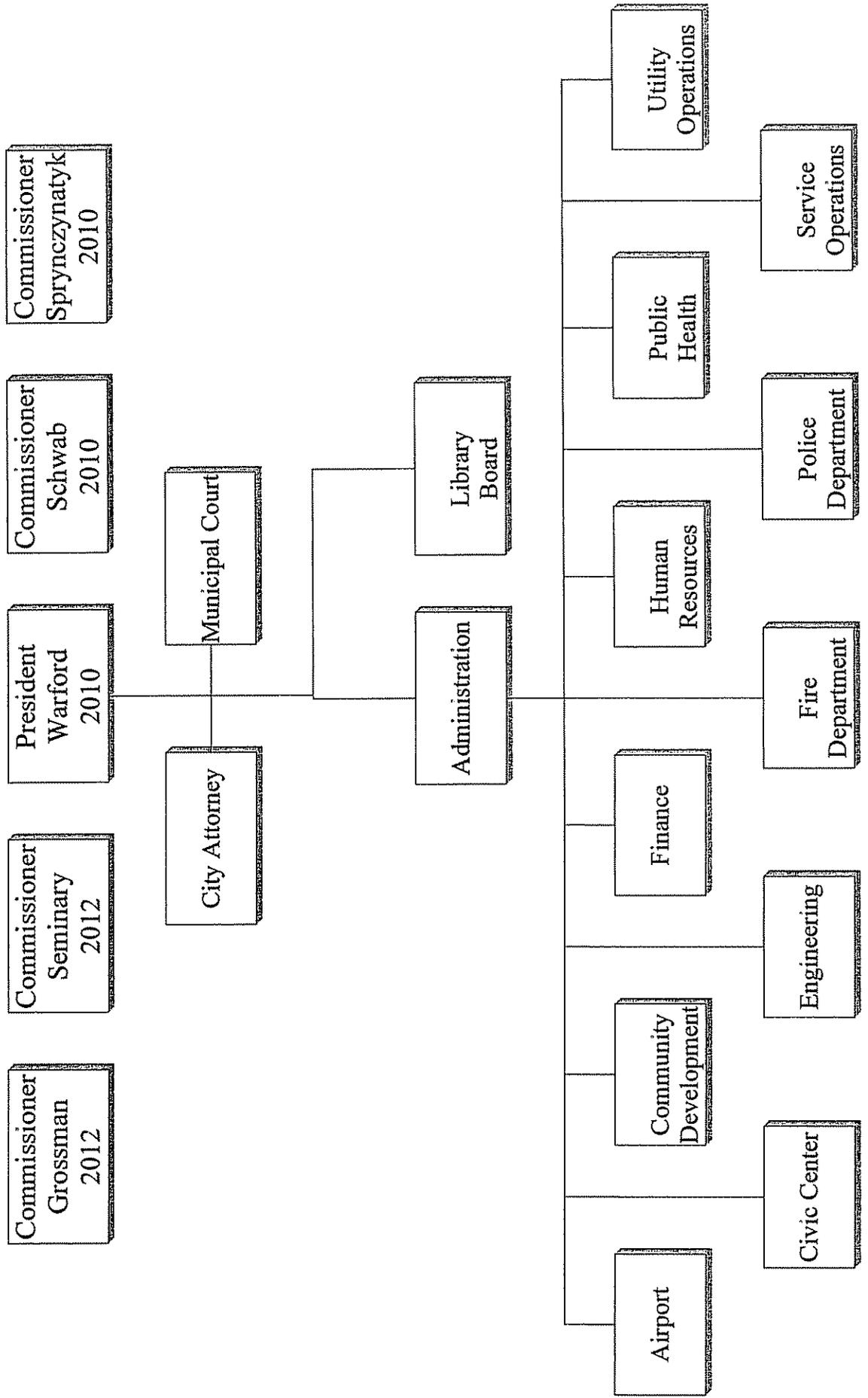
A stylized, handwritten signature in black ink, appearing to be "J.H.", written over a white background.

President

A handwritten signature in black ink that reads "Jeffrey R. Emmer".

Executive Director

City of Bismarck



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

Mayor-Commissioners:

	Initial Term <u>Commenced</u>	Current Term Expires <u>December 31</u>
Mayor, John Warford	2002	2010
Commissioner, Parrell Grossman	2008	2012
Commissioner, Steve Schwab	2006	2010
Commissioner, Mike Seminary	2008	2012
Commissioner, Connie Sprynczynatyk	1990	2010

Other Elected Officials:

Municipal Judge..... William Severin

Appointed Officials:

City Administrator.....Bill Wocken
 City Attorney..... Charles Whitman
 Assistant City Administrator..... Keith Hunke

Department Directors:

Airport.....Greg Haug
 Civic Center.....Charlie Jeske
 Engineering.....Mel Bullinger
 Finance.....Sheila Hillman
 Fire Department.....Joel Boespflug
 Human Resources.....Charles Klein
 Library.....Tom Jones
 Public Health.....Paula Flanders
 Community Development.....Carl Hokenstad
 Police Department.....Keith Witt
 Public Works Service Operations.....Jeff Heintz
 Public Works Utility Operations.....Keith Demke



INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board
of City Commissioners
City of Bismarck
Bismarck, North Dakota

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, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the **City of Bismarck's** management. 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **City of Bismarck**, North Dakota, as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison schedules for the General Fund and the Sales Tax Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2010, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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1730 Burnt Boat Loop Ste. 100 | P.O. Box 1914 | Bismarck, ND 58502-1914 | T 701.255.1091 | F 701.224.1582 | EOF

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 18 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.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the **City of Bismarck's** financial statements as a whole. The introductory section, supplementary information - combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The supplementary information - combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

Eide Bailly LLP

Bismarck, North Dakota
June 30, 2010

CITY OF BISMARCK, NORTH DAKOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Bismarck, we offer readers of the City of Bismarck's financial statements this narrative overview and analysis of the financial activities of the City of Bismarck for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Bismarck exceeded its liabilities at the close of the most recent fiscal year by \$536,049,052 (net assets). Of this amount, \$126,051,017 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$26,422,756 which was a decrease of \$6,109,320 over 2008. The increase is attributed to the philosophy of Bismarck to fund projects through accumulative revenue instead of financing. The decrease in this funding is a result of a construction of a new fire station, completion of a major upgrade of the Waste Water Treatment and initial construction phase of the Water Treatment Plant.
- As of the close of the current fiscal year, the City of Bismarck's governmental funds reported combined ending fund balances of \$267,388,373, an increase of \$17,422,744 in comparison with the prior year. The unrestricted net assets of \$98,313,442, 37% of the governmental net assets, are available for spending at the government's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$20,617,386 which is 71% of total general fund expenditures and 72% of total general fund revenues, including transfers.
- Revenue from all sources totaled \$111,701,018 which was a decrease of \$2,248,653 over 2008. This decrease is attributed to a decline in the interest rate earned investments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Bismarck's basic financial statements. The City of Bismarck'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 of Bismarck's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets 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 of Bismarck 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 of Bismarck include general government, public safety, highways and streets, health, and culture and recreation. The business-type activities of the City of Bismarck include an Airport, Airport Flightline, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, and Parking Authority Lots.

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

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

Because of 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 of Bismarck maintains thirty-four 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 twenty-nine 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 elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 21 – 26 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Airport Flightline, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, and Parking Authority Lots. Airport, Water, and Sanitary Sewer are considered major 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 elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 27 – 30 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Bismarck's own programs. The accounting used for fiduciary funds is much like that used for

proprietary funds. The basic fiduciary fund financial statements can be found on pages 31 – 32 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33 – 64 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 of Bismarck's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 57 - 60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Bismarck, assets exceeded liabilities by \$536,049,052 at the close of the most recent fiscal year.

The following table presents condensed financial information on the City's Net Assets as of December 31, 2008 and December 31, 2009.

City of Bismarck Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Current and other assets	\$ 113,746,973	\$ 121,345,906	\$ 56,191,226	\$ 52,089,889	\$ 169,938,199	\$ 173,435,795
Capital assets	200,580,101	212,301,700	238,719,207	252,828,613	439,299,308	465,130,313
Total assets	314,327,074	333,647,606	294,910,433	304,918,502	609,237,507	638,566,108
Long-term liabilities outstanding	57,809,411	58,478,671	28,100,880	30,373,575	85,910,291	88,852,246
Other liabilities	6,552,035	7,780,562	7,148,886	5,884,248	13,700,921	13,664,810
Total liabilities	64,361,446	66,259,233	35,249,766	36,257,823	99,611,212	102,517,056
Net assets:						
Invested in capital assets, net of related debt	145,009,837	156,325,434	212,244,535	224,137,364	357,254,372	380,462,798
Restricted	11,898,341	12,749,497	9,727,626	16,785,740	21,625,967	29,535,237
Unrestricted	93,057,450	98,313,442	37,688,506	27,737,575	130,745,956	126,051,017
Total net assets	\$ 249,965,628	\$ 267,388,373	\$ 259,660,667	\$ 268,660,679	\$ 509,626,295	\$ 536,049,052

By far the largest portion of the City of Bismarck's net assets (71%) 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 of Bismarck uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Bismarck'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 of Bismarck's ratio of long-term liabilities to capital assets is 19%. The ratio reflects the City of Bismarck's strategy of using current resources and cash balance to finance capital assets with the exception of special assessment districts.

An additional portion of the City of Bismarck's net assets (6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$126,051,017 may be used to meet the City's ongoing services to the citizens.

At the end of the current fiscal year, the surplus of \$98,313,442 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 asset amount.

The City of Bismarck's current ratio (current assets/current liabilities, including debt payments due in less than 1 year) for the governmental activities is 6.77 and for the business-type activities is 6.27 which represents a strong capacity to meet current obligations.

The following table presents condensed financial information on the City's Changes in Net Assets for the fiscal year ending December 31, 2008 and December 31, 2009.

City of Bismarck Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Revenues:						
Program revenues:						
Charges for services	\$ 12,174,856	\$ 11,926,693	\$ 26,559,755	\$ 25,857,397	\$ 38,734,611	\$ 37,784,090
Operating grants and contributions	8,623,585	11,508,981	98,518	-	8,722,103	11,508,981
Capital grants and contributions	23,052,334	17,986,128	5,138,533	8,037,085	28,190,867	26,023,213
General revenues:						
Taxes	34,095,151	34,682,556	97,298	78,488	34,192,449	34,761,044
Investment earnings	2,032,392	1,076,333	1,698,200	475,469	3,730,592	1,551,802
Gain on disposal of assets	163,874	28,153	215,175	43,735	379,049	71,888
Total revenues	80,142,192	77,208,844	33,807,479	34,492,174	113,949,671	111,701,018
Expenses:						
General Government	13,854,192	13,695,936	-	-	13,854,192	13,695,936
Public Safety	15,366,898	16,956,774	-	-	15,366,898	16,956,774
Highways and Streets	7,025,955	7,895,728	-	-	7,025,955	7,895,728
Health and Welfare	2,411,139	2,494,859	-	-	2,411,139	2,494,859
Culture and Recreation	8,083,899	8,902,739	-	-	8,083,899	8,902,739
Interest and Fiscal Charges	2,177,509	2,505,666	-	-	2,177,509	2,505,666
Public Works	7,493,102	8,170,980	-	-	7,493,102	8,170,980
Airport	-	-	5,301,641	5,680,499	5,301,641	5,680,499
Airport Flightline	-	-	716,809	-	716,809	-
Solid Waste Disposal	-	-	2,457,040	2,449,207	2,457,040	2,449,207
Solid Waste Collections	-	-	1,801,698	2,084,233	1,801,698	2,084,233
Water	-	-	8,229,859	7,603,788	8,229,859	7,603,788
Sanitary Sewer	-	-	4,526,528	4,921,746	4,526,528	4,921,746
Storm Water	-	-	847,819	989,869	847,819	989,869
Parking Authority Lots	-	-	1,123,507	926,238	1,123,507	926,238
Total expenses	56,412,694	60,622,682	25,004,901	24,655,580	81,417,595	85,278,262
Increase in net assets before transfers	23,729,498	16,586,162	8,802,578	9,836,594	32,532,076	26,422,756
Transfers	(840,854)	836,582	840,854	(836,582)	-	-
Increase in net assets	22,888,644	17,422,744	9,643,432	9,000,012	32,532,076	26,422,756
Net assets, as adjusted - 1/1	227,076,985	249,965,629	250,017,235	259,660,667	477,094,220	509,626,296
Net assets - 12/31	\$ 249,965,629	\$ 267,388,373	\$ 259,660,667	\$ 268,660,679	\$ 509,626,296	\$ 536,049,052

Governmental Activities

Governmental activities increased the City of Bismarck's net assets by \$17,422,744, accounting for 66% of the total increase in the net assets of the City of Bismarck. The increase is attributed to the philosophy of Bismarck to fund projects through accumulative revenue instead of financing. In 2009 the City received an additional \$1.7 million from the State for street repair scheduled to be completed in 2010. Current revenues also paid for the construction of a new fire station with costs exceeding \$2 million. The City used over \$10 million of current revenue to cash flow new street improvement projects which are bonded in 2010.

Business-type Activities

Business-type activities increase the City of Bismarck's net assets by \$9,000,012, accounting for 34% of the total growth in the City of Bismarck's net assets. Water and Sanitary Sewer rates were increased to provide revenue for future funding of infrastructure improvements. Capital Contributions from special assessments contributed to an increase in revenue for new water, sanitary sewer and storm sewer assets.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City of Bismarck'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 of Bismarck'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 of Bismarck's governmental funds reported combined ending fund balances of \$57,669,448, an increase of \$2,913,116 in comparison with the prior year. Fund balance has been reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period of \$1,482,455, 2) to reserve for debt service payments of \$700,000, 3) for advances to other funds of \$1,139,977, and 4) for long-term receivables of \$1,487,500 and 5) for prepaid items of \$26,610.

The General Fund is the chief operating fund of the City of Bismarck. At the end of the current fiscal year, unreserved fund balance of the general fund was \$20,617,186, while total fund balance reached \$21,602,186. The fund balance decreased by \$409,264 as compared to 2008. The change reflects the planned reduction for one-time expenditures including a new financial system in 2009.

The debt service funds have a total fund balance of \$11,817,883, of which \$231,614 is reserved for the payment of advances to other funds and \$700,000 is reserved for future debt service payments. The net increase in fund balance during the current year in the debt service fund was \$851,111. The debt service funds have increased due to the growth in the commercial residential development that is financed by special assessment revenue.

The construction project fund accounts for a majority of the improvements to the street, water and sewer mains. The construction projects have a fund balance of \$4,598,661. The construction tax increment district has a fund balance of \$15,873,623 while the street improvement construction fund has a negative fund balance of \$17,119,061. The City initially cash flows the improvement districts which results in the negative fund balances. The City bonds through a sale of special assessment bonds for these expenses in 2010.

Proprietary Funds

The City of Bismarck's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the proprietary funds at the end of the year amounted to \$27,719,266. All individual proprietary funds reported increases in net assets, except for Solid Waste Disposal and Parking Authority Lots. Solid Waste Disposal has a negative change in net assets of \$1,220,706 due to transfer of revenue to the Solid Waste Collection and Roads & Streets which reallocates the revenue. Parking Authority Lots has a negative change in net assets of \$53,810 due to an increase in depreciation expense.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a change in appropriations between the original and final amended budget of \$600,000 due to a transfer of expenditure authority to Roads & Streets which was a result of an increase of State appropriation for street improvements. However, significant variances between budget and actual are as follows:

- Taxes decreased by \$494,303 which a majority was attributed to a discount of five percent on early payments.
- Charges for services exceed budgeted by \$558,770 due to an increase of approximately \$200,000 in engineer fees from special assessment projects which resulted from a growth in commercial and residential development and an increase of approximately \$263,000 for Civic Center events.
- Interest rates decrease in 2009 resulting in a deficit of \$273,862.
- Licenses and Permits decreased of \$259,788 due to a decline in the number of permits issued for new construction.
- Finance surplus of \$360,965 was due to vacant positions and delay in hiring current personnel and purchasing financial software.
- Community Development surplus of \$308,844 was excess budget authority for MPO grant.
- One-time expenditures of \$966,715 were due to the match for the Interoperability grant that was not utilized due to the timing of the grant program and utilization of the utility pools.
- Public Safety surplus in Combined Communications, Fire, and Police was \$707,791 which was attributed to delay in filling vacant positions.
- Public Health surplus of \$111,021 was attributed to underutilization of the vaccine supplies and delay in filling vacant positions.
- Transfers of \$132,545 from Contingencies were not utilized in 2009.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Bismarck's investment in capital assets, net of related debt for its governmental and business type activities as of December 31, 2009, amounts to \$380,462,798 (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:

- Remodeling was complete on the basement floor of the City/County Building
- Remodeling was complete for Municipal Court House
- Police parking lot was paved
- Children's Library Renovation project was completed
- Construction was started on the new north fire station
- Continued the expansion of the Lime/Sludge Facility with standby power and upgrades to the Water Treatment Plant.
- Major upgrade of the Wastewater Treatment Plant was completed
- Completed conversion of traffic signal light to LED and upgrade of control cabinets, feed points and poles

City of Bismarck
Capital Assets
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$ 3,538,480	\$ 3,538,480	\$ 9,322,092	\$ 11,568,724	\$ 12,860,572	\$ 15,107,204
Construction in Progress	2,633,007	8,270,355	24,859,788	6,189,846	27,492,795	14,460,201
Buildings	34,833,772	33,679,359	59,026,587	77,530,195	93,860,359	111,209,554
Improvements Other Than Buildings	49,516	45,705	140,195,132	151,587,805	140,244,648	151,633,510
Machinery and Equipment	12,417,393	13,083,579	5,315,608	5,952,043	17,733,001	19,035,622
Infrastructure	147,107,933	153,684,222	-	-	147,107,933	153,684,222
Total	\$ 200,580,101	\$ 212,301,700	\$ 238,719,207	\$ 252,828,613	\$ 439,299,308	\$ 465,130,313

Additional information on the City of Bismarck's capital assets can be found in Note IV.C on pages 45 - 46 of this report

Long-term debt – At the end of the current fiscal year, the City of Bismarck had total long-term debt outstanding of \$88,852,246. Of this amount, \$52,315,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The City of Bismarck revenue bonds are secured by Water Revenue, Sanitary Sewer Revenue and Lodging, Liquor and Food Tax.

City of Bismarck Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Special revenue bonds	\$ 4,505,000	\$ 3,705,000	\$ -	\$ -	\$ 4,505,000	\$ 3,705,000
Less unamortized discount	(22,979)	(17,620)	-	-	(22,979)	(17,620)
Special assessment bonds	51,190,000	52,315,000	-	-	51,190,000	52,315,000
Less unamortized discount	(101,757)	(26,114)	-	-	(101,757)	(26,114)
Capital Leases	-	-	17,771	12,555	17,771	12,555
Compensated Absences	1,988,357	2,232,288	535,060	580,861	2,523,417	2,813,149
Claims and Judgments	250,790	270,117	67,689	76,780	318,479	346,897
Closure and postclosure costs	-	-	1,023,459	1,082,670	1,023,459	1,082,670
Water revenue bonds	-	-	8,960,000	8,420,000	8,960,000	8,420,000
Less unamortized discount	-	-	(80,248)	(73,697)	(80,248)	(73,697)
Water Treatment	-	-	-	2,089,229	-	2,089,229
Wastewater revenue bonds	-	-	17,577,149	18,185,177	17,577,149	18,185,177
Total	\$ 57,809,411	\$ 58,478,671	\$ 28,100,880	\$ 30,373,575	\$ 85,910,291	\$ 88,852,246

The City issued new special assessments debt of \$8,210,000. More detailed information about the debt position of the City can be found in Note IV.G on pages 50 - 51 of the financial statements.

The City issued \$1,408,028 million in Wastewater Revenue Bonds and \$2,189,229 in Water Treatment Bonds in 2009. The Wastewater Revenue Bond proceeds funded the Water Plant's Lime Sludge Dewatering and Standby Power project while the Water Treatment Revenue Bond funded the horizontal collector well water intake and the upgrade for the water transmission mains from the Treatment Plant. The revenue bonds are secured by water and sewer revenue which the Wastewater Revenue Bond matures in 2027 and the Water Treatment Bond matures in 2028. More detailed information about the debt position of the City can be found in Note IV.G on pages 49 - 50

The City of Bismarck 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.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Moderate growth is expected to continue in the property tax base with new construction and property value enhancement. Commercial growth continues with the construction of a major nursing home and assisted living facilities which are in addition to several new retail establishments and financial institutions. Residential growth is also increasing with several new subdivision developments in the northern section of the City. This growth directly contributes to the continued reduction of the property tax mill levy. The 2010 budget reflects a reduction of 2.25 mills for a total of 80.66 mills. This reduction continues a trend of lowering the mill levy since 1993.

The commercial and residential growth has led to an increase in the need for new infrastructure, which includes storm water, sanitary sewer mains, water mains and streets. As a result, seven special assessment districts were authorized to fund these improvements in 2010. The growth also contributes to an increase in the need for public safety services including police, combined communications (911) and fire protection. Five new police officers, two new dispatch positions and an eight fire fighter positions were authorized in 2010. The additional Fire positions provide a total of fifteen to staff the new fire station that is scheduled for completion in 2010.

REQUEST FOR INFORMATION

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 21,741,607	\$ 2,114,019	\$ 23,855,626
Investments	32,875,450	24,073,462	56,948,912
Receivables:			
Taxes	286,628	-	286,628
Accounts	4,760,393	2,446,608	7,207,001
Special assessments	57,080,217	2,993,238	60,073,455
Interest receivable	123,608	99,439	223,047
Intergovernmental	32,026	-	32,026
Notes receivable	1,487,500	-	1,487,500
Internal balances	(106,849)	106,849	-
Inventories	328,169	59,415	387,584
Prepaid items	87,200	79,662	166,862
Restricted assets:			
Cash and cash equivalents	241,199	-	241,199
Investments	944,380	3,307,990	4,252,370
Revenue bond covenant accounts	-	16,785,740	16,785,740
Unamortized debt cost	320,017	23,467	343,484
Net Pension Obligation	1,144,361	-	1,144,361
Capital assets (net of accumulated depreciation):			
Land	3,538,480	11,568,724	15,107,204
Building and building improvements	33,679,359	77,530,195	111,209,554
Improvements other than buildings	45,705	151,587,805	151,633,510
Machinery and equipment	13,083,579	5,952,043	19,035,622
Infrastructure	153,684,222	-	153,684,222
Construction in progress	8,270,355	6,189,846	14,460,201
Total assets	<u>333,647,606</u>	<u>304,918,502</u>	<u>638,566,108</u>
LIABILITIES:			
Accounts payable	3,506,374	1,576,837	5,083,211
Retainage payable	508,516	410,070	918,586
Salaries payable	1,302,964	296,511	1,599,475
Interest payable	354,122	290,682	644,804
Unearned revenue	923,007	2,158	925,165
Customer deposits	1,185,579	3,307,990	4,493,569
Noncurrent liabilities:			
Due within one year	10,145,415	2,422,297	12,567,712
Due in more than one year	48,333,256	27,951,278	76,284,534
Total liabilities	<u>66,259,233</u>	<u>36,257,823</u>	<u>102,517,056</u>
NET ASSETS:			
Investment in capital assets, net of related debt	156,325,434	224,137,364	380,462,798
Restricted for debt service	12,749,497	16,785,740	29,535,237
Unrestricted	98,313,442	27,737,575	126,051,017
Total net assets	<u>\$ 267,388,373</u>	<u>\$ 268,660,679</u>	<u>\$ 536,049,052</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, 2009

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets			
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Expenses	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 13,695,936	\$ 3,193,783	\$ 21,985	\$ 13,695,936	\$ (7,573,552)	\$ -	\$ (7,573,552)
Public safety	16,956,774	1,538,615	-	16,956,774	(14,342,650)	-	(14,342,650)
Highways and streets	7,895,728	5,157,467	-	7,895,728	413,286	-	413,286
Health and welfare	2,494,859	1,356,542	-	2,494,859	(693,353)	-	(693,353)
Culture and recreation	8,902,739	262,574	-	8,902,739	(4,292,108)	-	(4,292,108)
Interest and fiscal charges	2,505,666	-	-	2,505,666	(2,505,666)	-	(2,505,666)
Public works	8,170,980	-	17,964,143	8,170,980	9,793,163	-	9,793,163
Total governmental activities	60,622,682	11,508,981	17,986,128	60,622,682	(19,200,880)	-	(19,200,880)
Business-type activities:							
Airport	5,680,499	-	3,531,734	5,680,499	-	2,144,337	2,144,337
Solid waste disposal	2,449,207	-	3,453	2,449,207	-	(183,381)	(183,381)
Solid waste collections	2,084,233	-	7,250	2,084,233	-	(5,893)	(5,893)
Water	7,603,788	-	1,138,842	7,603,788	-	3,545,953	3,545,953
Sanitary sewer	4,921,746	-	2,666,303	4,921,746	-	3,056,381	3,056,381
Storm water	989,869	-	689,503	989,869	-	740,160	740,160
Parking authority lots	926,238	-	-	926,238	-	(58,655)	(58,655)
Total business-type activities	24,655,580	-	8,037,085	24,655,580	-	9,238,902	9,238,902
Total primary government	\$ 85,278,262	\$ 11,508,981	\$ 26,023,213	\$ 85,278,262	(19,200,880)	9,238,902	(9,961,978)
Taxes:							
Property taxes					16,167,137	-	16,167,137
Sales tax:							
Sales tax					11,756,546	-	11,756,546
Occupancy tax					674,643	-	674,643
Lodging/liquor/food tax					1,935,984	-	1,935,984
Unrestricted state aid distribution					2,582,642	-	2,582,642
Franchise taxes					1,099,793	-	1,099,793
Other taxes					465,811	78,488	544,299
Unrestricted investment earnings					1,076,333	475,469	1,551,802
Gain on disposal of assets					28,153	43,735	71,888
Transfers					836,582	(836,582)	-
Total general revenues and separate line items					36,623,624	(238,890)	36,384,734
Changes in net assets					17,422,744	9,000,012	26,422,756
Net assets - beginning					249,965,629	259,660,667	509,626,296
Net assets - ending					\$ 267,388,373	\$ 268,660,679	\$ 536,049,052

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

CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	General	Sales Tax	Street Improvement		Sewermain Bonds	Street Improvement Bonds	Nonmajor Governmental Funds	Total
			Construction					
ASSETS								
Cash and cash equivalents	\$ 11,967,827	\$ -	\$ -	\$ 253,800	-	\$ -	\$ 7,395,834	\$ 19,617,461
Investments	-	3,555,846	-	-	-	-	29,273,685	32,829,731
Receivables:								
Taxes receivable	199,220	-	-	-	-	-	87,408	286,628
Accounts receivable	1,096,457	1,031,840	25,944	-	-	-	2,370,462	4,524,703
Special assessments	-	-	-	14,181,188	-	37,520,317	5,378,712	57,080,217
Intergovernmental	-	-	-	3,875	-	25,801	2,350	32,026
Notes receivable	-	-	-	-	-	-	1,487,500	1,487,500
Due from other funds	10,128,758	-	-	1,650,972	-	4,215,997	3,318,103	19,313,830
Advances to other funds	38,525	69,838	-	-	-	-	1,031,614	1,139,977
Prepaid items	26,610	-	-	-	-	-	-	26,610
Restricted assets:								
Investments	-	-	-	-	-	-	944,380	944,380
Total assets	\$ 23,457,397	\$ 4,657,524	\$ 25,944	\$ 16,089,835	\$ 41,762,115	\$ 51,290,248	\$ 137,283,063	
LIABILITIES								
Accounts payable	\$ 520,669	\$ -	\$ 1,036,453	\$ 5,569	\$ -	\$ 33,651	\$ 1,240,872	\$ 2,837,214
Retainage payable	-	-	384,161	-	-	-	124,355	508,516
Due to other funds	-	-	15,562,794	-	-	-	4,788,595	20,351,389
Advances from other funds	69,838	-	-	-	-	-	38,525	108,363
Salaries payable	1,033,113	-	-	-	-	-	239,247	1,272,360
Deferred revenue	231,591	-	161,597	13,307,109	-	34,620,214	5,270,882	53,591,393
Customer deposits	-	-	-	-	-	-	944,380	944,380
Total liabilities	1,855,211	-	17,145,005	13,312,678	34,653,865	12,646,856	79,613,615	
FUND BALANCES								
Reserved for encumbrances	919,665	-	-	-	-	-	562,790	1,482,455
Reserved for debt service	-	-	-	-	-	-	700,000	700,000
Reserved for advances to other funds	38,525	69,838	-	-	-	-	1,031,614	1,139,977
Reserved for long-term receivable	-	-	-	-	-	-	1,487,500	1,487,500
Reserved for prepaid items	26,610	-	-	-	-	-	-	26,610
Unreserved, undesignated reported in:								
General fund	20,617,386	-	-	-	-	-	-	20,617,386
Special revenue funds	-	4,587,686	-	-	-	-	12,140,290	16,727,976
Debt service funds	-	-	-	2,777,157	-	7,108,250	1,932,476	11,817,883
Capital projects funds	-	-	(17,119,061)	-	-	-	20,788,722	3,669,661
Total fund balances	21,602,186	4,657,524	(17,119,061)	2,777,157	-	7,108,250	38,643,392	57,669,448
Total liabilities and fund balances	\$ 23,457,397	\$ 4,657,524	\$ 25,944	\$ 16,089,835	\$ 41,762,115	\$ 51,290,248		

Amounts reported for governmental activities in the statement of net assets are different because:

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

Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Internal service funds are used by management to charge the cost of Civic Center event cost, employee insurance, liability insurance, unemployment insurance, 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 assets.

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Net assets of governmental activities

1,384,315
(58,242,659)
\$ 267,388,373

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

REVENUES	General	Street Improvement			Sewermain	Street	Nonmajor	Total
		Sales Tax	Construction	Bonds				
Taxes	\$ 10,446,314	\$ 11,756,546	\$ -	\$ -	\$ -	\$ -	\$ 7,478,792	\$ 29,681,652
Licenses and permits	1,347,031	-	-	-	-	-	5,715	1,352,746
Special assessments	-	-	-	-	-	-	2,639,928	11,601,197
Intergovernmental	4,686,570	-	122,934	1,991,417	6,846,918	-	10,532,152	15,218,722
Charges for services	4,104,548	-	-	-	-	-	2,470,547	6,575,095
Fines and forfeits	796,175	-	-	-	-	-	72,005	868,180
Investment income	398,438	80,440	-	-	-	-	836,816	1,315,694
Rentals	287,416	-	-	-	-	-	526,652	814,068
Miscellaneous	42,067	-	-	-	-	-	571,352	613,419
Total revenues	22,108,559	11,836,986	122,934	1,991,417	6,846,918	-	25,133,959	68,040,773
EXPENDITURES								
Current								
General government	7,247,487	646	-	-	-	-	4,925,988	12,174,121
Public safety	14,699,496	-	-	-	-	-	715,307	15,414,803
Highways and streets	1,683,171	-	-	-	-	-	5,912,929	7,596,100
Health and welfare	1,422,350	-	-	-	-	-	968,163	2,390,513
Culture and recreation	2,351,898	-	-	-	-	-	1,807,706	4,159,604
Public works	-	-	155,912	-	-	-	1,224,641	1,380,553
Capital outlays								
General government	398,376	-	-	-	-	-	509,843	908,219
Public safety	288,236	-	-	-	-	-	611,368	899,604
Highways and streets	50,616	-	-	-	-	-	467,770	518,386
Health and welfare	5,667	-	-	-	-	-	15,757	21,424
Culture and recreation	16,064	-	-	-	-	-	545,289	561,353
Public works	-	-	14,003,721	-	-	-	7,229,911	21,233,632
Debt service								
Principal	-	-	-	1,297,285	4,823,766	-	1,763,949	7,885,000
Interest and fiscal charges	-	-	-	589,858	1,303,304	-	557,419	2,450,581
Total expenditures	28,163,361	646	14,159,633	1,887,143	6,127,070	-	27,256,040	77,593,893
Excess (deficiency) of revenues over (under) expenditures	(6,054,802)	11,836,340	(14,036,699)	104,274	719,848	-	(2,122,081)	(9,553,120)
OTHER FINANCING SOURCES (USES)								
Transfer in	6,333,086	-	3,212,571	38,895	381,223	-	12,859,429	22,825,204
Transfer out	(687,548)	(12,214,609)	(862,150)	-	(312,876)	-	(4,562,280)	(18,639,463)
Premium on special assessment debt	-	-	68,962	-	-	-	1,533	70,495
Special assessment bonds issued	-	-	8,023,925	-	-	-	186,075	8,210,000
Total other financing sources (uses)	5,645,538	(12,214,609)	10,443,308	38,895	68,347	-	8,484,757	12,466,236
Net changes in fund balances	(409,264)	(378,269)	(3,593,391)	143,169	788,195	-	6,362,676	2,913,116
Fund balances - beginning	22,011,450	5,035,793	(13,525,670)	2,633,988	6,320,055	-	32,280,716	54,756,332
Fund balances - ending	\$ 21,602,186	\$ 4,657,524	\$ (17,119,061)	\$ 2,777,157	\$ 7,108,250	\$ -	\$ 38,643,392	\$ 57,669,448

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 OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

Net change in fund balances-total governmental funds (Page 22) 2,913,116

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	11,809,264
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(77,559)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	2,142,168
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 assets. Also, governmental funds report the effect of issuance costs, 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.	(395,495)
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.	(163,612)
Internal service funds are used by management to charge the cost of Civic Center event cost, 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.	<u>1,194,862</u>
Change in net assets of governmental activities (Page 20)	<u>\$17,422,744</u>

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Budgetary Fund Balance, January 1	\$ 8,059,245	\$ 8,197,324	\$ 22,703,663	\$ 14,506,339
Resources (inflows)				
Taxes	10,955,617	10,940,617	10,446,314	(494,303)
Licenses and permits	1,606,819	1,606,819	1,347,031	(259,788)
Intergovernmental	4,725,695	4,725,695	4,686,570	(39,125)
Charges for services	3,513,751	3,545,778	4,104,548	558,770
Fines and forfeits	875,600	875,600	796,175	(79,425)
Investment income	672,300	672,300	398,438	(273,862)
Rentals	294,814	294,814	287,416	(7,398)
Miscellaneous	20,600	20,600	42,067	21,467
Transfer in	6,382,112	6,365,085	6,333,086	(31,999)
Amount available for appropriation	<u>37,106,553</u>	<u>37,244,632</u>	<u>51,145,308</u>	<u>13,900,676</u>
Charges to appropriations (outflows)				
General government				
Nondepartmental	-	707,708	707,708	-
Administration	719,411	719,411	635,988	83,423
Building Maintenance	560,615	560,615	555,840	4,775
Building Construction	20,000	20,000	15,533	4,467
Attorney	345,882	345,882	340,513	5,369
Finance	2,532,125	2,532,125	2,171,160	360,965
Human resources	363,397	363,397	338,643	24,754
Municipal court	364,077	356,157	349,352	6,805
Community Development	2,108,012	2,124,630	1,815,786	308,844
One-time operations	1,069,043	1,069,043	602,788	466,255
Equipment reserve	48,050	48,050	30,349	17,701
Public safety				
Combined communications	1,560,391	1,696,197	1,431,061	265,136
Fire & inspections	5,353,446	5,353,446	5,081,084	272,362
Police	8,138,922	8,130,935	7,960,642	170,293
One-time operations	1,694,583	1,645,760	1,222,367	423,393
Equipment reserve	8,500	8,500	7,887	613
Highways and streets				
Weed control	67,644	67,644	65,850	1,794
Engineering	1,556,852	1,556,852	1,520,249	36,603
One-time operations	180,000	180,000	102,933	77,067
Equipment reserve	3,000	3,000	-	3,000
Health and welfare				
Public health	1,515,183	1,515,183	1,404,162	111,021
Equipment reserve	31,490	31,490	20,348	11,142
Culture and recreation				
Cable tv promotions	262,160	262,160	262,160	-
Centennial beach	2,000	2,000	795	1,205
Civic center	1,988,743	2,081,198	2,079,489	1,709
Equipment reserve	16,900	16,900	15,041	1,859
Transfer out				
Nondepartmental	1,133,715	426,007	412,037	13,970
Building construction	150,000	150,000	149,900	100
Contingencies	825,000	132,545	-	132,545
Combined communications	201,861	66,055	52,046	14,009
Municipal court	-	7,920	7,920	-
Community Development	25,453	8,835	8,835	-
Police	-	7,987	7,987	-
One-time operations	-	48,823	48,823	-
Total charges to appropriations	<u>32,846,455</u>	<u>32,246,455</u>	<u>29,425,276</u>	<u>2,821,179</u>
Budgetary Fund Balance, December 31	<u>\$ 4,260,098</u>	<u>\$ 4,998,177</u>	<u>\$ 21,720,032</u>	<u>\$ 16,721,855</u>

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

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>General Fund</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 51,145,308
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(22,703,663)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(6,333,086)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 22,108,559</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 29,425,276
Differences - Budget to GAAP	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(682,047)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	107,680
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(687,548)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 28,163,361</u>

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

CITY OF BISMARCK, NORTH DAKOTA
 MAJOR SPECIAL REVENUE FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
 BUDGET AND ACTUAL
 SALES TAX
 FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 728,479	\$ (1,771,521)	\$ 5,035,793	\$ 6,807,314
Resources (inflows)				
Taxes	11,701,007	11,701,007	11,756,546	55,539
Investment income	104,941	104,941	80,440	(24,501)
Amount available for appropriation	<u>12,534,427</u>	<u>10,034,427</u>	<u>16,872,779</u>	<u>6,838,352</u>
Charges to appropriations (outflows)				
General government	1,000	1,000	646	354
Transfer out	12,421,762	12,421,762	12,214,609	207,153
Total charges to appropriations	<u>12,422,762</u>	<u>12,422,762</u>	<u>12,215,255</u>	<u>207,507</u>
Budgetary Fund Balance, December 31	<u>\$ 111,665</u>	<u>\$ (2,388,335)</u>	<u>\$ 4,657,524</u>	<u>\$ 7,045,859</u>

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

(Continued on next page)

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airport	Water	Sanitary Sewer	Nonmajor Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 397,818	\$ -	\$ -	\$ 1,716,201	\$ 2,114,019	\$ 2,124,146
Investments	1,429,344	5,214,527	6,053,051	11,368,922	24,065,844	53,337
Receivables:						
Accounts receivable	886,758	964,451	459,505	127,202	2,437,916	244,382
Special assessments	-	1,613,562	1,345,598	34,078	2,993,238	-
Interest receivable	6,656	28,122	35,695	28,966	99,439	-
Due from other funds	-	-	1,059,374	-	1,059,374	-
Inventories	-	59,415	-	-	59,415	328,169
Prepaid items	19,524	32,533	11,997	15,608	79,662	60,590
Total current assets	2,740,100	7,912,610	8,965,220	13,290,977	32,908,907	2,810,624
Noncurrent assets:						
Restricted assets:						
Investments	-	3,307,990	-	-	3,307,990	241,199
Revenue bond covenant accounts	-	7,361,308	9,424,432	-	16,785,740	-
Unamortized debt cost	-	23,467	-	-	23,467	-
Capital assets (net of accumulated depreciation):						
Land	6,459,483	876,448	324,591	3,908,202	11,568,724	-
Building and building improvements	16,723,341	27,409,118	24,230,450	9,167,286	77,530,195	-
Improvements other than buildings	35,366,846	54,579,039	36,365,598	25,256,322	151,587,805	-
Machinery and equipment	1,349,757	255,374	648,910	3,698,002	5,952,043	29,304
Construction in progress	141,671	5,060,578	426,353	561,244	6,189,846	-
Total noncurrent assets	60,041,098	98,873,322	71,440,334	42,591,056	272,945,810	270,503
Total assets	62,781,198	106,785,932	80,405,554	55,882,033	305,854,717	3,081,127

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Airport	Water	Sanitary Sewer	Nonmajor Enterprise Funds	
LIABILITIES					
Current liabilities:					
Accounts payable	150,212	858,525	94,410	473,380	1,576,527
Retainage payable	118,436	266,906	11,312	13,416	410,070
Leases payable	-	2,792	1,645	1,299	5,736
Bonds payable	-	1,165,000	820,000	-	1,985,000
Accrued interest payable	-	108,830	181,852	-	290,682
Due to other funds	-	-	-	-	21,815
Due to other entities	-	-	-	-	2,853
Compensated benefits payable	68,152	150,041	40,991	95,596	354,780
Salaries payable	63,586	93,227	46,690	93,008	296,511
Deferred revenue	-	-	-	2,158	2,158
Claims and judgments payable	-	-	-	-	346,896
Total current liabilities	<u>400,386</u>	<u>2,645,321</u>	<u>1,196,900</u>	<u>678,857</u>	<u>4,921,464</u>
Long-term liabilities:					
Advances from other funds	-	231,614	-	800,000	1,031,614
Customer deposits	-	3,307,990	-	-	3,307,990
Compensated benefits payable	70,117	33,966	40,843	81,489	226,415
Capital lease payable	-	2,983	1,757	1,745	6,485
Revenue bonds payable	-	9,270,532	17,365,177	-	26,635,709
Accrued closure/post closure costs	-	-	-	1,082,670	1,082,670
Total long-term liabilities	<u>70,117</u>	<u>12,847,085</u>	<u>17,407,777</u>	<u>1,965,904</u>	<u>32,290,883</u>
Total liabilities	470,503	15,492,406	18,604,677	2,644,761	37,212,347
NET ASSETS					
Invested in capital assets, net of related debt	60,041,098	77,681,265	43,827,323	42,587,678	224,137,364
Restricted for debt service	-	7,361,308	9,424,432	-	16,785,740
Unrestricted	2,269,597	6,250,953	8,549,122	10,649,594	27,719,266
Total net assets	<u>\$ 62,310,695</u>	<u>\$ 91,293,526</u>	<u>\$ 61,800,877</u>	<u>\$ 53,237,272</u>	<u>\$ 1,754,314</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					18,309
Net assets of business-type activities					<u>\$ 268,660,679</u>

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, 2009

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					Governmental Activities-Internal Service Funds
	Airport	Water	Sanitary Sewer	Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 4,166,591	\$ 9,763,754	\$ 4,863,434	\$ 6,338,366	\$ 25,162,137	\$ 4,608,280
Receipts from employer	-	-	-	-	-	5,603,739
Other operating cash receipts	-	-	-	-	-	93,239
Payments to suppliers	(2,356,983)	(3,918,729)	(2,382,402)	(3,153,653)	(11,811,767)	(8,708,625)
Payments to employees	(1,016,081)	(1,608,961)	(844,940)	(1,579,784)	(5,049,766)	(557,416)
Net cash provided by operating activities	813,527	4,226,064	1,656,092	1,604,921	8,300,604	1,039,187
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intragovernmental revenue	3,194,814	-	-	10,703	3,205,517	-
Payment on advance	-	(69,738)	-	(100,000)	(169,738)	-
Transfers from other funds	10,000	-	-	1,076,000	1,086,000	145,491
Transfers to other funds	(198,856)	(3,166,844)	(696,293)	(1,217,378)	(5,279,371)	(137,861)
Net cash provided (used) by noncapital financing activities	3,005,958	(3,236,582)	(696,293)	(230,675)	(1,157,592)	7,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital lease payment	-	(1,976)	(1,164)	(2,410)	(5,550)	-
Revenue bond payment	-	(640,000)	(800,000)	-	(1,440,000)	-
Interest paid	-	(350,257)	(462,353)	(264)	(812,874)	-
Proceeds on bonds	-	2,189,229	1,408,028	-	3,597,257	-
Proceeds from sale of capital assets	11,868	136	-	9,635	21,639	27,396
Proceeds from insurance recoveries	2,501	857	-	-	3,358	-
Special assessments collected	-	278,813	237,727	33	516,573	-
Purchase of capital assets	(205,898)	(42,292)	(36,970)	(1,031,093)	(1,316,253)	(2,840)
Construction of capital assets	(7,363,689)	(4,819,131)	(1,320,514)	(252,387)	(13,755,721)	-
Net cash provided (used) by capital and related financing activities	(7,555,218)	(3,384,621)	(975,246)	(1,276,466)	(13,191,571)	24,556
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	1,205,660	17,363,818	11,953,492	7,145,349	37,668,319	1,269,183
Purchase of investments	(1,429,344)	(15,883,825)	(15,477,483)	(11,368,922)	(44,159,574)	(284,536)
Investment income	76,614	208,208	258,723	207,727	751,272	45,778
Net cash provided (used) by investing activities	(147,070)	1,688,201	(3,265,268)	(4,015,849)	(5,739,983)	1,020,429
Net increase (decrease) in cash and cash equivalent	(3,862,803)	(706,938)	(3,280,715)	(3,916,086)	(11,768,542)	2,091,798
Cash and cash equivalents - January 1	4,280,621	706,938	3,280,715	5,634,287	13,902,561	32,348
Cash and cash equivalents - December 31	397,818	-	-	1,718,201	2,114,019	2,124,146
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (1,434,494)	\$ 2,745,285	\$ 755,528	\$ (307,793)	\$ 1,758,528	\$ 1,039,561
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	2,317,711	2,445,043	1,497,943	1,550,317	7,811,014	12,947
(Increase) decrease in accounts receivable	(106,514)	(89,419)	(40,532)	99,333	(137,132)	10,249
(Increase) decrease in due from other funds	-	133,610	(387,858)	-	(254,248)	(75,080)
(Increase) decrease in inventories	-	(12,610)	-	-	(12,610)	(60,101)
(Increase) decrease in prepaid items	(2,044)	(3,820)	(1,684)	(666)	(8,214)	20,286
Increase (decrease) in customer deposits	8,407	(721,506)	-	-	(721,506)	51,711
Increase (decrease) in accounts payable	27,178	(280,170)	(170,761)	195,412	(247,112)	-
Increase (decrease) in compensated benefits payable	3,283	6,472	350	12,135	46,135	(4,654)
Increase (decrease) in salaries payable	-	3,179	3,106	9,116	18,684	16,105
Increase (decrease) in due to other entities	-	-	-	-	-	(255)
Increase (decrease) in deferred revenue	-	-	-	(12,144)	(12,144)	-
Increase (decrease) in estimated pending claims	-	-	-	-	-	28,417
Increase in closure and post closure costs	-	-	-	-	-	-
Total adjustments	2,248,021	1,480,779	900,564	1,912,714	6,542,078	(374)
Net cash provided by operating activities	\$ 813,527	\$ 4,226,064	\$ 1,656,092	\$ 1,604,921	\$ 8,300,604	\$ 1,039,187
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:						
Construction of capital assets contributed through capital project funds	-	3,193,043	1,198,528	382,274	4,391,571	-
Contribution of capital assets from developers	-	594,155	1,108,142	305,545	2,007,842	-
Increase in fair value of investments	7,826	21,602	28,317	20,957	78,702	2,149

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009**

	Pension Trust Fund	Agency Fund
ASSETS		
Receivables:		
Taxes	\$ 31,032	\$ 6,084
Accounts	32,606	9,402
Accrued interest and dividends	73,280	-
Investments, at fair value:		
Domestic equities	19,912,790	-
International equities	7,770,785	-
Domestic fixed income	25,111,025	-
International fixed income	6,287,520	-
Real estate	5,857,035	-
Alternative investments	1,159,112	-
Mutual funds	1,052,770	-
Certificate of deposits	126,106	732
Invested cash	8,610,214	-
Invested securities lending collateral	686,246	-
Total assets	76,710,521	16,218
LIABILITIES		
Accounts payable	121,729	737
Salary payable	-	
Due to other entities	-	15,481
Deferred revenue	25,463	-
Securities lending collateral	686,246	-
Total liabilities	833,438	16,218
NET ASSETS		
Assets held in trust for pension and other employee benefits	75,877,083	-
Total net assets held in trust	\$ 75,877,083	\$ -

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

CITY OF BISMARCK, NORTH DAKOTA
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDING DECEMBER 31, 2009

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 3,485,182
Employee	1,410,190
Total contributions	4,895,372
Investment income:	
Net Increase (decrease) in fair value of investments	7,193,517
Interest and dividends	1,705,276
	8,898,793
Less: investment expense	(240,651)
Net investment income	8,658,142
Security lending activity:	
Securities lending income	4,573
Less: securities lending expense	(26)
Net securities lending income	4,547
Total additions	13,558,061
DEDUCTIONS	
Benefits paid to participants	3,081,649
Refunds	117,735
Administration expenses	65,973
Total deductions	3,265,357
Change in net assets	10,292,704
Net assets - beginning	65,584,379
Net assets - ending	\$ 75,877,083

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Bismarck was incorporated in 1875. The City operates under a city commission form of government under the Home Rule Charter. The accompanying financial statements present the activities of the City of Bismarck. Only funds of the City have been included since the City does not have any blended or discrete component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities. For the most part, the interfund activity has been consolidated and is not eliminated. Governmental activities, which are normally financed through 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 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) fines, fees, and charges for services and 2) operating or capital grants and contributions that are restricted to 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 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. Agency 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.

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 period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, cable franchise fees, licenses, interest and special assessments are susceptible to accrual. Sales tax; Motel, Liquor, Restaurant tax; motor vehicle fees and the 2% Motel tax collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts become measurable and available when cash is received by the City.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

The City reports the following major governmental funds:

General Fund – This fund is the general operating fund of the City. All financial resources of the general government that are not required to be reported in another fund are accounted for in the general fund.

Sales Tax Fund – This fund accounts for the one percent city sales tax used for expenditures that are authorized by the voters within the City of Bismarck.

Street Improvement Construction Fund – This fund accounts for the construction of street improvements. Financing is provided by the proceeds from the special assessment bonds.

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

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

The City reports the following major proprietary funds:

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

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 waste water treatment.

Additionally, the City reports the following fund types:

Internal Service Funds – These funds are used by management to charge the cost of Civic Center events, fleet services, health insurance, liability insurance, unemployment insurance, and revolving costs to the individual funds.

Pension (and other employee benefit) Trust Funds – These funds are used to account for the activities of the City Employees' Pension Plan and the Police Pension Plan, which accumulates resources for the pension, benefit payments, and also the Deferred Sick Leave Plan, which accumulates resources for the payment of sick leave accumulated prior to December 31, 1992.

Agency Fund – This fund accounts for assets held by the City as agent for other individuals, private organizations, or other governmental units. The Firemen's Pension Fund is the City's only agency fund.

The City has prepared its government-wide and proprietary fund financial statements in accordance with all applicable pronouncements as well as pronouncements of the Financial Accounting Standards Board (FASB) and its predecessors issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 costs and program revenues reported for the various functions concerned.

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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Cash and Cash Equivalents

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. These highly liquid investments are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

All cash and cash equivalents as permitted by the North Dakota Century Code are included on the Government-wide Statement of Net Assets as "Cash and Cash Equivalents".

The City has no cash overdrafts from pooled cash and investments at December 31, 2009.

Interest revenue is allocated to all City funds unless state law (as outlined in the North Dakota Century Code) requires allocation of interest directly to a specific fund. The allocation is based on the fund's total cash and investment balance at the end of each month.

2. Investments

The City of Bismarck is governed by NDCC. North Dakota state statutes authorize local governments to invest in:

- a) 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,
- b) 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,
- c) certificates of deposit fully insured by the federal deposit insurance corporation or the state,
- d) obligations of the state.

In addition to the above-mentioned investments, Pension Trust funds are authorized to invest all or part of their surplus funds in other investments by selecting a funding agent or agents to hold and invest such funds for the board and shall be placed for investment only with a firm or firms whose primary endeavor is money management.

On January 5, 1996, the City of Bismarck entered into a contract with Burleigh County Water Users, to furnish the rural citizens with water for the next 40 years. The Burleigh County Water Users deposited \$2,300,000 up front to buy a specific number of gallons each year at a rate of \$.397 per billing unit of 100 cubic feet of water. The funds were invested in United States Zero Coupon Treasury Bonds with an annual maturity date to meet the current water obligation. Each year the City recognizes the value of these bonds at fair value. The funds are held as deposits. If the Burleigh County Water Users elected to cancel the contract, the deposit would be refunded at the current fair value. The value of the deposits in the Water and Sewer Utility fund at December 31, 2009 was \$3,307,990.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Investments are stated at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

3. Securities Lending

North Dakota Retirement and Investment Office (NDRIO) manages the securities lending pools. NDRIO manages the Deferred Sick Leave, City Employee pension, and the Police pension and enters into security lending transactions. As part of these transactions, securities are loaned versus collateralized. At year-end, the pension plans have no credit risk exposure to borrowers because the amount the plans owe the borrowers exceed the amounts the borrowers owe the plans. The investment includes cash, U.S. government securities and irrevocable letters of credit. U.S. securities are valued at 102% of the market value of the securities plus any interest and non-U.S. securities collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash is invested in a short-term investment pool. The investment pool is not registered with the SEC and is regulated by the North Dakota Century Code. The fair market value of the investment pool is the same as the value of the pooled investment shares.

4. Receivables and Payables

Notes receivable as of December 31, 2009 were:

	INTEREST RATE	MATURITY DATE	AMOUNT
NISC	0-5%	8/1/2011	\$ 200,000
Bismarck Industries, Inc.	0%	2010	900,000
Bismarck Industries, Inc.	0%		250,000
Brandon Heights II Project	0%	07/01/2014 - 7/1/2023	129,000
Grizella Corporation	0%	9/1/2008	8,500
Total Notes Receivable			<u>\$ 1,487,500</u>

Notes receivable to NISC, Bismarck Industries, Inc., and Grizella Corporation are made from the Vision Fund to promote economic and job development in the Bismarck area. The Brandon Heights II Project (HUD) note came from the City of Bismarck 2003 HOME Program funds over a repayment term of 20 years.

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds." All other outstanding balances between funds are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

5. 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, 2009, as prepaid items. The cost of services to governmental type funds is recorded as expenditures when paid rather than the benefited period.

6. Restricted Assets

Investments are purchased in the Sidewalk Capital Projects Fund by a developer in the City of Bismarck's name to guarantee payment of the sidewalk special assessment. A corresponding liability recognizes the developer's deposit which is payable upon the sale of the property.

Investments restricted in the Water Enterprise Fund for Burleigh County Water Users are disclosed in Note I on pages 35-36.

Certain proceeds of the Water Enterprise Fund's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable revenue bond covenants. The balances of the revenue bond covenant accounts are disclosed in Note IV on page 49-50.

7. 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 fair 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 - 10 Years

8. Compensated Absences/Termination Benefits

Sick Leave

The sick leave plan for compensated absences commenced on December 31, 1992. It established a maximum number of accumulated sick leave hours that could be accrued. The maximum hours for employees working a forty-hour work week is 960 and the maximum hours of accumulated sick leave are 1272 for all employees working a 53-hour workweek. Excess sick leave will be paid to all employees at a rate of forty percent of their excess hours over 960/1272 annually. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts (other than the vested amounts paid out annually) when employees separate from service.

On December 31, 1992 the outstanding accumulated sick leave hours of all employees having over 960/1272 hours were reduced by twenty five percent. The number of reduced hours multiplied by their rate of pay per hour became the amount of pay the employee will receive at termination of their employment. If the employee had less than 960/1272 hours they were given an option, to either reduce their hours by twenty five percent or retain the hours in order to reach the 960/1272 maximum at a faster pace. If they chose the option to reduce their hours, this number was multiplied times their rate per hour to establish the amount of compensation they will receive at termination.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

The total amount of compensation is funded by an annual departmental contribution until such time the fund is sufficient to fully meet the obligation. The funds will be held in a pension (and other employee benefit) trust fund until all employees employed on December 31, 1992 will have terminated their employment.

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

Fire 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 the extra hours so their annual leave is comparable to the leave granted for forty hour per week employees. Regular part-time employees shall earn a prorated number of vacation day's payable at their current rate of compensation.

Annual leave accrued during the calendar year may be accumulated but shall in no case exceed a total of 360 hours for all employees except fire employees who work a regular work week in excess of forty hours, may accumulate 477 hours. On January 1 of each year all excess leave is forfeited without compensation.

At the time of the employee's termination of employment, the unused hours are paid to him at his current rate of pay. The hours will be paid up to 360 hours for regular employees and 477 hours for firemen.

All of the accumulated hours are brought to the current rate of pay on December 31, to establish the value in the funds. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In the governmental funds, a liability would be reported only if they have matured, for example, as a result of employee resignations and retirements.

9. Long-term Obligations

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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

Internal service funds predominately serve the governmental funds. At year end, \$270,117 of claims and judgments are included in governmental activities. Compensated absences of \$2,232,288 generally have been liquidated by the General Fund and various Special Revenue Funds.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

Reserved – indicates the portion of fund equity which has been legally segregated for specific purposes.

Unreserved – undesignated – indicates the portion of fund equity which is available for appropriation in future periods.

E. CHANGE IN ACCOUNTING PRINCIPLE

The following GASB Statements became effective and were implemented for the fiscal year ended December 31, 2009:

GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*" was issued in November 2007. This Statement establishes standards that consistently apply the reporting of land and other real estate held as investments by similar entities. This statement requires to report interest income for the changes in fair value and to disclose the methods, significant assumptions and other information used in determining their fair value. The provisions of this statement are effective for periods beginning after June 15, 2008.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS

The governmental fund balance sheet includes the reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$58,242,659 difference are as follows:

Bonds payable	\$ (56,020,000)
Less: unamortized debt cost	463,778
Plus: unamortized bond premium	(100,027)
Accrued interest payable	(354,122)
Compensated absences	<u>(2,232,288)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ (58,242,659)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes the reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$11,809,264 difference are as follows:

Capital outlay	\$ 22,097,320
Depreciation expense	<u>(10,288,056)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 11,809,264</u>

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$77,559 difference are as follows:

In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	<u>\$ (77,559)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (77,559)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provided 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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$395,495 difference are as follows:

Debt issued or incurred:	
Issuance of special assessment debt	\$ (8,210,000)
Plus: bond premium	(70,495)
Principal repayments:	
General obligation debt	<u>7,885,000</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (395,495)</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Another element of that reconciliation states that "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." The details of this \$228,519 are as follows:

Compensated absences	\$ (243,930)
Accrued interest	(23,221)
Amortization of bond premium	78,075
Amortization of bond costs and discounts	<u>(39,433)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (228,509)</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City adopts an annual budget approved by the Board of City Commissioners. The budget is adopted on a basis (budget basis) which differs from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the City's method (budget basis) in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General and Special Revenue Funds to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis in the General Fund are that encumbrances are recorded as the equivalent of expenditures (budget) as opposed to a reservation of fund balance (GAAP). 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.

A detailed explanation of differences between the budgetary outflows and GAAP expenditures are provided below:

	General	Arena/ Exhibit Operations	Police Drug Enforcement
Uses/outflows of resources			
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 29,425,276	\$ 421,934	\$ 58,336
Differences - Budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes			
Beginning of year adjustment for encumbrances	237,618	-	52,523
End of year adjustment for encumbrances	(919,665)	(46,766)	-
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	107,680	203	(522)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(687,548)	(30,017)	-
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 28,163,361</u>	<u>\$ 345,354</u>	<u>\$ 110,337</u>

Although the remaining Special Revenue Funds and Debt Service Funds are prepared on the budget basis, no differences exist between GAAP basis and budget basis in these funds. The level of budgetary control is established at the department level. The department is allowed to transfer appropriations within its department from one account number to another. Commission approval is required for the transfer of appropriations from one department to another. The entire budget can be amended only by ordinance and commission approval.

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In August, the proposed budget is presented to the governing body for review. The governing body holds public hearings and may modify the proposed budget. The final budget must be adopted before October 1st.

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, 2009, as measured by the balances in the total fund balance as follows:

<u>Capital Projects Funds:</u>	<u>Amount</u>
Sewermain Construction	\$2,624,860
Watermain Construction	256,021
Sidewalk Construction	1,312,112
Street Improvement Construction	17,119,061
Commerce Development	292,885

Sewermain Construction, Watermain Construction, Sidewalk Construction and Street Improvement Construction will be funded through a sale of special assessment bonds in December of 2010. Commerce Development will be funded through a transfer of \$500,000 from the Vision Fund in 2011.

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

Custodial Credit Risk

Custodial credit risk is risk 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 those depository banks and savings and loans authorized by the City Commission, all of which are covered by federal deposit insurance. These statutes also require that the deposits be protected by insurance, collateral or surety bond. The fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. The only exception is for funds that are deposited 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, 2009, the carrying amount of the City's deposits was \$72,535,544 and the bank balance was \$73,391,527, all of which was insured and collateralized.

B. INVESTMENTS

State statutes, city ordinances and resolutions authorize the City's investments. State law governs investments by NDCC 6-09-07, 15-10-12, and 21-04-02, indicating that all public funds must be deposited in the Bank of North Dakota unless there are other constitutional or statutory provisions.

Investments in the Deferred Sick, City Pension and Police Pension funds are generally managed by the State Investment Board. The NDCC 21-10 states the State Investment Board shall apply the prudent investor rule in investing funds under its supervision. The investments must be invested exclusively for

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the benefit of their members and in accordance with the respective funds' investment goals and objectives. Agencies investments are governed by the Bismarck Firefighter's Relief Association Board. The Employee Excess Retirement fund is directed by the employees utilizing a contracted City investment manager.

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.

As of December 31, 2009 the City (Primary Government) had the following debt securities shown in the table below by investment type and maturity.

	Market Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
Government Agencies	\$ 29,940	\$ -	\$ -	\$ 29,940	\$ -
Government Bonds	5,445,904	126,735	1,204,087	1,307,079	2,808,003
Federal Mortgage-Backed	23,469	-	-	-	23,469
External Investment Pool	32,029,905	32,029,905	-	-	-
Total Debt Securities	\$37,529,218	\$32,156,640	\$1,204,087	\$1,337,019	\$2,831,472

Some investments are more sensitive to interest rate changes than others. Variable and floating rates collateralized mortgage obligations (CMO), asset-backed securities (ABS), interest-only (IO) and principal-only (PO) securities are examples of investments whose fair values may be highly sensitive to interest rate changes. IO and PO securities are highly sensitive to prepayments by mortgagors, which may result from a decline in interest rates. The City held IO's valued at \$3,931,904 and PO's valued at \$1,514,000 at December 31, 2009. The City has no formal policy regarding IO and PO strips.

As of December 31, 2009 the City's Trust funds had the following debt securities shown in the table below by investment type and maturity

Interest Rate Risk: Pension Investments

	All values in \$000				
	Market Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
Asset Backed Securities	\$ 178	\$ -	\$ 49	\$ 47	\$ 82
Bank Loans	181	15	148	3	15
Commercial Mortgage-Backed	140	-	-	-	140
Guaranteed Fixed Income	21	-	21	-	-
Corporate Bonds	6,985	92	2,361	2,464	2,068
Corporate Convertible Bonds	577	2	288	11	276
Government Agencies	798	-	394	295	109
Government Bonds	1,753	67	613	437	636
Government Mortgage-Backed	495	-	1	6	488
Hedge Multi-Strategy	327	-	327	-	-
Index Linked Government Bonds	48	-	-	-	48
Municipal/Provincial Bonds	165	-	55	80	30
Non-Government Backed CMOs	559	-	-	1	558
Short Term Bills and Notes	6	6	-	-	-
Pooled Investments	4,934	-	1,782	3,152	-
Bond Mutual Funds	73	-	-	73	-
Fixed Mutual Funds	350	350	-	-	-
Total Debt Securities	\$ 17,590	\$ 532	\$ 6,039	\$ 6,569	\$ 4,450

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City of Bismarck does not have a formal investment policy that specifically addresses credit risk. As of December 31, 2009, the City (Primary Government) had the following debt securities with their respective ratings

Credit Risk: City

S&P Credit Rating	Total Market Value	Government Agencies	Federal Mortgage-Backed	External Investment Pool
AAA	\$ 32,083,314	\$ 29,940	\$ 23,469	\$ 32,029,905
Total Credit Risk of Debt Securities	32,083,314	\$ 29,940	\$ 23,469	\$ 32,029,905
US Govt & Agencies	5,445,904			
Total Debt Securities	\$ 37,529,218			

The State Investment Board which invests the City's Deferred Sick, City Pension and Police Pension funds maintains a highly diversified portfolio of debt securities encompassing a wide range of credit ratings. Each debt security manager is given a specific set of guidelines to invest based on the mandate for which it was hired. The guidelines specify in which range of credit the manager may invest. These ranges include investment grade and high yield categories. The following table presents the State Investment Board's ratings as of June 30, 2009 and the Employee Excess Retirement's ratings as of December 31, 2009.

Credit Risk: Pension Fund Investments

S&P Credit Rating	All values in \$000			
	Total Market Value	Bond Mutual Funds	Fixed Mutual Funds	External Investment Pool
AAA	\$ 1	\$ 1	\$ -	\$ -
AA	5	5		
A	53	53		
B	11	11	-	-
Not Rated	371	3	350	18
Total Debt Securities	\$ 441	\$ 73	\$ 350	\$ 18

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. Less than 1 percent of the City's (Primary Government) investments at December 31, 2009 were invested with the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Although the State Investment Board does not have a formal investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. As of June 30, 2009, the City had the following foreign currency risk exposure on investments.

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Pension Funds Currency	All values in \$000			
	Short-Term	Debt	Equity	Total
Australian dollar	\$ -	\$ 299	\$ 89	\$ 388
Brazilian real	(13)	148	81	216
British pound sterling	239	182	428	849
Canadian dollar	42	88	51	181
Danish krone	(11)	1	25	15
Euro	25	23	743	791
Hong Kong dollar	(33)	-	68	35
Iceland krona	-	6	-	6
Indonesian Rupiah	-	72	-	72
Japanese yen	(222)	1	476	255
Malaysian Ringgit	-	155	-	155
Mexican peso	-	127	-	127
New Zealand dollar	32	110	-	142
Norwegian krone	23	-	22	45
Polish zloty	-	120	-	120
Singapore dollar	(5)	-	14	9
South African rand	-	83	-	83
South Korean won	90	-	-	90
Swedish krona	(13)	67	30	84
Swiss franc	(105)	1	183	79
Turkish lira	29	-	-	29
International commingled funds(various currencies)	-	3,151	3,777	6,928
Total securities subject to foreign currency risk	\$ 78	\$ 4,634	\$ 5,987	\$ 10,699

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

<u>Governmental activities:</u>	Beginning	Increases	Decreases	Ending
	Balance			Balance
Capital assets, not being depreciated:				
Land	\$ 3,538,480	\$ -	\$ -	\$ 3,538,480
Construction in progress	2,633,007	8,128,223	(2,490,875)	8,270,355
Total capital assets, not being depreciated	6,171,487	8,128,223	(2,490,875)	11,808,835
Capital assets, being depreciated:				
Buildings and building improvements	62,934,239	1,480,744	-	64,414,983
Improvements other than buildings	85,349	-	-	85,349
Machinery & equipment	30,666,262	2,815,556	(398,401)	33,083,417
Infrastructure	186,118,397	12,180,513	-	198,298,910
Total capital assets being depreciated	279,804,247	16,476,813	(398,401)	295,882,659
Less accumulated depreciation for:				
Buildings and building improvements	(28,100,468)	(2,635,156)	-	(30,735,624)
Improvements other than buildings	(35,833)	(3,811)	-	(39,644)
Machinery & equipment	(18,248,869)	(2,057,811)	306,842	(19,999,838)
Infrastructure	(39,010,463)	(5,604,225)	-	(44,614,688)
Total accumulated depreciation	(85,395,633)	(10,301,003)	306,842	(95,389,794)
Total capital assets, being depreciated, net	194,408,614	6,175,810	(91,559)	200,492,865
Governmental activities capital assets, net	\$ 200,580,101	\$ 14,304,033	\$ (2,582,434)	\$ 212,301,700

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<u>Business-type activities:</u>	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,322,092	\$ 2,246,632	\$ -	\$ 11,568,724
Construction in progress	24,859,788	4,980,137	(23,650,079)	6,189,846
Total capital assets, not being depreciated	<u>34,181,880</u>	<u>7,226,769</u>	<u>(23,650,079)</u>	<u>17,758,570</u>
Capital assets, being depreciated:				
Buildings and building improvements	85,464,824	20,828,554	-	106,293,378
Improvements other than buildings	200,297,563	16,095,583	-	216,393,146
Machinery & equipment	14,007,816	1,586,845	(387,655)	15,207,006
Total capital assets being depreciated	<u>299,770,203</u>	<u>38,510,982</u>	<u>(387,655)</u>	<u>337,893,530</u>
Less accumulated depreciation for:				
Buildings and building improvements	(26,438,237)	(2,324,946)	-	(28,763,183)
Improvements other than buildings	(60,102,431)	(4,702,910)	-	(64,805,341)
Machinery & equipment	(8,692,208)	(779,825)	217,070	(9,254,963)
Total accumulated depreciation	<u>(95,232,876)</u>	<u>(7,807,681)</u>	<u>217,070</u>	<u>(102,823,487)</u>
Total capital assets, being depreciated, net	<u>204,537,327</u>	<u>30,703,301</u>	<u>(170,585)</u>	<u>235,070,043</u>
Business-type activities capital assets, net	<u>\$ 238,719,207</u>	<u>\$ 37,930,070</u>	<u>\$ (23,820,664)</u>	<u>\$ 252,828,613</u>

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

Governmental activities:

General government	\$ 834,553
Public safety	935,660
Highways and streets	472,933
Health	14,797
Culture and recreation	2,430,629
Public works	5,612,431
Total depreciation expense - governmental activities	<u>\$ 10,301,003</u>

Business-type activities:

Airport	\$ 2,314,938
Solid waste disposal	464,520
Solid waste collections	241,440
Water	2,444,361
Sanitary sewer	1,497,541
Storm water	533,987
Parking authority lots	310,894
Total depreciation expense - business-type activities	<u>\$ 7,807,681</u>

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D. COMMITMENTS

As of December 31, 2009, the City had commitments on various construction contracts totaling approximately \$15,587,087.

The Board of the City Commission voted to allocate Vision Fund money in the amount of \$62,500 to Economic Development Administration for the Energy Applied Technical Center in 2010 and \$500,000 to fund the Commerce Development Construction fund in 2011.

The Community Development Block Grant Housing Rehabilitation Program has \$103,359 in five-year forgivable loans with 10 loans outstanding as of December 31, 2009. If the covenants of the agreement are met, the City will forgive 20% of the loan per year. The Community Development Block Grant Housing Loan has one loan outstanding in the amount of \$50,000 that is forgivable at the end of the loan period. The HOME Program has 2 outstanding loans in the amount of \$181,000 that is forgivable at 10% per year after 6 years. The Neighborhood Stabilization Program has one loan outstanding in the amount of \$21,600 that is forgivable at 10% per year after 6 years.

E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due To - Due From Other Funds

Interfund receivables (due from other funds) and payables (due to other funds) are used when a fund has a cash deficit. The composition of interfund balances as of December 31, 2009 was:

	Due To:			
	Governmental Funds		Internal Service Funds	
	Nonmajor Governmental Funds	Street Improvement Construction	Unemployment Insurance	Total Due From
<u>Governmental Funds:</u>				
General Fund	\$ 681,922	\$ 9,425,021	\$ 21,815	\$ 10,128,758
Sewermain Bonds	1,650,972	-	-	1,650,972
Street Improvement Bonds	-	4,215,997	-	4,215,997
Nonmajor Governmental Funds	1,396,327	1,921,776	-	3,318,103
	<u>3,729,221</u>	<u>15,562,794</u>	<u>21,815</u>	<u>19,313,830</u>
<u>Business-type Funds:</u>				
Sanitary Sewer	1,059,374	-	-	1,059,374
	<u>1,059,374</u>	<u>-</u>	<u>-</u>	<u>1,059,374</u>
Total Due To	\$ 4,788,595	\$ 15,562,794	\$ 21,815	\$ 20,373,204

The due to/from other funds will be repaid in 2010.

Advances

Advances are used for interfund loans that have a repayment schedule of more than one year.

	Advance To:				
	Governmental Funds		Business-Type Funds		Total Advance From
	General Fund	Nonmajor Governmental Funds	Water	Nonmajor Enterprise Funds	
Advance From:					
General Fund	\$ -	\$ 38,525	\$ -	\$ -	\$ 38,525
Sales Tax	69,838	-	-	-	69,838
Nonmajor Governmental Funds	-	-	231,614	800,000	1,031,614
Total Advance To	\$ 69,838	\$ 38,525	\$ 231,614	\$ 800,000	\$ 1,139,977

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The advances to/from other funds have scheduled repayment plans through 2017. Tax Increment advances will be repaid by future revenues generated in Parking Authority Lots. Sales Tax advance to the General Fund will be repaid by future revenue from a specific property lease. The watermain assumptions will be repaid to Watermain Bonds Debt Service Fund by revenue generated in the Water Enterprise Fund.

Transfers

	Transfer In - Governmental Funds				
	General Fund	Street Improvement Construction	Sewermain Bonds	Street Improvement Bonds	Nonmajor Governmental Funds
Transfer Out:					
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 542,774
Sales Tax	5,266,675	-	-	-	6,947,934
St. Improvement Construction	-	-	-	240,366	621,784
Street Improvement Bonds	-	312,876	-	-	-
Nonmajor Governmental Funds	569,948	953,984	38,895	140,857	2,771,879
Airport	117,106	-	-	-	81,750
Water	99,147	1,794,797	-	-	1,272,900
Sanitary Sewer	82,694	150,914	-	-	462,685
Nonmajor Enterprise Funds	90,371	-	-	-	127,007
Internal Service Funds	107,145	-	-	-	30,716
Total Transfers Out	\$ 6,333,086	\$ 3,212,571	\$ 38,895	\$ 381,223	\$ 12,859,429

	Transfer In - Business-type Funds			
	Airport	Nonmajor Enterprise Funds	Internal Service Funds	Totals
Transfer Out:				
General Fund	\$ -	\$ -	\$ 144,774	\$ 687,548
Sales Tax	-	-	-	12,214,609
St. Improvement Construction	-	-	-	862,150
Street Improvement Bonds	-	-	-	312,876
Nonmajor Governmental Funds	10,000	76,000	717	4,562,280
Airport	-	-	-	198,856
Water	-	-	-	3,166,844
Sanitary Sewer	-	-	-	696,293
Nonmajor Enterprise Funds	-	1,000,000	-	1,217,378
Internal Service Funds	-	-	-	137,861
Total Transfers Out	\$ 10,000	\$ 1,076,000	\$ 145,491	\$ 24,056,695

Transfers are made for funding general administrative support, distributing payroll benefits from grant revenue, meeting debt service requirements, capital infrastructure and various projects.

F. LEASES

Capital Leases

The City has financed the acquisition of certain equipment for its Solid Waste Disposal, Water, Sanitary Sewer, and Storm Sewer Funds. The purchase date for the leased equipment was December 17, 2008 in which depreciation did not start until 2009. These lease agreements qualify as capital leases for accounting purposes and, therefore, they have been recorded at the present value of the future minimum lease payments as of the inception date.

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The assets acquired through capital leases are as follows:

Asset:	Business-type Activities
Machinery and equipment	18,233
Less: accumulated depreciation	(6,078)
Total	\$ 12,155

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2009 were as follows:

Year ending December 31	Business-type Activities
2010	\$ 6,757
2011	6,757
Total minimum lease payments	\$ 13,514
Less: amount representing interest	(959)
Present value of minimum lease payments	\$ 12,555

G. LONG-TERM DEBT

General Obligation Bonds

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The legal debt margin as of December 31, 2009 was \$104,147,914 with a remaining non-obligated margin of \$104,147,914. The City had no general obligation bonds outstanding as of December 31, 2009.

Revenue Bonds

The government has also issued bonds where the government pledges income derived from current operations to pay debt service. The Water Revenue bonds were issued to fund the Bismarck Water Treatment Facility Sludge Plant Expansion and Standby Power project. The Sanitary Sewer bonds were issued to fund the Waste Water Treatment Plant Expansion and Upgrade project. Revenue bonds outstanding at December 31, 2009 are as follows:

	Date of Issue	Date of Final Payment	Interest Rate	Original Amount of Issue	Amount Outstanding 1/1/2009	Amount Issued in 2009	Amount Retired in 2009	Amount Outstanding 12/31/2009	Due Within One Year
Governmental Activities - Revenue Bonds									
Lodging, Liquor, Food	5/1/2003	12/1/2013	2.5%-4.1%	\$ 7,295,000	\$ 4,505,000	\$ -	\$ 800,000	\$ 3,705,000	\$ 855,000
Business-type Activities - Revenue Bonds									
Water Utility	4/15/2006	4/1/2021	4.0%	10,000,000	8,960,000	-	540,000	8,420,000	560,000
Water Treatment	9/1/2009	3/1/2028	3.31%	16,320,000	-	2,189,229	100,000	2,089,229	605,000
Wastewater	11/14/2006	9/1/2027	2.5%	19,200,000	17,577,149	1,408,028	800,000	18,185,177	820,000
Total Revenue Bonds				\$ 52,815,000	\$ 31,042,149	\$ 3,597,257	\$ 2,240,000	\$ 32,399,406	\$ 2,840,000

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

Years	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2010	855,000	142,640	1,985,000	1,306,263
2011	910,000	112,715	2,055,000	1,242,938
2012	950,000	78,590	2,120,000	1,177,259
2013	990,000	40,590	1,610,771	716,655
2014	-	-	1,565,000	603,325
2015-2019	-	-	8,570,000	2,242,500
2020-2024	-	-	7,235,000	948,025
2025-2028	-	-	3,553,635	169,591
Total	\$ 3,705,000	\$ 374,535	\$ 28,694,406	\$ 8,406,556

Special Assessment Debt with Governmental Commitment

Special assessment bonds were issued annually to meet the cost of construction of street lights, streets, sewer mains, water mains, sidewalks, and public parking lots. The annual installment of principal and interest is met by special assessments levied against the benefiting property owners. In the event special assessment taxes are insufficient to meet principal and interest payments on bonds, the governing body is required to levy a general 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 bonds outstanding at December 31, 2009 are as follows:

Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2009	Amount Issued in 2009	Amount Retired in 2009	Amount Outstanding 12/31/2009	Amount Due Within One Year
Series L refunding	4/30/2001	6/1/2011	4.00-4.50%	6,140,000	1,390,000	-	650,000	740,000	515,000
Series N refunding	6/15/2002	5/1/2017	3.30-4.30%	2,480,000	1,450,000	-	165,000	1,285,000	165,000
Series O refunding	11/12/2002	6/1/2012	2.10-4.00%	1,990,000	635,000	-	185,000	450,000	185,000
Series P refunding	6/15/2003	5/1/2018	1.50-3.50%	4,580,000	2,075,000	-	510,000	1,565,000	510,000
Series Q refunding	6/1/2004	5/1/2019	2.00-4.250%	4,215,000	2,585,000	-	440,000	2,145,000	440,000
Series R refunding	10/15/2004	5/1/2013	2.50-3.00%	2,005,000	930,000	-	195,000	735,000	190,000
Series S refunding	6/15/2005	5/1/2020	3.25-4.10%	3,180,000	2,570,000	-	240,000	2,330,000	240,000
Series T refunding	6/1/2006	5/1/2021	4.00-4.45%	9,640,000	8,310,000	-	975,000	7,335,000	960,000
Series U refunding	7/1/2007	5/1/2022	4.00-4.75%	14,395,000	13,995,000	-	1,215,000	12,780,000	1,125,000
Series V refunding	5/28/2008	5/1/2016	3.25-3.75%	2,430,000	2,430,000	-	390,000	2,040,000	385,000
Series W refunding	12/23/2008	5/1/2023	3.5-4.45%	8,914,000	8,915,000	-	250,000	8,665,000	685,000
Series X refunding	12/23/2008	5/1/2023	3.5-5.375%	8,210,000	-	8,210,000	875,000	7,335,000	1,220,000
Total refunding series				\$ 72,099,000	\$ 46,315,000	\$ 8,210,000	\$ 6,335,000	\$ 48,190,000	\$ 6,780,000

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Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2009	Amount Issued in 2009	Amount Retired in 2009	Amount Outstanding 12/31/2009	Due Within One Year
Sidewalk 98	5/1/1999	4/1/2009	3.90-4.30%	570,000	65,000	-	65,000	-	-
Sidewalk 99	5/15/2000	5/1/2010	5.20-5.90%	480,000	100,000	-	50,000	50,000	50,000
Sidewalk 00	5/15/2001	5/1/2011	4.30-4.70%	420,000	125,000	-	45,000	80,000	40,000
Sidewalk 01	6/15/2002	5/1/2012	2.30-4.15%	565,000	235,000	-	60,000	175,000	60,000
Sidewalk 02	6/15/2003	5/1/2013	1.10-3.15%	505,000	255,000	-	55,000	200,000	50,000
Sidewalk 03	6/1/2004	5/1/2014	1.75-4.15%	460,000	280,000	-	50,000	230,000	50,000
Sidewalk 04	6/15/2005	5/1/2015	3.25-3.70%	1,110,000	790,000	-	120,000	670,000	120,000
Sidewalk 05	6/1/2006	5/1/2016	4.00-4.15%	1,040,000	875,000	-	115,000	760,000	110,000
Sidewalk 06	6/1/2006	5/1/2016	4.00-4.15%	1,120,000	1,065,000	-	125,000	940,000	125,000
Sidewalk 07	12/23/2008	5/1/2018	3.00-4.00%	-	1,085,000	-	65,000	1,020,000	120,000
Total sidewalk bonds				\$ 6,270,000	\$ 4,875,000	\$ -	\$ 750,000	\$ 4,125,000	\$ 725,000
Total special assessment bonds				\$ 78,369,000	\$ 51,190,000	\$ 8,210,000	\$ 7,085,000	\$ 52,315,000	\$ 7,505,000

Special Assessment Debt Requirement to Maturity

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

Years	GOVERNMENTAL ACTIVITIES	
	Principal	Interest
2010	7,505,000	1,916,358
2011	6,690,000	1,653,851
2012	5,925,000	1,420,123
2013	5,665,000	1,203,647
2014	4,940,000	1,002,042
2015 - 2019	15,665,000	2,741,996
2020 - 2024	5,925,000	430,471
Total	\$ 52,315,000	\$ 10,368,488

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special revenue bonds	\$ 4,505,000	\$ -	\$ 800,000	\$ 3,705,000	\$ 855,000
Less unamortized discount	(22,979)	-	(5,359)	(17,620)	-
Special assessment bonds	51,190,000	8,210,000	7,085,000	52,315,000	7,505,000
Less unamortized discount	(101,757)	70,496	(5,147)	(26,114)	-
Compensated absences	1,988,357	1,898,493	1,654,562	2,232,288	1,515,298
Claims and judgments	250,790	2,712,085	2,692,758	270,117	270,117
TOTAL	\$ 57,809,411	\$ 12,891,074	\$ 12,221,814	\$ 58,478,671	\$ 10,145,415
BUSINESS-TYPE ACTIVITIES:					
Capital leases	\$ 17,771	\$ -	\$ 5,216	\$ 12,555	\$ 6,070
Compensated absences	535,060	441,756	395,955	580,861	354,447
Claims and judgments	67,689	774,837	765,746	76,780	76,780
Closure and postclosure costs	1,023,459	59,211	-	1,082,670	-
Water revenue bonds	8,960,000	-	540,000	8,420,000	560,000
Less unamortized discount	(80,248)	-	(6,551)	(73,697)	-
Water Treatment	-	2,189,229	100,000	2,089,229	605,000
Wastewater revenue bonds	17,577,149	1,408,028	800,000	18,185,177	820,000
TOTAL	\$ 28,100,880	\$ 4,873,061	\$ 2,600,366	\$ 30,373,575	\$ 2,422,297

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H. INDUSTRIAL REVENUE BONDS

From time to time, the City has approved issuance of Industrial Revenue Bonds 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. Therefore, neither the City, the state, nor any political subdivision 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, 2009, there were 2 series of Industrial Revenue Bonds outstanding; the aggregate principal amount payable is unknown. Neither the State of North Dakota nor the City of Bismarck has a central repository. The only requirement for this type of issue is to request the amount needed for City approval. Generally this amount is in excess of the actual amount issued. When completely paid or called, they must notify the City of this event.

I. RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds are as follows:

<u>Business-Type</u>		
Investments - Burleigh County Water Users	\$	3,307,990
Water Revenue Bond Account		7,361,308
Wastewater Revenue Bond Account		9,424,432
		<u>\$ 20,093,730</u>
<u>Governmental</u>		
Construction Developer Deposits	\$	944,380
Civic Center Event Deposits		241,199
		<u>\$ 1,185,579</u>

V. OTHER INFORMATION

A. RISK MANAGEMENT

The City pays an annual premium to the North Dakota Insurance Reserve Fund (NDIRF) for its general insurance, personal injury insurance, and auto insurance. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions. The City has purchased a separate airport liability policy that is primary coverage at the airport. There is a deductible of \$1,000 per claim.

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 has established a general liability self-insurance fund. The fund is structured so that only expenses under \$2,500 relating to covered liabilities of the City are charged against it. The Fund earns interest and is subject to periodic funding from property taxation as deemed necessary by the Board of City Commissioners. The self-insurance fund does not provide collision or comprehensive automotive coverage for the City.

N.D.C.C. Chapter 32-12.1 provides that for actions in tort, the City has a liability limitation of \$250,000 per claim with a \$500,000 aggregate limit per event. At December 31, 2009 management estimates claims incurred prior to NDIRF but not paid of \$239. This amount has been recorded as a liability.

	BEGINNING	CURRENT-YEAR		BALANCE AT
	FISCAL YEAR	CLAIMS AND	CLAIM	FISCAL
	LIABILITY	CHANGES IN	PAYMENTS	YEAR-END
		ESTIMATES		
2009	\$ 5,200	\$ 1,412	\$ 6,373	\$ 239
2008	\$ 5,000	\$ 7,233	\$ 7,033	\$ 5,200
2007	\$ 5,000	\$ 7,058	\$ 7,058	\$ 5,000

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There have been no significant reductions in insurance coverage from the prior year and settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Employee Insurance

The City has established a medical self-insurance fund. The purpose of this fund is to pay medical claims for the City of Bismarck and Parks and Recreation employees and their covered dependents and to minimize the total cost of annual medical insurance premiums paid by the City of Bismarck. Medical claims exceeding \$50,000 per individual per year is covered through Blue Cross and Blue Shield of North Dakota. The Plan has paid an excess of stop loss coverage of \$835,820 for 2009. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

An incurred but not reported (IBNR) liability is estimated by the third party administrator and is recorded in the financial statements. The estimated IBNR amount is \$346,657 as of December 31, 2009. A summary of the claim reserve liabilities and related claim payments is shown below:

	BEGINNING FISCAL YEAR LIABILITY	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END
2009	\$ 395,620	\$ 3,457,092	\$ 3,506,055	\$ 346,657
2008	\$ 395,620	\$ 3,199,315	\$ 3,281,656	\$ 313,279
2007	\$ 286,806	\$ 3,308,502	\$ 3,199,688	\$ 395,620

State Fire and Tornado and Bonding Fund

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

Worker's Compensation

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

B. Closure and Post Closure Care Costs

State and federal laws and regulations require the City to place a final cover on its Bismarck Municipal Solid Waste Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,082,670 reported as landfill closure and post closure care liability at December 31, 2009, represents the cumulative amount reported to date based on the use of 76 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post closure care of \$322,609 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2009. The City expects to close the existing landfill cell in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to determine the method they would choose to finance the closure and post closure costs. We are required to run an annual financial test as specified in the N.D.C.C. 33-20-14-07 to insure compliance. The City expects that future inflation costs will be paid

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from operating revenue. However, if the funds are inadequate or additional post closure requirements are determined (due to changes in technology or applicable laws or regulations); these costs may need to be covered by the sale of general obligation bonds and from future tax revenue.

C. Cost Sharing Arrangement

Combined Communications Center/Emergency Management

The City of Bismarck owns and operates a Combined Communications Center & Emergency Management Department under a joint powers agreement with Burleigh County. The Combined Communications Center is administered by a board, which is comprised of six members. It includes three members from the City (a commissioner, the Chief of Police, and the Chief of Fire and Inspections), three members for the County (a commissioner, County Sheriff, and a rural fire district representative), and one representative from a local ambulance service that is appointed by a majority of the members of the board. The City Emergency Management reports to the City Chief of Fire and Inspections.

In 2009, the City provided 65% and the County provided 35% of the funding for the Combined Communications Center & Emergency Management Department. The City and County approve the annual budget for the Combined Communications Center & Emergency Management Department. The employees of the Center are the employees of the City. The Combined Communications Center & Emergency Management Department is a part of the General Fund.

<u>Assets:</u>	<u>Total</u>
Property and equipment	\$ 401,617
Less value of accumulated depreciation	<u>(253,781)</u>
Net assets	<u>\$ 147,836</u>
Total operating expenditures - 2009	<u>\$ 1,408,646</u>

There is no debt outstanding for the Combined Communications Center & Emergency Management Department. The total value of the assets is carried in the Governmental Activities column of the Statement of Net Assets. Depreciation is recorded in the Statement of Activities.

D. Employee Retirement Systems

The City of Bismarck contributes to three separate pension plans that cover substantially all full-time employees. They include the City of Bismarck Employees Pension, the Bismarck Police Pension and the Bismarck Firefighter's Relief Association. All of these plans are defined benefit pension. Separate, audited GAAP-basis pension plan reports are not available. The Firefighter's Relief Association is a separate legal entity and is not administered by the City. This plan has not been included in the reporting entity and therefore is not shown in the accompanying financial statements. The City and Police plans are included in the City's financial reports as Pension Trust Funds. Administrative costs are funded through earnings of the plans.

Summary of Significant Accounting Policies

Basis of Accounting - The City's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments - Investments are reported at fair value.

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City of Bismarck Employees Pension

Plan Description - The City plan is a cost sharing multiple employer public employee retirement system. Membership in the plan on December 31, 2009 is as follows:

Retirees and beneficiaries receiving benefits	126
Terminated employees - vested	32
Active employees:	
Vested	258
Non-vested	130
 Number of participating employers:	 2

Benefit provisions, amendments, and all requirements are established by city ordinance. 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 one and three-quarters percent of the average of the member's highest 36 months base salary for each full and fractional year of contributing service before January 2005 and two and one-quarter percent 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 or policies with respect to automatic and 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 provisions are established under the authority of the City Commission.

If an employee leaves employment, the employee's contributions plus interest earnings at 5% per annum are refunded to the employee.

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 - Participating employees contribute to the plan at a rate of 5% of salary and the employers contribute at a rate determined by the City Commission.

Reserves - The fund balance at December 31, 2009 is \$50,883,840 and the entire amount is reserved for employee pension benefits.

City of Bismarck Police Pension Plan

Plan Description - The Police plan is a single employer public employee retirement system. Membership in the plan on December 31, 2009 is as follows:

Retirees and beneficiaries receiving benefits	50
Terminated employees - vested	8
Active employees:	
Vested	91
Non-vested	30
 Number of participating employers:	 1

Benefit provisions, amendments, and all requirements are established by city ordinance. Employees who retire at or after age 55 with 5 years of credited service are entitled to an annual retirement benefit, payable

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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 or policies 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.

Any employee who leaves shall be entitled to a refund of all contributions made by them plus interest earnings at 5% per annum.

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 - Participating employees contribute to the plan at a rate of 9.4% of salary and the employers contribute at a rate set by the City Commission.

Reserves - The fund balance at December 31, 2009 is \$23,089,709 and the entire amount is reserved for employee pension benefits.

Bismarck Firefighter's Relief Association Plan

Plan Description - The Fire plan is a single employer public employee retirement system governed by Section 18-11 of the North Dakota State Century Code. The Association is organized, operated, and maintained in accordance with its own articles of incorporation and by-laws. All full-time firefighters are eligible members.

Membership in the plan on December 31, 2009 is as follows:

Retirees, beneficiaries and disabled receiving benefits	46
Terminated employees - vested	1
Active employees:	
Vested	37
Non-vested	29

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

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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 - Participating employees contribute to the plan at a rate of 7% of the First Class Firefighter's salary, as set annually by the Board of Directors. In addition, 50% of the amount received 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. The employer contributes at a rate set by the City Commission.

Complete financial and pension information on the Bismarck Firefighter's Relief Association can be obtained by contacting:

Firefighter's Relief Association
PO Box 5503
Bismarck, North Dakota 58506-5503.

City of Bismarck Employees Pension

Schedule of Employer Contributions – City Employees

Year	Annual		
	Required Contribution	Employer Contribution	Percent Funded
2009	\$ 2,010,653	\$ 2,649,359	131.8%
2008	1,090,182	2,542,708	233.2%
2007	1,068,130	2,182,902	204.4%
2006	1,233,248	2,147,360	174.1%
2005	1,414,021	2,113,743	149.5%
2004	1,267,143	1,678,601	132.5%
2003	1,531,586	906,670	59.2%
2002	746,951	449,657	60.2%
2001	423,579	371,374	87.7%

The information for 2010 is not available at this time.

Schedule of Funding Progress – City Employees (In Thousands of Dollars)

Actuarial Valuation Date Jan 1	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (Funded Excess)	Funded Ratio	Annual Covered Payroll	UAAL (Funded excess) as a Percentage of Annual Covered Payroll
2001	\$ 31,609	\$ 31,609	\$ -	100.0%	\$ 10,508	- %
2002	31,269	34,499	3,230	90.6%	11,114	29.1%
2003	28,325	32,465	4,140	87.2%	11,807	35.1%
2004	34,647	39,088	4,441	88.6%	12,442	35.7%
2005	37,922	42,856	4,934	88.5%	12,765	38.7%
2006	42,836	48,871	6,035	87.7%	13,107	46.0%
2007	49,154	50,826	1,672	96.7%	13,893	12.0%
2008	54,225	55,308	1,083	98.0%	14,902	7.3%
2009	43,691	59,315	15,630	73.7%	15,933	98.1%
2010	50,884	64,117	13,234	79.4%	17,135	77.2%

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City of Bismarck Police Pension

Schedule of Employer Contributions – Police Employees

Year	Annual		
	Required Contribution	Employer Contribution	Percent Funded
2009	\$ 818,953	\$ 835,823	102.1%
2008	413,396	835,053	201.8%
2007	422,992	789,331	186.6%
2006	471,750	769,252	163.1%
2005	598,835	732,436	122.3%
2004	473,610	700,906	148.0%
2003	660,286	354,296	53.7%
2002	317,993	221,346	69.6%
2001	193,941	113,939	58.7%

The information for 2010 is not available at this time. The Annual Required Contribution includes a mid-year interest calculation.

Schedule of Funding Progress -- Police Employees (In Thousands of Dollars)

Actuarial Valuation Date Jan 1	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability (UAAL) (Funded Excess)	Funded Ratio	Annual Covered Payroll	UAAL (Funded excess) as a Percentage of Annual Covered Payroll
2001	\$ 15,126	\$ 15,126	\$ -	100.0%	\$ 3,723	- %
2002	14,791	15,641	850	94.6%	3,882	21.9%
2003	13,389	14,518	1,129	92.2%	3,784	29.8%
2004	16,407	17,701	1,294	92.7%	3,873	33.4%
2005	18,186	21,812	3,626	83.4%	4,150	87.4%
2006	20,447	24,198	3,751	84.5%	4,302	87.2%
2007	23,589	25,858	2,269	91.2%	4,361	52.0%
2008	25,907	28,120	2,213	92.1%	4,384	50.5%
2009	20,208	30,132	9,924	67.1%	4,766	208.2%
2010	23,090	32,314	9,224	71.5%	5,072	181.9%

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Schedule of Net Pension Obligation -- Police Employees (In Thousands of Dollars)

Annual Pension Cost Components								
Year Ended	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Amortization Factor	Pension Cost	Amount Contributed	Change in NPO	NPO Balance
2001	\$ 186,931	\$ -	\$ -	\$ -	\$ 186,931	\$ 113,939	\$ 72,992	\$ 72,992
2002	306,499	5,474	5,316	13.73%	306,657	221,346	85,311	158,303
2003	636,420	11,873	11,913	13.29%	636,380	354,296	282,084	440,387
2004	456,492	33,029	34,339	12.82%	455,182	700,906	(245,724)	194,663
2005	577,190	14,600	15,773	12.34%	576,017	732,436	(156,419)	38,244
2006	454,699	2,868	3,231	11.84%	454,336	769,252	(314,916)	(276,672)
2007	407,703	20,750	24,462	11.31%	411,415	789,331	(377,916)	(654,588)
2008	398,454	49,094	60,830	10.76%	410,190	835,054	(424,864)	(1,079,452)
2009	789,352	(80,959)	62,520	17.27%	770,913	835,823	(64,910)	(1,144,361)

The information for 2010 is not available at this time.

City of Bismarck Firefighter's Relief Association

Schedule of Employer Contributions -- Firefighters

Year	Annual Required Contribution	Employer Contribution	Percent Funded
2009	\$ 522,292	\$ 522,292	100%
2008	468,201	468,201	100%
2007	442,696	442,696	100%
2006	426,491	426,491	100%
2005	425,581	425,581	100%
2004	285,326	310,072	109%
2003	401,393	398,385	99%
2002	293,561	384,617	132%
2001	141,877	396,083	279%

The information for 2010 is not available at this time.

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Schedule of Funding Progress – Firefighters (In Thousands of Dollars)

Actuarial Valuation Date Jan 1	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL) (Funded Excess)	Funded Ratio	Annual Covered Payroll	UAAL (Funded excess) as a Percentage of Annual Covered Payroll
2001	\$ 15,939	\$ 13,450	\$ (2,489)	118.5%	\$ 2,472	(100.7)%
2002	16,498	16,023	(475)	103.0%	2,488	(19.1)%
2003	15,705	16,882	1,177	93.0%	2,555	46.1%
2004	17,010	16,853	(157)	100.9%	2,692	-5.8%
2005	17,521	17,801	280	98.4%	2,690	10.4%
2006	18,158	19,597	1,439	92.7%	2,914	49.4%
2007	19,258	20,544	1,286	93.7%	3,055	42.1%
2008	20,686	21,724	1,038	95.2%	3,198	32.5%
2009	21,146	23,104	1,958	91.5%	3,744	52.3%
2010	21,444	24,572	3,129	87.3%	4,373	71.6%

The information needed to complete the Schedule of Net Pension Obligation is not available from the Firefighter's Relief Association, a separate legal entity which has responsibility for the plan.

Actuarial Methods and Assumption

	City Plan	Police Plan	Fire Plan
Valuation date	1/1/2010	1/1/2010	1/1/2010
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed	Level % of payroll over remaining amortization period-closed	Level % of payroll over period not to exceed 30 years
Remaining amortization period	Infinite	Infinite	Infinite
Asset Valuation Method	Market	Market	5 year Smoothed

Valuation Method - Actuarial assumptions:

Inflation rate	3.00%	3.00%	3.50%
Investment rate of return	7.50%	7.50%	7.50%
Projected salary increases			4.50%
0-9 years of service	5.00%	5.00%	
10 + years of service	4.00%	4.00%	
Post retirement cost of living adjustments	None	None	at age 62 CPI up to 2%

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

Separate GAAP financial reports have not been issued for the individual City and Police Pension plans; therefore, the financial statements for those plans are presented here:

**PENSION TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS**

	Deferred Sick Leave	Employee Excess Retirement	City Pension	Police Pension	Total
ASSETS					
Receivables:					
Taxes	\$ -	\$ -	\$ 18,054	\$ 12,978	\$ 31,032
Accounts	-	-	20,702	11,904	32,606
Accrued interest and dividends	1,417	-	44,114	27,749	73,280
Investments, at fair value:					
Domestic equities	169,627	-	12,991,083	6,752,080	19,912,790
International equities	82,848	-	5,128,761	2,559,176	7,770,785
Domestic fixed income	526,351	-	17,628,358	6,956,316	25,111,025
International fixed income	-	-	4,431,088	1,856,432	6,287,520
Real estate	-	-	4,189,150	1,667,885	5,857,035
Alternative investments	-	-	479,908	679,204	1,159,112
Mutual funds	-	1,052,770	-	-	1,052,770
Certificate of deposits	5,881	-	66,334	53,891	126,106
Invested cash	66,389	-	5,962,108	2,581,717	8,610,214
Invested securities lending collateral	39,991	-	447,074	199,181	686,246
Total assets	892,504	1,052,770	51,406,734	23,358,513	76,710,521
LIABILITIES					
Accounts payable	-	-	14,519	37,737	52,256
Investment Expense Payable	1,749	-	46,487	21,237	69,473
Deferred revenue	-	-	14,814	10,649	25,463
Securities lending collateral	39,991	-	447,074	199,181	686,246
Total liabilities	41,740	-	522,894	268,804	833,438
NET ASSETS					
Assets held in trust for pension and other employee benefits	850,764	1,052,770	50,883,840	23,089,709	75,877,083
Total net assets held in trust	\$ 850,764	\$ 1,052,770	\$ 50,883,840	\$ 23,089,709	\$ 75,877,083

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

**PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET ASSETS**

	Deferred Sick Leave	Employee Excess Retirement	City Pension	Police Pension	Total
ADDITIONS					
Contributions:					
Employer	\$ -	\$ -	\$ 2,649,359	\$ 835,823	\$ 3,485,182
Employee	-	-	872,988	537,202	1,410,190
Total contributions	-	-	3,522,347	1,373,025	4,895,372
Investment income:					
Net increase (decrease) in fair value of investments	100,701	169,910	4,684,059	2,238,847	7,193,517
Interest and dividends	33,833	-	1,169,389	502,054	1,705,276
	134,534	169,910	5,853,448	2,740,901	8,898,793
Less: investment expense	(3,968)	-	(161,740)	(74,943)	(240,651)
Net investment income	130,566	169,910	5,691,708	2,665,958	8,658,142
Security lending activity:					
Securities lending income	228	-	2,894	1,451	4,573
Less: securities lending expenses	(26)	-	-	-	(26)
Net securities lending income	202	-	2,894	1,451	4,547
Total additions	130,768	169,910	9,216,949	4,040,434	13,558,061
DEDUCTIONS					
Benefits paid to participants	24,519	-	1,955,409	1,101,721	3,081,649
Refunds	-	58,051	26,485	33,199	117,735
Administration	-	-	42,057	23,916	65,973
Total deductions	24,519	58,051	2,023,951	1,158,836	3,265,357
Change in net assets	106,249	111,859	7,192,998	2,881,598	10,292,704
Net assets - beginning	744,515	940,911	43,690,842	20,208,111	65,584,379
Net assets - ending	\$ 850,764	\$1,052,770	\$50,883,840	\$23,089,709	\$75,877,083

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

E. Issued But Non-Effective Pronouncements

GASB Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets*," was issued in June 2007. This Statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies which enhances the comparability of the accounting and financial reporting of such assets among state and local governments. This Statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets and establishes guidelines for intangible assets related to amortization. The provisions of this statement are effective for periods beginning after June 15, 2009.

GASB Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*" was issued in June 2008. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This Statement establishes that derivative instruments, with the exception of synthetic guaranteed investment contracts (SGICs), are reported at fair value. This Statement also describes the methods of evaluating effectiveness. The provisions of this statement are effective for periods beginning after June 15, 2009.

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" was issued in March 2009. The objective of this statement is to provide a concise definition with a clear consistent application of fund balance. Fund Balance will be classified as nonspendable, restricted, committed, assigned and unassigned based on the spending controls and accounting policies. Disclosure of these policies are required to be reported in the notes. The provisions of this statement are effective for periods beginning after June 15, 2010.

GASB Statement No. 55, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*" was issued in March 2009. The purpose of this statement is to establish the hierarchy of the generally accepted accounting principles into GASB literature. This statement will make it easier for preparers to identify and apply all relevant guidelines by providing a single source for the literature.

GASB Statement No. 56, "*Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*" was issued in March 2009. The purpose of this statement is to include certain AICPA auditing standards in the GASB literature. This statement includes three accounting principles which are related party transactions, going concern considerations and subsequent events that were previously not included in the authoritative literature. It incorporates the existing accounting standards into the GASB literature. It will improve the financial statements by making it easier for preparers to identify and apply all relevant guidelines by providing a single source for the literature.

GASB Statement No. 57, "*OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*" was issued in December 2009. This statement relates to the alternative measurement method, frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. Statement No. 45 is amended to allow an agent employer with fewer than 100 plan members to use the alternative measurement method. It also amends Statement No. 43 which required an actuarial valuation. This statement allows an agent multiple-employer OPEB plan to report an aggregation of results of actuarial valuations and clarifies timing and frequency of reporting requirements. This change will result in a reduction of the cost of compliance while achieving a reliable measurement of reporting information.

GASB Statement No. 58, "*Accounting and Financial Reporting for Chapter 9 Bankruptcies*" was issued in December 2009. This statement provides reporting guidance for governments that filed for bankruptcy under Chapter 9 of the US Bankruptcy Code. It requires liabilities to be remeasured when a new payment plan is confirmed by the bankruptcy court. The provisions of this statement are effective for periods beginning after June 15, 2009.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009**

F. Contingent Litigation

Mosbrucker v. City of Bismarck.

Margaret Mosbrucker was involved in an automobile accident with a City employee on January 7, 2007. Ms. Mosbrucker served the City with a summons and complaint for her injuries in May 2008. She has alleged various injuries amounting to \$9,600 in medical damages and has also requested some amount in excess of \$50,000 for pain and suffering. NDIRF has picked up the defense of this claim and the City is represented by Scott Porsborg.

Haugland v. The City of Bismarck.

Curley Haugland, a Bismarck resident, sued the City seeking injunctive, declaratory, and mandamus relief in a matter regarding the use of tax increment financing. Mr. Haugland has alleged that the City's tax increment financing district and method are not authorized by law and in any case are unconstitutional. The suit was filed in April 2010 and the City has answered and discovery is just starting. Based upon the known facts of the case, it is unlikely that the City or its employees have any monetary liability. If the court was to find against the City, the City's tax increment fund could be at risk to the extent that the City would have to split it out with the other political subdivision sharing in the property tax levy. The defense of this case is being provided by NDIRF (Randy Bakke).

G. Subsequent Events

On January 21, 2010 an accident occurred involving a Bis-Man Transit City bus and City of Bismarck fire truck. The accident resulted in damages to the bus in excess of the estimated value. The insurance recovery totaled \$9,870 for the bus value and towing costs. The insurance recovery totaled \$108,618.00 for the fire truck value and towing cost.

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	<u>Special Revenue Totals</u>	<u>Debt Service Totals</u>	<u>Capital Projects Totals</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 7,180,649	\$ 215,185	\$ -	\$ 7,395,834
Investments	2,688,900	977,308	25,607,677	29,273,885
Receivables:				
Taxes receivable	70,608	-	16,800	87,408
Accounts receivable	1,763,862	-	606,600	2,370,462
Special assessments	40,787	5,337,925	-	5,378,712
Intergovernmental	-	2,350	-	2,350
Notes receivable	1,358,500	-	129,000	1,487,500
Due from other funds	2,221,220	1,096,883	-	3,318,103
Advances to other funds	-	231,614	800,000	1,031,614
Restricted assets:				
Investments	-	-	944,380	944,380
Total assets	<u><u>\$ 15,324,526</u></u>	<u><u>\$ 7,861,265</u></u>	<u><u>\$ 28,104,457</u></u>	<u><u>\$ 51,290,248</u></u>
LIABILITIES				
Accounts payable	\$ 509,199	\$ 11,105	\$ 720,568	\$ 1,240,872
Retainage payable	-	-	124,355	124,355
Due to other funds	382,663	-	4,405,932	4,788,595
Advances from other funds	38,525	-	-	38,525
Salaries payable	239,247	-	-	239,247
Deferred revenue	93,312	4,986,070	191,500	5,270,882
Customer deposits	-	-	944,380	944,380
Total liabilities	<u>1,262,946</u>	<u>4,997,175</u>	<u>6,386,735</u>	<u>12,646,856</u>
FUND BALANCES				
Reserved for encumbrances	562,790	-	-	562,790
Reserved for debt service	-	700,000	-	700,000
Reserved for advances to other funds	-	231,614	800,000	1,031,614
Reserved for long-term receivable	1,358,500	-	129,000	1,487,500
Unreserved, undesignated	12,140,290	1,932,476	20,788,722	34,861,488
Total fund balances	<u>14,061,580</u>	<u>2,864,090</u>	<u>21,717,722</u>	<u>38,643,392</u>
Total liabilities and fund balances	<u><u>\$ 15,324,526</u></u>	<u><u>\$ 7,861,265</u></u>	<u><u>\$ 28,104,457</u></u>	<u><u>\$ 51,290,248</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Special Revenue Totals	Debt Service Totals	Capital Projects Totals	Totals
REVENUES				
Taxes	\$ 5,996,298	\$ -	\$ 1,482,494	\$ 7,478,792
Licenses and permits	5,715	-	-	5,715
Special assessments	17,359	1,294,307	1,328,262	2,639,928
Intergovernmental	9,780,589	-	751,563	10,532,152
Charges for services	2,470,547	-	-	2,470,547
Fines and forfeits	72,005	-	-	72,005
Investment income	415,022	23,494	398,300	836,816
Rentals	526,652	-	-	526,652
Miscellaneous	163,244	-	408,108	571,352
Total revenues	<u>19,447,431</u>	<u>1,317,801</u>	<u>4,368,727</u>	<u>25,133,959</u>
EXPENDITURES				
Current				
General government	4,925,988	-	-	4,925,988
Public safety	715,307	-	-	715,307
Highways and streets	5,912,929	-	-	5,912,929
Health and welfare	968,163	-	-	968,163
Culture and recreation	1,807,706	-	-	1,807,706
Public works	-	-	1,224,641	1,224,641
Capital outlays				
General government	509,843	-	-	509,843
Public safety	611,368	-	-	611,368
Highways and streets	467,770	-	-	467,770
Health and welfare	15,757	-	-	15,757
Culture and recreation	545,289	-	-	545,289
Public works	-	-	7,229,911	7,229,911
Debt service				
Principal	-	1,763,949	-	1,763,949
Interest and fiscal charges	-	557,419	-	557,419
Total expenditures	<u>16,480,120</u>	<u>2,321,368</u>	<u>8,454,552</u>	<u>27,256,040</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,967,311</u>	<u>(1,003,567)</u>	<u>(4,085,825)</u>	<u>(2,122,081)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	3,518,480	999,556	8,341,393	12,859,429
Transfer out	(3,277,197)	(76,242)	(1,208,841)	(4,562,280)
Premium on special assessment debt	-	-	1,533	1,533
Special assessment bonds issued	-	-	186,075	186,075
Total other financing sources (uses)	<u>241,283</u>	<u>923,314</u>	<u>7,320,160</u>	<u>8,484,757</u>
Net changes in fund balances	3,208,594	(80,253)	3,234,335	6,362,676
Fund balances - beginning	10,852,986	2,944,343	18,483,387	32,280,716
Fund balances - ending	<u>\$ 14,061,580</u>	<u>\$ 2,864,090</u>	<u>\$ 21,717,722</u>	<u>\$ 38,643,392</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Arena/Exhibit Operations	E/H Transit	Library	Police Drug Enforcement	Police Gaming Enforcement	Roads & Streets	Street Lights	NPCC Transload Operations
ASSETS								
Cash and cash equivalents	\$ 639,282	\$ -	\$ 187,155	\$ -	\$ 1,160	\$ 2,238,926	\$ 183,201	\$ -
Investments	928,123	-	133,306	48,296	29,101	586,300	4,840	240,945
Receivables:								
Taxes receivable	-	10,819	29,300	-	-	8,160	-	-
Accounts receivable	40,893	316,603	26,999	-	-	463,411	483	-
Special assessments	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Due from other funds	6,559	-	-	-	-	-	-	-
Total assets	\$ 1,614,857	\$ 327,422	\$ 376,760	\$ 48,296	\$ 30,261	\$ 3,296,797	\$ 188,524	\$ 240,945
LIABILITIES								
Accounts payable	\$ 33,377	\$ 122,576	\$ 41,239	\$ 4,521	\$ 284	\$ 123,326	\$ 51,048	\$ 15,077
Due to other funds	-	194,031	-	-	-	-	-	-
Advances from other funds	-	-	38,525	-	-	-	-	-
Salaries payable	895	-	59,825	-	2,764	115,909	14,746	-
Deferred revenue	-	8,852	24,004	-	-	6,693	-	-
Total liabilities	34,272	325,459	163,593	4,521	3,048	245,928	65,794	15,077
FUND BALANCES								
Reserved for encumbrances	46,766	-	-	-	-	31,675	-	-
Reserved for long-term receivable	-	-	-	-	-	-	-	-
Unreserved, undesignated	1,533,819	1,963	213,167	43,775	27,213	3,019,194	122,730	225,868
Total fund balances	1,580,585	1,963	213,167	43,775	27,213	3,050,869	122,730	225,868
Total liabilities and fund balances	\$ 1,614,857	\$ 327,422	\$ 376,760	\$ 48,296	\$ 30,261	\$ 3,296,797	\$ 188,524	\$ 240,945

CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Hotel/ Motel Tax	Lodging/ Liquor/ Food Tax	Vision Fund	Social Security Tax	Special Deficiency/ Assumption	Government Grants & Activities	Total Special Revenue
ASSETS							
Cash and cash equivalents	\$ -	\$ 2,250,854	\$ 1,680,071	\$ -	\$ -	\$ -	\$ 7,180,649
Investments	-	80,729	63,321	573,939	-	-	\$ 2,688,900
Receivables:							
Taxes receivable	-	-	-	21,243	1,086	-	\$ 70,608
Accounts receivable	43,726	157,790	-	-	-	713,957	1,763,862
Special assessments	-	-	-	-	40,787	-	40,787
Notes receivable	-	-	1,358,500	-	-	-	1,358,500
Due from other funds	-	-	292,885	-	1,921,776	-	2,221,220
Total assets	\$ 43,726	\$ 2,489,373	\$ 3,394,777	\$ 595,182	\$ 1,963,649	\$ 713,957	\$ 15,324,526
LIABILITIES							
Accounts payable	\$ 37,167	\$ -	\$ -	\$ 869	\$ 3,435	\$ 76,280	\$ 509,199
Due to other funds	6,559	-	-	-	-	182,073	382,663
Advance from other funds	-	-	-	-	-	-	38,525
Salaries payable	-	-	-	-	-	45,108	239,247
Deferred revenue	-	-	-	17,367	36,396	-	93,312
Total liabilities	43,726	-	-	18,236	39,831	303,461	1,262,946
FUND BALANCES							
Reserved for encumbrances	-	-	-	-	-	484,349	562,790
Reserved for long-term receivable	-	-	1,358,500	-	-	-	1,358,500
Unreserved, undesignated	-	2,489,373	2,036,277	576,946	1,923,818	(73,853)	12,140,290
Total fund balances	-	2,489,373	3,394,777	576,946	1,923,818	410,496	14,061,580
Total liabilities and fund balances	\$ 43,726	\$ 2,489,373	\$ 3,394,777	\$ 595,182	\$ 1,963,649	\$ 713,957	\$ 15,324,526

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, 2009

REVENUES	Arena/Exhibit Operations	E/H Transit	Library	Police Drug Enforcement	Police Gaming Enforcement	Roads & Streets	Street Lights	Northern Plains Commerce Center	NPCC Intermodal Operations
Taxes	\$ -	\$ 531,346	\$ 1,406,511	\$ -	\$ -	\$ 384,744	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	3,765	1,950	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,779,242	408,948	-	43,242	5,161,144	-	-	-
Charges for services	186,334	-	85,703	-	-	308,071	1,269,871	-	-
Fines and forfeits	-	-	36,908	34,546	-	-	-	-	-
Investment income	24,330	419	12,884	1,442	766	48,528	2,692	5,051	256
Rentals	268,143	-	16,264	-	-	107,176	4,837	-	111,032
Miscellaneous	40	-	2,474	200	-	10,214	53,982	-	-
Total revenues	478,847	2,311,007	1,969,692	36,188	47,773	6,021,827	1,331,382	5,051	111,288
EXPENDITURES									
Current									
General government	-	1,800,974	-	-	-	-	-	-	56,636
Public safety	-	-	-	42,958	70,397	-	-	-	-
Highways and streets	-	-	-	-	-	4,660,747	1,242,565	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	150,560	-	1,598,684	-	-	-	-	-	-
Capital outlays									
General government	-	509,843	-	-	-	-	-	-	-
Public safety	-	-	-	67,379	-	-	-	-	-
Highways and streets	-	-	-	-	-	465,599	2,171	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	194,794	-	350,495	-	-	-	-	-	-
Total expenditures	345,354	2,310,817	1,949,179	110,337	70,397	5,126,346	1,244,736	-	56,636
Excess (deficiency) of revenues over (under) expenditures	133,493	190	20,513	(74,149)	(22,624)	895,481	86,646	5,051	54,652
OTHER FINANCING SOURCES (USES)									
Transfer in	131,301	-	-	-	-	256,520	-	-	-
Transfer out	(30,017)	-	(26,788)	-	(955)	(592,579)	(28,553)	(336,000)	(54,652)
Total other financing sources (uses)	101,284	-	(26,788)	-	(955)	(336,059)	(28,553)	(336,000)	(54,652)
Net changes in fund balances	234,777	190	(6,275)	(74,149)	(23,579)	559,422	58,093	(330,949)	-
Fund balances - beginning	1,345,808	1,773	219,442	117,924	50,792	2,491,447	64,637	330,949	-
Fund balances - ending	\$ 1,580,585	\$ 1,963	\$ 213,167	\$ 43,775	\$ 27,213	\$ 3,050,869	\$ 122,730	\$ -	\$ -

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, 2009

	NPCC Transload Operations	Hotel/ Motel Tax	Lodging/ Liquor/ Food Tax	Vision Fund	Social Security Tax	Special Deficiency/ Assumption	Government Grants & Activities	Total Special Revenue
REVENUES								
Taxes	\$ -	\$ 674,643	\$ 1,935,984	\$ -	\$ 1,061,426	\$ 1,644	\$ -	\$ 5,996,298
Licenses and permits	-	-	-	-	-	-	-	5,715
Special assessments	-	-	-	-	-	17,359	-	17,359
Intergovernmental	-	-	-	-	21,423	3,574	2,363,016	9,780,589
Charges for services	5,101	-	-	-	-	370,579	244,888	2,470,547
Fines and forfeits	-	-	-	-	-	-	551	72,005
Investment income	(1,700)	-	36,652	31,065	13,789	236,481	2,367	415,022
Rentals	-	-	19,200	-	-	-	-	526,652
Miscellaneous	-	-	-	5,584	-	-	90,750	163,244
Total revenues	3,401	674,643	1,991,836	36,649	1,096,638	629,637	2,701,572	19,447,431
EXPENDITURES								
Current								
General government	168,185	573,447	10,913	217,271	1,533,762	129,923	434,877	4,925,988
Public safety	-	-	-	-	-	-	601,952	715,307
Highways and streets	-	-	-	-	-	-	9,617	5,912,929
Health and welfare	-	-	-	-	-	-	968,163	968,163
Culture and recreation	-	-	-	-	-	-	58,462	1,807,706
Capital outlays	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	509,843
Public safety	-	-	-	-	-	-	543,989	611,368
Highways and streets	-	-	-	-	-	-	-	467,770
Health and welfare	-	-	-	-	-	-	15,757	15,757
Culture and recreation	-	-	-	-	-	-	-	545,289
Total expenditures	168,185	573,447	10,913	217,271	1,533,762	129,923	2,632,817	16,480,120
Excess (deficiency) of revenues over (under) expenditures	(164,784)	101,196	1,980,923	(180,622)	(437,124)	499,714	68,755	2,967,311
OTHER FINANCING SOURCES (USES)								
Transfer in	390,652	-	-	1,500,000	550,437	689,570	-	3,518,480
Transfer out	-	(101,196)	(1,032,964)	(500,000)	-	(524,084)	(49,409)	(3,277,197)
Total other financing sources (uses)	390,652	(101,196)	(1,032,964)	1,000,000	550,437	165,486	(49,409)	241,283
Net changes in fund balances	225,868	-	947,959	819,378	113,313	665,200	19,346	3,208,594
Fund balances - beginning	-	-	1,541,414	2,575,399	463,633	1,258,618	391,150	10,852,986
Fund balances - ending	\$ 225,868	\$ -	\$ 2,489,373	\$ 3,394,777	\$ 576,946	\$ 1,923,818	\$ 410,496	\$ 14,061,580

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
ARENA/EXHIBIT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 225,953	\$ 225,953	\$ 1,346,499	\$ 1,120,546
Resources (inflows)				
Taxes	111,500	-	-	-
Charges for services	142,000	142,000	186,334	44,334
Investment income	50,600	50,600	24,330	(26,270)
Rentals	265,000	265,000	268,143	3,143
Rentals	-	-	40	40
Transfer in	-	111,500	131,301	19,801
Amount available for appropriation	<u>795,053</u>	<u>795,053</u>	<u>1,956,647</u>	<u>1,161,594</u>
Charges to appropriations (outflows)				
Culture and recreation	658,450	628,433	391,917	236,516
Transfer out	-	30,017	30,017	-
Total charges to appropriations	<u>658,450</u>	<u>658,450</u>	<u>421,934</u>	<u>236,516</u>
Budgetary Fund Balance, December 31	<u>\$ 136,603</u>	<u>\$ 136,603</u>	<u>\$ 1,534,713</u>	<u>\$ 1,398,110</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ARENA/EXHIBIT OPERATIONS**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>Arena/Exhibit Operations</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,956,647
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(1,346,499)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(131,301)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 478,847</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 421,934
Differences - Budget to GAAP	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(46,766)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	203
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(30,017)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 345,354</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
E/H TRANSIT
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Budgetary Fund Balance, January 1	\$ 1,335	\$ 1,001,335	\$ 1,773	\$ (999,562)
Resources (inflows)				
Taxes	561,997	561,997	531,346	(30,651)
Intergovernmental	2,612,710	2,612,710	1,779,242	(833,468)
Investment income	1,600	1,600	419	(1,181)
Amount available for appropriation	<u>3,177,642</u>	<u>4,177,642</u>	<u>2,312,780</u>	<u>(1,864,862)</u>
Charges to appropriations (outflows)				
General government	<u>3,176,307</u>	<u>3,176,307</u>	<u>2,310,817</u>	<u>865,490</u>
Total charges to appropriations	<u>3,176,307</u>	<u>3,176,307</u>	<u>2,310,817</u>	<u>865,490</u>
Budgetary Fund Balance, December 31	<u>\$ 1,335</u>	<u>\$ 1,001,335</u>	<u>\$ 1,963</u>	<u>\$ (999,372)</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Final Budget</u> <u>Positive (Negative)</u>
Budgetary Fund Balance, January 1	\$ 527,809	\$ 478,643	\$ 273,516	\$ (205,127)
Resources (inflows)				
Taxes	1,491,142	1,491,142	1,406,511	(84,631)
Intergovernmental	416,631	416,631	408,948	(7,683)
Charges for services	80,700	80,700	85,703	5,003
Fines and forfeits	35,500	35,500	36,908	1,408
Investment income	20,000	20,000	12,884	(7,116)
Rentals	17,800	17,800	16,264	(1,536)
Miscellaneous	2,000	2,000	2,474	474
Amount available for appropriation	<u>2,591,582</u>	<u>2,542,416</u>	<u>2,243,208</u>	<u>(299,208)</u>
Charges to appropriations (outflows)				
Culture and recreation	1,958,259	1,958,259	1,943,430	14,829
Transfer out	27,000	27,000	26,788	212
Total charges to appropriations	<u>1,985,259</u>	<u>1,985,259</u>	<u>1,970,218</u>	<u>15,041</u>
Budgetary Fund Balance, December 31	<u>\$ 606,323</u>	<u>\$ 557,157</u>	<u>\$ 272,990</u>	<u>\$ (284,167)</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>LIBRARY</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,243,208
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(273,516)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,969,692</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,970,218
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	5,749
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(26,788)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,949,179</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
POLICE DRUG ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ (72,227)	\$ (149,321)	\$ 65,924	\$ 215,245
Resources (inflows)				
Fines and forfeits	26,000	26,000	34,546	8,546
Investment income	5,000	5,000	1,442	(3,558)
Miscellaneous	-	-	200	200
Amount available for appropriation	<u>(41,227)</u>	<u>(118,321)</u>	<u>102,112</u>	<u>220,433</u>
Charges to appropriations (outflows)				
Public safety	<u>59,735</u>	<u>59,735</u>	<u>58,336</u>	<u>1,399</u>
Total charges to appropriations	<u>59,735</u>	<u>59,735</u>	<u>58,336</u>	<u>1,399</u>
Budgetary Fund Balance, December 31	<u><u>\$ (100,962)</u></u>	<u><u>\$ (178,056)</u></u>	<u><u>\$ 43,776</u></u>	<u><u>\$ 221,832</u></u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE DRUG ENFORCEMENT**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>Police Drug Enforcement</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 102,112
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(65,924)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 36,188</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 58,336
Differences - Budget to GAAP	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	52,523
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	<u>(522)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 110,337</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
POLICE GAMING ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 51,094	\$ 51,094	\$ 53,310	\$ 2,216
Resources (inflows)				
Licenses and permits	2,800	2,800	3,765	965
Intergovernmental	37,500	37,500	43,242	5,742
Investment income	2,700	2,700	766	(1,934)
Amount available for appropriation	<u>94,094</u>	<u>94,094</u>	<u>101,083</u>	<u>6,989</u>
Charges to appropriations (outflows)				
Public safety	70,809	79,759	70,152	9,607
Transfer out	9,905	955	955	-
Total charges to appropriations	<u>80,714</u>	<u>80,714</u>	<u>71,107</u>	<u>9,607</u>
Budgetary Fund Balance, December 31	<u>\$ 13,380</u>	<u>\$ 13,380</u>	<u>\$ 29,976</u>	<u>\$ 16,596</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE GAMING ENFORCEMENT**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>Police Gaming Enforcement</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 101,083
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(53,310)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 47,773</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 71,107
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	245
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(955)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 70,397</u>

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

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
ROADS & STREETS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 1,074,291	\$1,074,291	\$ 2,602,001	\$ 1,527,710
Resources (inflows)				
Taxes	408,200	408,200	384,744	(23,456)
Licenses and permits	825	825	1,950	1,125
Intergovernmental	3,075,292	3,075,292	5,161,144	2,085,852
Charges for services	355,402	355,402	308,071	(47,331)
Investment income	90,000	90,000	48,528	(41,472)
Rentals	75,548	75,548	107,176	31,628
Miscellaneous	18,000	18,000	10,214	(7,786)
Transfer in	455,047	455,047	256,520	(198,527)
Amount available for appropriation	<u>5,552,605</u>	<u>5,552,605</u>	<u>8,880,348</u>	<u>3,327,743</u>
Charges to appropriations (outflows)				
Highways and streets	5,073,326	5,153,326	5,152,667	659
Transfer out	72,579	592,579	592,579	-
Total charges to appropriations	<u>5,145,905</u>	<u>5,745,905</u>	<u>5,745,246</u>	<u>659</u>
Budgetary Fund Balance, December 31	<u>\$ 406,700</u>	<u>\$ (193,300)</u>	<u>\$ 3,135,102</u>	<u>\$ 3,328,402</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROADS & STREETS**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>Roads & Streets</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 8,880,348
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(2,602,001)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(256,520)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 6,021,827</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 5,745,246
Differences - Budget to GAAP	
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(31,675)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	5,354
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(592,579)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,126,346</u></u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
STREET LIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 29,660	\$ 29,660	\$ 76,478	\$ 46,818
Resources (inflows)				
Charges for services	1,307,107	1,307,107	1,269,871	(37,236)
Investment income	5,512	5,512	2,692	(2,820)
Rentals	2,800	2,800	4,837	2,037
Miscellaneous	41,157	41,157	53,982	12,825
Amount available for appropriation	<u>1,386,236</u>	<u>1,386,236</u>	<u>1,407,860</u>	<u>21,624</u>
Charges to appropriations (outflows)				
Highways and streets	1,340,994	1,337,720	1,241,832	95,888
Transfer out	25,279	28,553	28,553	-
Total charges to appropriations	<u>1,366,273</u>	<u>1,366,273</u>	<u>1,270,385</u>	<u>95,888</u>
Budgetary Fund Balance, December 31	<u>\$ 19,963</u>	<u>\$ 19,963</u>	<u>\$ 137,475</u>	<u>\$ 117,512</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTS**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

Sources/inflows of resources	<u>Street Lights</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,407,860
Differences - Budget to GAAP	
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	<u>(76,478)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,331,382</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,270,385
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	2,904
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(28,553)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 1,244,736</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
NORTHERN PLAINS COMMERCE CENTRE
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ (17,067,063)	\$ (16,993,515)	\$ 330,949	\$ 17,324,464
Resources (inflows)				
Charges for services	-	-	-	-
Investment income	25,000	25,000	5,051	(19,949)
Rentals	-	-	-	-
Miscellaneous	290,813	290,813	-	(290,813)
Transfer in	-	-	-	-
Amount available for appropriation	<u>(16,751,250)</u>	<u>(16,677,702)</u>	<u>336,000</u>	<u>17,013,702</u>
Charges to appropriations (outflows)				
Transfer out	<u>25,000</u>	<u>340,000</u>	<u>336,000</u>	<u>4,000</u>
Total charges to appropriations	<u>25,000</u>	<u>340,000</u>	<u>336,000</u>	<u>4,000</u>
Budgetary Fund Balance, December 31	<u><u>\$ (16,776,250)</u></u>	<u><u>\$ (17,017,702)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,017,702</u></u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
NPCC-INTERMODAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Charges for services	128,000	128,000	-	(128,000)
Investment Income	-	-	256	256
Rentals	98,000	98,000	111,032	13,032
Amount available for appropriation	<u>226,000</u>	<u>226,000</u>	<u>111,288</u>	<u>(114,712)</u>
Charges to appropriations (outflows)				
General government	420,550	65,898	56,636	9,262
Transfer out	-	54,652	54,652	-
Total charges to appropriations	<u>420,550</u>	<u>120,550</u>	<u>111,288</u>	<u>9,262</u>
Budgetary Fund Balance, December 31	<u><u>\$ (194,550)</u></u>	<u><u>\$ 105,450</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (105,450)</u></u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
NPCC-TRANSLOAD OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Charges for services	171,500	171,500	5,101	(166,399)
Rentals	-	-	(1,700)	(1,700)
Transfer in	-	-	390,652	390,652
Amount available for appropriation	<u>171,500</u>	<u>171,500</u>	<u>394,053</u>	<u>222,553</u>
Charges to appropriations (outflows)				
General government	<u>267,763</u>	<u>252,763</u>	<u>168,185</u>	<u>84,578</u>
Total charges to appropriations	<u>267,763</u>	<u>252,763</u>	<u>168,185</u>	<u>84,578</u>
Budgetary Fund Balance, December 31	<u>\$ (96,263)</u>	<u>\$ (81,263)</u>	<u>\$ 225,868</u>	<u>\$ 307,131</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ -	\$ (120,000)	\$ -	\$ 120,000
Resources (inflows)				
Taxes	<u>630,000</u>	<u>630,000</u>	<u>674,643</u>	<u>44,643</u>
Amount available for appropriation	<u>630,000</u>	<u>510,000</u>	<u>674,643</u>	<u>164,643</u>
Charges to appropriations (outflows)				
General government	535,500	608,804	573,447	35,357
Transfer out	<u>94,500</u>	<u>101,196</u>	<u>101,196</u>	<u>-</u>
Total charges to appropriations	<u>630,000</u>	<u>710,000</u>	<u>674,643</u>	<u>35,357</u>
Budgetary Fund Balance, December 31	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ -</u>	<u>\$ 200,000</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
LODGING/LIQUOR/FOOD TAX
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ (321,855)	\$ (321,855)	\$ 1,541,414	\$ 1,863,269
Resources (inflows)				
Taxes	1,639,247	1,639,247	1,935,984	296,737
Investment income	41,000	41,000	36,652	(4,348)
Rentals	19,200	19,200	19,200	-
Amount available for appropriation	<u>1,377,592</u>	<u>1,377,592</u>	<u>3,533,250</u>	<u>2,155,658</u>
Charges to appropriations (outflows)				
General government	11,850	11,850	10,913	937
Transfer out	1,019,859	1,033,859	1,032,964	895
Total charges to appropriations	<u>1,031,709</u>	<u>1,045,709</u>	<u>1,043,877</u>	<u>1,832</u>
Budgetary Fund Balance, December 31	<u>\$ 345,883</u>	<u>\$ 331,883</u>	<u>\$ 2,489,373</u>	<u>\$ 2,157,490</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
VISION FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$(1,560,942)	\$(3,560,942)	\$ 2,575,399	\$ 6,136,341
Resources (inflows)				
Investment income	19,285	19,285	31,065	11,780
Miscellaneous	-	-	5,584	5,584
Transfer in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Amount available for appropriation	<u>(41,657)</u>	<u>(2,041,657)</u>	<u>4,112,048</u>	<u>6,153,705</u>
Charges to appropriations (outflows)				
General government	1,662,143	1,662,143	217,271	1,444,872
Transfer out	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total charges to appropriations	<u>2,162,143</u>	<u>2,162,143</u>	<u>717,271</u>	<u>1,444,872</u>
Budgetary Fund Balance, December 31	<u>\$(2,203,800)</u>	<u>\$(4,203,800)</u>	<u>\$ 3,394,777</u>	<u>\$ 7,598,577</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
SOCIAL SECURITY TAX
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 294,212	\$ 294,212	\$ 463,633	\$ 169,421
Resources (inflows)				
Taxes	1,121,794	1,121,794	1,061,426	(60,368)
Intergovernmental	23,350	23,350	21,423	(1,927)
Investment income	20,000	20,000	13,789	(6,211)
Transfer in	450,600	450,600	550,437	99,837
Amount available for appropriation	<u>1,909,956</u>	<u>1,909,956</u>	<u>2,110,708</u>	<u>200,752</u>
Charges to appropriations (outflows)				
General government	<u>1,558,000</u>	<u>1,558,000</u>	<u>1,533,762</u>	<u>24,238</u>
Total charges to appropriations	<u>1,558,000</u>	<u>1,558,000</u>	<u>1,533,762</u>	<u>24,238</u>
Budgetary Fund Balance, December 31	<u>\$ 351,956</u>	<u>\$ 351,956</u>	<u>\$ 576,946</u>	<u>\$ 224,990</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
SPECIAL DEFICIENCY/ASSUMPTION
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 833,237	\$ 812,237	\$ 1,258,618	\$ 446,381
Resources (inflows)				
Taxes	-	-	1,644	1,644
Special assessments	23,375	23,375	17,359	(6,016)
Intergovernmental	-	-	3,574	3,574
Charges for Services	499,078	499,078	370,579	(128,499)
Investment income	476,581	476,581	236,481	(240,100)
Transfer in	74,741	74,741	689,570	614,829
Amount available for appropriation	<u>1,907,012</u>	<u>1,886,012</u>	<u>2,577,825</u>	<u>691,813</u>
Charges to appropriations (outflows)				
General government	115,825	129,923	129,923	-
Transfer out	892,109	878,011	524,084	353,927
Total charges to appropriations	<u>1,007,934</u>	<u>1,007,934</u>	<u>654,007</u>	<u>353,927</u>
Budgetary Fund Balance, December 31	<u><u>\$ 899,078</u></u>	<u><u>\$ 878,078</u></u>	<u><u>\$ 1,923,818</u></u>	<u><u>\$ 1,045,740</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
GOVERNMENT GRANTS & ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 246,920	\$1,376,086	\$ 424,232	\$ (951,854)
Resources (inflows)				
Intergovernmental	3,701,616	3,701,616	2,363,016	(1,338,600)
Charges for services	244,036	244,036	244,888	852
Fines and forfeits	600	600	551	(49)
Investment income	3,508	3,508	2,367	(1,141)
Miscellaneous	87,100	87,100	90,750	3,650
	<u>4,283,780</u>	<u>5,412,946</u>	<u>3,125,804</u>	<u>(2,287,142)</u>
Amount available for appropriation				
Charges to appropriations (outflows)				
General government	-	434,877	434,877	-
Public safety	2,482,123	1,858,971	1,623,151	235,820
Highways and streets	40,500	40,500	9,617	30,883
Health and welfare	1,401,004	1,394,882	979,036	415,846
Culture and recreation	2,340	58,462	58,462	-
Transfer out	5,134	49,409	49,409	-
	<u>3,931,101</u>	<u>3,837,101</u>	<u>3,154,552</u>	<u>682,549</u>
Total charges to appropriations	<u>3,931,101</u>	<u>3,837,101</u>	<u>3,154,552</u>	<u>682,549</u>
Budgetary Fund Balance, December 31	<u>\$ 352,679</u>	<u>\$1,575,845</u>	<u>\$ (28,748)</u>	<u>\$ (1,604,593)</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENT GRANTS & ACTIVITIES**

An explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures follows:

		<u>Government Grants & Activities</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$	3,125,804
Differences - Budget to GAAP		
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes		(424,232)
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$	<u>2,701,572</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	3,154,552
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		(484,349)
The City budgets for salaries are on the cash basis rather than on the modified accrual basis		12,023
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(49,409)
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$	<u>2,632,817</u>

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

CITY OF BISMARCK, NORTH DAKOTA
MAJOR DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
STREET IMPROVEMENT BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 3,636,026	\$ 4,086,026	\$ 6,320,055	\$ 2,234,029
Resources (inflows)				
Special assessments	5,228,439	5,228,439	6,846,918	1,618,479
Transfer in	340,857	340,857	381,223	40,366
Proceeds of refunded bonds	3,050,000	3,050,000	-	(3,050,000)
Amount available for appropriation	<u>12,255,322</u>	<u>12,705,322</u>	<u>13,548,196</u>	<u>842,874</u>
Charges to appropriations (outflows)				
Principal	4,096,283	4,823,766	4,823,766	-
Interest and fiscal charges	4,704,898	3,864,539	1,303,304	2,561,235
Transfer out	200,000	312,876	312,876	-
Total charges to appropriations	<u>9,001,181</u>	<u>9,001,181</u>	<u>6,439,946</u>	<u>2,561,235</u>
Budgetary Fund Balance, December 31	<u>\$ 3,254,141</u>	<u>\$ 3,704,141</u>	<u>\$ 7,108,250</u>	<u>\$ 3,404,109</u>

CITY OF BISMARCK, NORTH DAKOTA
 MAJOR DEBT SERVICE FUNDS
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
 BUDGET AND ACTUAL
 SEWERMAIN BONDS
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 492,442	\$ 192,442	\$ 2,633,988	\$ 2,441,546
Resources (inflows)				
Special assessments	1,892,377	1,892,377	1,991,417	99,040
Transfer in	100,000	100,000	38,895	(61,105)
Proceeds of refunded bonds	505,000	505,000	-	(505,000)
Amount available for appropriation	<u>2,989,819</u>	<u>2,689,819</u>	<u>4,664,300</u>	<u>1,974,481</u>
Charges to appropriations (outflows)				
Principal	1,303,506	1,303,506	1,297,285	6,221
Interest and fiscal charges	1,315,738	1,315,738	589,858	725,880
Total charges to appropriations	<u>2,619,244</u>	<u>2,619,244</u>	<u>1,887,143</u>	<u>732,101</u>
Budgetary Fund Balance, December 31	<u><u>\$ 370,575</u></u>	<u><u>\$ 70,575</u></u>	<u><u>\$ 2,777,157</u></u>	<u><u>\$ 2,706,582</u></u>

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2009

	Watermain Bonds	Sidewalk Bonds	Parking Lot Bonds	Lodging/ Liquor/ Food Bonds	Total Debt Service
ASSETS					
Cash and cash equivalents	\$ 215,185	\$ -	\$ -	\$ -	\$ 215,185
Investments	-	-	703	976,605	977,308
Receivables:					
Special assessments	1,102,937	4,234,988	-	-	5,337,925
Intergovernmental	2,350	-	-	-	2,350
Due from other funds	235,121	861,762	-	-	1,096,883
Advance to other funds	231,614	-	-	-	231,614
Total assets	<u>\$ 1,787,207</u>	<u>\$ 5,096,750</u>	<u>\$ 703</u>	<u>\$ 976,605</u>	<u>\$ 7,861,265</u>
LIABILITIES					
Accounts payable	\$ 825	\$ 10,280	\$ -	\$ -	\$ 11,105
Deferred revenue	1,250,364	3,735,706	-	-	4,986,070
Total liabilities	<u>1,251,189</u>	<u>3,745,986</u>	<u>-</u>	<u>-</u>	<u>4,997,175</u>
FUND BALANCES					
Reserved for debt service	-	-	-	700,000	700,000
Reserved for advances to other funds	231,614	-	-	-	231,614
Unreserved, undesignated	304,404	1,350,764	703	276,605	1,932,476
Total fund balances	<u>536,018</u>	<u>1,350,764</u>	<u>703</u>	<u>976,605</u>	<u>2,864,090</u>
Total liabilities and fund balances	<u>\$ 1,787,207</u>	<u>\$ 5,096,750</u>	<u>\$ 703</u>	<u>\$ 976,605</u>	<u>\$ 7,861,265</u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Watermain Bonds	Sidewalk Bonds	Parking Lot Bonds	Lodging/ Liquor/ Food Bonds	Total Debt Service
REVENUES					
Special assessments	\$ 266,585	\$ 1,027,722	\$ -	\$ -	\$ 1,294,307
Investment income	-	-	2,501	20,993	23,494
Total revenues	<u>266,585</u>	<u>1,027,722</u>	<u>2,501</u>	<u>20,993</u>	<u>1,317,801</u>
EXPENDITURES					
Debt service					
Principal	213,949	750,000	-	800,000	1,763,949
Interest and fiscal charges	68,079	177,425	144,475	167,440	557,419
Total expenditures	<u>282,028</u>	<u>927,425</u>	<u>144,475</u>	<u>967,440</u>	<u>2,321,368</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,443)</u>	<u>100,297</u>	<u>(141,974)</u>	<u>(946,447)</u>	<u>(1,003,567)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	8,574	23,542	-	967,440	999,556
Transfer out	-	(76,242)	-	-	(76,242)
Total other financing sources (uses)	<u>8,574</u>	<u>(52,700)</u>	<u>-</u>	<u>967,440</u>	<u>923,314</u>
Net changes in fund balances	(6,869)	47,597	(141,974)	20,993	(80,253)
Fund balances - beginning	542,887	1,303,167	142,677	955,612	2,944,343
Fund balances - ending	<u>\$ 536,018</u>	<u>\$ 1,350,764</u>	<u>\$ 703</u>	<u>\$ 976,605</u>	<u>\$ 2,864,090</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
WATERMAIN BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ (56,255)	\$ (56,255)	\$ 542,887	\$ 599,142
Resources (inflows)				
Special assessments	177,364	177,364	266,585	89,221
Transfer in	105,734	105,734	8,574	(97,160)
Proceeds of refunded bonds	<u>202,000</u>	<u>202,000</u>	<u>-</u>	<u>(202,000)</u>
Amount available for appropriation	<u>428,843</u>	<u>428,843</u>	<u>818,046</u>	<u>389,203</u>
Charges to appropriations (outflows)				
Principal	216,591	216,591	213,949	2,642
Interest and fiscal charges	282,142	282,142	68,079	214,063
Transfer out	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total charges to appropriations	<u>518,733</u>	<u>518,733</u>	<u>282,028</u>	<u>236,705</u>
Budgetary Fund Balance, December 31	<u>\$ (89,890)</u>	<u>\$ (89,890)</u>	<u>\$ 536,018</u>	<u>\$ 625,908</u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
SIDEWALK BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 864,642	\$ 714,642	\$ 1,303,167	\$ 588,525
Resources (inflows)				
Special assessments	939,878	939,878	1,027,722	87,844
Transfer in	135,000	135,000	23,542	(111,458)
Proceeds of refunded bonds	5,000	5,000	-	(5,000)
Amount available for appropriation	<u>1,944,520</u>	<u>1,794,520</u>	<u>2,354,431</u>	<u>559,911</u>
Charges to appropriations (outflows)				
Principal	731,200	750,000	750,000	-
Interest and fiscal charges	332,927	314,127	177,425	136,702
Transfer out	135,000	135,000	76,242	58,758
Total charges to appropriations	<u>1,199,127</u>	<u>1,199,127</u>	<u>1,003,667</u>	<u>195,460</u>
Budgetary Fund Balance, December 31	<u><u>\$ 745,393</u></u>	<u><u>\$ 595,393</u></u>	<u><u>\$ 1,350,764</u></u>	<u><u>\$ 755,371</u></u>

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
PARKING LOT BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 169,593	\$ 169,593	\$ 142,677	\$ (26,916)
Resources (inflows)				
Investment income	-	-	2,501	2,501
Amount available for appropriation	169,593	169,593	145,178	(24,415)
Charges to appropriations (outflows)				
Interest and fiscal charges	145,000	145,000	144,475	525
Total charges to appropriations	145,000	145,000	144,475	525
Budgetary Fund Balance, December 31	\$ 24,593	\$ 24,593	\$ 703	\$ (23,890)

CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR DEBT SERVICE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
LODGING LIQUOR FOOD BONDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 898,705	\$ 898,705	\$ 955,612	\$ 56,907
Resources (inflows)				
Investment income	25,837	25,837	20,993	(4,844)
Transfer in	<u>967,440</u>	<u>967,440</u>	<u>967,440</u>	<u>-</u>
Amount available for appropriation	<u>1,891,982</u>	<u>1,891,982</u>	<u>1,944,045</u>	<u>52,063</u>
Charges to appropriations (outflows)				
Principal	800,000	800,000	800,000	-
Interest and fiscal charges	<u>167,440</u>	<u>167,440</u>	<u>167,440</u>	<u>-</u>
Total charges to appropriations	<u>967,440</u>	<u>967,440</u>	<u>967,440</u>	<u>-</u>
Budgetary Fund Balance, December 31	<u><u>\$ 924,542</u></u>	<u><u>\$ 924,542</u></u>	<u><u>\$ 976,605</u></u>	<u><u>\$ 52,063</u></u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2009

	Tax Increment	Community Development	Civic Center Improvements	Building Improvements	Street Light/Signals	Highway Construction
ASSETS						
Cash and cash equivalents	\$ 15,125,545	\$ -	\$ 828,086	\$ 1,372,696	\$ 27,392	\$ 8,253,958
Investments	-	-	-	-	-	-
Receivables:						
Taxes receivable	16,800	-	-	-	-	-
Accounts receivable	-	89,737	-	1,337	-	293,758
Notes receivable	-	129,000	-	-	-	-
Advance to other funds	800,000	-	-	-	-	-
Restricted assets:						
Investments	-	-	-	-	-	-
Total assets	\$ 15,942,345	\$ 218,737	\$ 828,086	\$ 1,374,033	\$ 27,392	\$ 8,547,716
LIABILITIES						
Accounts payable	\$ 53,126	\$ 83,299	\$ -	\$ 97,985	\$ 27,392	\$ 197,518
Retainage payable	-	-	-	105,101	-	19,254
Due to other funds	-	6,438	-	-	-	-
Deferred revenue	15,596	129,000	-	-	-	-
Customer deposits	-	-	-	-	-	-
Total liabilities	68,722	218,737	-	203,086	27,392	216,772
FUND BALANCES						
Reserved for advances to other funds	800,000	-	-	-	-	-
Reserved for long-term receivable	-	129,000	-	-	-	-
Unreserved, undesignated	15,073,623	(129,000)	828,086	1,170,947	-	8,330,944
Total fund balances	15,873,623	-	828,086	1,170,947	-	8,330,944
Total liabilities and fund balances	\$ 15,942,345	\$ 218,737	\$ 828,086	\$ 1,374,033	\$ 27,392	\$ 8,547,716

(Continued from previous page)

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2009**

	Sewermain Construction	Watermain Construction	Sidewalk Construction	Commerce Development	Total Capital Projects
ASSETS					
Cash and cash equivalents	-	-	-	-	25,607,677
Investments	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	-	16,800
Accounts receivable	112,229	109,539	-	-	606,600
Notes receivable	-	-	-	-	129,000
Advance to other funds	-	-	-	-	800,000
Restricted assets:					
Investments	-	-	944,380	-	944,380
Total assets	\$ 112,229	\$ 109,539	\$ 944,380	\$ -	\$ 28,104,457
LIABILITIES					
Accounts payable	-	126,478	134,770	-	720,568
Retainage payable	-	-	-	-	124,355
Due to other funds	2,710,346	235,121	1,161,142	292,885	4,405,932
Deferred revenue	26,743	3,961	16,200	-	191,500
Customer deposits	-	-	944,380	-	944,380
Total liabilities	2,737,089	365,560	2,256,492	292,885	6,386,735
FUND BALANCES					
Reserved for advances to other funds	-	-	-	-	800,000
Reserved for long-term receivable	-	-	-	-	129,000
Unreserved, undesignated	(2,624,860)	(256,021)	(1,312,112)	(292,885)	20,788,722
Total fund balances	(2,624,860)	(256,021)	(1,312,112)	(292,885)	21,717,722
Total liabilities and fund balances	\$ 112,229	\$ 109,539	\$ 944,380	\$ -	\$ 28,104,457

**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, 2009**

	Tax Increment	Community Development	Civic Center Improvements	Building Improvements	Street Light/Signals	Highway Construction
REVENUES						
Taxes	\$ 1,482,494	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental	-	737,731	-	1,187	-	11,963
Investment income	254,398	-	11,245	5,230	-	127,427
Miscellaneous	-	-	-	408,108	-	-
Total revenues	1,736,892	737,731	11,245	414,525	-	139,390
EXPENDITURES						
Current						
Public works	200,516	665,393	-	-	-	190,362
Capital outlays	-	-	-	2,721,259	193,304	902,451
Public works	200,516	665,393	-	2,721,259	193,304	1,092,813
Total expenditures	1,536,376	72,338	11,245	(2,306,734)	(193,304)	(953,423)
Excess (deficiency) of revenues over (under) expenditures						
	78,007	-	-	2,442,631	193,304	3,637,655
Transfer in	(36,501)	(72,338)	-	-	-	(865,319)
Transfer out	-	-	-	-	-	-
Discount on special assessment debt	-	-	-	-	-	-
Special assessment bonds issued	-	-	-	-	-	-
Total other financing sources (uses)	41,506	(72,338)	-	2,442,631	193,304	2,772,336
Net changes in fund balances	1,577,882	-	11,245	135,897	-	1,818,913
Fund balances - beginning	14,295,741	-	816,841	1,035,050	-	6,512,031
Fund balances - ending	\$ 15,873,623	\$ -	\$ 828,086	\$ 1,170,947	\$ -	\$ 8,330,944

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, 2009

	Sewermain Construction	Watermain Construction	Sidewalk Construction	Commerce Development	Total Capital Projects
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,482,494
Special assessments	725,897	481,567	120,798	-	1,328,262
Intergovernmental	-	-	-	682	751,563
Investment income	-	-	-	-	398,300
Miscellaneous	-	-	-	-	408,108
Total revenues	725,897	481,567	120,798	682	4,368,727
EXPENDITURES					
Current					
Public works	23,118	(1,140)	14,339	132,053	1,224,641
Capital outlays					
Public works	1,417,054	1,305,713	689,136	994	7,229,911
Total expenditures	1,440,172	1,304,573	703,475	133,047	8,454,552
Excess (deficiency) of revenues over (under) expenditures	(714,275)	(823,006)	(582,677)	(132,365)	(4,085,825)
OTHER FINANCING SOURCES (USES)					
Transfer in	393,864	1,079,805	16,127	500,000	8,341,393
Transfer out	(190,507)	(14,634)	(29,542)	-	(1,208,841)
Premium on special assessment debt	356	1,177	-	-	1,533
Special assessment bonds issued	51,767	134,308	-	-	186,075
Total other financing sources (uses)	255,480	1,200,656	(13,415)	500,000	7,320,160
Net changes in fund balances	(458,795)	377,650	(596,092)	367,635	3,234,335
Fund balances - beginning	(2,166,065)	(633,671)	(716,020)	(660,520)	18,483,387
Fund balances - ending	\$ (2,624,860)	\$ (256,021)	\$ (1,312,112)	\$ (292,885)	\$ 21,717,722

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009**

(Continued on next page)

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 698,018	\$ 817,301	-	\$ 200,882	\$ 1,716,201
Investments	5,523,359	472,858	5,072,267	300,438	11,368,922
Receivables:					
Accounts receivable	117,629	-	-	9,573	127,202
Special assessments	-	-	34,078	-	34,078
Interest receivable	13,771	2,991	11,360	844	28,966
Prepaid items	13,957	-	1,651	-	15,608
Total current assets	<u>6,366,734</u>	<u>1,293,150</u>	<u>5,119,356</u>	<u>511,737</u>	<u>13,290,977</u>
Noncurrent assets:					
Capital assets (net of accumulated depreciation)					
Land	395,247	603,338	1,496,292	1,413,325	3,908,202
Building and building improvements	4,129,125	-	-	5,038,161	9,167,286
Improvements other than buildings	2,319,594	11,762	22,895,497	29,469	25,256,322
Machinery and equipment	1,718,095	1,825,790	99,403	54,714	3,698,002
Construction in progress	-	-	561,244	-	561,244
Total noncurrent assets	<u>8,562,061</u>	<u>2,440,890</u>	<u>25,052,436</u>	<u>6,535,669</u>	<u>42,591,056</u>
Total assets	<u>14,928,795</u>	<u>3,734,040</u>	<u>30,171,792</u>	<u>7,047,406</u>	<u>55,882,033</u>

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2009

(Continued from previous page)

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 205,647	\$ 7,221	\$ 209,609	\$ 50,903	\$ 473,380
Retainage payable	-	-	13,416	-	13,416
Leases payable	1,299	-	-	-	1,299
Compensated benefits payable	34,343	60,919	334	-	95,596
Salaries payable	38,351	52,185	2,472	-	93,008
Deferred revenue	-	-	-	2,158	2,158
Total current liabilities	<u>279,640</u>	<u>120,325</u>	<u>225,831</u>	<u>53,061</u>	<u>678,857</u>
Long-term liabilities:					
Advances from other funds	-	-	-	800,000	800,000
Compensated benefits payable	38,184	40,219	3,086	-	81,489
Capital lease	1,388	-	357	-	1,745
Accrued closure/post closure costs	1,082,670	-	-	-	1,082,670
Total long-term liabilities	<u>1,122,242</u>	<u>40,219</u>	<u>3,443</u>	<u>800,000</u>	<u>1,965,904</u>
Total liabilities	<u>1,401,882</u>	<u>160,544</u>	<u>229,274</u>	<u>853,061</u>	<u>2,644,761</u>
NET ASSETS					
Invested in capital assets, net of related debt	8,559,374	2,440,890	25,051,745	6,535,669	42,587,678
Unrestricted	4,967,539	1,132,606	4,890,773	(341,324)	10,649,594
Total net assets	<u>\$ 13,526,913</u>	<u>\$ 3,573,496</u>	<u>\$ 29,942,518</u>	<u>\$ 6,194,345</u>	<u>\$ 53,237,272</u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
OPERATING REVENUES					
Charges for services:					
Sale of gas and oil	\$ 2,250,286	2,052,335	1,040,526	-	\$ 5,343,147
Sanitation fees	-	-	-	-	-
Landing and airport fees	4,692	18,594	-	1,894	25,180
Miscellaneous sales	16,992	161	-	865,689	882,842
Rentals	-	-	-	-	-
Total operating revenues	<u>2,271,970</u>	<u>2,071,090</u>	<u>1,040,526</u>	<u>867,583</u>	<u>6,251,169</u>
OPERATING EXPENSES					
Personal services - salaries & wages	599,219	955,975	45,841	-	1,601,035
Personal services - fringe benefits	243,498	385,666	11,122	-	640,286
Professional, legal, and contracted services	260,104	4,901	67,462	291,225	623,692
Building, equipment, and vehicle services	414,887	404,041	340,571	280,192	1,439,691
Travel & training	6,786	1,389	-	-	8,175
Operating services	317,010	8,339	8,531	26,726	360,606
Operating supplies	176,568	136,053	5,338	17,201	335,160
Depreciation expense	463,914	241,441	534,068	310,894	1,550,317
Total operating expenses	<u>2,481,986</u>	<u>2,137,805</u>	<u>1,012,933</u>	<u>926,238</u>	<u>6,558,962</u>
Operating income (loss)	<u>(210,016)</u>	<u>(66,715)</u>	<u>27,593</u>	<u>(58,655)</u>	<u>(307,793)</u>
NONOPERATING REVENUES (EXPENSES)					
Intergovernmental	3,453	7,250	-	-	10,703
Special assessments	-	-	1,684	-	1,684
Gain (loss) on disposal of assets	18,738	9,635	-	-	28,373
Investment income	63,387	14,721	50,482	4,845	133,435
Interest and fiscal charges	(210)	-	(54)	-	(264)
Total nonoperating revenues (expenses)	<u>85,368</u>	<u>31,606</u>	<u>52,112</u>	<u>4,845</u>	<u>173,931</u>
Income (loss) before contributions and transfers	<u>(124,648)</u>	<u>(35,109)</u>	<u>79,705</u>	<u>(53,810)</u>	<u>(133,862)</u>
CAPITAL CONTRIBUTIONS					
TRANSFERS IN					
Change in net assets	-	-	687,819	-	687,819
	-	1,000,000	76,000	-	1,076,000
	<u>(1,096,058)</u>	<u>(86,018)</u>	<u>(35,302)</u>	<u>-</u>	<u>(1,217,378)</u>
Total net assets - beginning	<u>(1,220,706)</u>	<u>878,873</u>	<u>808,222</u>	<u>(53,810)</u>	<u>412,579</u>
Total net assets - ending	<u>14,747,619</u>	<u>2,694,623</u>	<u>29,134,296</u>	<u>6,248,155</u>	<u>52,824,693</u>
	<u>\$ 13,526,913</u>	<u>\$ 3,573,496</u>	<u>\$ 29,942,518</u>	<u>\$ 6,194,345</u>	<u>\$ 53,237,272</u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users \$ 6,338,368
 Payments to suppliers (3,153,653)
 Payments to employees (1,579,784)
 Net cash provided by operating activities 1,604,921

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
Receipts from customers and users	2,367,420	2,074,469	1,040,526	855,943	6,338,368
Payments to suppliers	(1,222,676)	(937,996)	(374,637)	(618,344)	(3,153,653)
Payments to employees	(588,722)	(948,354)	(42,708)	-	(1,579,784)
Net cash provided by operating activities	556,022	188,119	623,181	237,599	1,604,921

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Intergovernmental 3,453
 Payment on advance -
 Transfers from other funds -
 Transfers to other funds 1,000,000
 Net cash used by noncapital financing activities (86,018)

Intergovernmental	3,453	7,250	-	-	10,703
Payment on advance	-	-	-	(100,000)	(100,000)
Transfers from other funds	-	1,000,000	76,000	-	1,076,000
Transfers to other funds	(1,096,059)	(86,018)	(35,302)	-	(1,217,378)
Net cash used by noncapital financing activities	(1,092,605)	921,232	40,698	(100,000)	(230,675)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital lease payment (1,841)
 Interest paid (210)
 Proceeds from sale of capital assets -
 Proceeds from insurance recoveries 9,635
 Proceeds from special assessments -
 Purchase of capital assets (735,000)
 Construction of capital assets -
 Net cash used by capital and related financing activities (737,051)

Capital lease payment	(1,841)	-	(569)	-	(2,410)
Interest paid	(210)	-	(54)	-	(264)
Proceeds from sale of capital assets	-	9,635	-	-	9,635
Proceeds from insurance recoveries	-	-	-	-	-
Proceeds from special assessments	-	-	33	-	33
Purchase of capital assets	(735,000)	(269,016)	(227)	(26,850)	(1,031,093)
Construction of capital assets	-	-	(252,387)	-	(252,387)
Net cash used by capital and related financing activities	(737,051)	(259,381)	(253,204)	(26,850)	(1,276,486)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments 4,052,338
 Purchase of investments (5,523,359)
 Investment income 114,014
 Net cash provided (used) by investing activities (1,357,007)

Proceeds from sales and maturities of investments	4,052,338	1,360	3,090,906	745	7,145,349
Purchase of investments	(5,523,359)	(472,858)	(5,072,267)	(300,438)	(11,368,922)
Investment income	114,014	10,370	77,390	5,953	207,727
Net cash provided (used) by investing activities	(1,357,007)	(461,128)	(1,903,971)	(293,740)	(4,015,846)

Net increase (decrease) in cash and cash equivalents (Net increase (decrease) in cash and cash equivalents - January 1
 Cash and cash equivalents - January 1 3,328,659
 Cash and cash equivalents - December 31 698,018

Net increase (decrease) in cash and cash equivalents	(2,630,641)	388,842	(1,493,296)	(182,991)	(3,918,086)
Cash and cash equivalents - January 1	3,328,659	428,459	1,493,296	383,873	5,634,287
Cash and cash equivalents - December 31	698,018	817,301	-	200,882	1,716,201

Reconciliation of operating income to net cash provided by operating activities

Operating income (loss) \$ (210,016)
 Adjustments to reconcile operating income to net cash provided by operating activities:
 Depreciation expense 463,914
 (Increase) decrease in accounts receivable 95,450
 (Increase) decrease in prepaid items (375)
 Increase (decrease) in accounts payable 137,341
 Increase (decrease) in compensated benefits payable 7,427
 Increase (decrease) in salaries payable 3,070
 Increase (decrease) in deferred revenue -
 Increase in closure and post closure costs 59,211
 Total adjustments 766,038
 Net cash provided by operating activities 556,022

Operating income (loss)	\$ (210,016)	\$ (66,715)	\$ 27,593	\$ (58,655)	\$ (307,793)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	463,914	241,441	534,068	310,894	1,550,317
(Increase) decrease in accounts receivable	95,450	3,379	-	504	99,333
(Increase) decrease in prepaid items	(375)	-	(291)	-	(666)
Increase (decrease) in accounts payable	137,341	2,393	58,678	(3,000)	195,412
Increase (decrease) in compensated benefits payable	7,427	1,288	3,420	-	12,135
Increase (decrease) in salaries payable	3,070	6,333	(287)	-	9,116
Increase (decrease) in deferred revenue	-	-	-	(12,144)	(12,144)
Increase in closure and post closure costs	59,211	-	-	-	59,211
Total adjustments	766,038	254,834	595,598	286,254	1,912,714
Net cash provided by operating activities	\$ 556,022	\$ 188,119	\$ 623,181	\$ 237,599	\$ 1,604,921

NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:

Construction of capital assets contributed through capital project funds
 Contribution of capital assets from developers
 Increase in fair value of investments

Construction of capital assets contributed through capital project funds	\$ -	\$ -	\$ 382,274	\$ -	\$ 382,274
Contribution of capital assets from developers	-	-	305,545	-	305,545
Increase in fair value of investments	10,986	1,360	7,977	634	20,957

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009

	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ 171,160	\$ 149,106	\$ 1,489,943	\$ -	\$ 313,937	\$ 2,124,146
Investments	53,337	-	-	-	-	-	53,337
Receivables:							
Accounts receivable	-	2,690	-	39,245	-	202,447	244,382
inventories	-	328,169	-	-	-	-	328,169
Prepaid items	-	-	-	-	-	60,590	60,590
Total current assets	53,337	502,019	149,106	1,529,188	-	576,974	2,810,624
Noncurrent assets:							
Restricted assets:							
Investments	241,199	-	-	-	-	-	241,199
Capital assets (net of accumulated depreciation):							
Machinery and equipment	-	29,304	-	-	-	-	29,304
Total noncurrent assets	241,199	29,304	-	-	-	-	270,503
Total assets	294,536	531,323	149,106	1,529,188	-	576,974	3,081,127
LIABILITIES							
Current liabilities:							
Accounts payable	53,336	130,582	271	1,398	3,993	477,037	666,617
Due to other funds	-	-	-	-	21,815	-	21,815
Due to other entities	-	-	-	-	-	2,853	2,853
Salaries payable	10,346	20,053	-	-	-	205	30,604
Deferred revenue	-	-	-	-	-	16,829	16,829
Claims and judgments payable	-	-	239	346,657	-	-	346,896
Total current liabilities:	63,682	150,635	510	348,055	25,808	496,924	1,085,614
Long-term liabilities:							
Customer deposits	241,199	-	-	-	-	-	241,199
Total restricted long-term liabilities	241,199	-	-	-	-	-	241,199
Total liabilities	304,881	150,635	510	348,055	25,808	496,924	1,326,813
NET ASSETS							
Unrestricted	(10,345)	380,688	148,596	1,181,133	(25,808)	80,050	1,754,314
Total net assets	\$ (10,345)	\$ 380,688	\$ 148,596	\$ 1,181,133	\$ (25,808)	\$ 80,050	\$ 1,754,314

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 FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
OPERATING REVENUES							
Charges for services	\$2,239,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,239,883
Event sales	-	738,059	-	-	-	-	738,059
Sale of gas and oil	-	1,626,403	-	-	-	-	1,626,403
Sale of parts and labor	1,574	3,232	45,226	25,969	-	-	76,001
Miscellaneous sales	-	-	-	5,491,601	-	75,019	5,566,620
Employer contributions	-	-	-	48,013	-	-	48,013
Employee contributions	-	-	-	5,565,583	-	75,019	10,294,979
Total operating revenues	<u>2,241,457</u>	<u>2,367,694</u>	<u>45,226</u>	<u>5,565,583</u>	<u>-</u>	<u>75,019</u>	<u>10,294,979</u>
OPERATING EXPENSES							
Cost of goods sold	1,968,298	1,625,705	-	-	-	-	3,594,003
Personal services - salaries & wages	165,825	387,861	-	-	-	-	553,686
Personal services - fringe benefits	14,735	150,201	-	10,060	19,326	-	194,322
Professional, legal, and contracted services	813	1,035	46	1,017	-	-	2,911
Building, equipment, and vehicle services	-	161,193	-	-	-	36,060	197,253
Travel & training	-	2,999	-	-	-	-	2,999
Operating services	45,417	8,271	166,020	4,439,728	-	24,556	4,683,992
Operating supplies	69	12,772	-	464	-	-	13,305
Depreciation expense	-	12,947	-	-	-	-	12,947
Total operating expenses	<u>2,195,157</u>	<u>2,362,984</u>	<u>166,066</u>	<u>4,451,269</u>	<u>19,326</u>	<u>60,616</u>	<u>9,255,418</u>
Operating income (loss)	<u>46,300</u>	<u>4,710</u>	<u>(120,840)</u>	<u>1,114,314</u>	<u>(19,326)</u>	<u>14,403</u>	<u>1,039,561</u>
NONOPERATING REVENUES (EXPENSES)							
Gain on disposal of assets	-	-	-	-	-	27,396	27,396
Investment income	715	3,170	3,637	14,596	-	25,809	47,927
Total nonoperating revenues (expenses)	<u>715</u>	<u>3,170</u>	<u>3,637</u>	<u>14,596</u>	<u>-</u>	<u>53,205</u>	<u>75,323</u>
Income (loss) before contributions and transfers	47,015	7,880	(117,203)	1,128,910	(19,326)	67,608	1,114,884
CAPITAL CONTRIBUTIONS							
TRANSFER IN	-	-	-	-	-	-	-
TRANSFER OUT	(43,454)	(55,315)	(13,007)	(26,085)	1,491	-	(137,861)
Change in net assets	3,561	(47,435)	13,790	1,102,825	(17,835)	67,608	1,122,514
Total net assets - beginning	(13,906)	428,123	134,806	78,308	(7,973)	12,442	631,800
Total net assets - ending	<u>\$ (10,345)</u>	<u>\$ 380,688</u>	<u>\$ 148,596</u>	<u>\$ 1,181,133</u>	<u>\$ (25,808)</u>	<u>\$ 80,050</u>	<u>\$ 1,754,314</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, 2009**

	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 2,241,457	\$ 2,366,793	\$ -	\$ -	\$ -	\$ -	\$ 4,608,250
Receipts from employer	-	-	-	5,517,141	-	86,598	5,603,739
Other operating cash receipts	-	-	45,226	48,013	-	-	93,239
Payments to suppliers	(2,007,753)	(1,971,549)	(170,849)	(4,464,908)	(1,491)	(92,075)	(8,708,625)
Payments to employees	(169,385)	(388,031)	-	-	-	-	(557,416)
Net cash provided (used) by operating activities	64,319	7,213	(125,623)	1,100,246	(1,491)	(5,477)	1,039,187
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	-	-	144,000	-	1,491	-	145,491
Transfers to other funds	(43,454)	(55,315)	(13,007)	(26,085)	-	-	(137,861)
Net cash provided (used) by noncapital and related financing activities	(43,454)	(55,315)	130,993	(26,085)	1,491	-	7,630
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds of claim/insurance recoveries	-	-	-	-	-	27,396	27,396
Purchase of Capital Assets	-	(2,840)	-	-	-	-	(2,840)
Net cash provided (used) by capital and related financing activities	-	(2,840)	-	-	-	27,396	24,556
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	240,623	219,203	140,471	402,677	-	266,209	1,269,183
Purchase of investments	(294,536)	-	-	-	-	-	(294,536)
Investment income	700	2,899	3,265	13,105	-	25,809	45,778
Net cash provided (used) by investing activities	(53,213)	222,102	143,736	415,782	-	292,018	1,020,425
Net increase (decrease) in cash and cash equivalents	(32,348)	171,160	149,106	1,489,943	-	313,937	2,091,798
Cash and cash equivalents - January 1	32,348	-	-	-	-	-	32,348
Cash and cash equivalents - December 31	-	\$ 171,160	\$ 149,106	\$ 1,489,943	\$ -	\$ 313,937	\$ 2,124,146
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 46,300	\$ 4,710	\$ (120,840)	\$ 1,114,314	\$ (19,326)	\$ 14,403	\$ 1,039,561
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	-	12,947	-	-	-	-	12,947
(Increase) decrease in accounts receivable	-	(901)	-	(429)	-	11,579	10,249
(Increase) decrease in inventories	-	(75,080)	-	-	-	-	(75,080)
(Increase) decrease in prepaid items	-	489	-	-	-	(60,590)	(60,101)
Increase (decrease) in customer deposits	20,286	-	-	-	-	-	20,286
Increase (decrease) in accounts payable	1,293	65,218	178	(47,017)	1,729	30,310	51,711
Increase (decrease) in salaries payable	(3,560)	(170)	-	-	-	(924)	(4,654)
Increase (decrease) in due to other funds	-	-	-	-	16,106	-	16,106
Increase (decrease) in due to other entities	-	-	-	-	-	(255)	(255)
Increase (decrease) in estimated pending claims	-	-	(4,961)	33,378	-	-	28,417
Total adjustments	18,019	2,503	(4,783)	(14,068)	17,835	(19,880)	(374)
Net cash provided (used) by operating activities	\$ 64,319	\$ 7,213	\$ (125,623)	\$ 1,100,246	\$ (1,491)	\$ (5,477)	\$ 1,039,187
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:							
Construction of capital assets contributed through capital project funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase in fair value of investments	15	271	372	1,491	-	-	2,149

**CITY OF BISMARCK, NORTH DAKOTA
 FIREMEN'S PENSION AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions	Deletions	Balance December 31, 2009
ASSETS				
Investments	\$ 799	\$ 1,150,372	\$ 1,150,439	\$ 732
Receivables:				
Taxes	6,167	201	284	6,084
Accounts	9,940	9,402	9,940	9,402
Total assets	<u>\$ 16,906</u>	<u>\$ 1,159,975</u>	<u>\$ 1,160,663</u>	<u>\$ 16,218</u>
LIABILITIES				
Accounts payable	\$ 795	\$ 575,007	\$ 575,065	\$ 737
Due to other entities	16,111	261	891	15,481
Total liabilities	<u>\$ 16,906</u>	<u>\$ 575,268</u>	<u>\$ 575,956</u>	<u>\$ 16,218</u>

**CITY OF BISMARCK, NORTH DAKOTA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 DECEMBER 31, 2009**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	3,538,480
Buildings and building improvements	64,414,983
Improvements other than buildings	85,349
Machinery and equipment	33,083,417
Infrastructure	198,298,910
Construction in progress	8,270,355
Total governmental funds capital assets	307,691,494

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	12,489,024
Special revenue funds	23,227,959
Federal and state grants	83,796,275
Capital projects funds	182,142,532
Enterprise funds	15,210
Donations	6,020,493
Total governmental funds capital assets	307,691,494

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2009**

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Total
General government:						
Administration and management	\$ -	\$ -	\$ -	\$ 43,879	\$ -	\$ 43,879
Fiscal, assessing and information services	-	-	-	272,537	-	272,537
Common software	-	-	-	796,251	-	796,251
City/County office building	-	10,609,410	18,411	173,551	-	10,801,372
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	-	-	-	83,617	-	83,617
Building Maintenance	-	-	-	43,186	-	43,186
NPCC	443,760	496,486	-	309,810	7,359,282	8,609,338
E/H transit system	108,421	1,109,179	-	3,386,987	-	4,604,587
Total general government	<u>752,181</u>	<u>13,289,060</u>	<u>18,411</u>	<u>5,139,471</u>	<u>7,359,282</u>	<u>26,558,403</u>
Public safety:						
Police	499,500	7,420,290	37,078	3,111,526	176,850	11,245,244
Fire and inspections	580,688	3,104,216	15,790	4,394,208	-	8,094,902
Combined communication center	-	-	-	401,617	-	401,617
Total public safety	<u>1,080,188</u>	<u>10,524,506</u>	<u>52,868</u>	<u>7,907,351</u>	<u>176,850</u>	<u>19,741,763</u>
Highways and streets:						
Roads and streets	50,923	-	-	7,187,798	65,184	7,303,905
Engineering	-	-	-	348,114	-	348,114
Forestry	-	-	-	466,524	-	466,524
Total highways and streets	<u>50,923</u>	<u>-</u>	<u>-</u>	<u>8,002,436</u>	<u>65,184</u>	<u>8,118,542</u>
Health:						
Bismarck Burleigh public health	-	21,200	-	128,628	-	149,828
Total health	<u>-</u>	<u>21,200</u>	<u>-</u>	<u>128,628</u>	<u>-</u>	<u>149,828</u>
Culture and recreation:						
Centennial beach	-	297,838	-	-	-	297,838
City auditorium	11,500	3,454,948	-	11,530	-	3,477,977
Civic center	900,600	31,203,697	-	3,824,379	-	35,928,676
Library	324,000	5,623,736	-	8,069,624	-	14,017,360
Total culture and recreation	<u>1,236,100</u>	<u>40,580,218</u>	<u>-</u>	<u>11,905,532</u>	<u>-</u>	<u>53,721,850</u>
Public works:						
Sales tax fund	22,721	-	-	-	-	22,721
Special deficiency fund	-	-	14,070	-	-	14,070
Highway construction	395,607	-	-	-	56,668,348	57,063,955
Sidewalk construction	-	-	-	-	17,617,721	17,617,721
Street Lights construction	-	-	-	-	193,304	193,304
Street improvements	760	-	-	-	116,218,221	116,218,981
Total public works	<u>419,088</u>	<u>-</u>	<u>14,070</u>	<u>-</u>	<u>190,697,595</u>	<u>191,130,753</u>
Construction in progress:	-	1,281,054	-	217,858	6,771,444	8,270,355
Total governmental funds capital assets	<u>\$ 3,538,480</u>	<u>\$ 65,696,037</u>	<u>\$ 85,349</u>	<u>\$ 33,301,275</u>	<u>\$ 205,070,353</u>	<u>\$ 307,691,494</u>

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, 2009

FUNCTION AND ACTIVITY	Balance January 1, 2009	Additions	Deductions	Balance December 31, 2009
General government:				
Administration and management	\$ 38,075	\$ 5,804	\$ -	\$ 43,879
Fiscal, Assessing and Information Services	230,602	70,994	29,059	272,537
Common software	796,251	-	-	796,251
City/County office buildings	10,306,796	494,576	-	10,801,372
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	83,617	-	-	83,617
Building Maintenance	-	43,186	-	43,186
NPCC	8,608,344	994	-	8,609,338
E/H transit system	4,277,577	509,843	182,834	4,604,587
Total general government	<u>25,375,390</u>	<u>1,394,906</u>	<u>211,893</u>	<u>26,558,403</u>
Public safety:				
Police	10,151,727	1,217,054	123,536	11,245,244
Fire and inspections	8,042,267	65,329	12,695	8,094,902
Combined communications center	346,369	55,248	-	401,617
Total public safety	<u>18,540,363</u>	<u>1,337,631</u>	<u>136,231</u>	<u>19,741,763</u>
Highways and streets:				
Roads and streets	6,821,563	482,341	-	7,303,905
Engineering	297,498	50,616	-	348,114
Forestry	464,254	2,270	-	466,524
Total highways and streets	<u>7,583,315</u>	<u>535,227</u>	<u>-</u>	<u>8,118,542</u>
Health:				
Bismarck Burleigh public health	163,147	36,957	50,276	149,828
Total health	<u>163,147</u>	<u>36,957</u>	<u>50,276</u>	<u>149,828</u>
Culture and recreation:				
Centennial beach	297,838	-	-	297,838
City auditorium	3,471,798	6,180	-	3,477,977
Civic center	35,750,207	178,468	-	35,928,676
Library	13,033,580	983,780	-	14,017,360
Total culture and recreation	<u>52,553,423</u>	<u>1,168,428</u>	<u>-</u>	<u>53,721,850</u>
Public works:				
Sales tax fund	22,721	-	-	22,721
Special deficiency fund	14,070	-	-	14,070
Highway construction	56,435,428	628,527	-	57,063,955
Sidewalk construction	16,928,584	689,136	-	17,617,721
Street Light construction	-	193,304	-	193,304
Street improvements	105,726,286	10,492,695	-	116,218,981
Total public works	<u>179,127,089</u>	<u>12,003,663</u>	<u>-</u>	<u>191,130,752</u>
Construction in progress:	<u>2,633,007</u>	<u>8,128,223</u>	<u>2,490,875</u>	<u>8,270,355</u>
Total governmental funds capital assets	<u><u>\$ 285,975,734</u></u>	<u><u>\$ 24,605,035</u></u>	<u><u>\$ 2,889,275</u></u>	<u><u>307,691,494</u></u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	118
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	124
These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.	
Debt Capacity	128
These schedules present information to help the reader assess the affordability of the government's ability to issue additional debt in the future.	
Demographic and Economic Information	133
These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.	
Operating Information	136
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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

	2003**	2004**	2005**	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 43,276,686	\$ 63,506,929	\$ 117,467,134	\$ 125,296,291	\$ 139,783,417	\$ 145,009,837	\$ 156,325,434
Restricted	19,860,939	14,103,406	11,973,853	11,506,459	12,084,714	11,898,341	12,749,497
Unrestricted	54,179,556	57,398,276	57,462,204	61,774,561	75,208,853	93,057,450	98,313,442
Total governmental activities net assets	\$ 117,317,181	\$ 135,008,611	\$ 186,903,191	\$ 198,577,311	\$ 227,076,984	\$ 249,965,628	\$ 267,388,373
Business-type activities							
Invested in capital assets, net of related debt	\$ 147,607,448	\$ 171,406,048	\$ 185,085,706	\$ 200,350,952	\$ 207,550,023	\$ 212,244,535	\$ 224,137,364
Restricted	-	-	-	6,169,917	15,199,969	9,727,626	16,785,740
Unrestricted	37,768,820	29,559,556	29,877,684	29,112,256	27,267,243	37,688,506	27,737,575
Total business-type activities net assets	\$ 185,376,268	\$ 200,965,604	\$ 214,963,390	\$ 235,633,125	\$ 250,017,235	\$ 259,660,667	\$ 268,660,679
Primary government							
Invested in capital assets, net of related debt	\$ 190,884,134	\$ 234,912,977	\$ 302,552,840	\$ 325,647,243	\$ 347,333,440	\$ 357,254,372	\$ 380,462,798
Restricted	19,860,939	14,103,406	11,973,853	17,676,376	27,284,683	21,625,967	29,535,237
Unrestricted	91,948,376	86,957,832	87,339,888	90,886,817	102,476,096	130,745,956	126,051,017
Total primary government net assets	\$ 302,693,449	\$ 335,974,215	\$ 401,866,581	\$ 434,210,436	\$ 477,094,219	\$ 509,626,295	\$ 536,049,052

*This report is new with the 2006 CAFR, and these line items have only been available since we implemented GABS #34 with our fiscal year ended December 31, 2003.

**Retroactive infrastructure assets were not included until 2006.

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

	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General government	\$ 8,179,507	\$ 9,039,757	\$ 11,284,393	\$ 10,492,958	\$ 10,249,017	\$ 13,854,192	\$ 13,695,936
Public safety	11,796,743	12,800,931	13,519,865	15,140,144	15,493,552	15,366,898	16,956,774
Highways and streets	5,459,602	6,167,330	5,688,282	6,291,580	6,811,043	7,025,955	7,895,728
Health and welfare	1,570,817	1,551,325	1,758,290	2,031,386	2,170,397	2,411,139	2,494,859
Culture and recreation	8,909,217	7,778,554	7,192,544	7,091,216	7,057,007	8,083,899	8,902,739
Interest and fiscal charges	707,778	1,809,733	1,419,105	1,455,778	1,832,560	2,177,509	2,505,666
Public works	1,907,209	3,179,326	4,069,184	8,980,826	7,251,011	7,493,102	8,170,980
Total governmental activities expenses	<u>38,530,873</u>	<u>42,326,956</u>	<u>44,931,663</u>	<u>51,483,888</u>	<u>50,864,587</u>	<u>56,412,694</u>	<u>60,622,682</u>
Business-type activities:							
Airport	3,189,893	3,381,964	3,861,147	4,390,771	4,585,664	5,301,641	5,680,499
Airport flightline	813,909	1,107,046	1,378,538	1,353,928	1,402,345	716,809	-
Solid waste disposal	1,722,807	1,997,566	2,421,202	2,152,830	2,074,212	2,457,040	2,449,207
Solid waste collections	1,525,709	1,573,279	1,574,263	1,732,743	1,773,631	1,801,698	2,084,233
Water	5,455,249	5,899,033	6,130,931	7,120,142	7,522,591	8,229,859	7,603,788
Sanitary sewer	2,621,053	3,066,589	3,465,950	3,480,827	3,892,916	4,526,528	4,921,746
Storm water	303,776	508,290	549,864	651,098	894,853	847,819	989,869
Parking authority lots	745,690	751,226	777,506	789,564	925,530	1,123,507	926,238
Total business-type activities expenses	<u>16,378,086</u>	<u>18,284,993</u>	<u>20,159,391</u>	<u>21,671,903</u>	<u>23,071,742</u>	<u>25,004,901</u>	<u>24,655,580</u>
Total primary government expenses	<u>\$ 54,908,959</u>	<u>\$ 60,611,949</u>	<u>\$ 65,091,054</u>	<u>\$ 73,155,791</u>	<u>\$ 73,936,329</u>	<u>\$ 81,417,595</u>	<u>\$ 85,278,262</u>
Program Revenues							
Governmental activities:							
Charges for Services:							
General government	\$ 1,309,787	\$ 2,123,174	\$ 2,175,505	\$ 2,540,798	\$ 2,409,303	\$ 3,510,544	\$ 2,906,616
Public safety	1,455,663	2,030,048	1,972,048	2,230,428	1,978,685	1,063,372	1,075,509
Highways and streets	1,062,264	2,101,050	1,501,637	2,663,024	2,500,250	3,123,784	3,151,547
Health and welfare	117,898	166,410	235,909	192,742	216,261	382,628	444,964
Culture and recreation	5,106,556	4,466,125	3,666,423	3,062,688	3,434,124	4,094,528	4,348,057
Public works	4,278	21,516	-	30,604	-	-	-
Operating grants and contributions	8,984,749	8,087,416	7,433,665	8,439,561	9,873,983	8,623,585	11,508,981
Capital grants and contributions	7,167,363	16,676,232	12,992,496	13,853,173	26,747,163	23,052,334	17,986,128
Total governmental activities program revenues	<u>25,208,558</u>	<u>35,671,971</u>	<u>29,977,683</u>	<u>33,013,018</u>	<u>47,159,789</u>	<u>43,850,775</u>	<u>41,421,802</u>
Business-type activities:							
Charges for services:							
Airport	2,506,636	3,004,977	3,350,033	3,559,509	3,759,687	3,991,015	4,293,102
Airport flightline	860,300	1,119,432	1,403,483	1,407,451	1,524,383	700,936	-
Solid waste disposal	2,472,678	2,643,140	2,371,950	2,525,982	2,567,905	2,512,560	2,262,373
Solid waste collections	1,220,645	1,285,912	1,616,615	1,654,140	1,685,987	1,621,413	2,071,090
Water	8,584,721	8,364,265	9,292,463	11,231,908	10,445,955	10,864,440	10,010,899
Sanitary sewer	4,178,097	4,575,391	4,856,558	5,053,527	5,003,913	5,095,871	5,311,824

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

	2003	2004	2005	2006	2007	2008	2009
Storm water	616,636	630,804	800,159	957,724	998,671	938,624	1,040,526
Parking authority lots	774,764	765,404	796,650	807,583	808,003	834,896	867,583
Operating grants and contributions	5,176,334	1,452,790	311,490	31,151	413,366	98,518	-
Capital grants and contributions	4,959,457	8,625,324	6,409,535	10,560,757	4,546,714	5,138,533	8,037,085
Total business-type activities program revenues	31,350,268	32,467,439	31,208,936	37,789,732	31,754,584	31,796,806	33,894,482
Total primary government program revenues	\$ 56,558,826	\$ 68,139,410	\$ 61,186,619	\$ 70,802,750	\$ 78,914,373	\$ 75,647,581	\$ 75,316,284
Net (expense)/revenue							
Government activities	(13,322,315)	(6,654,985)	(14,953,980)	(18,470,870)	(3,704,798)	(12,561,919)	(19,200,880)
Business-type activities	14,972,182	14,182,446	11,049,545	16,117,829	8,682,842	6,791,905	9,238,902
Total primary government net expense	\$ 1,649,867	\$ 7,527,461	\$ (3,904,435)	\$ (2,353,041)	\$ 4,978,044	\$ (5,770,014)	\$ (9,961,978)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 11,108,956	\$ 10,780,238	\$ 11,325,760	\$ 13,806,279	\$ 14,913,006	\$ 15,479,043	\$ 16,167,137
Sales tax	8,344,606	8,615,944	9,607,321	10,955,561	11,746,147	11,943,929	11,756,546
Occupancy tax	441,560	439,389	487,773	520,947	572,633	622,144	674,643
Lodging/liquor/food tax	1,239,576	1,300,551	1,435,820	1,534,606	1,700,605	1,835,399	1,935,984
State aid distribution	1,496,408	1,690,974	1,757,995	1,923,989	2,308,021	2,685,052	2,582,642
Franchise taxes	549,499	599,808	668,229	897,694	908,863	1,028,020	1,099,793
Other taxes	536,180	450,555	673,191	511,954	500,201	501,564	465,811
Unrestricted investment earnings	750,390	868,736	1,409,418	2,585,623	2,941,614	2,032,392	1,076,333
Gain (loss) on disposal of assets	14,324	27,892	176,949	173,018	145,575	163,874	28,153
Transfers	1,225,130	(903,933)	(3,472,278)	(2,764,681)	(3,532,194)	(840,854)	836,582
Total governmental activities	25,706,629	23,870,154	24,070,178	30,144,990	32,204,471	35,450,563	36,623,624
Business-type activities:							
Taxes							
Other taxes	62,911	69,357	67,271	21,487	56,117	97,298	78,488
Unrestricted investment earnings	396,668	392,750	819,900	1,704,943	1,986,272	1,698,200	475,469
Gain (loss) on disposal of assets	537,287	40,850	(2,381,188)	60,795	126,685	215,175	43,735
Transfers	(1,463,519)	903,933	3,472,278	2,764,681	3,532,194	840,854	(836,582)
Total business-type activities	(466,653)	1,406,890	1,978,261	4,551,906	5,701,268	2,851,527	(238,890)
Total primary government	\$ 25,239,976	\$ 25,277,044	\$ 26,048,439	\$ 34,696,896	\$ 37,905,739	\$ 38,302,090	\$ 36,384,734
Change in Net Assets							
Governmental activities	\$ 12,384,314	\$ 17,215,169	\$ 9,116,198	\$ 11,674,120	\$ 28,499,673	\$ 22,888,644	\$ 17,422,744
Business-type activities	14,505,529	15,589,336	13,027,806	20,669,735	14,384,110	9,643,432	9,000,012
Total primary government	\$ 26,889,843	\$ 32,804,505	\$ 22,144,004	\$ 32,343,855	\$ 42,883,783	\$ 32,532,076	\$ 26,422,756

Note: The change in net assets in business-type activities from 2006 to 2007 is primarily due to new infrastructure to support commercial and residential development.

*This report is new with the 2006 CAFR, and these line items have only been available since we implemented GABS #34 with our fiscal year ended December 31, 2003.

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

	2003	2004	2005	2006	2007	2008	2009
General Fund							
Reserved	\$ 38,301	\$ 12,722	\$ 107,382	\$ 166,269	\$ 63,915	\$ 281,586	\$ 984,800
Unreserved	16,190,368	17,151,618	17,346,623	18,783,976	20,727,974	21,729,864	20,617,386
Total general fund	\$ 16,228,669	\$ 17,164,340	\$ 17,454,005	\$ 18,950,245	\$ 20,791,889	\$ 22,011,450	\$ 21,602,186
All other governmental funds							
Reserved	\$ 2,931,734	\$ 3,860,452	\$ 3,631,228	\$ 3,497,652	\$ 3,393,712	\$ 3,267,469	\$ 3,851,742
Unreserved, reported in:							
Special revenue funds	16,018,061	15,688,666	16,296,449	14,824,377	12,940,107	14,651,662	16,727,976
Debt service funds	17,840,712	10,832,473	10,770,334	10,369,216	11,014,840	10,897,034	11,817,883
Capital project funds	284,059	691,325	(1,901,216)	(2,428,987)	1,916,906	3,928,717	3,669,661
Total all other governmental funds	\$ 37,074,566	\$ 31,072,916	\$ 28,796,795	\$ 26,262,258	\$ 29,265,565	\$ 32,744,882	\$ 36,067,262

*This report is new with the 2006 CAFR, and these line items have only been available since we implemented GABS #34 with our fiscal year ended December 31, 2003.

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
REVENUES										
Taxes	\$18,389,491	\$19,955,956	\$21,352,293	\$21,605,720	\$21,654,618	\$23,439,089	\$25,735,796	\$27,929,837	\$28,963,692	\$29,681,652
Licenses and permits	806,014	991,339	1,021,652	1,199,400	1,495,736	1,790,488	1,668,051	1,527,745	1,546,941	1,352,746
Special assessments	4,596,572	5,905,661	4,970,403	5,105,366	5,558,789	5,873,191	6,185,745	7,404,159	8,013,382	11,601,197
Intergovernmental	8,489,067	12,600,047	9,868,621	11,060,656	12,179,858	10,611,893	11,386,666	13,674,293	13,198,149	15,218,722
Charges for services	4,362,725	4,246,430	4,424,915	4,269,843	4,908,485	4,296,509	5,378,503	5,395,329	6,733,696	6,575,095
Fines and forfeits	914,156	958,229	1,034,585	1,005,608	1,432,979	1,237,852	1,319,887	1,158,782	962,615	868,180
Investment income	2,343,258	2,324,339	1,500,271	715,746	844,944	1,377,270	2,101,972	2,855,441	2,022,473	1,315,694
Rentals	339,856	403,948	599,456	510,076	526,962	570,485	873,198	759,240	815,495	814,068
Miscellaneous	174,583	82,054	225,889	185,747	245,353	235,853	207,675	229,092	243,636	613,419
Total revenues	40,415,722	47,468,003	44,998,085	45,658,162	48,847,724	49,432,630	54,857,493	60,933,918	62,500,079	68,040,773
EXPENDITURES										
General government	5,353,173	5,813,893	9,205,332	7,669,823	8,571,651	10,466,183	9,497,701	9,084,824	12,316,706	12,174,121
Public safety	9,257,992	9,759,129	10,174,805	11,050,363	11,777,432	12,254,611	13,107,591	13,341,670	13,730,955	15,414,803
Highways and streets	4,146,253	4,489,716	4,665,493	5,150,211	5,525,879	5,177,548	5,381,364	5,995,613	6,324,834	7,596,100
Health and welfare	790,492	857,895	943,627	1,545,937	1,523,547	1,712,812	1,873,190	2,022,052	2,308,410	2,390,513
Culture and recreation	3,183,076	3,210,837	3,217,681	3,794,278	3,290,157	3,216,287	3,306,751	3,603,065	4,003,495	4,159,604
Public works	-	-	-	736,087	1,397,143	481,233	1,177,137	2,092,389	2,136,119	1,380,553
Capital outlays	12,169,518	13,028,701	15,115,563	17,150,742	13,929,004	15,401,924	26,441,850	28,456,115	20,056,098	24,142,618
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	5,275,001	5,380,065	5,855,360	5,845,001	6,225,000	6,605,000	5,620,000	5,895,000	6,345,002	7,885,000
Interest and fiscal charges	1,988,451	2,350,011	2,094,524	2,062,745	1,894,734	1,453,663	1,385,807	1,762,755	2,269,842	2,450,581
Total expenditures	42,163,956	44,890,247	51,272,385	55,005,187	54,134,547	56,769,261	67,791,391	72,253,483	69,491,461	77,593,893
Excess (deficiency) of revenues over (under) expenditures	(1,748,234)	2,577,756	(6,274,300)	(9,347,025)	(5,286,823)	(7,336,631)	(12,933,898)	(11,319,565)	(6,991,382)	(9,553,120)
OTHER FINANCING SOURCES (USES)										
Transfer in	9,548,753	10,308,050	21,796,551	17,003,809	14,578,467	14,479,141	21,670,671	20,486,409	19,848,116	22,825,204
Transfer out	(10,097,950)	(9,484,935)	(20,162,730)	(13,799,838)	(12,986,720)	(13,513,006)	(20,450,648)	(19,790,656)	(18,143,859)	(18,639,463)
Refunding bonds issued	-	6,090,880	1,989,999	7,295,000	2,005,000	-	-	-	2,430,000	-
Premium on special assessment debt	-	-	-	-	21,084	-	-	-	22,881	70,495
Discount on special assessment debt	-	-	-	-	(12,987)	(33,539)	(4,422)	(46,236)	(36,878)	-
Payment to refunded bond escrow agent	-	(1,050,000)	(4,825,000)	(1,925,000)	(8,960,000)	-	-	-	(2,430,000)	-
Special assessment bonds issued	3,981,095	5,685,439	6,094,938	5,085,000	4,675,000	4,290,000	10,680,000	15,515,000	10,000,000	8,210,000
Total other financing sources (uses)	3,431,898	11,549,434	4,893,758	13,658,971	(679,156)	5,222,596	11,895,601	16,164,517	11,690,260	12,466,236
Net changes in fund balances	1,683,664	14,127,190	(1,380,542)	4,311,946	(5,955,979)	(2,114,035)	(1,038,297)	4,844,952	4,698,878	2,913,116
Debt service as a percentage of noncapital expenditures	24.2%	24.3%	22.0%	20.9%	20.2%	19.5%	16.9%	17.5%	17.4%	19.3%

Source: Fiscal Services

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

Fiscal Year	Property ² Taxes	Sales Tax	Occupancy Tax	Lodging/ Liquor/Food Tax		State Aid ¹ Distribution	Franchise ¹ Tax	Other ¹ Taxes	Total
2000	8,242,803	7,500,496	396,792	1,075,264	-	-	-	-	17,215,355
2001	9,355,291	7,837,357	412,550	1,127,264	-	-	-	-	18,732,462
2002	9,589,715	8,324,913	433,946	1,204,279	-	-	-	-	19,552,853
2003	9,746,300	8,344,606	441,560	1,239,576	1,496,408	549,499	536,180	536,180	22,354,129
2004	10,780,238	8,615,944	439,389	1,300,551	1,690,974	599,808	450,555	450,555	23,877,459
2005	11,325,760	9,607,321	487,773	1,435,820	1,757,995	668,229	673,191	673,191	25,956,089
2006	13,806,279	10,955,561	520,947	1,534,606	2,034,093	787,590	511,954	511,954	30,151,030
2007	14,913,006	11,698,846	572,633	1,747,906	2,308,021	908,863	500,201	500,201	32,649,476
2008	15,479,043	11,943,929	622,144	1,835,399	2,685,052	1,028,020	501,564	501,564	34,095,151
2009	16,167,137	11,756,546	674,643	1,935,984	2,582,642	1,099,793	465,811	465,811	34,682,556

¹ This report is new with the 2006 CAFR, and these items have only been available since we implemented GASB #34 with our fiscal year end December 31, 2003.

² Includes tax revenues from pension trust funds.

Source: Fiscal Services

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

Year	Commercial		Residential		Agricultural		Public		Total Taxable		Total		Assessed	
	Land and Buildings	Buildings	Land and Buildings	Buildings	Land	Land	Utilities	Utilities	Assessed Value	Value	True and Full Value	Value	True and Full Value	Value
1999	326,128,580		654,613,945		394,650		18,816,080		999,953,255		1,999,906,509		50%	107.30
2000	342,229,500		686,593,922		339,650		21,110,850		1,050,273,922		2,100,547,844		50%	106.37
2001	358,373,810		723,852,156		324,700		22,451,500		1,105,002,166		2,210,004,331		50%	106.41
2002	374,284,710		763,429,078		282,900		21,099,040		1,159,095,728		2,318,191,456		50%	104.44
2003	390,791,510		808,050,456		295,050		22,386,450		1,221,523,466		2,443,046,931		50%	102.41
2004	409,533,790		870,033,934		274,850		23,057,610		1,302,900,184		2,605,800,367		50%	101.56
2005	451,493,820		943,417,311		227,800		23,153,410		1,418,292,341		2,836,584,682		50%	98.59
2006	527,172,200		1,053,554,467		213,000		24,076,640		1,605,016,307		3,210,032,613		50%	94.37
2007	592,136,940		1,213,446,289		228,760		24,293,280		1,830,105,269		3,660,210,538		50%	87.93
2008	660,701,410		1,286,286,222		156,300		27,468,550		1,974,612,482		3,949,224,964		50%	82.78

Source: Burleigh County Auditor/Treasurer Office

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

Fiscal Year ²	City of Bismarck				Overlapping Rates				Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Burleigh County Millage	Public School Millage	Bismarck Park District	State of North Dakota		
1999	103.15	4.15	107.30	64.32	279.88	38.44	1.00	490.94	
2000	102.74	3.63	106.37	63.71	277.88	37.98	1.00	486.94	
2001	106.17	0.24	106.41	61.54	275.82	38.95	1.00	483.72	
2002	103.98	0.46	104.44	64.00	274.09	39.01	1.00	482.54	
2003	102.41	-	102.41	62.71	267.77	39.65	1.00	473.54	
2004	101.56	-	101.56	65.05	262.21	40.62	1.00	470.44	
2005	98.59	-	98.59	62.33	255.02	40.67	1.00	457.61	
2006	94.37	-	94.37	57.17	248.40	39.46	1.00	440.40	
2007	87.93	-	87.93	51.92	229.42	39.66	1.00	409.93	
2008	82.78	-	82.78	53.85	223.39	39.59	1.00	400.61	

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

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

Source: Burleigh County Levies, 2008

**CITY OF BISMARCK, NORTH DAKOTA
PRINCIPAL "SINGLE PROPERTY" TAXPAYERS
DECEMBER 31, 2009**

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Metropolitan Life Assurance Company	\$ 22,810,750	1	1.15 %	\$ 19,478,000	1	1.85 %
Medcenter One	9,419,250	2	0.47	6,398,750	3	0.61
Waterford on West Century	8,819,850	3	0.44			
Wal-Mart Property North	7,919,450	4	0.40			
Wal-Mart Property South	7,643,750	5	0.38			
* Basin Electric Cooperative	6,845,200	6	0.34	3,782,700	7	0.36
* Gateway Fashion Mall	6,608,850	7	0.33	5,995,550	4	0.57
Pinehurst Square Acquisition LLC	6,302,100	8	0.32			
Regency Midwest Ventures LTD	5,912,500	9	0.30	3,976,750	5	0.38
* Menards	5,823,400	10	0.29	3,250,750	9	0.31
Clark Equipment	5,629,300	11	0.28	3,926,250	6	0.37
Mid Dakota Clinic	-			3,318,850	8	0.32
Montana Dakota Utilities	-			17,976,400	2	1.71
Wal-Mart Store	-			2,873,750	10	0.27
Totals	\$ 93,734,400		4.70	\$ 70,977,750		6.75

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

Source: Assessing Division

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

Fiscal Year	Total Tax Levy for Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2000	10,028,887	9,452,491	0.9425	155,733		9,608,224	0.9581
2001	10,442,538	9,816,710	0.9401	158,846		9,975,556	0.9553
2002	10,986,290	10,234,527	0.9316	100,834		10,335,361	0.9408
2003	11,307,411	10,712,862	0.9474	121,021		10,833,883	0.9581
2004	11,679,935	10,982,789	0.9403	143,079		11,125,868	0.9526
2005	12,348,232	11,640,116	0.9427	117,743		11,757,859	0.9522
2006	13,055,553	12,260,459	0.9391	131,382		12,391,841	0.9492
2007	14,151,324	13,314,078	0.9408	124,505		13,438,583	0.9496
2008	14,694,901	13,787,071	0.9382	158,674		13,945,745	0.9490
2009	15,280,109	14,361,482	0.9399	169,350		14,530,832	0.9510

¹ Previous fiscal year tax levy.

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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General		Special		Capital Leases		Revenue Bonds		Capital Leases				
	Obligation	Bonds	Revenue	Assessment	Capital Leases	Revenue Bonds	Capital Leases	Revenue Bonds	Capital Leases				
2000	\$ 665,000	\$ 11,290,000	\$ 28,380,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,335,000	0.0184	% \$ 1,017
2001	345,000	9,695,000	36,095,000	-	-	-	-	-	-	-	46,135,000	0.0195	1,089
2002	60,000	11,040,000	32,470,000	-	-	-	-	-	-	-	43,570,000	0.0179	1,015
2003	-	16,875,000	31,305,000	565,508	300,104	-	-	-	300,104	-	49,045,612	0.0198	1,140
2004	-	8,335,000	31,335,000	123,338	233,140	-	-	-	233,140	-	40,026,478	0.0157	900
2005	-	6,655,000	30,705,000	-	141,907	-	-	-	141,907	-	37,501,907	0.0137	791
2006	-	5,970,000	36,450,000	-	79,737	10,000,000	-	-	79,737	-	52,499,737	0.0179	1,046
2007	-	5,265,000	46,775,000	-	9,795	18,833,536	-	-	9,795	-	70,883,331	0.0226	1,336
2008	-	4,505,000	51,190,000	-	17,771	26,537,149	-	-	17,771	-	82,249,920	0.0246	1,465
2009	-	3,705,000	52,315,000	-	-	28,694,406	-	-	12,555	-	84,726,961	0.0240	1,447

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

¹ See the Schedule of Demographic and Economic Statistics on page 133 for personal income and population data.

**CITY OF BISMARCK, NORTH DAKOTA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Actual Taxable Value ¹ of Property	
				Per Capita ²	
2000	665,000	253,822	411,178	0.0004	7
2001	345,000	282,058	62,942	0.0001	1
2002	60,000	18,474	41,526	0.0000	1
2003	-	-	-	-	-
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	-	-	-	-	-
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-

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

¹ See the Schedule of Assessed Value and True and Full Value of Taxable Property on page 124 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 133.

Sources:
 Planning Department
 Assessing Division
 Fiscal Services

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

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$52,513,696	\$55,250,108	\$57,954,786	\$61,076,173	\$65,145,009	\$70,914,617	\$80,250,815	\$91,505,263	\$98,730,624	\$ 104,147,914
Total net debt applicable to limit	411,178	62,942	41,526	-	-	-	-	-	-	-
Legal debt margin	\$52,102,518	\$55,187,166	\$57,913,260	\$61,076,173	\$65,145,009	\$70,914,617	\$80,250,815	\$91,505,263	\$98,730,624	\$ 104,147,914
Total net debt applicable to the limit as a percentage of debt limit	0.78%	0.11%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2009

Total assessed value	\$ 2,082,958,275
Debt limit (5% of total assessed value)	104,147,914
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>\$ 104,147,914</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:
Assessing Division
Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 AS OF DECEMBER 31, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Bismarck Public School	\$ 16,643,964	79.94	\$ 1,330,518,482
Totals	<u>\$ 16,643,964</u>		<u>\$ 1,330,518,482</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.

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, 2009

Burleigh County Levies, 2009

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

Fiscal Year	Water Revenue Bonds				Special Assessment Bonds				
	Water/Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service Interest	Coverage	Special Assessment Collections	Debt Service		Coverage
							Principal	Interest	
2000	\$10,959,257	\$ 4,676,758	\$ 6,282,499	\$ 49,159	13.25	\$ 3,496,227	\$ 3,465,001	\$ 1,329,858	0.73
2001	11,918,706	5,075,069	6,843,637	-	-	3,492,066	3,465,065	1,640,866	0.68
2002	13,090,703	5,461,252	7,629,451	-	-	3,997,121	3,835,000	1,535,127	0.74
2003	13,396,192	5,609,458	7,786,734	-	-	4,192,468	4,325,001	1,369,288	0.74
2004	13,608,651	5,884,521	7,724,130	-	-	4,485,376	4,685,000	1,236,404	0.76
2005	14,995,914	6,290,238	8,705,676	-	-	4,693,578	4,920,000	1,195,692	0.77
2006	17,290,470	7,149,479	10,140,991	-	184,444	4,922,034	4,935,000	1,160,817	0.81
2007	16,500,612	7,368,682	9,131,930	520,000	10.04	5,437,106	5,190,000	1,554,890	0.81
2008	16,952,988	8,574,428	8,378,560	1,320,000	4.96	6,219,909	5,585,002	2,079,602	0.81
2009	16,783,419	8,777,959	8,005,460	1,440,000	4.48	7,864,035	7,085,000	2,283,141	0.84

Fiscal Year	Sales Tax Bonds				Motel, Liquor, Restaurant Bonds			
	Sales Tax Collections	Debt Service Principal	Debt Service Interest	Coverage	Lodging, Liquor, Food Tax Collections	Debt Service		Coverage
						Principal	Interest	
2000	\$ 7,500,496	\$ 1,135,000	\$ 168,625	5.75	\$ 1,075,264	\$ 380,000	\$ 446,910	1.30
2001	7,837,357	1,185,000	116,415	6.02	1,127,264	410,000	428,860	1.34
2002	8,324,913	1,295,360	45,674	6.21	1,204,279	440,000	409,385	1.42
2003	8,344,606	990,000	79,263	7.80	1,239,576	470,000	612,732	1.14
2004	8,615,944	1,015,000	49,188	8.10	1,300,551	525,000	609,142	1.15
2005	9,607,321	1,045,000	16,981	9.05	1,435,820	640,000	240,990	1.63
2006	10,955,561	-	-	-	1,534,606	685,000	224,990	1.69
2007	11,698,846	-	-	-	1,747,906	705,000	207,865	1.91
2008	11,943,929	-	-	-	1,835,399	760,000	190,240	1.93
2009	11,756,546	-	-	-	1,935,984	800,000	167,440	2.00

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Water/sewer charges and other includes investment earnings but not tap fees. Operating expenses do not include interest or depreciation.

Source: Fiscal Services

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

Fiscal Year	Population ¹	Personal Income ²	Per Capita Personal Income ²	Median Age ³	Public School Enrollment ⁴	Unemployment Rate ⁵
2000	55,392	2,197,068,288	39,664	36.2	10,476	2.5
2001	55,873	2,366,556,788	42,356	36.5	10,460	2.2
2002	56,798	2,437,599,766	42,917	36.7	10,359	3.3
2003	57,530	2,475,918,610	43,037	36.7	10,361	3.1
2004	57,237	2,545,943,543	44,481	36.8	10,440	2.7
2005	57,578	2,729,657,824	47,408	36.5	10,496	3.0
2006	58,264	2,925,377,176	50,209	36.5	10,591	2.8
2007	59,194	3,140,123,312	53,048	36.5	10,647	2.8
2008	59,503	3,341,212,456	56,152	36.5	10,707	2.8
2009	60,389	3,535,775,950	58,550	36.5	10,701	3.7

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

Sources:

- ¹ Community Development website
- ² ND State Tax Department
- ³ northdakota.com website
- ⁴ Bismarck Public Schools
- ⁵ North Dakota Job Service Labor Market Information Center website

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

Employer	2009			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of ND	4,400	1	12.63 %	4,309	1	13.19 %
Medcenter One	3,000	2	8.61	2,350	2	7.20
St. Alexius Medical Center	2,144	3	6.15	1,900	3	5.82
Bismarck Public Schools	1,671	4	4.80	1,506	4	4.61
US Government Offices	1,179	5	3.38	1,198	5	3.67
MDU Resources Group	747	6	2.14	380	11	1.16
Walmart	675	7	1.94	715	7	2.19
AETNA	620	8	1.78	554	8	1.70
University of Mary	514	10	1.48	400	10	1.22
City of Bismarck	534	9	1.53	469	9	1.44
Missouri Slope Lutheran Care Center	502	11	1.44	250	14	0.77
Basin Electric Power Cooperative Corporate Office	483	12	1.39	-		
Coventry Healthcare	475	13	1.36	-		
Mid Dakota Clinic	465	14	1.33	247	15	0.76
Bismarck State College	316	15	0.91	360	13	1.10
BOBCAT/Ingersoll Rand	-			867	6	2.65
United Tribes Technical College	-			370	12	1.13
Total	17,725		50.87	15,875		48.61

* This was a new table with our 2006 CAFR. We are only able to obtain from seven years ago. Information from nine years ago is not available.

Sources:
City of Bismarck 2010 Budget
Bismarck Mandan Development Association
ND Job Service-Labor Market Information Center website

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

Function	2004	2005	2006	2007	2008	2009
General government	51	53	58	61	72	71
Public safety						
Combined communications	20	20	21	22	22	24
Police						
Officers	91	92	90	91	92	96
Civilians	25	24	25	26	26	28
Fire						
Firefighters and officers	61	63	63	63	68	76
Civilians	14	13	13	14	7	6
Highways and streets						
Engineering	21	21	21	22	22	22
Maintenance	55	56	55	53	55	55
Health and welfare	19	20	22	24	25	26
Culture and recreation	15	15	15	16	16	16
Airport	19	19	19	19	21	21
Solid Waste	37	37	38	38	38	38
Water and sewer	53	54	53	54	55	55
Total	481	487	493	503	519	534

* This was a new table with our 2006 CAFR. This information is only available since 2004.

Source: City of Bismarck Annual Budgets

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety										
Police										
Physical arrests	2,812	2,269	2,214	3,237	5,045	3,837	2,821	2,689	2,585	2,381
Traffic citations	8,938	9,604	10,466	10,954	14,111	12,785	13,230	10,882	10,926	12,008
Parking citations	29,819	29,113	24,205	19,990	14,055	13,717	13,670	10,154	10,523	8,977
Number of accidents	2,865	2,960	3,129	3,158	3,018	3,184	3,184	3,149	3,563	3,741
Number of 911 emergency dispatches	2,597	2,796	3,005	3,572	4,257	2,926	3,762	3,792	3,942	4,740
Fire										
Number of 911 emergency dispatches	1,745	1,900	2,053	2,224	2,093	2,153	2,376	2,361	2,355	1,934
Number of fire inspections conducted	2,000	2,250	2,509	2,238	2,466	2,350	2,542	2,559	3,017	3,083
Number of building permits	3,640	4,069	4,423	4,480	4,976	4,474	4,653	5,037	4,423	4,521
Number of building inspections conducted	9,934	11,650	13,692	14,031	15,929	15,560	14,848	15,011	16,893	16,180
Number of environmental health inspections	3,698	4,752	3,676	3,172	4,684	3,966	3,770	3,974	4,107	3,866
Highways and streets										
Engineering										
Number of excavation permits	543	531	576	742	619	657	812	827	777	637
Number of improvement projects	54	54	43	58	38	57	77	79	43	36
Forestry										
Number of street trees planted	545	475	408	397	506	549	495	491	300	328
Number of street trees trimmed	3,378	2,733	2,798	3,470	3,568	2,662	2,440	1,105	1,116	1,097
Number of street trees removed	114	61	98	144	163	96	177	341	150	178
Roads and streets										
Potholes repaired	2,245	2,685	3,228	3,448	3,486	3,231	3,120	2,800	3,221	6,657
Street striping (miles)	98	102	190	104	185	104	105	110	125	110
Snow removal (hours)	5,888	6,452	2,523	2,497	25	1,673	3,421	3,918	7,465	20,000
Sand ice removal (tons)	12,860	7,299	10,900	7,976	10,656	10,200	10,987	11,793	11,408	9,926
Salt ice removal (tons)	514	485	640	578	1,162	1,014	762	926	868	849
Loads of snow hauled	4,856	998	1,400	1,668	16	1,122	1,974	2,771	2,899	12,925
Health and welfare										
Number of home visits	4,132	4,427	4,453	4,401	4,480	5,248	5,848	5,264	5,290	6,216
Number of immunizations	4,349	8,155	5,417	3,505	4,494	2,928	6,243	9,553	8,107	14,766
Number of office visits	3,442	3,796	3,708	3,784	5,902	2,365	5,040	4,255	4,209	4,756
Culture and recreation										
Auditorium events	55	56	54	57	55	65	55	108	121	115
Auditorium admissions	32,679	29,469	29,508	26,273	28,524	34,321	28,589	30,060	38,507	39,361
Community center events	319	316	302	200	211	250	283	346	393	412
Community center admissions	432,280	355,884	401,563	380,210	328,652	310,000	326,853	291,860	336,622	316,926

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Airport										
Gallons fuel dispensed (City only)	1,888,249	1,339,070	1,702,615	1,534,584	1,730,473	1,541,152	1,368,186	1,529,540	738,027	-
Gallons fuel dispensed (fuel permit holders)	987,038	976,933	628,812	781,647	1,171,576	1,184,315	1,185,503	1,440,263	2,141,689	2,995,619
Number of passengers-enplaning	134,483	131,246	139,343	141,090	159,963	174,567	180,674	181,310	175,626	181,114
Number of passengers-deplaning	134,396	130,760	139,978	141,307	160,613	172,766	180,170	180,844	174,579	180,322
Pounds of airmail-enplaning	236,627	456,651	441,852	402,390	16,076	3,455	-	-	-	-
Pounds of airmail-deplaning	1,127,393	856,096	5,235	1,595	7	-	-	-	-	-
Pounds of freight-enplaning	171,222	171,193	126,783	125,547	153,600	115,018	123,791	98,467	98,816	66,997
Pounds of freight-deplaning	219,325	170,176	152,469	169,122	209,302	131,188	133,518	114,659	98,834	85,939
Solid Waste										
Refuse collected (tons/year)	22,896	18,090	21,834	21,077	26,234	26,533	22,941	23,877	21,263	24,445
Garbage accepted for disposal (tons/year)	84,004	86,125	89,485	89,234	83,277	81,610	81,050	80,676	78,772	83,263
Acres used at landfill	1	1	3	2	2	2	2	2	2.5	2.5
Water										
Number of service connections	15,900	15,900	15,950	16,100	16,400	16,850	17,250	17,600	17,850	18,100
Average daily consumption (thousand of gallons)	9,027	9,569	10,324	10,285	9,360	9,947	11,690	10,420	10,300	9,350
Wastewater										
Average daily sewage treatment (thousand of gallons)	6,770	6,860	6,170	6,040	5,960	6,290	6,040	6,220	6,010	6,630

Note: Indicators are not available for the general government functions.

Sources:

- Building Inspections
- Fiscal Services
- Engineering Department
- Fire Department
- Police Department
- Airport Department
- Public Works Departments

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

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	16	16	16	16	17	17	17	17	17	19
Fire stations	3	3	3	3	4	4	4	4	4	4
Highways and streets										
Streets (miles)	235	239	245	295	320	345	357	368	370	371
Streetlights	5,390	5,650	5,650	5,900	6,204	6,619	6,718	7,044	7,181	7,263
Traffic signals	42	49	60	77	86	92	106	106	106	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	16	17	17	17	20	20	21	20	20	25
Water										
Watermains (miles)	235	258	263	268	275	301	308	315	320	325
Fire hydrants	2,300	2,319	2,370	2,400	2,459	2,629	2,695	2,800	2,900	3,000
Maximum daily water treatment capacity (thousand of gallons)	26,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Sewer										
Sanitary sewers (miles)	225	231	236	241	247	256	267	276	281	290
Storm sewers (miles)	97	98	99	100	102	133	134	137	139	143
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	7,500
Parking Lots										
Number of parking lots	4	4	4	4	4	4	4	4	4	4

Note: Parking lots only include Parking Authority lots.

Source:
Fiscal Services
Engineering Department
Police Department
Public Works