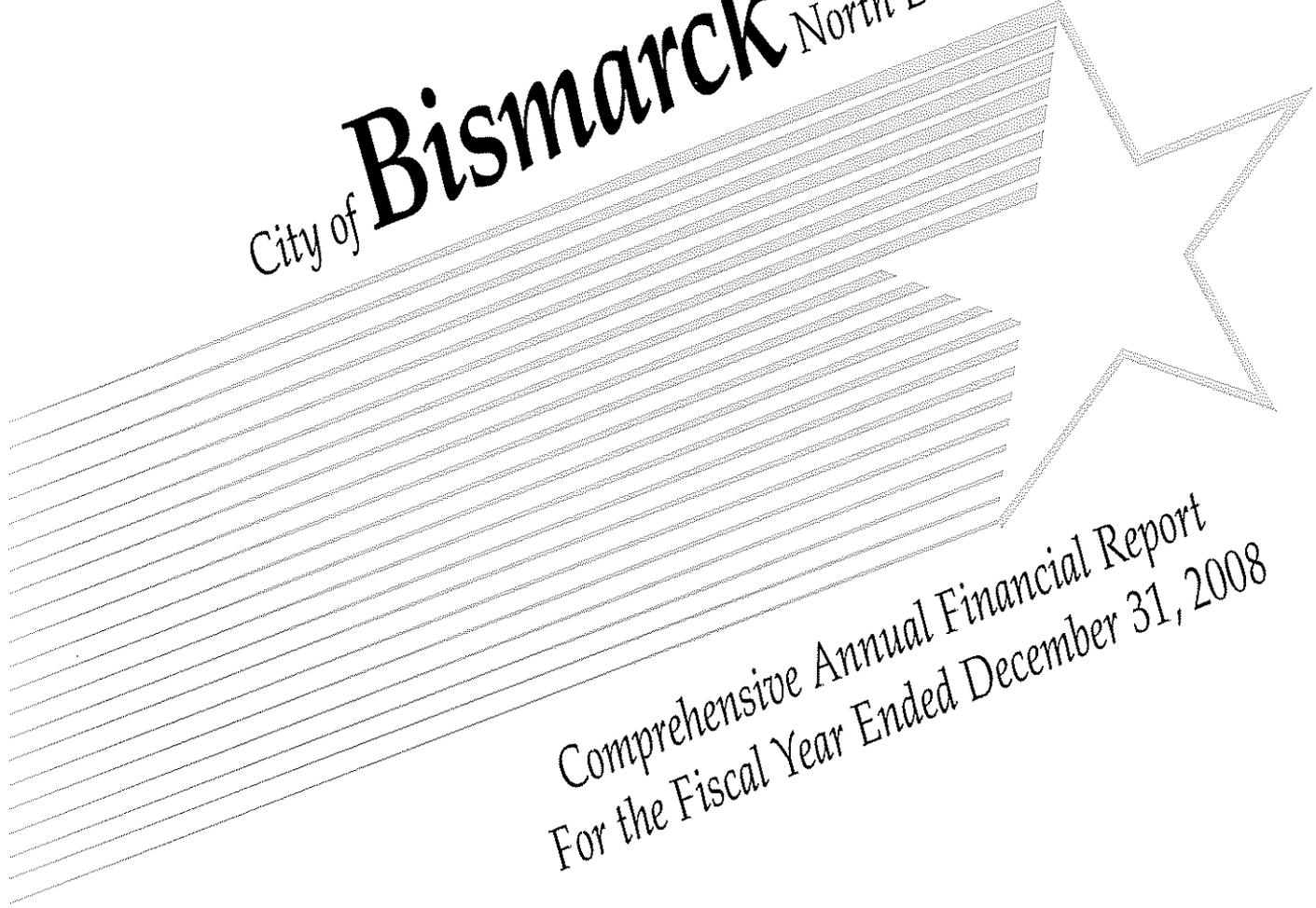


City of **Bismarck** North Dakota



Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2008

CITY OF BISMARCK, NORTH DAKOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended
December 31, 2008

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008**

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June 25, 2008

**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, 2008 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, 2008 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 31.7 square miles and an estimated population of 59,503. 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 Advisory Group to develop a vision and provide specific recommendation for development.

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 three rehabilitation projects and four lease projects in 2008. 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 2008. 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. 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 2008. Money Magazine ranked Bismarck amount the top 100 best places to live. Bismarck ranked number six for the best small areas for business and careers by Forbes magazine. The Milken Institute ranked the Bismarck-Mandan MSA #15 on the Best Performing Cities Index which reflects the top economic performances for metropolitan areas. The ratings reflect the City's commitment to preserve the quality of life and attract new business.

Taxable sales and purchases continued to increase in 2008 as compared to 2007 for Bismarck. This growth is evidenced by the 2.1% increase in sales tax revenue and 5.1% increase in the motel, restaurant and liquor tax revenue in the year 2008.

Bismarck continues to experience growth in its tax base through both property value enhancement and new construction. In 2008, 273 building permits were issued for residential construction within the City's corporate limits. This included 253 single-family homes and 20 multi-family homes, which provided an additional 495 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 111 single-family building permits issued in 2008. Growth in the property tax base for the year 2008 was 10.19%. The table below provides the percentage change by property classification.

Property Class	2007	2008	Percentage Change
	Market Value	Market Value	
Commercial	\$ 1,250,868,900	\$1,396,963,500	11.68 %
Residential	2,352,997,400	2,573,960,400	9.39 %
Agricultural	270,600	312,600	15.52 %
Total	\$ 3,604,136,900	\$3,971,236,500	10.19 %

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 \$3,137,450 with an average interest rate of 3.14% 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 loss of \$17,289,379 for an average loss of 21.58% for the fiscal year. Investment performance reflects the global financial market conditions during 2008. Both pension funds are defined benefit plans so current and future retirement benefits remain secure.

Major Initiatives in 2008

The Commission authorized a number of new construction projects. These projects are in addition to the phased remodeling projects for the City/County Building and the Police Law Enforcement Center.

The Commission authorized the purchase of land for a new north fire station in 2007. The planning and design was completed and the construction funding of \$2.378 million from Sales Tax was authorized by the voters in 2008. The station will be bid and construction started in the spring of 2009 with completion in early 2010.

A new animal control shelter was constructed in 2008 to house the impounded animals. The facility cost \$475,000 and is located new the Bismarck land fill. Shelter services are also provided to Mandan and they share in 25% of the operating costs.

The construction of the Household Hazardous Waste and Recycling Center was completed and opened in the fall of 2008. The center provides for the proper disposal of hazardous products and recycling of electronic equipment and fluorescent lights. This year round service is available for residential property owners and the center is located at the land fill.

The Commission established and provided \$2 million annually from Sales Tax for a new street replacement program. The plan is to replace hard surfaced streets in the City with permanent full depth concrete and coordinate with water and sewer main replacement projects. The program will be completed over period of years and may also include chip seal projects in the future.

Major upgrades continue in the Waste Water Treatment Plant. The six phase project upgrading the city's waste water treatment system is expected to cost more than \$22 million. The treatment capacity of the plant will be increased from 7.5 million gallons of waste water per day to allow for 9.25 million gallons.

The completion of another major infrastructure improvement was completed in the City. The new Liberty Memorial Bridge was dedicated on November 11 in honor of the North Dakota veterans who served our country. The bridge replacement spans the Missouri River between Bismarck and Mandan. The \$60 million project was funded with approximately 90% federal funds with match funds provided by the State and two local governments.

Major investments in the infrastructure continue in the City. The new Liberty Memorial Bridge was completed in 2008. The bridge replaces the current one between Bismarck and Mandan. The \$60 million project was funded with approximately 90% federal funds with match funds provided by the State and two local governments.

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, 2007. 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,


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, 2007

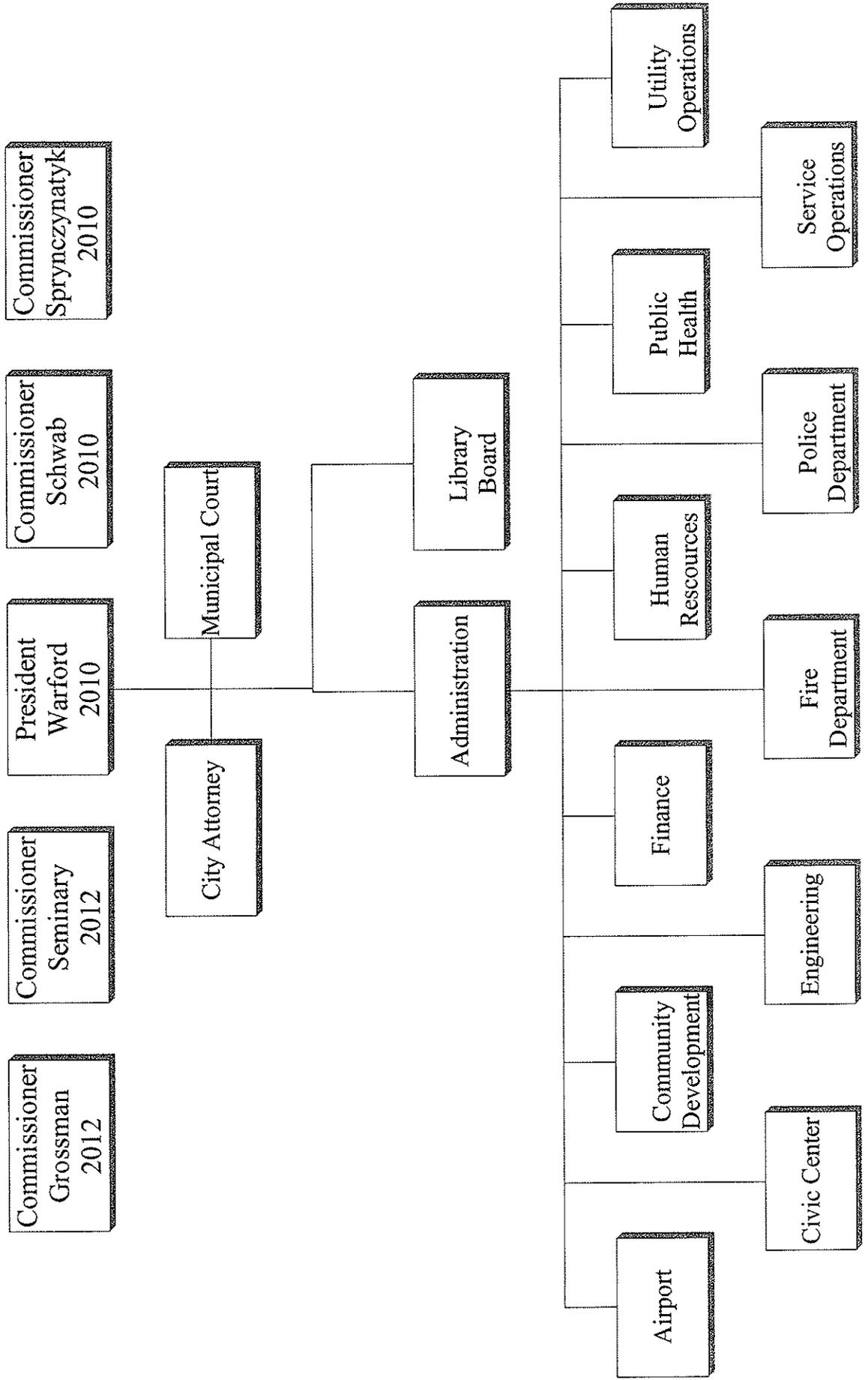
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

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



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Board
of the 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, 2008, 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, 2008, 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 25, 2009, on our considerations 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.

PEOPLE. PRINCIPLES. POSSIBILITIES.

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1050 E. Interstate Ave. ■ P.O. Box 1914 ■ Bismarck, ND 58502-1914 ■ Phone 701.255.1091 ■ Fax 701.224.1582 ■ EOE

The management's discussion and analysis on pages 10 through 17 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions of the financial statements that collectively comprise the City of Bismarck's basic financial statements. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

Eide Bailly LLP

Bismarck, North Dakota
June 25, 2009

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, 2008. 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 – 4 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 \$509,626,295 (net assets). Of this amount, \$130,745,956 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net assets increased by \$32,532,076 which was a decrease of \$10,351,707 over 2007. A majority of the change was a planned decrease in grants and contributes for major street projects.
- As of the close of the current fiscal year, the City of Bismarck's governmental funds reported combined ending fund balances of \$249,965,628, an increase of \$22,888,644 in comparison with the prior year. The unrestricted net assets of \$93,057,450, 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 \$21,729,864 which is 86% of total general fund expenditures and 96% of total general fund revenues.
- Revenue from all sources totaled \$113,949,671 which was a decrease of \$2,764,930 over 2007. This is attributed to a decrease of 2.2 million for the completion of Northern Plains Commerce Centre.

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 18 – 19 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 20 – 25 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 26 – 29 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 30 – 31 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 32 – 63 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 page 58 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 \$509,626,295 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, 2007 and December 31, 2008.

	City of Bismarck Net Assets					
	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Current and other assets	\$ 97,939,512	\$ 113,746,973	\$ 49,830,099	\$ 56,191,226	\$ 147,769,611	\$ 169,938,199
Capital assets	191,699,701	200,580,101	226,306,555	238,719,207	418,006,256	439,299,308
Total assets	289,639,213	314,327,074	276,136,654	294,910,433	565,775,867	609,237,507
Long-term liabilities outstanding	53,947,786	57,809,411	20,209,013	28,100,880	74,156,799	85,910,291
Other liabilities	8,614,443	6,552,035	5,910,406	7,148,886	14,524,849	13,700,921
Total liabilities	62,562,229	64,361,446	26,119,419	35,249,766	88,681,648	99,611,212
Net assets:						
Invested in capital assets, net of related debt	139,783,417	145,009,837	207,550,023	212,244,535	347,333,440	357,254,372
Restricted	12,084,714	11,898,341	15,199,969	9,727,626	27,284,683	21,625,967
Unrestricted	75,208,853	93,057,450	27,267,243	37,688,506	102,476,096	130,745,956
Total net assets	\$ 227,076,984	\$ 249,965,628	\$ 250,017,235	\$ 259,660,667	\$ 477,094,219	\$ 509,626,295

By far the largest portion of the City of Bismarck's net assets (70%) 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 20%. 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 (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets of \$130,745,956 may be used to meet the City's ongoing services to the citizens.

At the end of the current fiscal year, the surplus of \$93,057,450 in the unrestricted governmental activities can be attributed to the funding of capital assets, one-time expenditures, economic development, financing debt and repaying 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 7.45 and for the business-type activities is 6.32 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, 2007 and December 31, 2008.

City of Bismarck Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	2007	2008
Revenues:						
Program revenues:						
Charges for services	\$ 10,538,623	\$ 12,174,856	\$ 26,794,504	\$ 26,559,755	\$ 37,333,127	\$ 38,734,611
Operating grants and contributions	9,873,983	8,623,585	413,366	98,518	10,287,349	8,722,103
Capital grants and contributions	26,747,183	23,052,334	4,546,714	5,138,533	31,293,897	28,190,867
General revenues:						
Taxes	32,649,476	34,095,151	56,117	97,298	32,705,593	34,192,449
Investment earnings	2,941,614	2,032,392	1,986,272	1,698,200	4,927,886	3,730,592
Gain on disposal of assets	145,575	163,874	21,174	215,175	166,749	379,049
Total revenues	82,896,454	80,142,192	33,818,147	33,807,479	116,714,601	113,949,671
Expenses:						
General Government	10,249,017	13,854,192	-	-	10,249,017	13,854,192
Public Safety	15,493,552	15,366,898	-	-	15,493,552	15,366,898
Highways and Streets	6,811,043	7,025,955	-	-	6,811,043	7,025,955
Health and Welfare	2,170,397	2,411,139	-	-	2,170,397	2,411,139
Culture and Recreation	7,057,007	8,083,899	-	-	7,057,007	8,083,899
Interest and Fiscal Charges	1,832,560	2,177,509	-	-	1,832,560	2,177,509
Public Works	7,251,011	7,493,102	-	-	7,251,011	7,493,102
Airport	-	-	4,585,664	5,301,641	4,585,664	5,301,641
Airport Flightline	-	-	1,402,345	716,809	1,402,345	716,809
Solid Waste Disposal	-	-	2,074,212	2,457,040	2,074,212	2,457,040
Solid Waste Collections	-	-	1,773,631	1,801,698	1,773,631	1,801,698
Water	-	-	7,522,591	8,229,859	7,522,591	8,229,859
Sanitary Sewer	-	-	3,892,916	4,526,528	3,892,916	4,526,528
Storm Water	-	-	894,853	847,819	894,853	847,819
Parking Authority Lots	-	-	820,019	1,123,507	820,019	1,123,507
Total expenses	50,864,587	56,412,694	22,966,231	25,004,901	73,830,818	81,417,595
Increase in net assets before transfers	32,031,867	23,729,498	10,851,916	8,802,578	42,883,783	32,532,076
Transfers	(3,532,194)	(840,854)	3,532,194	840,854	-	-
Increase in net assets	28,499,673	22,888,644	14,384,110	9,643,432	42,883,783	32,532,076
Net assets - 1/1	198,577,311	227,076,984	235,633,125	250,017,235	434,210,436	477,094,219
Net assets - 12/31	\$ 227,076,984	\$ 249,965,628	\$ 250,017,235	\$ 259,660,667	\$ 477,094,219	\$ 509,626,295

Governmental Activities

Governmental activities increased the City of Bismarck's net assets by \$22,888,644, accounting for 70% of the total increase in the net assets of the City of Bismarck. Approximately \$1.4 million of this increase was attributed to the completion of improvements for Century Avenue and State Street, \$500,000 in the Northern Plains Commerce Centre and the remaining amount was due to the increase in special assessment projects.

Business-type Activities

Business-type activities increase the City of Bismarck's net assets by \$9,643,432, accounting for 30% of the total growth in the City of Bismarck's net assets. Airport Flightline was sold in July 2008. Water and Sanitary Sewer revenue increased to provide for future funding of infrastructure. Capital Contributions from special assessments contributed to an increase in revenue of approximately \$5 million 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 \$54,756,332, an increase of \$4,698,878 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 \$290,141, 2) to reserve for debt service payments of \$700,000, 3) for advances to other funds of \$1,321,158, and 4) for long-term receivables of \$1,237,500 and 5) for prepaid items of \$256.

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 \$21,729,864, while total fund balance reached \$22,011,450.

The debt service funds have a total fund balance of \$11,898,386, of which \$301,352 is reserved for the payment of advances to other funds and \$700,000 is reserved for future debt service payments. The net decrease in fund balance during the current year in the debt service fund was \$186,328. The debt service funds have increased due to the growth in the commercial residential development.

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 4,957,717. The construction tax increment district has a fund balance of 14,295,741 while the street improvement construction fund has a negative fund balance of 13,525,670. The negative fund balances in the construction projects will be funded thru a sale of special assessment bonds.

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 \$37,597,849. All individual proprietary funds reported increases in net assets, except for Airport Flightline and Solid Waste Disposal. Airport Flightline have a negative change in net asset of \$144,523 due to the sale of the Flightline entity. Solid Waste Disposal has a negative change in net assets of \$466,235 due to transfer of revenue to the Solid Waste Collection.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were no variances in appropriations between the original and final amended budget. However, significant variances between budget and actual are as follows:

- Taxes decreased by \$408,692 which a majority was attributed to a discount of five percent on early payments.
- Charges for services exceed budgeted by \$1,042,080 due to an increase administration and engineer fees from special assessment projects which resulted from a growth in commercial and residential development.
- Interest rates decrease in 2008 resulting in a deficit of \$313,457.
- Fines and Forfeits decreased of \$294,152 due to a change in legislation that reduced the penalty for traffic fines.
- Overall salaries and benefits of \$966,955 were not utilized due to the turnover or vacant positions.
- Administrations surplus of \$235,186 was due to special projects, salary allocation and the utility pool that were not utilized in 2008.
- Finance surplus of \$369,864 was due to vacant positions and delay in hiring current personnel.
- One-time expenditures for the cops grants were not utilized due to the timing of the grant program.
- Engineering surplus of \$111,873 was due to the assistant to the city engineer position that was not hired until September 2008
- Transfers of \$697,000 from Contingencies were not utilized in 2008.

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, 2008, amounts to \$357,254,372 (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 4th floor of the City/County Building.
- Construction was completed on the Memorial Bridge.
- Construction was completed on the 2nd floor of the Police Building.
- Construction continued on the expansion of the Lime/Sludge Facility with standby power and upgrades to the Water Plant.
- Construction was completed on the Maintenance Building of the Northern Plains Commerce Centre.

City of Bismarck
Capital Assets
(net of depreciation)

	Governmental		Business-type		Total	
	Activities		Activities			
	2007	2008	2007	2008	2007	2008
Land	\$ 3,538,311	\$ 3,538,480	\$ 9,160,597	\$ 9,322,092	\$ 12,698,908	\$ 12,860,572
Construction in Progress	2,881,742	2,633,007	12,454,088	24,859,788	15,335,830	27,492,795
Buildings	33,537,137	34,833,772	61,186,516	59,026,587	94,723,653	93,860,359
Improvements Other Than Buildings	53,582	49,516	138,420,270	140,195,132	138,473,852	140,244,648
Machinery and Equipment	12,594,135	12,417,393	5,085,082	5,315,608	17,679,217	17,733,001
Infrastructure	139,094,794	147,107,933	-	-	139,094,794	147,107,933
Total	\$ 191,699,701	\$ 200,580,101	\$ 226,306,553	\$ 238,719,207	\$ 418,006,254	\$ 439,299,308

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 \$85,910,291. Of this amount, \$51,190,000 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		Business-type		Total	
	Activities		Activities			
	2007	2008	2007	2008	2007	2008
Special revenue bonds	\$ 5,265,000	\$ 4,505,000	\$ -	\$ -	\$ 5,265,000	\$ 4,505,000
Less unamortized discount	(28,339)	(22,979)			(28,339)	(22,979)
Special assessment bonds	46,775,000	51,190,000	-	-	46,775,000	51,190,000
Less unamortized discount	(95,377)	(101,757)			(95,377)	(101,757)
Capital Leases	-	-	9,795	17,771	9,795	17,771
Compensated Absences	1,715,503	1,988,357	482,811	535,060	2,198,314	2,523,417
Claims and Judgments	315,999	250,790	84,621	67,689	400,620	318,479
Closure and postclosure costs	-	-	885,049	1,023,459	885,049	1,023,459
Water revenue bonds	-	-	9,480,000	8,960,000	9,480,000	8,960,000
Less unamortized discount	-	-	(86,799)	(80,248)	(86,799)	(80,248)
Wastewater revenue bonds	-	-	9,353,536	17,577,149	9,353,536	17,577,149
Total	\$ 53,947,786	\$ 57,809,411	\$ 20,209,013	\$ 28,100,880	\$ 74,156,799	\$ 85,910,291

The City issued new special assessments debt of \$12,430,000. More detailed information about the debt position of the City can be found in Note IV.G on pages 51 - 52 of the financial statements.

The City issued \$9,023,613 million in Wastewater Revenue Bonds in 2008. The proceeds funded the Water Plant's Lime Sludge Dewatering and Standby Power project. The revenue bond is secured by water revenue which matures May 1, 2008 thru 2017. More detailed information about the debt position of the City can be found in Note IV.G on pages 50 - 51.

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 to boom with the addition of several new hotels, restaurants, financial institutions and various retail establishments. 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 2009 budget reflects a reduction of 4.92 mills for 82.91 mills. This reduction continues a trend of lowering the mill levy since 1993.

Because of the commercial growth, the city continues to have revenue increases in taxes including sales tax and lodging liquor food tax. 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, we will see a record number of special assessment districts authorized to fund these improvements. The growth also contributes to an increase in the need for public safety services including police, combined communications (911) and fire protection. The City capital improvement plans include the future construction of a new fire station where the growth is occurring in the northern section of the City.

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, 2008**

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 12,731,609	\$ 13,902,561	\$ 26,634,170
Investments	37,487,913	23,992,914	61,480,827
Receivables:			
Taxes	284,525	-	284,525
Accounts	4,830,361	1,893,763	6,724,124
Special assessments	53,511,890	2,440,061	55,951,951
Interest receivable	478,160	457,177	935,337
Intergovernmental	50,150	-	50,150
Notes receivable	1,237,500	-	1,237,500
Internal balances	396,225	(396,225)	-
Inventories	253,089	46,805	299,894
Prepaid items	745	71,448	72,193
Restricted assets:			
Cash and cash equivalents	220,913	-	220,913
Investments	913,562	4,029,496	4,943,058
Revenue bond covenant accounts	-	9,727,626	9,727,626
Unamortized debt cost	270,879	25,600	296,479
Net Pension Obligation	1,079,452	-	1,079,452
Capital assets (net of accumulated depreciation):			
Land	3,538,480	9,322,092	12,860,572
Building and building improvements	34,833,772	59,026,587	93,860,359
Improvements other than buildings	49,516	140,195,133	140,244,649
Machinery and equipment	12,417,393	5,315,607	17,733,000
Infrastructure	147,107,933	-	147,107,933
Construction in progress	2,633,007	24,859,788	27,492,795
Total assets	<u>314,327,074</u>	<u>294,910,433</u>	<u>609,237,507</u>
LIABILITIES:			
Accounts payable	2,659,574	1,767,446	4,427,020
Retainage payable	287,526	799,120	1,086,646
Salaries payable	1,173,983	277,827	1,451,810
Interest payable	330,900	260,695	591,595
Unearned revenue	965,577	14,302	979,879
Customer deposits	1,134,475	4,029,496	5,163,971
Noncurrent liabilities:			
Due within one year	8,723,983	1,739,761	10,463,744
Due in more than one year	49,085,428	26,361,119	75,446,547
Total liabilities	<u>64,361,446</u>	<u>35,249,766</u>	<u>99,611,212</u>
NET ASSETS:			
Investment in capital assets, net of related debt	145,009,837	212,244,535	357,254,372
Restricted for debt service	11,898,341	9,727,626	21,625,967
Unrestricted	93,057,450	37,688,506	130,745,956
Total net assets	<u>\$ 249,965,628</u>	<u>\$ 259,660,667</u>	<u>\$ 509,626,295</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, 2008

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:						
Governmental activities:						
General government	\$ 13,854,192	\$ 1,955,341	\$ 13,206	\$ (8,375,101)	\$ -	\$ (8,375,101)
Public safety	15,366,898	768,709	-	(13,534,817)	-	(13,534,817)
Highways and streets	7,025,955	3,109,524	-	(792,647)	-	(792,647)
Health and welfare	2,411,139	1,325,314	-	(703,197)	-	(703,197)
Culture and recreation	8,083,899	218,020	-	(3,771,351)	-	(3,771,351)
Interest and fiscal charges	2,177,509	-	-	(2,177,509)	-	(2,177,509)
Public works	7,493,102	1,246,677	23,039,128	16,792,703	-	16,792,703
Total governmental activities	56,412,694	8,623,585	23,052,334	(12,561,919)	-	(12,561,919)
Business-type activities:						
Airport	5,301,641	98,518	1,822,285	-	610,177	610,177
Airport flightline	716,809	-	-	-	(15,873)	(15,873)
Solid waste disposal	2,457,040	-	53,000	-	108,520	108,520
Solid waste collections	1,801,698	-	-	-	(180,285)	(180,285)
Water	8,229,859	-	1,613,068	-	4,247,649	4,247,649
Sanitary sewer	4,526,528	-	1,518,278	-	2,087,621	2,087,621
Storm water	847,819	-	131,902	-	222,707	222,707
Parking authority lots	1,123,507	-	-	-	(288,611)	(288,611)
Total business-type activities	25,004,901	98,518	5,138,533	-	6,791,905	6,791,905
Total primary government	\$ 81,417,595	\$ 8,722,103	\$ 28,190,867	(12,561,919)	6,791,905	(5,770,014)
Taxes:						
Property taxes				15,479,043	-	15,479,043
Sales tax:						
Sales tax				11,943,929	-	11,943,929
Occupancy tax				622,144	-	622,144
Lodging/liquor/food tax				1,835,399	-	1,835,399
Unrestricted state aid distribution				2,685,052	-	2,685,052
Franchise taxes				1,028,020	-	1,028,020
Other taxes				501,564	97,298	598,862
Unrestricted investment earnings				2,032,392	1,698,200	3,730,592
Gain on disposal of assets				163,874	215,175	379,049
Transfers				(840,854)	840,854	-
Total general revenues and separate line items				35,450,563	2,851,527	38,302,090
Changes in net assets				22,888,644	9,643,432	32,532,076
Net assets - beginning				227,076,984	250,017,235	477,094,219
Net assets - ending				\$ 249,965,628	\$ 259,660,667	\$ 509,626,295

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

**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

ASSETS	General	Sales Tax	Street Improvement Construction	Sewermain Bonds	Street Improvement Bonds	Nonmajor Governmental Funds	Total
Cash and cash equivalents	\$ 2,733,911	\$ 3,671,205	\$ -	\$ 430,300	-	\$ 5,863,845	\$ 12,699,261
Investments	11,893,594	5,960	-	66,272	-	24,636,386	36,602,212
Receivables:							
Taxes receivable	191,918	-	-	-	-	92,607	284,525
Accounts receivable	1,206,457	1,282,790	25,944	-	-	2,068,926	4,584,117
Special assessments	-	-	-	14,207,044	34,080,522	5,224,324	53,511,890
Intergovernmental	-	-	-	5,529	40,929	3,692	50,150
Notes receivable	-	-	-	-	-	1,237,500	1,237,500
Due from other funds	7,551,117	-	-	1,328,582	4,256,061	3,132,317	16,268,077
Advances to other funds	43,968	75,838	-	-	-	1,201,352	1,321,158
Prepaid items	-	-	-	-	-	256	256
Restricted assets:							
Investments	-	-	-	-	-	913,562	913,562
Total assets	\$ 23,620,965	\$ 5,035,793	\$ 25,944	\$ 16,037,727	\$ 38,377,512	\$ 44,374,767	\$ 127,472,708
LIABILITIES							
Accounts payable	381,715	-	99,141	5,771	37,366	1,528,024	2,052,017
Retainage payable	-	-	255,640	-	-	31,886	287,526
Due to other funds	-	-	13,043,716	-	-	4,023,778	17,067,494
Advances from other funds	75,838	-	-	-	-	43,968	119,806
Salaries payable	925,433	-	-	-	-	213,292	1,138,725
Deferred revenue	226,529	-	153,117	13,397,968	32,020,091	5,339,541	51,137,246
Customer deposits	-	-	-	-	-	913,562	913,562
Total liabilities	1,609,515	-	13,551,614	13,403,739	32,057,457	12,094,051	72,716,376
FUND BALANCES							
Reserved for encumbrances	237,618	-	-	-	-	52,523	290,141
Reserved for debt service	-	-	-	-	-	700,000	700,000
Reserved for advances to other funds	43,968	75,838	-	-	-	1,201,352	1,321,158
Reserved for long-term receivable	-	-	-	-	-	1,237,500	1,237,500
Reserved for prepaid items	-	-	-	-	-	256	256
Unreserved, undesignated reported in:							
General fund	21,729,864	-	-	-	-	-	21,729,864
Special revenue funds	-	4,959,955	-	-	-	9,691,707	14,651,662
Debt service funds	-	-	-	2,633,988	6,320,055	1,942,991	10,897,034
Capital projects funds	-	-	-	-	-	17,454,387	3,928,717
Total fund balances	22,011,450	5,035,793	(13,525,670)	2,633,988	6,320,055	32,280,716	54,756,332
Total liabilities and fund balances	\$ 23,620,965	\$ 5,035,793	\$ 25,944	\$ 16,037,727	\$ 38,377,512	\$ 44,374,767	\$ 127,472,708

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.	200,580,101
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	51,679,562
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.	568,276
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(57,618,643)
Net assets of governmental activities	\$ 249,965,628

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, 2008

	General	Sales Tax	Street Improvement Construction	Sewermain Bonds	Street Improvement Bonds	Nonmajor Governmental Funds	Total
REVENUES							
Taxes	\$ 9,919,299	\$ 11,943,930	\$ -	\$ -	\$ -	\$ 7,100,463	\$ 28,963,692
Licenses and permits	1,541,841	-	-	-	-	5,100	1,546,941
Special assessments	-	-	413,935	1,769,390	4,600,473	1,229,584	8,013,382
Intergovernmental	4,371,728	-	53,187	-	-	8,773,234	13,198,149
Charges for services	4,986,154	-	-	-	-	1,747,542	6,733,696
Fines and forfeits	892,668	-	-	-	-	69,947	962,615
Investment income	683,143	113,591	-	-	-	1,225,739	2,022,473
Rentals	281,544	-	-	-	-	533,951	815,495
Miscellaneous	24,063	-	-	-	-	219,573	243,636
Total revenues	22,700,440	12,057,521	467,122	1,769,390	4,600,473	20,905,133	62,500,079
EXPENDITURES							
Current							
General government	6,618,800	74,137	-	-	-	5,623,769	12,316,706
Public safety	13,217,115	-	-	-	-	513,840	13,730,955
Highways and streets	1,500,317	-	-	-	-	4,824,517	6,324,834
Health and welfare	1,370,453	-	-	-	-	937,957	2,308,410
Culture and recreation	2,362,646	-	-	-	-	1,640,849	4,003,495
Public works	-	-	100,037	-	-	2,036,082	2,136,119
Capital outlays							
General government	170,406	-	-	-	-	13,273	183,679
Public safety	113,071	-	-	-	-	26,231	139,302
Highways and streets	16,423	-	-	-	-	635,734	652,157
Health and welfare	-	-	-	-	-	50,277	50,277
Culture and recreation	-	-	-	-	-	468,114	468,114
Public works	-	-	10,747,066	-	-	7,815,503	18,562,569
Debt service							
Principal	-	-	-	891,005	3,806,629	1,647,368	6,345,002
Interest and fiscal charges	-	-	-	660,584	1,148,894	460,364	2,269,842
Total expenditures	25,369,231	74,137	10,847,103	1,551,589	4,955,523	26,693,878	69,491,461
Excess (deficiency) of revenues over (under) expenditures	(2,668,791)	11,983,384	(10,379,981)	217,801	(355,050)	(5,788,745)	(6,991,382)
OTHER FINANCING SOURCES (USES)							
Transfer in	5,529,725	-	676,376	144,901	361,239	13,135,875	19,848,116
Transfer out	(1,641,373)	(10,786,492)	(211,805)	(115,940)	(676,662)	(4,711,587)	(18,143,859)
Refunding bonds issued	-	-	-	948,186	1,297,221	184,593	2,430,000
Premium on special assessment debt	-	-	-	8,928	12,215	1,738	22,881
Discount on special assessment debt	-	-	(18,970)	-	-	(17,908)	(36,878)
Payment to refunded bond escrow agent	-	-	-	(948,186)	(1,297,221)	(184,593)	(2,430,000)
Special assessment bonds issued	-	-	6,600,720	-	-	3,399,280	10,000,000
Total other financing sources (uses)	3,888,352	(10,786,492)	7,046,321	37,889	(303,208)	11,807,398	11,690,260
Net changes in fund balances	1,219,561	1,196,892	(3,333,660)	255,690	(658,258)	6,018,653	4,698,878
Fund balances - beginning	20,791,889	3,838,901	(10,192,010)	2,378,298	6,978,313	26,262,063	50,057,454
Fund balances - ending	\$ 22,011,450	\$ 5,035,793	\$ (13,525,670)	\$ 2,633,988	\$ 6,320,055	\$ 32,280,716	\$ 54,756,332

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, 2008**

Net change in fund balances-total governmental funds (Page 21) 4,698,878

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. 8,952,667

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets. (60,649)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. 12,489,731

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. (3,577,452)

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. (244,071)

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. 629,540

Change in net assets of governmental activities (Page 19) \$22,888,644

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, 2008

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget Positive (Negative)
Budgetary Fund Balance, January 1	\$ 9,721,320	\$ 9,859,399	\$ 21,489,999	\$ 11,630,600
Resources (inflows)				
Taxes	10,327,991	10,327,991	9,919,299	(408,692)
Licenses and permits	1,692,270	1,692,270	1,541,841	(150,429)
Intergovernmental	4,256,140	4,256,140	4,371,728	115,588
Charges for services	3,911,110	3,944,074	4,986,154	1,042,080
Fines and forfeits	1,186,820	1,186,820	892,668	(294,152)
Investment income	996,600	996,600	683,143	(313,457)
Rentals	285,898	285,898	281,544	(4,354)
Miscellaneous	19,300	19,300	24,063	4,763
Transfer in	5,558,173	5,525,209	5,529,725	4,516
Amount available for appropriation	<u>37,955,622</u>	<u>38,093,701</u>	<u>49,720,164</u>	<u>11,626,463</u>
Charges to appropriations (outflows)				
General government				
Nondepartmental	-	648,923	648,904	19
Administration	1,665,939	1,653,328	1,418,142	235,186
Attorney	328,945	328,945	325,080	3,865
Finance	2,320,248	2,320,248	1,950,354	369,894
Human resources	366,063	346,111	331,670	14,441
Municipal court	346,412	346,412	330,700	15,712
Planning & development	1,820,013	1,839,297	1,603,239	236,058
One-time operations	346,900	366,852	238,475	128,377
Equipment reserve	104,250	102,442	35,529	66,913
Public safety				
Combined communications	1,368,686	1,493,511	1,305,954	187,557
Fire & inspections	4,680,242	4,680,242	4,550,459	129,783
Police	7,393,658	7,393,658	7,298,429	95,229
One-time operations	573,106	573,106	104,352	468,754
Highways and streets				
Weed control	63,226	63,226	57,620	5,606
Engineering	1,469,446	1,469,446	1,357,573	111,873
Finance	3,270	3,270	3,055	215
One-time operations	82,720	82,720	68,647	14,073
Equipment reserve	34,700	34,700	29,480	5,220
Health and welfare				
Public health	1,426,446	1,421,446	1,346,994	74,452
Equipment reserve	12,995	17,995	16,393	1,602
Culture and recreation				
Cable tv promotions	248,903	248,903	248,903	-
Centennial beach	2,000	2,000	718	1,282
Civic center	1,933,944	2,061,944	2,057,774	4,170
One-time operations	14,855	14,855	14,855	-
Equipment reserve	32,354	32,354	31,829	525
Transfer out				
Nondepartmental	1,038,233	389,310	389,310	-
Administration	-	12,611	12,611	-
Building construction	1,183,538	1,183,538	1,183,538	-
Contingencies	825,000	697,000	-	697,000
Combined communications	183,993	59,168	48,316	10,852
Planning & development	26,292	8,816	7,598	1,218
Total charges to appropriations	<u>29,896,377</u>	<u>29,896,377</u>	<u>27,016,501</u>	<u>2,879,876</u>
Budgetary Fund Balance, December 31	<u>\$ 8,059,245</u>	<u>\$ 8,197,324</u>	<u>\$ 22,703,663</u>	<u>\$ 14,506,339</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, 2008**

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	\$ 49,720,164
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	(21,489,999)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(5,529,725)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 22,700,440</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 27,016,501
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	(173,703)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	167,806
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(1,641,373)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 25,369,231</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, 2008

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ (112,087)	\$ (2,612,087)	\$ 3,838,901	\$ 6,450,988
Resources (inflows)				
Taxes	11,701,007	11,701,007	11,943,930	242,923
Investment income	76,775	76,775	113,591	36,816
Amount available for appropriation	<u>11,665,695</u>	<u>9,165,695</u>	<u>15,896,422</u>	<u>6,730,727</u>
Charges to appropriations (outflows)				
General government	1,800	74,137	74,137	-
Transfer out	<u>10,935,416</u>	<u>10,863,079</u>	<u>10,786,492</u>	<u>76,587</u>
Total charges to appropriations	<u>10,937,216</u>	<u>10,937,216</u>	<u>10,860,629</u>	<u>76,587</u>
Budgetary Fund Balance, December 31	<u>\$ 728,479</u>	<u>\$ (1,771,521)</u>	<u>\$ 5,035,793</u>	<u>\$ 6,807,314</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, 2008**

	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	\$ 4,280,621	\$ 706,938	\$ 3,280,715	\$ 5,634,287	\$ 13,902,561	\$ 32,348
Investments	1,197,834	8,208,500	7,301,769	7,124,392	23,832,495	1,046,121
Receivables:						
Accounts receivable	364,836	875,032	418,973	226,535	1,885,376	254,631
Special assessments	-	1,347,689	1,059,945	32,427	2,440,061	-
Interest receivable	52,212	138,038	142,712	124,215	457,177	-
Due from other funds	-	133,610	671,516	-	805,126	-
Inventories	-	46,805	-	-	46,805	253,089
Prepaid items	17,480	28,713	10,313	14,942	71,448	489
Total current assets	5,912,983	11,485,325	12,885,943	13,156,798	43,441,049	1,586,678
Noncurrent assets:						
Restricted assets:						
Investments	-	4,029,496	-	-	4,029,496	220,913
Revenue bond covenant accounts	-	5,104,220	4,623,406	-	9,727,626	-
Unamortized debt cost	-	25,600	-	-	25,600	-
Capital assets (net of accumulated depreciation):						
Land	4,212,852	876,447	324,591	3,908,202	9,322,092	-
Building and building improvements	17,323,284	28,523,878	3,614,753	9,564,672	59,026,587	-
Improvements other than buildings	31,748,224	47,795,063	35,698,564	24,953,262	140,195,133	-
Machinery and equipment	1,266,385	200,547	698,216	3,150,459	5,315,607	39,411
Construction in progress	237,738	4,221,985	19,838,821	561,244	24,859,788	-
Total noncurrent assets	54,788,483	90,777,236	64,798,371	42,137,839	252,501,929	260,324
Total assets	60,701,466	102,262,561	77,684,314	55,294,637	295,942,978	1,847,002

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Airport	Water	Sanitary Sewer	Nonmajor Enterprise Funds	Total	
LIABILITIES						
Current liabilities:						
Accounts payable	138,378	1,080,029	260,691	277,887	1,756,985	614,906
Retainage payable	121,124	315,416	362,580	-	799,120	-
Leases payable	-	1,976	1,163	2,078	5,217	-
Bonds payable	-	540,000	800,000	-	1,340,000	-
Accrued interest payable	-	89,600	171,095	-	260,695	-
Due to other funds	-	-	-	-	-	5,709
Due to other entities	-	-	-	-	-	3,108
Compensated benefits payable	55,563	117,947	50,030	103,314	326,854	-
Salaries payable	60,303	90,048	43,584	83,892	277,827	35,258
Deferred revenue	-	-	-	14,302	14,302	16,829
Claims and judgments payable	-	-	-	-	-	318,479
Total current liabilities	<u>375,368</u>	<u>2,235,016</u>	<u>1,689,143</u>	<u>481,473</u>	<u>4,781,000</u>	<u>994,289</u>
Long-term liabilities:						
Advances from other funds	-	301,352	-	900,000	1,201,352	-
Customer deposits	-	4,029,496	-	-	4,029,496	220,913
Compensated benefits payable	55,528	59,588	31,454	61,636	208,206	-
Capital lease payable	-	5,775	3,403	3,376	12,554	-
Revenue bonds payable	-	8,339,752	16,777,149	-	25,116,901	-
Accrued closure/post closure costs	-	-	-	1,023,459	1,023,459	-
Total long-term liabilities	<u>55,528</u>	<u>12,735,963</u>	<u>16,812,006</u>	<u>1,988,471</u>	<u>31,591,968</u>	<u>220,913</u>
Total liabilities	430,896	14,970,979	18,501,149	2,469,944	36,372,968	1,215,202
NET ASSETS						
Invested in capital assets, net of related debt	54,788,483	72,730,417	42,593,250	42,132,385	212,244,535	-
Restricted for debt service	-	5,104,220	4,623,406	-	9,727,626	-
Unrestricted	5,482,087	9,456,945	11,966,509	10,682,308	37,597,849	631,800
Total net assets	<u>\$ 60,270,570</u>	<u>\$ 87,291,582</u>	<u>\$ 59,183,165</u>	<u>\$ 52,824,693</u>	<u>259,570,010</u>	<u>\$ 631,800</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					90,657	
Net assets of business-type activities					<u>\$ 259,660,667</u>	

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Business-type Activities - Enterprise Funds					Total	Governmental Activities-Internal Service Funds
	Airport	Water	Sanitary Sewer	Enterprise Funds	Nonmajor Enterprise Funds		
OPERATING REVENUES							
Charges for sales and services:							
Event sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,932,483
Sale of gas and oil	-	-	-	575,980	-	575,980	992,263
Sale of parts and labor	31,140	224,465	-	-	-	255,605	1,516,002
Water sales	694	10,041,837	-	-	-	10,042,531	-
Sanitation fees	-	21,775	5,093,381	5,029,632	10,144,788	10,144,788	-
Landing and airport fees	1,749,000	-	-	90,690	1,839,690	1,839,690	-
Miscellaneous sales	12,867	37,734	1,175	52,348	104,124	104,124	125,479
Rentals	2,205,960	592,683	1,315	859,779	3,659,737	3,659,737	-
Employer contributions	-	-	-	-	-	-	4,180,079
Employee contributions	-	-	-	-	-	-	56,383
Total operating revenues	3,999,661	10,918,494	5,095,871	6,608,429	26,622,455	26,622,455	8,802,689
OPERATING EXPENSES							
Cost of goods sold	-	101,578	-	493,881	595,459	595,459	3,299,523
Personal services - salaries & wages	827,141	1,551,077	819,139	1,650,062	4,847,419	4,847,419	575,358
Personal services - fringe benefits	251,455	538,759	263,096	582,270	1,635,580	1,635,580	169,397
Professional, legal, and contracted services	818,571	178,004	81,723	383,086	1,461,384	1,461,384	2,980
Building, equipment, and vehicle services	791,037	1,969,946	909,458	1,700,819	5,371,260	5,371,260	202,340
Travel & training	7,844	9,430	6,198	6,340	29,812	29,812	3,665
Operating services	144,123	184,807	219,556	291,958	840,444	840,444	4,314,698
Operating supplies	206,149	877,357	497,833	443,761	2,025,100	2,025,100	21,021
Depreciation expense	2,261,121	2,430,699	1,490,220	1,434,068	7,616,108	7,616,108	13,860
Total operating expenses	5,307,441	7,841,657	4,287,223	6,986,245	24,422,566	24,422,566	8,602,842
Operating income (loss)	(1,307,780)	3,076,837	808,648	(377,816)	2,199,889	2,199,889	199,847
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	1,857,065	-	-	-	-	1,857,065	-
Special assessments	-	740,612	660,990	32,393	1,433,995	1,433,995	-
Gain (loss) on disposal of assets	28,044	16,105	(3,824)	174,850	215,175	215,175	35,499
Investment income	170,255	503,568	539,003	483,239	1,696,065	1,696,065	28,749
Interest and fiscal charges	-	(402,612)	(282,697)	(1,248)	(686,557)	(686,557)	-
Total nonoperating revenues (expenses)	2,055,364	857,673	913,472	689,234	4,515,743	4,515,743	64,248
Income (loss) before contributions and transfer	747,584	3,934,510	1,722,120	311,418	6,715,632	6,715,632	264,095
CAPITAL CONTRIBUTIONS							
TRANSFERS IN	161,030	1,469,944	991,674	1,947,754	4,570,402	4,570,402	2,240
TRANSFERS OUT	10,000	16,991	112,738	927,483	1,067,212	1,067,212	197,094
Change in net assets	(138,383)	(1,117,945)	(203,074)	(1,294,073)	(2,753,475)	(2,753,475)	(215,088)
Total net assets - beginning	780,231	4,303,500	2,623,458	1,892,582	9,599,771	9,599,771	248,341
Total net assets - ending	59,490,339	82,988,082	56,559,707	50,932,111	197,094	197,094	383,459
Total net assets - ending	\$ 60,270,570	\$ 87,291,582	\$ 59,183,165	\$ 52,824,693	\$ 43,661	\$ 9,643,432	\$ 631,800

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.
Change in net assets of business-type activities (page 19)
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, 2008

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					Total	Governmental Activities-Internal Service Funds
	Airport	Water	Sanitary Sewer	Enterprise Funds	Nonmajor		
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 4,192,527	\$ 11,527,893	\$ 5,170,084	\$ 7,106,220	\$ 27,996,714	\$ 4,448,598	
Other operating cash receipts	-	-	-	-	-	4,193,024	
Payments to suppliers	(2,300,571)	(3,150,316)	(2,483,976)	(3,623,978)	(11,558,841)	157,887	
Payments to employees	(764,855)	(1,516,326)	(797,299)	(1,663,344)	(4,741,824)	(8,047,292)	
Net cash provided by operating activities	1,127,101	6,861,241	1,888,809	1,818,898	11,696,049	(564,375)	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						187,842	
Intergovernmental revenue	1,701,557	-	-	-	1,701,557	-	
Payment on advance	-	(68,522)	-	(100,000)	(168,522)	-	
Transfers from other funds	10,000	16,991	112,738	927,483	1,067,212	197,094	
Transfers to other funds	(138,383)	(1,117,945)	(203,074)	(1,294,073)	(2,753,475)	(215,088)	
Flightline closed-transfer to Airport	462,763	-	-	(462,763)	-	-	
Net cash provided (used) by noncapital financing activities	2,035,937	(1,169,476)	(90,336)	(929,353)	(153,228)	(17,954)	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital lease payment	-	5,792	2,607	(423)	7,976	-	
Revenue bond payment	-	(513,449)	(800,000)	-	(1,313,449)	-	
Interest paid	-	(416,496)	(111,602)	(1,248)	(529,346)	-	
Proceeds on bonds	898	12,943	9,023,813	-	9,023,613	-	
Proceeds from sale of capital assets	27,146	7,258	272	105,703	119,816	-	
Proceeds from insurance recoveries	-	239,065	188,907	273,569	307,973	52,328	
Special assessments collected	(56,520)	(63,190)	(69,242)	(773,981)	(962,933)	-	
Purchase of capital assets	(1,614,333)	(3,960,295)	(9,120,859)	(14,096)	(14,709,583)	-	
Construction of capital assets	(1,642,809)	(4,686,372)	(886,304)	(407,881)	(7,625,366)	-	
Net cash provided (used) by capital and related financing activities	3,608,797	13,157,672	8,732,550	10,576,606	36,075,625	1,024,857	
CASH FLOWS FROM INVESTING ACTIVITIES						(1,267,034)	
Proceeds from sales and maturities of investments	(1,197,834)	(17,342,216)	(11,925,175)	(7,124,392)	(37,589,617)	-	
Purchase of investments	120,921	434,446	561,171	415,591	1,532,129	25,828	
Investment income	2,531,884	(3,750,096)	(2,631,454)	3,667,805	18,137	(216,349)	
Net cash provided (used) by investing activities	4,052,113	(2,746,705)	(1,719,285)	4,349,469	3,935,592	5,827	
Net increase (decrease) in cash and cash equivalent	228,508	3,453,643	5,000,000	1,284,818	9,966,969	26,521	
Cash and cash equivalents - January 1	4,280,621	706,938	3,280,715	5,634,287	13,902,561	32,348	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities							
Operating income (loss)	\$ (1,307,780)	\$ 3,076,837	\$ 808,648	\$ (377,816)	\$ 2,199,889	\$ 199,847	
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	2,261,121	2,430,699	1,490,220	1,434,068	7,616,108	13,860	
(Increase) decrease in accounts receivable	192,866	4,659	6,913	489,836	694,274	(23,256)	
(Increase) decrease in due from other funds	-	(133,610)	67,300	-	(66,310)	-	
(Increase) decrease in inventories	-	(16,542)	-	66,182	49,640	23,649	
(Increase) decrease in prepaid items	(1,500)	9,951	(1,197)	1,857	9,111	(586)	
Increase (decrease) in customer deposits	-	738,340	-	-	738,340	71,258	
Increase (decrease) in accounts payable	(79,892)	716,156	(504,915)	71,688	203,037	(32,067)	
Increase (decrease) in compensated benefits payable	34,547	19,585	14,672	(16,555)	52,249	-	
Increase (decrease) in salaries payable	27,739	15,166	7,168	3,273	53,346	11,851	
Increase (decrease) in due to other funds	-	-	-	-	-	5,709	
Increase (decrease) in due to other entities	-	-	-	7,955	7,955	(282)	
Increase (decrease) in deferred revenue	-	-	-	-	-	-	
Increase (decrease) in estimated pending claims	-	-	-	-	-	-	
Increase in closure and post closure costs	-	-	-	-	-	(82,141)	
Total adjustments	2,434,881	3,784,404	1,080,761	1,384,410	138,410	-	
Net cash provided by operating activities	\$ 1,127,101	\$ 6,861,241	\$ 1,888,809	\$ 1,818,898	\$ 11,696,049	\$ 187,842	
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:							
Construction of capital assets contributed through capital project funds	\$ 161,030	\$ 628,235	\$ 134,387	\$ 1,613,852	\$ 923,652	\$ 2,240	
Contribution of capital assets from developers	-	841,709	857,287	333,902	2,032,898	-	
Increase in fair value of investments	19,953	64,375	66,226	60,263	210,817	2,921	

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, 2008**

	Pension Trust Fund	Agency Fund
ASSETS		
Receivables:		
Taxes	\$ 31,572	\$ 6,167
Accounts	114,156	9,940
Accrued interest and dividends	93,154	-
Investments, at fair value:		
Domestic equities	14,652,758	-
International equities	6,944,563	-
Domestic fixed income	22,543,263	-
International fixed income	6,096,450	-
Real estate	6,741,408	-
Alternative investments	938,042	-
Mutual funds	940,911	-
Certificate of deposits	277,604	799
Invested cash	6,358,821	-
Invested securities lending collateral	603,804	-
Total assets	66,336,506	16,906
LIABILITIES		
Accounts payable	121,421	795
Salary payable	819	
Due to other entities	-	16,111
Deferred revenue	26,083	-
Securities lending collateral	603,804	-
Total liabilities	752,127	16,906
NET ASSETS		
Assets held in trust for pension and other employee benefits	65,584,379	-
Total net assets held in trust	\$ 65,584,379	\$ -

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, 2008**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 3,377,762
Employee	<u>1,299,257</u>
Total contributions	<u>4,677,019</u>
Investment income:	
Net Increase (decrease) in fair value of investments	(19,978,649)
Interest and dividends	<u>2,151,793</u>
	(17,826,856)
Less: investment expense	<u>(431,124)</u>
Net investment income	(18,257,980)
Security lending activity:	
Securities lending income	51,754
Less: securities lending expense	<u>(38,365)</u>
Net securities lending income	<u>13,389</u>
Total additions	<u>(13,567,572)</u>
DEDUCTIONS	
Benefits paid to participants	2,999,748
Refunds	119,837
Administration expenses	<u>65,611</u>
Total deductions	<u>3,185,196</u>
Change in net assets	<u>(16,752,768)</u>
Net assets - beginning	<u>82,337,147</u>
Net assets - ending	<u>\$ 65,584,379</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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 are 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, 2008**

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, 2008**

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, 2008.

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, 2008 was \$4,029,496.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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, 2008 were:

	INTEREST RATE	MATURITY DATE	AMOUNT
NISC	0-5%	8/1/2011	\$ 200,000
Bismarck Industries, Inc.	0%	2010	900,000
Brandon Heights II Project	0%	7/1/2014 - 7/1/2023	129,000
Grizella Corporation	0%	9/1/2008	<u>8,500</u>
TOTAL NOTES RECEIVABLE			<u><u>\$ 1,237,500</u></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, 2008**

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, 2008, 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 34-35.

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 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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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.

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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Internal service funds predominately serve the governmental funds. At year end, \$250,790 of claims and judgments are included in governmental activities. Compensated absences of \$1,988,358 generally have been liquidated by the General Fund and various Special Revenue Funds.

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, 2008:

GASB Statement No. 49, “*Accounting and Financial Reporting for Pollution Remediation Obligations*,” was issued in November 2006. This statement addresses reporting and accounting standards by providing guidance in calculating costs and remediation obligations associated with pollution cleanup efforts. The provisions of this statement are effective for periods beginning after December 15, 2007.

GASB Statement No. 50, “*Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*” was issued in May 2007. This statement amends the note disclosures and RSI requirements of Statement 25 and 27 by aligning the pensions reporting requirements with other post-employment benefits (OPEB). The provisions of this statement are effective for periods beginning after June 15, 2007.

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 \$57,618,643 difference are as follows:

Bonds payable	\$ (55,695,000)
Less: unamortized debt cost	432,700
Plus: unamortized bond premium	(37,085)
Accrued interest payable	(330,900)
Compensated absences	<u>(1,988,358)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ (57,618,643)</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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. 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 \$8,952,667 difference are as follows:

Capital outlay	\$ 18,630,675
Depreciation expense	<u>(9,678,008)</u>
 Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ 8,952,667</u></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 \$60,649 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>\$ (60,649)</u>
 Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ (60,649)</u></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 \$3,577,452 difference are as follows:

Debt issued or incurred:	
Issuance of special assessment debt	\$ (12,430,000)
Less: discounts and bond cost	100,430
Plus: bond premium	(22,882)
Principal repayments:	
General obligation debt	<u>8,775,000</u>
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ (3,577,452)</u></u>

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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 \$244,071 are as follows:

Compensated absences	\$ (272,854)
Accrued interest	65,335
Amortization of bond premium	2,312
Amortization of bond costs and discounts	(38,864)
 Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 \$ (244,071)

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	Police Drug Enforcement
Uses/outflows of resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 27,016,501	\$ 145,698
 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	63,915	-
End of year adjustment for encumbrances	(237,618)	(52,523)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	167,806	325
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(1,641,373)	-
 Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	 \$ 25,369,231	 \$ 93,500

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.

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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.

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. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2008 expenditures exceeded budget at the department level (i.e., the legal level of budgetary control) as follows:

<u>Special Revenue Funds</u>	
Street Lights	\$ 56,848
Special Deficiency/Assumption	\$ 55,801
<u>Debt Service Funds</u>	
Sewermain Bonds	\$ 79,250

The Street Lights Special Revenue Fund exceeds appropriations due to the purchase of a new Aerial Unit which replaced an old damaged unit which was unsafe for use.

The Special Deficiency/Assumption Special Revenue Fund exceeds appropriations due to the increase in city sidewalk repairs.

The Sewermain Bonds Debt Service Fund exceeds appropriations due to the refunding of Series K and Series M.

C. DEFICIT FUND BALANCE

The following individual funds had deficits at December 31, 2008, as measured by the balances in the total fund balance as follows:

<u>Capital Projects Funds:</u>	<u>Amount</u>
Sewermain Construction	\$2,166,065
Watermain Construction	633,671
Sidewalk Construction	716,020
Street Improvement Construction	13,525,670
Commerce Development	660,520

Sewermain Construction, Watermain Construction, Sidewalk Construction and Street Improvement Construction will be funded through a sale of special assessment bonds in December of 2009. Commerce Development will be funded from North Dakota Department of Transportation grant in 2008.

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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, 2008, the carrying amount of the City's deposits was \$97,380,055 and the bank balance was \$96,047,248, 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 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, 2008 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	\$ 31,184	\$ -	\$ -	\$ 31,184	\$ -
Government Bonds	7,052,837	753,538	1,327,440	1,376,769	3,595,090
Federal Mortgage-Backed	48,468	24,023	-	-	24,445
External Investment Pool	5,867,663	5,867,663	-	-	-
Total Debt Securities	\$ 13,000,152	\$ 6,645,224	\$ 1,327,440	\$ 1,407,953	\$ 3,619,535

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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 \$5,072,495 and PO's valued at \$1,980,342 at December 31, 2008. The City has no formal policy regarding IO and PO strips.

As of December 31, 2008 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	\$ 563	\$ -	\$ 17	\$ 9	\$ 537
Bank Loans	198	26	143	29	-
Commercial Mortgage-Backed	175	-	-	1	174
Corporate Bonds	8,311	118	2,310	3,056	2,827
Corporate Convertible Bonds	804	11	318	-	475
Government Agencies	965	122	388	305	150
Government Bonds	3,090	200	1,698	668	524
Government Mortgage-Backed	787	-	1	1	785
Hedge Multi-Strategy	995	995	-	-	-
Index Linked Government Bonds	61	-	-	13	48
Municipal/Provincial Bonds	220	-	15	149	56
Non-Government Backed CMOs	852	15	1	-	836
Short Term Bills and Notes	164	163	-	-	1
Pooled Investments	5,076	53	1,629	3,391	3
Bond Mutual Funds	62	-	-	62	-
Fixed Mutual Funds	339	339	-	-	-
Total Debt Securities	\$ 22,662	\$ 2,042	\$ 6,520	\$ 7,684	\$ 6,416

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, 2008, 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	\$ 5,947,315	\$ 31,184	\$ 48,468	\$ 5,867,663
Total Credit Risk of Debt Securities	5,947,315	<u>\$ 31,184</u>	<u>\$ 48,468</u>	<u>\$ 5,867,663</u>
US Gov't & Agencies	7,052,837			
Total Debt Securities	\$ 13,000,152			

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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, 2008 and the Employee Excess Retirement's ratings as of December 31, 2008.

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
A	\$ 56	\$ 56	\$ -	\$ -
AA	4	4		
BB	2	2	-	-
Not Rated	22,600	-	339	22,261
Total Debt Securities	\$ 22,662	\$ 62	\$ 339	\$ 22,261

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 2 percent of the City's (Primary Government) investments at December 31, 2008 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, 2008, the City had the following foreign currency risk exposure on investments.

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All values in \$000

Currency	Short- Term	Debt	Equity	Total
Australian dollar	\$ (59)	\$ 368	\$ 189	\$ 498
Brazilian real	-	204	59	263
British pound sterling	(522)	212	738	428
Canadian dollar	(257)	124	276	143
Columbian peso	-	-	-	-
Danish krone	(15)	-	42	27
Euro	(633)	-	1,501	868
Hong Kong dollar	(13)	-	63	50
Iceland krona	-	97	-	97
Indonesian Rupiah	1	112	-	113
Japanese yen	(630)	-	1,174	544
Malaysian Ringgit	-	238	-	238
Mexican peso	5	227	-	232
New Zealand dollar	1	134	-	135
Norwegian krone	(16)	44	75	103
Polish zloty	-	191	-	191
Singapore dollar	(11)	282	39	310
South African rand	-	125	-	125
South Korean won	-	17	-	17
Swedish krona	(28)	128	84	184
Swiss franc	(245)	-	437	192
Thai baht	-	-	-	-
Turkish lira	55	-	-	55
International commingled funds(various currencies)	-	3,308	4,001	7,309
Total securities subject to foreign currency risk	<u>\$ (2,367)</u>	<u>\$ 5,811</u>	<u>\$ 8,678</u>	<u>\$ 12,122</u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,538,311	\$ 169	\$ -	\$ 3,538,480
Construction in progress	2,881,742	2,531,632	(2,780,367)	2,633,007
Total capital assets, not being depreciated	<u>6,420,053</u>	<u>2,531,801</u>	<u>(2,780,367)</u>	<u>6,171,487</u>
Capital assets, being depreciated:				
Buildings and building improvements	59,140,813	3,793,426	-	62,934,239
Improvements other than buildings	85,349	-	-	85,349
Machinery & equipment	29,409,283	1,835,172	(578,193)	30,666,262
Infrastructure	172,827,754	13,290,643	-	186,118,397
Total capital assets being depreciated	<u>261,463,199</u>	<u>18,919,241</u>	<u>(578,193)</u>	<u>279,804,247</u>
Less accumulated depreciation for:				
Buildings and building improvements	(25,603,676)	(2,496,792)	-	(28,100,468)
Improvements other than buildings	(31,767)	(4,066)	-	(35,833)
Machinery & equipment	(16,815,148)	(1,913,505)	479,784	(18,248,869)
Infrastructure	(33,732,960)	(5,277,503)	-	(39,010,463)
Total accumulated depreciation	<u>(76,183,551)</u>	<u>(9,691,866)</u>	<u>479,784</u>	<u>(85,395,633)</u>
Total capital assets, being depreciated, net	<u>185,279,648</u>	<u>9,227,375</u>	<u>(98,409)</u>	<u>194,408,614</u>
Governmental activities capital assets, net	<u>\$ 191,699,701</u>	<u>\$ 11,759,176</u>	<u>\$ (2,878,776)</u>	<u>\$ 200,580,101</u>

**CITY OF BISMARCK, NORTH DAKOTA
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	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 9,160,597	\$ 161,495	\$ -	\$ 9,322,092
Construction in progress	12,454,088	12,730,125	(324,425)	24,859,788
Total capital assets, not being depreciated	<u>21,614,685</u>	<u>12,891,620</u>	<u>(324,425)</u>	<u>34,181,880</u>
Capital assets, being depreciated:				
Buildings and building improvements	85,307,414	157,410	-	85,464,824
Improvements other than buildings	194,034,549	6,496,998	(233,984)	200,297,563
Machinery & equipment	13,388,253	1,015,923	(396,360)	14,007,816
Total capital assets being depreciated	<u>292,730,216</u>	<u>7,670,331</u>	<u>(630,344)</u>	<u>299,770,203</u>
Less accumulated depreciation for:				
Buildings and building improvements	(24,120,898)	(2,317,339)	-	(26,438,237)
Improvements other than buildings	(55,614,279)	(4,558,150)	69,998	(60,102,431)
Machinery & equipment	(8,303,171)	(737,662)	348,625	(8,692,208)
Total accumulated depreciation	<u>(88,038,348)</u>	<u>(7,613,151)</u>	<u>418,623</u>	<u>(95,232,876)</u>
Total capital assets, being depreciated, net	<u>204,691,868</u>	<u>57,180</u>	<u>(211,721)</u>	<u>204,537,327</u>
Business-type activities capital assets, net	<u>\$ 226,306,553</u>	<u>\$ 12,948,800</u>	<u>\$ (536,146)</u>	<u>\$ 238,719,207</u>

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

Governmental activities:

General government	\$ 942,356
Public safety	837,480
Highways and streets	422,018
Health	11,729
Culture and recreation	2,382,943
Public works	5,095,340
Total depreciation expense - governmental activities	<u>\$ 9,691,866</u>

Business-type activities:

Airport	\$ 2,261,120
Airport flightline	3,692
Solid waste disposal	428,982
Solid waste collections	203,002
Water	2,430,699
Sanitary sewer	1,490,220
Storm water	496,444
Parking authority lots	298,992
Total depreciation expense - business-type activities	<u>\$ 7,613,151</u>

D. COMMITMENTS

As of December 31, 2008, the City had commitments on various construction contracts totaling approximately \$11,309,334.

The Board of the City Commissioners voted to purchase Airport property from Steve and Karen McCormick and Cathedral of the Holy Spirit for \$2,242,165. The land is payable in 3 quarterly payments

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of \$3,000 due April 1, 2009, June 1, 2009 and September 1, 2009 with a final payment of \$2,232,165 due on or before the closing date not to exceed December 11, 2009. Closing is contingent upon final completion of the Grading Plan, removal of all equipment and items and after the receipt of a Finding of No Significant Impact (FONSI) which is to be completed no later than December 1, 2009.

The Board of the City Commission approved the request for \$50,000 to the Dakota West Arts Council for their 2009 Regranting Program. \$5,000 was also approved for the 2009 Upper Midwest Aviation Symposium and \$1,500 was approved to purchase ZIP banners to be funded from the Commission Special Projects Fund.

The Board of the City Commission voted to allocate Vision Fund money in the amount of \$602,500 to Bobcat for job creation; \$135,000 to Bobcat for buy down of their interest rate; and \$36,000 to Regal Knights Heirlooms Inc. contingent upon new employees. These payments are scheduled to be paid in 2008.

The Community Development Block Grant Housing Rehabilitation Program has \$176,920 in five-year forgivable loans with 15 loans outstanding as of December 31, 2008. If the covenants of the agreement are met, the City will forgive 20% of the loan per year.

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, 2008 was:

Due From:	Due To:			
	Governmental Funds		Internal Service Funds	
	Nonmajor Governmental Funds	Street Improvement Construction	Unemployment Insurance	Total Due From
<u>Governmental Funds:</u>				
General Fund	\$ 12,699	\$ 7,532,709	\$ 5,709	\$ 7,551,117
Sewermain Bonds	1,328,582	-	-	\$ 1,328,582
Street Improvement Bonds	-	4,256,061	-	\$ 4,256,061
Nonmajor Governmental Funds	1,877,371	1,254,946	-	\$ 3,132,317
	<u>3,218,652</u>	<u>13,043,716</u>	<u>5,709</u>	<u>\$ 16,268,077</u>
<u>Business-Type Funds:</u>				
Water	133,610	-	-	133,610
Sanitary Sewer	671,516	-	-	671,516
	<u>805,126</u>	<u>-</u>	<u>-</u>	<u>805,126</u>
Total Due To	\$ 4,023,778	\$ 13,043,716	\$ 5,709	\$ 17,073,203

The due to/from other funds will be repaid in 2009.

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Advances

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

Advance From:	Advance To:					Total Advance From
	Governmental Funds		Business-Type Funds			
	General Fund	Nonmajor Governmental Funds	Water	Nonmajor Enterprise Funds		
General Fund	\$ -	\$ 43,968	\$ -	\$ -		\$ 43,968
Sales Tax	75,838	-	-	-		75,838
Nonmajor Governmental Funds	-	-	301,352	900,000		1,201,352
Total Advance To	\$ 75,838	\$ 43,968	\$ 301,352	\$ 900,000		\$ 1,321,158

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

Governmental Funds:

Transfer Out:	Transfer In - Governmental Funds					
	General Fund	Sales Tax	Street Improvement Construction	Sewermain Bonds	Street Improvement Bonds	Nonmajor Governmental Funds
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,484,223
Sales Tax	4,775,449	-	-	-	-	6,011,043
St. Improvement Construction	-	-	-	-	211,805	-
Sewermain Bonds	-	-	-	-	-	3,202
Street Improvement Bonds	-	-	-	-	-	676,662
Nonmajor Governmental Funds	197,350	-	57,942	144,777	149,434	3,917,666
Airport	74,184	-	-	-	-	64,199
Water	110,245	-	559,310	-	-	448,390
Sanitary Sewer	79,948	-	59,124	124	-	63,878
Nonmajor Enterprise Funds	105,027	-	-	-	-	439,046
Internal Service Funds	187,522	-	-	-	-	27,566
Total Transfers Out	\$ 5,529,725	\$ -	\$ 676,376	\$ 144,901	\$ 361,239	\$ 13,135,875

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Transfer Out:	Transfer In - Business-type Funds					Totals
	Airport	Water	Sanitary Sewer	Nonmajor Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 157,150	\$ 1,641,373
Sales Tax	-	-	-	-	-	10,786,492
St. Improvement Construction	-	-	-	-	-	211,805
Sewermain Bonds	-	-	112,738	-	-	115,940
Street Improvement Bonds	-	-	-	-	-	676,662
Nonmajor Governmental Funds	10,000	16,991	-	177,483	39,944	4,711,587
Airport	-	-	-	-	-	138,383
Water	-	-	-	-	-	1,117,945
Sanitary Sewer	-	-	-	-	-	203,074
Nonmajor Enterprise Funds	-	-	-	750,000	-	1,294,073
Internal Service Funds	-	-	-	-	-	215,088
Total Transfers Out	\$ 10,000	\$ 16,991	\$ 112,738	\$ 927,483	\$ 197,094	\$ 21,112,422

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.

The assets acquired through capital leases are as follows:

Asset:	Business-type Activities
Machinery and equipment	18,233
Less: accumulated depreciation	-
Total	\$ 18,233

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2008 were as follows:

Year ending December 31	Business-type Activities
2009	5,069
2010	\$ 6,757
2011	6,757
Total minimum lease payments	\$ 18,583
Less: amount representing interest	(1,735)
Present value of minimum lease payments	\$ 16,848

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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, 2008 was \$98,730,624 with a remaining non-obligated margin of \$98,730,624. The City had no general obligation bonds outstanding as of December 31, 2008.

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, 2008 are as follows:

	Date of Issue	Date of Final Payment	Interest Rate	Original Amount of Issue	Amount Outstanding 1/1/2008	Amount Issued in 2008	Amount Retired in 2008	Amount Outstanding 12/31/2008	Amount Due Within One Year
Governmental Activities - Revenue Bonds									
Lodging, Liquor, Food	5/1/2003	12/1/2013	2.50-4.10%	\$ 7,295,000	\$ 5,265,000	\$ -	\$ 760,000	\$ 4,505,000	\$ 800,000
Business-type Activities - Revenue Bonds									
Water Utility	4/15/2006	4/1/2021	4.00%	10,000,000	9,480,000	-	520,000	8,960,000	540,000
Sanitary Sewer	11/14/2006	9/1/2027	2.50%	18,377,149	9,353,536	9,023,613	800,000	17,577,149	800,000
Total Revenue Bonds				\$35,672,149	\$ 24,098,536	\$ 9,023,613	\$ 2,080,000	\$ 31,042,149	\$ 2,140,000

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

Years	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES	
	Principal	Interest	Principal	Interest
2009	800,000	167,440	1,340,000	827,600
2010	855,000	142,640	1,380,000	785,600
2011	910,000	112,715	1,425,000	742,300
2012	950,000	78,590	1,470,000	697,475
2013	990,000	40,590	1,515,000	651,150
2014-2018	-	-	8,310,000	2,506,250
2019-2023	-	-	7,900,000	1,167,100
2024-2027	-	-	3,197,149	305,000
Total	\$ 4,505,000	\$ 541,975	\$ 26,537,149	\$ 7,682,475

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, 2008 are as follows:

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Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2008	Amount Issued in 2008	Amount Retired in 2008	Amount Outstanding 12/31/2008	Amount Due Within One Year
Series I refunding	5/1/1999	6/1/2008	3.50-3.70%	\$ 3,465,000	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ -
Series J refunding	5/1/1999	5/1/2014	4.00-4.40%	3,920,000	1,275,000	-	245,000	1,030,000	245,000
Series K refunding	5/15/2000	5/1/2015	5.00-5.60%	3,530,000	600,000	-	600,000	-	-
Series L refunding	4/30/2001	6/1/2011	4.00-4.50%	6,140,000	2,045,000	-	655,000	1,390,000	650,000
Series M refunding	5/15/2001	5/1/2016	4.00-5.10%	5,310,000	2,485,000	-	2,485,000	-	-
Series N refunding	6/15/2002	5/1/2017	3.30-4.30%	2,480,000	1,615,000	-	165,000	1,450,000	165,000
Series O refunding	11/12/2002	6/1/2012	2.10-4.00%	1,990,000	825,000	-	190,000	635,000	185,000
Series P refunding	6/15/2003	5/1/2018	1.50-3.50%	4,580,000	2,600,000	-	525,000	2,075,000	510,000
Series Q refunding	6/1/2004	5/1/2019	2.00-4.250%	4,215,000	3,025,000	-	440,000	2,585,000	440,000
Series R refunding	10/15/2004	5/1/2013	2.50-3.00%	2,005,000	1,160,000	-	230,000	930,000	195,000
Series S refunding	6/15/2005	5/1/2020	3.25-4.10%	3,180,000	2,815,000	-	245,000	2,570,000	240,000
Series T refunding	6/1/2006	5/1/2021	4.00-4.45%	9,640,000	9,290,000	-	980,000	8,310,000	975,000
Series U refunding	7/1/2007	5/1/2022	4.00-4.75%	14,395,000	14,395,000	-	400,000	13,995,000	1,215,000
Series V refunding	5/28/2008	5/1/2016	3.25-3.75%	-	-	2,430,000	-	2,430,000	390,000
Series W refunding	12/23/2008	5/1/2023	3.5-4.45%	-	-	8,915,000	-	8,915,000	250,000
Total refunding series				\$ 64,850,000	\$ 42,305,000	\$ 11,345,000	\$ 7,335,000	\$ 46,315,000	\$ 5,460,000

Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2008	Amount Issued in 2008	Amount Retired in 2008	Amount Outstanding 12/31/2008	Amount Due Within One Year
Sidewalk 97	6/1/1998	5/1/2008	4.00-4.55%	590,000	65,000	-	65,000	-	-
Sidewalk 98	5/1/1999	4/1/2009	3.90-4.30%	570,000	130,000	-	65,000	65,000	65,000
Sidewalk 99	5/15/2000	5/1/2010	5.20-5.90%	480,000	150,000	-	50,000	100,000	50,000
Sidewalk 00	5/15/2001	5/1/2011	4.30-4.70%	420,000	170,000	-	45,000	125,000	45,000
Sidewalk 01	6/15/2002	5/1/2012	2.30-4.15%	565,000	295,000	-	60,000	235,000	60,000
Sidewalk 02	6/15/2003	5/1/2013	1.10-3.15%	505,000	310,000	-	55,000	255,000	55,000
Sidewalk 03	6/1/2004	5/1/2014	1.75-4.15%	460,000	330,000	-	50,000	280,000	50,000
Sidewalk 04	6/15/2005	5/1/2015	3.25-3.70%	1,110,000	910,000	-	120,000	790,000	120,000
Sidewalk 05	6/1/2006	5/1/2016	4.00-4.15%	1,040,000	990,000	-	115,000	875,000	115,000
Sidewalk 06	6/1/2006	5/1/2016	4.00-4.15%	1,120,000	1,120,000	-	55,000	1,065,000	125,000
Sidewalk 07	12/23/2008	5/1/2018	3.00-4.00%	-	-	1,085,000	-	1,085,000	65,000
Total sidewalk bonds				\$ 6,860,000	\$ 4,470,000	\$ 1,085,000	\$ 680,000	\$ 4,875,000	\$ 750,000
Total special assessment bonds				\$ 71,710,000	\$ 46,775,000	\$ 12,430,000	\$ 8,015,000	\$ 51,190,000	\$ 6,210,000

The City issued \$2,430,000 of Refunding Improvement Bonds (Series V) on May 15, 2008. The purpose of issuing the Series V Bonds was to advance refund the Series K & M Refunding Improvement Bonds. The transaction resulted in an economic gain of \$177,404 and \$229,251 reduction in future debt service payments.

Special Assessment Debt Requirement to Maturity

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

Years	GOVERNMENTAL ACTIVITIES	
	Principal	Interest
2009	6,210,000	1,852,373
2010	6,285,000	1,666,796
2011	5,480,000	1,446,814
2012	4,730,000	1,255,173
2013	4,490,000	1,081,642
2014 -2018	15,840,000	3,294,218
2019 -2023	8,155,000	741,365
Total	\$ 51,190,000	\$ 11,338,381

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Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special revenue bonds	\$ 5,265,000	\$ -	\$ 760,000	\$ 4,505,000	\$ 800,000
Less unamortized discount	(28,339)	-	(5,360)	(22,979)	-
Special assessment bonds	46,775,000	12,430,000	8,015,000	51,190,000	6,210,000
Less unamortized discount	(95,377)	(13,996)	(7,616)	(101,757)	-
Compensated absences	1,715,503	1,706,481	1,433,626	1,988,357	1,463,193
Claims and judgments	315,999	2,515,288	2,580,497	250,790	250,790
TOTAL	\$ 53,947,786	\$ 16,637,773	\$ 12,776,147	\$ 57,809,411	\$ 8,723,983
BUSINESS-TYPE ACTIVITIES:					
Capital leases	\$ 9,795	\$ 18,231	\$ 10,255	\$ 17,771	\$ 5,217
Compensated absences	482,811	393,417	341,168	535,060	326,855
Claims and judgments	84,621	691,260	708,192	67,689	67,689
Closure and postclosure costs	885,049	138,410	-	1,023,459	-
Water revenue bonds	9,480,000	-	520,000	8,960,000	540,000
Less unamortized discount	(86,799)	-	(6,551)	(80,248)	-
Wastewater revenue bonds	9,353,536	9,023,613	800,000	17,577,149	800,000
TOTAL	\$ 20,209,013	\$ 10,264,931	\$ 2,373,064	\$ 28,100,880	\$ 1,739,761

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. Neither the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2008, there were 3 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. Most of the time 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:

Investments - Burleigh County Water Users	\$ 4,029,496
Water Revenue Bond Account	5,104,220
Wastewater Revenue Bond Account	4,623,406
	<u>\$ 13,757,122</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.

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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, 2008 management estimates claims incurred prior to NDIRF but not paid of \$5,200. This amount has been recorded as a liability.

	BEGINNING FISCAL YEAR LIABILITY	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END
2008	\$ 5,000	\$ 7,233	\$ 7,033	\$ 5,200
2007	\$ 5,000	\$ 7,058	\$ 7,058	\$ 5,000
2006	5,500	2,727	3,227	5,000

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 \$631,387 for 2008. 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 \$313,279 as of December 31, 2008. 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
2008	\$ 395,620	\$ 3,199,315	\$ 3,281,656	\$ 313,279
2007	\$ 286,806	\$ 3,308,502	\$ 3,199,688	\$ 395,620
2006	272,016	2,840,682	2,825,892	286,806

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

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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 \$1,023,459 reported as landfill closure and post closure care liability at December 31, 2008, represents the cumulative amount reported to date based on the use of 69.7 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post closure care of \$445,626 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 2008. 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 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 2007, 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	\$ 346,369
Less value of accumulated depreciation	(235,802)
Net assets	<u>\$ 110,567</u>
Total operating expenditures - 2008	<u>\$ 1,286,746</u>

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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.

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, 2008 is as follows:

Retirees and beneficiaries receiving benefits	126
Terminated employees - vested	32
Active employees:	
Vested	255
Non-vested	120
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 a 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

**CITY OF BISMARCK, NORTH DAKOTA
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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, 2008 is \$43,690,842 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, 2008 is as follows:

Retirees and beneficiaries receiving benefits	48
Terminated employees - vested	10
Active employees:	
Vested	85
Non-vested	32
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 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, 2008 is \$20,208,111 and the entire amount is reserved for employee pension benefits.

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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, 2008 is not available. December 31, 2007 is as follows:

Retirees, beneficiaries and disabled receiving benefits	46
Terminated employees - vested	1
Active employees:	
Vested	37
Non-vested	22

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.

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.

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City of Bismarck Employees Pension

Schedule of Employer Contributions

Year	Annual Required Contribution	Employer Contribution	Percent Funded
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	174.0%
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%

The information for 2009 is not available at this time.

Schedule of Funding Progress (In Thousand 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
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	43,685	59,315	15,630	73.6%	15,933	98.1%

City of Bismarck Police Pension

Schedule of Employer Contributions

Year	Annual Required Contribution	Employer Contribution	Percent Funded
2008	\$ 413,396	\$ 835,054	202.0%
2007	\$ 422,992	\$ 789,331	186.6%
2006	\$ 471,750	\$ 769,252	186.6%
2005	598,835	732,436	163.1%
2004	473,610	700,906	122.3%
2003	660,286	354,296	148.0%
2002	317,993	221,346	53.7%

The information for 2009 is not available at this time. The Annual Required Contribution includes a mid-year interest calculation.

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Schedule of Funding Progress (In Thousand 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
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	20,207	30,132	9,925	67.1%	4,766	208.2%

Schedule of Net Pension Obligation (In Thousand of Dollars)

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	-	-	13.73%	186,931	113,939	72,992	72,992
2002	306,499	5,474	5,316	13.29%	306,657	221,346	85,311	158,303
2003	636,420	11,873	11,913	12.82%	636,380	354,296	282,084	440,387
2004	456,492	33,029	34,339	12.34%	455,182	700,906	(245,724)	194,663
2005	577,190	14,600	15,773	11.84%	576,017	732,436	(156,419)	38,244
2006	454,699	2,868	3,231	11.31%	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)

The information for 2009 is not available at this time.

City of Bismarck Firefighter's Relief Association

Schedule of Employer Contributions

Year	Annual Required Contribution	# Employer Contribution	Percent Funded
2007	\$ 442,696	\$ 442,696	0%
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 2008 is not available at this time.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

Schedule of Funding Progress (In Thousand 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
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%

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	1/1/2009	1/1/2009	1/1/2008
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	4.9 yrs
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	2.00%

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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	\$ -	\$ -	\$ 18,374	\$ 13,198	\$ 31,572
Accounts	-	-	101,572	12,584	114,156
Accrued interest and dividends	895	-	58,879	33,380	93,154
Investments, at fair value:					
Domestic equities	137,029	-	9,634,200	4,881,529	14,652,758
International equities	70,762	-	4,601,118	2,272,683	6,944,563
Domestic fixed income	452,347	-	15,831,660	6,259,256	22,543,263
International fixed income	-	-	4,259,057	1,837,393	6,096,450
Real estate	-	-	4,746,814	1,994,594	6,741,408
Alternative investments	-	-	274,468	663,574	938,042
Mutual funds	-	940,911	-	-	940,911
Certificate of deposits	5,499	-	159,326	112,779	277,604
Invested cash	80,398	-	4,105,625	2,172,798	6,358,821
Invested securities lending collateral	26,177	-	409,094	168,533	603,804
Total assets	<u>773,107</u>	<u>940,911</u>	<u>44,200,187</u>	<u>20,422,301</u>	<u>66,336,506</u>
LIABILITIES					
Accounts payable	1,596	-	85,072	34,753	121,421
Salary payable	819	-	-	-	819
Deferred revenue	-	-	15,179	10,904	26,083
Securities lending collateral	26,177	-	409,094	168,533	603,804
Total liabilities	<u>28,592</u>	<u>-</u>	<u>509,345</u>	<u>214,190</u>	<u>752,127</u>
NET ASSETS					
Assets held in trust for pension and other employee benefits	<u>744,515</u>	<u>940,911</u>	<u>43,690,842</u>	<u>20,208,111</u>	<u>65,584,379</u>
Total net assets held in trust	<u>\$ 744,515</u>	<u>\$ 940,911</u>	<u>\$ 43,690,842</u>	<u>\$ 20,208,111</u>	<u>\$ 65,584,379</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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

	Deferred Sick Leave	Employee Excess Retirement	City Pension	Police Pension	Total
ADDITIONS					
Contributions:					
Employer	\$ -	\$ -	\$ 2,542,708	\$ 835,054	\$ 3,377,762
Employee	-	-	800,895	498,362	1,299,257
Total contributions	-	-	3,343,603	1,333,416	4,677,019
Investment income:					
Net increase (decrease) in fair value of investments	(171,202)	(352,556)	(12,964,555)	(6,490,336)	(19,978,649)
Interest and dividends	36,805	-	1,459,907	655,081	2,151,793
	(134,397)	(352,556)	(11,504,648)	(5,835,255)	(17,826,856)
Less: investment expense	(4,590)	-	(296,635)	(129,899)	(431,124)
Net investment income	(138,987)	(352,556)	(11,801,283)	(5,965,154)	(18,257,980)
Security lending activity:					
Securities lending income	1,230	-	35,643	14,881	51,754
Less: securities lending expenses	(856)	-	(26,617)	(10,892)	(38,365)
Net securities lending income	374	-	9,026	3,989	13,389
Total additions	(138,613)	(352,556)	(8,448,654)	(4,627,749)	(13,567,572)
DEDUCTIONS					
Benefits paid to participants	21,540	-	1,953,143	1,025,065	2,999,748
Refunds	-	7,869	88,623	23,345	119,837
Administration	-	-	43,150	22,461	65,611
Total deductions	21,540	7,869	2,084,916	1,070,871	3,185,196
Change in net assets	(160,153)	(360,425)	(10,533,570)	(5,698,620)	(16,752,768)
Net assets - beginning	904,668	1,301,336	54,224,412	25,906,731	82,337,147
Net assets - ending	<u>\$ 744,515</u>	<u>\$ 940,911</u>	<u>\$ 43,690,842</u>	<u>\$ 20,208,111</u>	<u>\$ 65,584,379</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

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. 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.

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.

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2008**

	<u>Special Revenue Totals</u>	<u>Debt Service Totals</u>	<u>Capital Projects Totals</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 4,132,326	\$ 35,760	\$ 1,695,759	\$ 5,863,845
Investments	3,063,788	1,542,566	20,030,032	24,636,386
Receivables:				
Taxes receivable	67,901	-	24,706	92,607
Accounts receivable	958,134	-	1,110,792	2,068,926
Special assessments	34,259	5,190,065	-	5,224,324
Intergovernmental	-	3,692	-	3,692
Notes receivable	1,108,500	-	129,000	1,237,500
Due from other funds	2,162,591	969,726	-	3,132,317
Advances to other funds	-	301,352	900,000	1,201,352
Prepaid items	256	-	-	256
Restricted assets:				
Investments	-	-	913,562	913,562
Total assets	<u>\$ 11,527,755</u>	<u>\$ 8,043,161</u>	<u>\$ 24,803,851</u>	<u>\$ 44,374,767</u>
LIABILITIES				
Accounts payable	\$ 323,083	\$ 7,713	\$ 1,197,228	\$ 1,528,024
Retainage payable	-	-	31,886	31,886
Due to other funds	7,912	-	4,015,866	4,023,778
Advances from other funds	43,968	-	-	43,968
Salaries payable	213,292	-	-	213,292
Deferred revenue	86,514	5,091,105	161,922	5,339,541
Customer deposits	-	-	913,562	913,562
Total liabilities	<u>674,769</u>	<u>5,098,818</u>	<u>6,320,464</u>	<u>12,094,051</u>
FUND BALANCES				
Reserved for encumbrances	52,523	-	-	52,523
Reserved for debt service	-	700,000	-	700,000
Reserved for advances to other funds	-	301,352	900,000	1,201,352
Reserved for long-term receivable	1,108,500	-	129,000	1,237,500
Reserved for prepaid items	256	-	-	256
Unreserved, undesignated	9,691,707	1,942,991	17,454,387	29,089,085
Total fund balances	<u>10,852,986</u>	<u>2,944,343</u>	<u>18,483,387</u>	<u>32,280,716</u>
Total liabilities and fund balances	<u>\$ 11,527,755</u>	<u>\$ 8,043,161</u>	<u>\$ 24,803,851</u>	<u>\$ 44,374,767</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, 2008**

	Special Revenue Totals	Debt Service Totals	Capital Projects Totals	Totals
REVENUES				
Taxes	\$ 5,719,378	\$ -	\$ 1,381,085	\$ 7,100,463
Licenses and permits	5,100	-	-	5,100
Special assessments	15,706	969,425	244,451	1,229,582
Intergovernmental	6,152,912	-	2,620,322	8,773,234
Charges for services	1,747,542	-	-	1,747,542
Fines and forfeits	69,947	-	-	69,947
Investment income	518,723	32,287	674,731	1,225,741
Rentals	533,951	-	-	533,951
Miscellaneous	82,061	-	137,512	219,573
Total revenues	<u>14,845,320</u>	<u>1,001,712</u>	<u>5,058,101</u>	<u>20,905,133</u>
EXPENDITURES				
Current				
General government	5,623,769	-	-	5,623,769
Public safety	513,840	-	-	513,840
Highways and streets	4,824,517	-	-	4,824,517
Health and welfare	937,957	-	-	937,957
Culture and recreation	1,640,849	-	-	1,640,849
Public works	-	-	2,036,082	2,036,082
Capital outlays				
General government	13,273	-	-	13,273
Public safety	26,231	-	-	26,231
Highways and streets	635,734	-	-	635,734
Health and welfare	50,277	-	-	50,277
Culture and recreation	468,114	-	-	468,114
Public works	-	-	7,815,503	7,815,503
Debt service				
Principal	-	1,647,368	-	1,647,368
Interest and fiscal charges	-	460,364	-	460,364
Total expenditures	<u>14,734,561</u>	<u>2,107,732</u>	<u>9,851,585</u>	<u>26,693,878</u>
Excess (deficiency) of revenues over (under) expenditures	<u>110,759</u>	<u>(1,106,020)</u>	<u>(4,793,484)</u>	<u>(5,788,745)</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	4,084,093	1,446,457	7,605,325	13,135,875
Transfer out	(3,637,910)	(125,935)	(947,742)	(4,711,587)
Refunding bonds issued	-	184,593	-	184,593
Premium on special assessment debt	-	1,738	-	1,738
Discount on special assessment debt	-	-	(17,908)	(17,908)
Payment to refunded bond escrow agent	-	(184,593)	-	(184,593)
Special assessment bonds issued	-	-	3,399,280	3,399,280
Total other financing sources (uses)	<u>446,183</u>	<u>1,322,260</u>	<u>10,038,955</u>	<u>11,807,398</u>
Net changes in fund balances	556,942	216,240	5,245,471	6,018,653
Fund balances - beginning	<u>10,296,044</u>	<u>2,728,103</u>	<u>13,237,916</u>	<u>26,262,063</u>
Fund balances - ending	<u>\$ 10,852,986</u>	<u>\$ 2,944,343</u>	<u>\$ 18,483,387</u>	<u>\$ 32,280,716</u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008**

	Arena/Exhibit Operations	E/H Transit	Library	Police Drug Enforcement	Police Gaming Enforcement	Roads & Streets	Street Lights	Northern Plains Commerce Center	NPCC Intermodal Operations
ASSETS									
Cash and cash equivalents	\$ 557,528	-	\$ -	\$ -	\$ 485	\$ 1,838,024	\$ 135,446	\$ -	\$ -
Investments	770,755	1,248	314,309	118,811	53,006	435,058	32	329,919	19,656
Receivables:									
Taxes receivable	-	9,841	28,094	-	-	7,860	-	-	-
Accounts receivable	37,650	67,800	28,543	-	-	336,519	2,035	-	4,352
Special assessments	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	1,030	-
Prepaid items	-	-	-	-	-	-	256	-	-
Total assets	\$ 1,365,933	\$ 78,889	\$ 370,946	\$ 118,811	\$ 53,491	\$ 2,617,461	\$ 137,769	\$ 330,949	\$ 24,008
LIABILITIES									
Accounts payable	\$ 19,433	\$ 69,045	\$ 30,348	\$ 365	\$ 179	\$ 9,026	\$ 61,290	\$ -	\$ 24,008
Due to other funds	-	-	-	-	-	-	-	-	-
Advances from other funds	-	-	43,968	-	-	-	-	-	-
Salaries payable	692	-	54,076	522	2,520	110,555	11,842	-	-
Deferred revenue	-	8,071	23,112	-	-	6,433	-	-	-
Total liabilities	20,125	77,116	151,504	887	2,699	126,014	73,132	-	24,008
FUND BALANCES									
Reserved for encumbrances	-	-	-	52,523	-	-	-	-	-
Reserved for long-term receivable	-	-	-	-	-	-	-	-	-
Reserved for prepaid items	-	-	-	-	-	-	256	-	-
Unreserved, undesignated	1,345,808	1,773	219,442	65,401	50,792	2,491,447	64,381	330,949	-
Total fund balances	1,345,808	1,773	219,442	117,924	50,792	2,491,447	64,637	330,949	-
Total liabilities and fund balances	\$ 1,365,933	\$ 78,889	\$ 370,946	\$ 118,811	\$ 53,491	\$ 2,617,461	\$ 137,769	\$ 330,949	\$ 24,008

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2008**

	NPCC Transload Operations	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	\$ -	\$ -	\$ 1,382,722	\$ -	\$ -	\$ -	\$ 218,121	\$ 4,132,326
Investments	-	-	915	559,092	460,958	-	29	3,063,788
Receivables:								
Taxes receivable	-	-	-	-	18,826	3,280	-	67,901
Accounts receivable	8,500	45,884	157,777	1,192	-	-	267,882	958,134
Special assessments	-	-	-	-	-	34,259	-	34,259
Notes receivable	-	-	-	1,108,500	-	-	-	1,108,500
Due from other funds	-	-	-	906,615	-	1,254,946	-	2,162,591
Prepaid items	-	-	-	-	-	-	-	256
Total assets	\$ 8,500	\$ 45,884	\$ 1,541,414	\$ 2,575,399	\$ 479,784	\$ 1,292,485	\$ 486,032	\$ 11,527,755
LIABILITIES								
Accounts payable	\$ 7,470	\$ 39,002	\$ -	\$ -	\$ 780	\$ 340	\$ 61,797	\$ 323,083
Due to other funds	1,030	6,882	-	-	-	-	-	7,912
Advance from other funds	-	-	-	-	-	-	-	43,968
Salaries payable	-	-	-	-	-	-	33,085	213,292
Deferred revenue	-	-	-	-	15,371	33,527	-	86,514
Total liabilities	8,500	45,884	-	-	16,151	33,867	94,882	674,769
FUND BALANCES								
Reserved for encumbrances	-	-	-	-	-	-	-	52,523
Reserved for long-term receivable	-	-	-	1,108,500	-	-	-	1,108,500
Reserved for prepaid items	-	-	-	-	-	-	-	256
Unreserved, undesignated	-	-	1,541,414	1,466,899	463,633	1,258,618	391,150	9,691,707
Total fund balances	-	-	1,541,414	2,575,399	463,633	1,258,618	391,150	10,852,986
Total liabilities and fund balances	\$ 8,500	\$ 45,884	\$ 1,541,414	\$ 2,575,399	\$ 479,784	\$ 1,292,485	\$ 486,032	\$ 11,527,755

**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, 2008**

	Arena/Exhibit Operations	E/H Transit	Library	Police Drug Enforcement	Police Gaming Enforcement	Roads & Streets	Street Lights	Northern Plains Commerce Center	NPCC Intermodal Operations
REVENUES									
Taxes	\$ 8,675	\$ 481,097	\$ 1,337,145	\$ -	\$ -	\$ 382,546	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	4,350	750	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-
Intergovernmental	-	1,253,229	444,059	-	41,875	3,113,475	-	-	-
Charges for services	212,549	-	86,899	-	-	188,790	961,778	-	54,784
Fines and forfeits	-	-	34,777	32,551	-	-	-	-	-
Investment income	42,079	1,713	23,709	5,773	2,448	86,356	4,665	29,016	-
Rentals	306,647	-	19,500	-	-	84,586	8,186	-	95,832
Miscellaneous	-	-	2,430	36	-	25,458	22,171	-	-
Total revenues	569,950	1,736,039	1,948,519	38,360	48,673	3,881,961	996,800	29,016	150,616
EXPENDITURES									
Current									
General government	-	1,723,069	-	-	-	-	-	1,046	324,820
Public safety	-	-	-	73,294	68,815	-	-	-	-
Highways and streets	-	-	-	-	-	3,573,905	1,243,262	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	141,464	-	1,476,232	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-	-	-
General government	-	13,273	-	-	-	-	-	-	-
Public safety	-	-	-	20,206	-	-	-	-	-
Highways and streets	-	-	-	-	-	569,132	66,602	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	140,355	-	327,759	-	-	-	-	-	-
Total expenditures	281,819	1,736,342	1,803,991	93,500	68,815	4,143,037	1,309,864	1,046	324,820
Excess (deficiency) of revenues over (under) expenditures	288,131	(303)	144,528	(55,140)	(20,142)	(261,076)	(313,064)	27,970	(174,204)
OTHER FINANCING SOURCES (USES)									
Transfer in	37,314	-	-	-	-	304,403	167,303	500,000	174,204
Transfer out	(86,690)	-	(115,523)	-	(919)	(44,606)	(22,274)	(280,995)	-
Total other financing sources (uses)	(49,376)	-	(115,523)	-	(919)	259,797	145,029	219,005	174,204
Net changes in fund balances	238,755	(303)	29,005	(55,140)	(21,061)	(1,279)	(168,035)	246,975	-
Fund balances - beginning	1,107,053	2,076	190,437	173,064	71,853	2,492,726	232,672	83,974	-
Fund balances - ending	\$ 1,345,808	\$ 1,773	\$ 219,442	\$ 117,924	\$ 50,792	\$ 2,491,447	\$ 64,637	\$ 330,949	\$ -

**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, 2008**

	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	\$ -	\$ 551,254	\$ 1,835,400	\$ -	\$ 961,695	\$ 161,566	\$ -	\$ 5,719,378
Licenses and permits	-	-	-	-	-	-	-	5,100
Special assessments	-	-	-	-	-	15,706	-	15,706
Intergovernmental	-	-	-	-	23,511	4,251	1,272,512	6,152,912
Charges for services	12,600	-	-	-	-	-	230,142	1,747,542
Fines and forfeits	-	-	-	-	-	-	2,619	69,947
Investment income	1,700	-	81,103	68,185	23,903	144,069	4,004	518,723
Rentals	-	-	19,200	-	-	-	-	533,951
Miscellaneous	-	-	-	1,192	-	-	30,774	82,061
Total revenues	14,300	551,254	1,935,703	69,377	1,009,109	325,592	1,540,051	14,845,320
EXPENDITURES								
Current								
General government	121,091	551,254	11,006	1,218,835	1,410,730	222,682	39,236	5,623,769
Public safety	-	-	-	-	-	-	371,731	513,840
Highways and streets	-	-	-	-	-	-	7,350	4,824,517
Health and welfare	-	-	-	-	-	-	937,957	937,957
Culture and recreation	-	-	-	-	-	-	23,153	1,640,849
Capital outlays	-	-	-	-	-	-	-	13,273
General government	-	-	-	-	-	-	6,025	26,231
Public safety	-	-	-	-	-	-	-	635,734
Highways and streets	-	-	-	-	-	-	50,277	50,277
Health and welfare	-	-	-	-	-	-	-	468,114
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	121,091	551,254	11,006	1,218,835	1,410,730	222,682	1,435,729	14,734,561
Excess (deficiency) of revenues over (under) expenditures	(106,791)	-	1,924,697	(1,149,458)	(401,621)	102,910	104,322	110,759
OTHER FINANCING SOURCES (USES)								
Transfer in	106,791	-	-	1,500,000	514,129	759,949	20,000	4,084,093
Transfer out	-	-	(1,818,530)	(1,000,000)	-	(220,391)	(47,982)	(3,637,910)
Total other financing sources (uses)	106,791	-	(1,818,530)	500,000	514,129	539,558	(27,982)	446,183
Net changes in fund balances	-	-	106,167	(649,458)	112,508	642,468	76,340	556,942
Fund balances - beginning	-	-	1,435,247	3,224,857	351,125	616,150	314,810	10,296,044
Fund balances - ending	-	\$ -	\$ 1,541,414	\$ 2,575,399	\$ 463,633	\$ 1,258,618	\$ 391,150	\$ 10,852,986

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, 2008

	<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	\$ 187,607	\$ 187,607	\$ 1,107,531	\$ 919,924
Resources (inflows)				
Taxes	-	-	8,675	8,675
Charges for services	112,500	112,500	212,549	100,049
Investment income	50,000	50,000	42,079	(7,921)
Rentals	260,000	260,000	306,647	46,647
Transfer in	25,000	25,000	37,314	12,314
Amount available for appropriation	<u>635,107</u>	<u>635,107</u>	<u>1,714,795</u>	<u>1,079,688</u>
Charges to appropriations (outflows)				
Culture and recreation	322,273	322,273	281,605	40,668
Transfer out	<u>86,881</u>	<u>86,881</u>	<u>86,690</u>	<u>191</u>
Total charges to appropriations	<u>409,154</u>	<u>409,154</u>	<u>368,295</u>	<u>40,859</u>
Budgetary Fund Balance, December 31	<u>\$ 225,953</u>	<u>\$ 225,953</u>	<u>\$ 1,346,500</u>	<u>\$ 1,120,547</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	\$ 1,714,795
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	(1,107,531)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(37,314)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 569,950</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 368,295
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	214
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(86,690)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 281,819</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, 2008

	<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	\$ 2,076	\$ (999,259)
Resources (inflows)				
Taxes	510,109	510,109	481,097	(29,012)
Intergovernmental	1,609,250	1,609,250	1,253,229	(356,021)
Investment income	1,100	1,100	1,713	613
Amount available for appropriation	<u>2,121,794</u>	<u>3,121,794</u>	<u>1,738,115</u>	<u>(1,383,679)</u>
Charges to appropriations (outflows)				
General government	<u>2,120,459</u>	<u>2,120,459</u>	<u>1,736,342</u>	<u>384,117</u>
Total charges to appropriations	<u>2,120,459</u>	<u>2,120,459</u>	<u>1,736,342</u>	<u>384,117</u>
Budgetary Fund Balance, December 31	<u>\$ 1,335</u>	<u>\$ 1,001,335</u>	<u>\$ 1,773</u>	<u>\$ (999,562)</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, 2008**

	<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 Positive (Negative)</u>
Budgetary Fund Balance, January 1	\$ 388,513	\$ 388,513	\$ 237,574	\$ (150,939)
Resources (inflows)				
Taxes	1,421,469	1,421,469	1,337,145	(84,324)
Intergovernmental	473,967	473,967	444,059	(29,908)
Charges for services	75,000	75,000	86,899	11,899
Fines and forfeits	33,500	33,500	34,777	1,277
Investment income	21,000	21,000	23,709	2,709
Rentals	17,200	17,200	19,500	2,300
Miscellaneous	2,000	2,000	2,430	430
Amount available for appropriation	<u>2,432,649</u>	<u>2,432,649</u>	<u>2,186,093</u>	<u>(246,556)</u>
Charges to appropriations (outflows)				
Culture and recreation	1,788,940	1,838,106	1,797,052	41,054
Transfer out	<u>115,900</u>	<u>115,900</u>	<u>115,523</u>	<u>377</u>
Total charges to appropriations	<u>1,904,840</u>	<u>1,954,006</u>	<u>1,912,575</u>	<u>41,431</u>
Budgetary Fund Balance, December 31	<u>\$ 527,809</u>	<u>\$ 478,643</u>	<u>\$ 273,518</u>	<u>\$ (205,125)</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	\$ 2,186,093
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>(237,574)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,948,519</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,912,575
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	6,939
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(115,523)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,803,991</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, 2008

	<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	\$ 67,648	\$ (9,446)	\$ 173,261	\$ 182,707
Resources (inflows)				
Fines and forfeits	25,000	25,000	32,551	7,551
Investment income	2,350	2,350	5,773	3,423
Miscellaneous	-	-	36	36
Amount available for appropriation	<u>94,998</u>	<u>17,904</u>	<u>211,621</u>	<u>193,717</u>
Charges to appropriations (outflows)				
Public safety	<u>167,225</u>	<u>167,225</u>	<u>145,698</u>	<u>21,527</u>
Total charges to appropriations	<u>167,225</u>	<u>167,225</u>	<u>145,698</u>	<u>21,527</u>
Budgetary Fund Balance, December 31	<u><u>\$ (72,227)</u></u>	<u><u>\$ (149,321)</u></u>	<u><u>\$ 65,923</u></u>	<u><u>\$ 215,244</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	\$ 211,621
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>(173,261)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 38,360</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 145,698
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>325</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 93,500</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, 2008**

	<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	\$ 84,375	\$ 84,375	\$ 73,947	\$ (10,428)
Resources (inflows)				
Licenses and permits	3,700	3,700	4,350	650
Intergovernmental	37,200	37,200	41,875	4,675
Investment income	2,700	2,700	2,448	(252)
Amount available for appropriation	<u>127,975</u>	<u>127,975</u>	<u>122,620</u>	<u>(5,355)</u>
Charges to appropriations (outflows)				
Public safety	68,475	68,475	68,391	84
Transfer out	8,406	8,406	919	7,487
Total charges to appropriations	<u>76,881</u>	<u>76,881</u>	<u>69,310</u>	<u>7,571</u>
Budgetary Fund Balance, December 31	<u>\$ 51,094</u>	<u>\$ 51,094</u>	<u>\$ 53,310</u>	<u>\$ 2,216</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	\$ 122,620
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>(73,947)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 48,673</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 69,310
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	424
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(919)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 68,815</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, 2008**

	<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	\$ 1,565,530	\$1,565,530	\$ 2,561,488	\$ 995,958
Resources (inflows)				
Taxes	403,590	403,590	382,546	(21,044)
Licenses and permits	825	825	750	(75)
Intergovernmental	2,767,259	2,767,259	3,113,475	346,216
Charges for services	184,600	184,600	188,790	4,190
Investment income	67,502	67,502	86,356	18,854
Rentals	77,008	77,008	84,586	7,578
Miscellaneous	11,953	11,953	25,458	13,505
Transfer in	459,467	459,467	304,403	(155,064)
Amount available for appropriation	<u>5,537,734</u>	<u>5,537,734</u>	<u>6,747,852</u>	<u>1,210,118</u>
Charges to appropriations (outflows)				
Highways and streets	4,429,330	4,418,837	4,101,244	317,593
Transfer out	<u>34,113</u>	<u>44,606</u>	<u>44,606</u>	<u>-</u>
Total charges to appropriations	<u>4,463,443</u>	<u>4,463,443</u>	<u>4,145,850</u>	<u>317,593</u>
Budgetary Fund Balance, December 31	<u>\$ 1,074,291</u>	<u>\$1,074,291</u>	<u>\$ 2,602,002</u>	<u>\$ 1,527,711</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	\$ 6,747,852
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	(2,561,488)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(304,403)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 3,881,961</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 4,145,850
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	41,793
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(44,606)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 4,143,037</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 25,864	\$ 25,864	\$ 242,603	\$ 216,739
Resources (inflows)				
Charges for services	1,059,808	1,059,808	961,778	(98,030)
Investment income	14,465	14,465	4,665	(9,800)
Rentals	2,800	2,800	8,186	5,386
Miscellaneous	32,800	32,800	22,171	(10,629)
Transfer In	167,303	167,303	167,303	-
Amount available for appropriation	<u>1,303,040</u>	<u>1,303,040</u>	<u>1,406,706</u>	<u>103,666</u>
Charges to appropriations (outflows)				
Highways and streets	1,257,402	1,257,402	1,307,954	(50,552)
Transfer out	<u>15,978</u>	<u>15,978</u>	<u>22,274</u>	<u>(6,296)</u>
Total charges to appropriations	<u>1,273,380</u>	<u>1,273,380</u>	<u>1,330,228</u>	<u>(56,848)</u>
Budgetary Fund Balance, December 31	<u>\$ 29,660</u>	<u>\$ 29,660</u>	<u>\$ 76,478</u>	<u>\$ 46,818</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	\$ 1,406,706
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	(242,603)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(167,303)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 996,800</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,330,228
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	1,910
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(22,274)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,309,864</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 CENTER
FOR THE YEAR ENDED DECEMBER 31, 2008

	<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	\$ (17,407,600)	\$ (17,334,052)	\$ 83,974	\$ 17,418,026
Resources (inflows)				
Charges for services	490,154	-	-	-
Investment income	-	-	29,016	29,016
Rentals	98,000	-	-	-
Miscellaneous	-	122,780	-	(122,780)
Transfer in	500,000	289,457	500,000	210,543
Amount available for appropriation	<u>(16,319,446)</u>	<u>(16,921,815)</u>	<u>612,990</u>	<u>17,534,805</u>
Charges to appropriations (outflows)				
General government	747,617	1,046	1,046	-
Transfer out	-	300,660	280,995	19,665
Total charges to appropriations	<u>747,617</u>	<u>301,706</u>	<u>282,041</u>	<u>19,665</u>
Budgetary Fund Balance, December 31	<u><u>\$ (17,067,063)</u></u>	<u><u>\$ (17,223,521)</u></u>	<u><u>\$ 330,949</u></u>	<u><u>\$ 17,554,470</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, 2008

	<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	-	161,024	54,784	(106,240)
Rentals	-	98,000	95,832	(2,168)
Transfer in	-	120,773	174,204	53,431
Amount available for appropriation	-	379,797	324,820	(54,977)
Charges to appropriations (outflows)				
General government	-	324,820	324,820	-
Total charges to appropriations	-	324,820	324,820	-
Budgetary Fund Balance, December 31	\$ -	\$ 54,977	\$ -	\$ (54,977)

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Charges for services	-	206,350	12,600	(193,750)
Rentals	-	-	1,700	1,700
Transfer in	-	89,770	106,791	17,021
Amount available for appropriation	-	296,120	121,091	(175,029)
Charges to appropriations (outflows)				
General government	-	121,091	121,091	-
Total charges to appropriations	-	121,091	121,091	-
Budgetary Fund Balance, December 31	<u>\$ -</u>	<u>\$ 175,029</u>	<u>\$ -</u>	<u>\$ (175,029)</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, 2008**

	<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	\$ -	\$ (90,000)	\$ -	\$ 90,000
Resources (inflows)				
Taxes	<u>545,000</u>	<u>545,000</u>	<u>551,254</u>	<u>6,254</u>
Amount available for appropriation	<u>545,000</u>	<u>455,000</u>	<u>551,254</u>	<u>96,254</u>
Charges to appropriations (outflows)				
General government	<u>545,000</u>	<u>575,000</u>	<u>551,254</u>	<u>23,746</u>
Total charges to appropriations	<u>545,000</u>	<u>575,000</u>	<u>551,254</u>	<u>23,746</u>
Budgetary Fund Balance, December 31	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ -</u>	<u>\$ 120,000</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, 2008

	<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	\$ (75,092)	\$ (75,092)	\$ 1,435,247	\$ 1,510,339
Resources (inflows)				
Taxes	1,600,928	1,600,928	1,835,400	234,472
Investment income	45,000	45,000	81,103	36,103
Rentals	19,200	19,200	19,200	-
Amount available for appropriation	<u>1,590,036</u>	<u>1,590,036</u>	<u>3,370,950</u>	<u>1,780,914</u>
Charges to appropriations (outflows)				
General government	36,850	36,850	11,006	25,844
Transfer out	1,875,041	1,875,041	1,818,530	56,511
Total charges to appropriations	<u>1,911,891</u>	<u>1,911,891</u>	<u>1,829,536</u>	<u>82,355</u>
Budgetary Fund Balance, December 31	<u><u>\$ (321,855)</u></u>	<u><u>\$ (321,855)</u></u>	<u><u>\$ 1,541,414</u></u>	<u><u>\$ 1,863,269</u></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, 2008

	<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	\$ (87,442)	\$(2,087,442)	\$ 3,224,857	\$ 5,312,299
Resources (inflows)				
Investment income	110,358	110,358	68,185	(42,173)
Miscellaneous	-	-	1,192	1,192
Transfer in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Amount available for appropriation	<u>1,522,916</u>	<u>(477,084)</u>	<u>4,794,234</u>	<u>5,271,318</u>
Charges to appropriations (outflows)				
General government	2,583,858	2,083,858	1,218,835	865,023
Transfer out	<u>500,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Total charges to appropriations	<u>3,083,858</u>	<u>3,083,858</u>	<u>2,218,835</u>	<u>865,023</u>
Budgetary Fund Balance, December 31	<u>\$(1,560,942)</u>	<u>\$(3,560,942)</u>	<u>\$ 2,575,399</u>	<u>\$ 6,136,341</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, 2008

	<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	\$ 230,044	\$ 230,044	\$ 351,125	\$ 121,081
Resources (inflows)				
Taxes	1,018,118	1,018,118	961,695	(56,423)
Intergovernmental	18,750	18,750	23,511	4,761
Investment income	15,000	15,000	23,903	8,903
Transfer in	447,300	447,300	514,129	66,829
Amount available for appropriation	<u>1,729,212</u>	<u>1,729,212</u>	<u>1,874,363</u>	<u>145,151</u>
Charges to appropriations (outflows)				
General government	<u>1,435,000</u>	<u>1,435,000</u>	<u>1,410,730</u>	<u>24,270</u>
Total charges to appropriations	<u>1,435,000</u>	<u>1,435,000</u>	<u>1,410,730</u>	<u>24,270</u>
Budgetary Fund Balance, December 31	<u>\$ 294,212</u>	<u>\$ 294,212</u>	<u>\$ 463,633</u>	<u>\$ 169,421</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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 25,001	\$ 4,001	\$ 616,150	\$ 612,149
Resources (inflows)				
Taxes	170,233	170,233	161,566	(8,667)
Special assessments	18,500	18,500	15,706	(2,794)
Intergovernmental	3,800	3,800	4,251	451
Investment income	55,011	55,011	144,069	89,058
Transfer in	947,964	947,964	759,949	(188,015)
Amount available for appropriation	<u>1,220,509</u>	<u>1,199,509</u>	<u>1,701,691</u>	<u>502,182</u>
Charges to appropriations (outflows)				
General government	89,725	222,682	222,682	-
Transfer out	297,547	164,590	220,391	(55,801)
Total charges to appropriations	<u>387,272</u>	<u>387,272</u>	<u>443,073</u>	<u>(55,801)</u>
Budgetary Fund Balance, December 31	<u>\$ 833,237</u>	<u>\$ 812,237</u>	<u>\$ 1,258,618</u>	<u>\$ 446,381</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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 231,544	\$1,281,544	\$ 341,736	\$ (939,808)
Resources (inflows)				
Intergovernmental	7,868,867	7,868,867	1,272,512	(6,596,355)
Charges for services	7,000	7,000	230,142	223,142
Fines and forfeits	-	-	2,619	2,619
Investment income	3,395	3,395	4,004	609
Miscellaneous	29,200	29,200	30,774	1,574
Transfer in	-	-	20,000	20,000
Amount available for appropriation	<u>8,140,006</u>	<u>9,190,006</u>	<u>1,901,787</u>	<u>(7,288,219)</u>
Charges to appropriations (outflows)				
General government	32,000	41,950	39,236	2,714
Public safety	6,691,798	6,630,697	375,733	6,254,964
Highways and streets	46,300	26,350	7,350	19,000
Health and welfare	1,001,294	1,033,294	984,101	49,193
Culture and recreation	18,520	28,520	23,153	5,367
Transfer out	103,174	53,109	47,982	5,127
Total charges to appropriations	<u>7,893,086</u>	<u>7,813,920</u>	<u>1,477,555</u>	<u>6,336,365</u>
Budgetary Fund Balance, December 31	<u>\$ 246,920</u>	<u>\$1,376,086</u>	<u>\$ 424,232</u>	<u>\$ (951,854)</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	\$ 1,901,787
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	(341,736)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting process	<u>(20,000)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,540,051</u>
Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,477,555
Differences - Budget to GAAP	
The City budgets for salaries are on the cash basis rather than on the modified accrual basis	6,156
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(47,982)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,435,729</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, 2008**

	<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	\$ 5,377,618	\$ 5,527,618	\$ 6,978,313	\$ 1,450,695
Resources (inflows)				
Special assessments	3,827,671	3,827,671	4,600,473	772,802
Transfer in	272,547	272,547	361,239	88,692
Proceeds of refunded bonds	3,000,000	3,000,000	1,309,436	(1,690,564)
Amount available for appropriation	<u>12,477,836</u>	<u>12,627,836</u>	<u>13,249,461</u>	<u>621,625</u>
Charges to appropriations (outflows)				
Principal	3,806,634	3,806,634	3,806,629	5
Interest and fiscal charges	1,517,344	2,617,344	1,148,894	1,468,450
Payment to refunded bond escrow agent	2,700,000	1,300,000	1,297,221	2,779
Transfer out	817,832	817,832	676,662	141,170
Total charges to appropriations	<u>8,841,810</u>	<u>8,541,810</u>	<u>6,929,406</u>	<u>1,612,404</u>
Budgetary Fund Balance, December 31	<u>\$ 3,636,026</u>	<u>\$ 4,086,026</u>	<u>\$ 6,320,055</u>	<u>\$ 2,234,029</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, 2008

	<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	\$ 793,668	\$ 793,668	\$ 2,378,298	\$ 1,584,630
Resources (inflows)				
Special assessments	1,335,239	1,335,239	1,769,390	434,151
Transfer in	100,000	100,000	144,901	44,901
Proceeds of refunded bonds	500,000	500,000	957,114	457,114
Amount available for appropriation	<u>2,728,907</u>	<u>2,728,907</u>	<u>5,249,703</u>	<u>2,520,796</u>
Charges to appropriations (outflows)				
Principal	891,009	891,009	891,005	4
Interest and fiscal charges	545,456	660,584	660,584	-
Payment to refunded bond escrow agent	800,000	868,932	948,186	(79,254)
Transfer out	-	115,940	115,940	-
Total charges to appropriations	<u>2,236,465</u>	<u>2,536,465</u>	<u>2,615,715</u>	<u>(79,250)</u>
Budgetary Fund Balance, December 31	<u>\$ 492,442</u>	<u>\$ 192,442</u>	<u>\$ 2,633,988</u>	<u>\$ 2,441,546</u>

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2008

	Watermain Bonds	Sidewalk Bonds	Parking Lot Bonds	Lodging/ Liquor/ Food Bonds	Total Debt Service
ASSETS					
Cash and cash equivalents	\$ -	\$ 11,063	\$ 4,526	\$ 20,171	\$ 35,760
Investments	-	468,974	138,151	935,441	1,542,566
Receivables:					
Special assessments	1,052,850	4,137,215	-	-	5,190,065
Intergovernmental	3,692	-	-	-	3,692
Due from other funds	494,516	475,210	-	-	969,726
Advance to other funds	301,352	-	-	-	301,352
Total assets	\$ 1,852,410	\$ 5,092,462	\$ 142,677	\$ 955,612	\$ 8,043,161
LIABILITIES					
Accounts payable	\$ 363	\$ 7,350	-	-	\$ 7,713
Deferred revenue	1,309,160	3,781,945	-	-	5,091,105
Total liabilities	1,309,523	3,789,295	-	-	5,098,818
FUND BALANCES					
Reserved for debt service	-	-	-	700,000	700,000
Reserved for advances to other funds	301,352	-	-	-	301,352
Unreserved, undesignated	241,535	1,303,167	142,677	255,612	1,942,991
Total fund balances	542,887	1,303,167	142,677	955,612	2,944,343
Total liabilities and fund balances	\$ 1,852,410	\$ 5,092,462	\$ 142,677	\$ 955,612	\$ 8,043,161

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, 2008

REVENUES	Watermain Bonds	Sidewalk Bonds	Parking Lot Bonds	Lodging/ Liquor/ Food Bonds	Total Debt Service
Special assessments	\$ 227,331	\$ 742,094	\$ -	\$ -	\$ 969,425
Investment income	-	-	5,816	26,471	32,287
Total revenues	<u>227,331</u>	<u>742,094</u>	<u>5,816</u>	<u>26,471</u>	<u>1,001,712</u>
EXPENDITURES					
Debt service					
Principal	166,628	680,000	40,740	760,000	1,647,368
Interest and fiscal charges	81,008	188,097	1,019	190,240	460,364
Total expenditures	<u>247,636</u>	<u>868,097</u>	<u>41,759</u>	<u>950,240</u>	<u>2,107,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,305)</u>	<u>(126,003)</u>	<u>(35,943)</u>	<u>(923,769)</u>	<u>(1,106,020)</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	263,118	233,099	-	950,240	1,446,457
Transfer out	(21,436)	(104,499)	-	-	(125,935)
Refunding bonds issued	184,593	-	-	-	184,593
Premium on special assessment debt	1,738	-	-	-	1,738
Payment to refunded bond escrow agent	(184,593)	-	-	-	(184,593)
Total other financing sources (uses)	<u>243,420</u>	<u>128,600</u>	<u>-</u>	<u>950,240</u>	<u>1,322,260</u>
Net changes in fund balances	223,115	2,597	(35,943)	26,471	216,240
Fund balances - beginning	319,772	1,300,570	178,620	929,141	2,728,103
Fund balances - ending	<u>\$ 542,887</u>	<u>\$ 1,303,167</u>	<u>\$ 142,677</u>	<u>\$ 955,612</u>	<u>\$ 2,944,343</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, 2008

	<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	\$ 41,632	\$ 41,632	\$ 319,772	\$ 278,140
Resources (inflows)				
Special assessments	222,308	222,308	227,331	5,023
Transfer in	20,000	20,000	263,118	243,118
Proceeds of refunded bonds	<u>200,000</u>	<u>200,000</u>	<u>186,331</u>	<u>(13,669)</u>
Amount available for appropriation	<u>483,940</u>	<u>483,940</u>	<u>996,552</u>	<u>512,612</u>
Charges to appropriations (outflows)				
Principal	166,630	166,630	166,628	2
Interest and fiscal charges	78,565	93,972	81,008	12,964
Payment to refunded bond escrow agent	200,000	184,593	184,593	-
Transfer out	<u>95,000</u>	<u>95,000</u>	<u>21,436</u>	<u>73,564</u>
Total charges to appropriations	<u>540,195</u>	<u>540,195</u>	<u>453,665</u>	<u>86,530</u>
Budgetary Fund Balance, December 31	<u>\$ (56,255)</u>	<u>\$ (56,255)</u>	<u>\$ 542,887</u>	<u>\$ 599,142</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, 2008

	<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	\$ 1,077,915	\$ 927,915	\$ 1,300,570	\$ 372,655
Resources (inflows)				
Special assessments	742,198	742,198	742,094	(104)
Transfer in	135,000	135,000	233,099	98,099
Amount available for appropriation	<u>1,955,113</u>	<u>1,805,113</u>	<u>2,275,763</u>	<u>470,650</u>
Charges to appropriations (outflows)				
Principal	680,000	680,000	680,000	-
Interest and fiscal charges	189,606	189,606	188,097	1,509
Transfer out	220,865	220,865	104,499	116,366
Total charges to appropriations	<u>1,090,471</u>	<u>1,090,471</u>	<u>972,596</u>	<u>117,875</u>
Budgetary Fund Balance, December 31	<u>\$ 864,642</u>	<u>\$ 714,642</u>	<u>\$ 1,303,167</u>	<u>\$ 588,525</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, 2008

	<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	\$ 184,526	\$ 184,526	\$ 178,620	\$ (5,906)
Resources (inflows)				
Special assessments	63,771	63,771	-	(63,771)
Investment income	7,322	7,322	5,816	(1,506)
Amount available for appropriation	<u>255,619</u>	<u>255,619</u>	<u>184,436</u>	<u>(71,183)</u>
Charges to appropriations (outflows)				
Principal	40,740	40,740	40,740	-
Principal	1,019	1,019	1,019	-
Interest and fiscal charges	44,267	44,267	-	44,267
Total charges to appropriations	<u>86,026</u>	<u>86,026</u>	<u>41,759</u>	<u>44,267</u>
Budgetary Fund Balance, December 31	<u>\$ 169,593</u>	<u>\$ 169,593</u>	<u>\$ 142,677</u>	<u>\$ (26,916)</u>

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, 2008

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, January 1	\$ 855,152	\$ 855,152	\$ 929,141	\$ 73,989
Resources (inflows)				
Investment income	43,553	43,553	26,471	(17,082)
Transfer in	<u>950,240</u>	<u>950,240</u>	<u>950,240</u>	<u>-</u>
Amount available for appropriation	<u>1,848,945</u>	<u>1,848,945</u>	<u>1,905,852</u>	<u>56,907</u>
Charges to appropriations (outflows)				
Principal	760,000	760,000	760,000	-
Interest and fiscal charges	<u>190,240</u>	<u>190,240</u>	<u>190,240</u>	<u>-</u>
Total charges to appropriations	<u>950,240</u>	<u>950,240</u>	<u>950,240</u>	<u>-</u>
Budgetary Fund Balance, December 31	<u>\$ 898,705</u>	<u>\$ 898,705</u>	<u>\$ 955,612</u>	<u>\$ 56,907</u>

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 DECEMBER 31, 2008

	Tax Increment	Community Development	Civic Center Improvements	Building Improvements	Highway Construction	Sewermain Construction	Watermain Construction	Sidewalk Construction	Commerce Development	Total Capital Projects
ASSETS										
Cash and cash equivalents	\$ 1,695,759	-	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 1,695,759
Investments	11,711,545	-	903,531	1,103,226	6,311,730	-	-	-	-	20,030,032
Receivables:										
Taxes receivable	24,706	-	-	-	-	-	-	-	-	24,706
Accounts receivable	-	181,310	-	178,949	355,216	-	-	-	395,317	1,110,792
Notes receivable	-	129,000	-	-	-	-	-	-	-	129,000
Advance to other funds	900,000	-	-	-	-	-	-	-	-	900,000
Restricted assets:										
Investments	-	-	-	-	-	-	-	913,562	-	913,562
Total assets	\$ 14,332,010	\$ 310,310	\$ 903,531	\$ 1,282,175	\$ 6,666,946	\$ -	\$ -	\$ 913,562	\$ 395,317	\$ 24,803,851
LIABILITIES										
Accounts payable	\$ 14,431	\$ 175,493	\$ 86,690	\$ 246,462	\$ 152,998	\$ 131,122	\$ -	\$ 240,810	\$ 149,222	\$ 1,197,228
Retainage payable	-	-	-	663	1,917	23,761	5,545	-	-	31,886
Due to other funds	-	5,817	-	-	-	2,000,098	628,126	475,210	906,615	4,015,866
Deferred revenue	21,838	129,000	-	-	-	11,084	-	-	-	161,922
Customer deposits	-	-	-	-	-	-	-	913,562	-	913,562
Total liabilities	36,269	310,310	86,690	247,125	154,915	2,166,065	633,671	1,629,582	1,055,837	6,320,464
FUND BALANCES										
Reserved for advances to other funds	900,000	-	-	-	-	-	-	-	-	900,000
Reserved for long-term receivable	-	129,000	-	-	-	-	-	-	-	129,000
Unreserved, undesignated	13,395,741	(129,000)	816,841	1,035,050	6,512,031	(2,166,065)	(633,671)	(716,020)	(660,520)	17,454,387
Total fund balances	14,295,741	-	816,841	1,035,050	6,512,031	(2,166,065)	(633,671)	(716,020)	(660,520)	18,483,387
Total liabilities and fund balances	\$ 14,332,010	\$ 310,310	\$ 903,531	\$ 1,282,175	\$ 6,666,946	\$ -	\$ -	\$ 913,562	\$ 395,317	\$ 24,803,851

**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, 2008**

	Tax Increment	Community Development	Civic Center Improvements	Building Improvements	Highway Construction	Sewermain Construction	Watermain Construction	Sidewalk Construction	Commerce Development	Total Capital Projects
REVENUES										
Taxes	\$ 1,381,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381,085
Special assessments	-	-	-	-	-	61,225	8,219	175,007	-	244,451
Intergovernmental	-	1,018,429	-	748,956	355,216	-	-	-	497,721	2,620,322
Investment income	470,161	-	1,989	6,998	195,583	-	-	-	-	674,731
Miscellaneous	-	-	-	4,000	133,512	-	-	-	-	137,512
Total revenues	1,851,246	1,018,429	1,989	759,954	684,311	61,225	8,219	175,007	497,721	5,058,101
EXPENDITURES										
Current										
Public works	131,309	949,936	35,992	364	832,062	55,747	4,324	6,756	19,592	2,036,082
Capital outlays										
Public works	146,033	-	242,560	2,792,245	817,164	1,730,208	533,068	822,655	731,570	7,815,503
Total expenditures	277,342	949,936	278,552	2,792,609	1,649,226	1,785,955	537,392	829,411	751,162	9,851,585
Excess (deficiency) of revenues over (under) expenditures	1,573,904	68,493	(276,563)	(2,032,655)	(964,915)	(1,724,730)	(529,173)	(654,404)	(253,441)	(4,793,484)
OTHER FINANCING SOURCES (USES)										
Transfer in	78,007	-	895,767	2,132,703	3,374,854	312,125	277,639	34,230	500,000	7,605,325
Transfer out	(61,793)	(68,493)	-	-	-	(321,240)	(263,118)	(233,098)	-	(947,742)
Discount on special assessment debt	-	-	-	-	-	(6,675)	-	(11,233)	-	(17,908)
Special assessment bonds issued	-	-	-	-	-	2,311,427	2,853	1,085,000	-	3,399,280
Total other financing sources (uses)	16,214	(68,493)	895,767	2,132,703	3,374,854	2,295,637	17,374	874,899	500,000	10,038,955
Net changes in fund balances	1,590,118	-	619,204	100,048	2,409,939	570,907	(511,799)	220,495	246,559	5,245,471
Fund balances - beginning	12,705,623	-	197,637	935,002	4,102,092	(2,736,972)	(121,872)	(936,515)	(907,079)	13,237,916
Fund balances - ending	\$ 14,295,741	\$ -	\$ 816,841	\$ 1,035,050	\$ 6,512,031	\$ (2,166,065)	\$ (633,671)	\$ (716,020)	\$ (660,520)	\$ 18,483,387

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2008

(Continued on next page)

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,328,659	\$ 428,459	\$ 1,493,296	\$ 383,873	\$ 5,634,287
Investments	4,041,352	-	3,082,929	111	7,124,392
Receivables:					
Accounts receivable	213,079	3,379	-	10,077	226,535
Special assessments	-	-	32,427	-	32,427
Interest receivable	75,384	-	46,245	2,586	124,215
Prepaid items	13,582	-	1,360	-	14,942
Total current assets	7,672,056	431,838	4,656,257	396,647	13,156,798
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	4,232,950	-	-	5,331,722	9,564,672
Improvements other than buildings	2,448,912	12,485	22,458,137	33,728	24,953,262
Machinery and equipment	1,195,128	1,797,492	116,901	40,938	3,150,459
Construction in progress	-	-	561,244	-	561,244
Total noncurrent assets	8,272,237	2,413,315	24,632,574	6,819,713	42,137,839
Total assets	15,944,293	2,845,153	29,288,831	7,216,360	55,294,637

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2008

(Continued from previous page)

	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 68,306	\$ 4,828	\$ 150,850	\$ 53,903	\$ 277,887
Leases payable	1,842	-	236	-	2,078
Compensated benefits payable	35,726	67,588	-	-	103,314
Salaries payable	35,281	45,852	2,759	-	83,892
Deferred revenue	-	-	-	14,302	14,302
Total current liabilities	<u>141,155</u>	<u>118,268</u>	<u>153,845</u>	<u>68,205</u>	<u>481,473</u>
Long-term liabilities:					
Advances from other funds	-	-	-	900,000	900,000
Compensated benefits payable	29,374	32,262	-	-	61,636
Capital lease	2,686	-	690	-	3,376
Accrued closure/post closure costs	1,023,459	-	-	-	1,023,459
Total long-term liabilities	<u>1,055,519</u>	<u>32,262</u>	<u>690</u>	<u>900,000</u>	<u>1,988,471</u>
Total liabilities	<u>1,196,674</u>	<u>150,530</u>	<u>154,535</u>	<u>968,205</u>	<u>2,469,944</u>
NET ASSETS					
Invested in capital assets, net of related debt	8,267,709	2,413,315	24,631,648	6,819,713	42,132,385
Unrestricted	6,479,910	281,308	4,502,648	(571,558)	10,692,308
Total net assets	<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>

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, 2008

	Airport Flightline	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
OPERATING REVENUES						
Charges for services:						
Sale of gas and oil	\$ 575,980	-	-	-	-	\$ 575,980
Sanitation fees	-	2,500,507	1,590,502	938,623	-	5,029,632
Landing and airport fees	90,690	-	-	-	-	90,690
Miscellaneous sales	16,169	1,084	30,674	-	4,421	52,348
Rentals	18,097	10,969	237	-	830,476	859,779
Total operating revenues	<u>700,936</u>	<u>2,512,560</u>	<u>1,621,413</u>	<u>938,623</u>	<u>834,897</u>	<u>6,608,429</u>
OPERATING EXPENSES						
Cost of goods sold	493,881	-	-	-	-	493,881
Personal services - salaries & wages	134,192	672,891	802,586	40,393	-	1,650,062
Personal services - fringe benefits	41,887	247,389	283,576	9,418	-	582,270
Professional, legal, and contracted services	1,895	21,697	487	66,481	292,526	383,086
Building, equipment, and vehicle services	19,290	613,303	330,377	235,514	502,335	1,700,819
Travel & training	-	6,040	300	-	-	6,340
Operating services	26,917	226,885	12,692	4,058	21,406	291,958
Operating supplies	1,788	246,497	176,624	10,603	8,249	443,761
Depreciation expense	6,649	428,982	203,002	496,444	298,991	1,434,068
Total operating expenses	<u>726,499</u>	<u>2,463,684</u>	<u>1,809,644</u>	<u>862,911</u>	<u>1,123,507</u>	<u>6,986,245</u>
Operating income (loss)	<u>(25,563)</u>	<u>48,876</u>	<u>(188,231)</u>	<u>75,712</u>	<u>(288,610)</u>	<u>(377,816)</u>
NONOPERATING REVENUES (EXPENSES)						
Special assessments	-	-	-	32,393	-	32,393
Gain (loss) on disposal of assets	(85,948)	(8,675)	211	(4,096)	273,358	174,850
Investment income	10,867	294,111	3,217	165,385	9,659	483,239
Interest and fiscal charges	-	(1,150)	-	(98)	-	(1,248)
Total nonoperating revenues (expenses)	<u>(75,081)</u>	<u>284,286</u>	<u>3,428</u>	<u>193,584</u>	<u>283,017</u>	<u>689,234</u>
Income (loss) before contributions and transfers	<u>(100,644)</u>	<u>333,162</u>	<u>(184,803)</u>	<u>269,296</u>	<u>(5,593)</u>	<u>311,418</u>
CAPITAL CONTRIBUTIONS						
TRANSFERS IN						
Change in net assets	-	53,000	-	1,748,722	146,032	1,947,754
	-	1,020	750,000	176,463	-	927,483
	<u>(43,879)</u>	<u>(853,417)</u>	<u>(73,761)</u>	<u>(323,016)</u>	<u>-</u>	<u>(1,294,073)</u>
Total net assets - beginning	<u>(144,523)</u>	<u>(466,235)</u>	<u>491,436</u>	<u>1,871,465</u>	<u>140,439</u>	<u>1,892,582</u>
Total net assets - ending	<u>144,523</u>	<u>15,213,854</u>	<u>2,203,187</u>	<u>27,262,831</u>	<u>6,107,716</u>	<u>50,932,111</u>
Total net assets - ending	<u>\$ -</u>	<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>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Airport Flightline	Solid Waste Disposal	Solid Waste Collections	Storm Water	Parking Authority Lots	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 766,210	\$ 2,717,415	\$ 1,753,965	\$ 1,022,946	\$ 843,684	\$ 7,106,220
Payments to suppliers	(520,894)	(1,216,865)	(802,305)	(267,838)	(816,076)	(3,623,978)
Payments to employees	(175,626)	(650,485)	(797,452)	(39,781)	-	(1,663,344)
Net cash provided by operating activities	71,690	850,065	154,208	715,327	27,608	1,818,898
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payment on advance	-	-	-	-	(100,000)	(100,000)
Transfers from other funds	-	1,020	750,000	176,463	-	927,483
Transfers to other funds	(43,879)	(853,417)	(73,761)	(323,016)	-	(1,294,073)
Flightline closed-transfer to Airport	(462,763)	-	-	-	-	(462,763)
Net cash used by noncapital financing activities	(506,642)	(852,397)	676,239	(148,553)	(100,000)	(929,353)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital lease payment	-	610	-	(1,033)	-	(423)
Interest paid	-	(1,150)	-	(98)	-	(1,248)
Proceeds from sale of capital assets	102,941	2,762	-	-	-	105,703
Proceeds from insurance recoveries	-	-	211	-	273,358	273,569
Proceeds from special assessments	-	-	-	2,595	-	2,595
Purchase of capital assets	-	(167,367)	(552,872)	(36,600)	(17,142)	(773,981)
Construction of capital assets	-	(14,096)	-	-	-	(14,096)
Net cash used by capital and related financing activities	102,941	(179,241)	(552,661)	(35,136)	256,216	(407,881)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	6,253	7,295,416	383	3,273,410	1,144	10,576,606
Purchase of investments	-	(4,041,352)	-	(3,082,929)	(111)	(7,124,392)
Investment income	13,237	256,168	2,835	136,760	6,591	415,591
Net cash provided (used) by investing activities	19,490	3,510,232	3,218	327,241	7,624	3,867,805
Net increase (decrease) in cash and cash equivalents	(312,521)	3,328,659	281,004	860,879	191,448	4,349,469
Cash and cash equivalents - January 1	312,521	-	147,455	632,417	192,425	1,284,818
Cash and cash equivalents - December 31	\$ -	\$ 3,328,659	\$ 428,459	\$ 1,493,296	\$ 383,873	\$ 5,634,287
Reconciliation of operating income to net cash provided by operating activities						
Operating income (loss)	\$ (25,563)	\$ 48,876	\$ (188,231)	\$ 75,712	\$ (288,610)	\$ (377,816)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation expense	6,649	428,982	203,002	496,444	298,991	1,434,068
(Increase) decrease in accounts receivable	67,274	204,855	132,562	84,323	832	489,836
(Increase) decrease in inventories	66,182	-	-	-	-	66,182
(Increase) decrease in prepaid items	2,872	(1,991)	781	195	-	1,857
Increase (decrease) in accounts payable	(4,290)	8,527	970	58,041	8,440	71,688
Increase (decrease) in compensated benefits payable	(29,922)	13,949	(582)	-	-	(16,555)
Increase (decrease) in salaries payable	(11,512)	8,457	5,716	612	-	3,273
Increase (decrease) in deferred revenue	-	-	-	-	7,955	7,955
Increase in closure and post closure costs	-	138,410	-	-	-	138,410
Total adjustments	97,253	801,189	342,439	639,615	316,218	2,196,714
Net cash provided by operating activities	\$ 71,690	\$ 850,065	\$ 154,208	\$ 715,327	\$ 27,608	\$ 1,818,898
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:						
Construction of capital assets contributed through capital project funds	\$ -	\$ 53,000	\$ -	\$ 1,414,820	\$ 146,032	\$ 1,613,852
Contribution of capital assets from developers	-	-	-	333,902	-	333,902
Increase in fair value of investments	1,319	36,819	383	20,598	1,144	60,263

CITY OF BISMARCK, NORTH DAKOTA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2008

ASSETS	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
Current assets:							
Cash and cash equivalents	\$ 32,348	-	-	-	-	-	\$ 32,348
Investments	19,695	218,932	140,099	401,186	-	266,209	1,046,121
Receivables:							
Accounts receivable	-	1,789	-	38,816	-	214,026	254,631
Inventories	-	253,089	-	-	-	-	253,089
Prepaid items	-	489	-	-	-	-	489
Total current assets	<u>52,043</u>	<u>474,299</u>	<u>140,099</u>	<u>440,002</u>	<u>-</u>	<u>480,235</u>	<u>1,586,678</u>
Noncurrent assets:							
Restricted assets:							
Investments	220,913	-	-	-	-	-	220,913
Capital assets (net of accumulated depreciation):							
Machinery and equipment	-	39,411	-	-	-	-	39,411
Total noncurrent assets	<u>220,913</u>	<u>39,411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,324</u>
Total assets	<u>272,956</u>	<u>513,710</u>	<u>140,099</u>	<u>440,002</u>	<u>-</u>	<u>480,235</u>	<u>1,847,002</u>
LIABILITIES							
Current liabilities:							
Accounts payable	52,043	65,364	93	48,415	2,264	446,727	614,906
Due to other funds	-	-	-	-	5,709	-	5,709
Due to other entities	-	-	-	-	-	3,108	3,108
Salaries payable	13,906	20,223	-	-	-	1,129	35,258
Deferred revenue	-	-	-	-	-	16,829	16,829
Claims and judgments payable	-	-	5,200	313,279	-	-	318,479
Total current liabilities:	<u>65,949</u>	<u>85,587</u>	<u>5,293</u>	<u>361,694</u>	<u>7,973</u>	<u>467,793</u>	<u>994,289</u>
Long-term liabilities:							
Customer deposits	220,913	-	-	-	-	-	220,913
Total restricted long-term liabilities	<u>220,913</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>220,913</u>
Total liabilities	<u>286,862</u>	<u>85,587</u>	<u>5,293</u>	<u>361,694</u>	<u>7,973</u>	<u>467,793</u>	<u>1,215,202</u>
NET ASSETS							
Unrestricted	<u>(13,906)</u>	<u>428,123</u>	<u>134,806</u>	<u>78,308</u>	<u>(7,973)</u>	<u>12,442</u>	<u>631,800</u>
Total net assets	<u>\$ (13,906)</u>	<u>\$ 428,123</u>	<u>\$ 134,806</u>	<u>\$ 78,308</u>	<u>\$ (7,973)</u>	<u>\$ 12,442</u>	<u>\$ 631,800</u>

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008

	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
OPERATING REVENUES							
Charges for services							
Event sales	\$1,932,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,932,483
Sale of gas and oil	-	992,263	-	-	-	-	992,263
Sale of parts and labor	-	1,516,002	-	-	-	-	1,516,002
Miscellaneous sales	1,358	-	101,504	22,617	-	-	125,479
Employer contributions	-	-	-	4,180,079	-	-	4,180,079
Employee contributions	-	-	-	56,383	-	-	56,383
Total operating revenues	<u>1,933,841</u>	<u>2,508,265</u>	<u>101,504</u>	<u>4,259,079</u>	-	-	<u>8,802,689</u>
OPERATING EXPENSES							
Cost of goods sold	1,551,448	1,748,075	-	-	-	-	3,299,523
Personal services - salaries & wages	219,200	355,897	-	-	-	261	575,358
Personal services - fringe benefits	18,404	126,375	-	8,057	16,561	-	169,397
Professional, legal, and contracted services	265	1,069	662	984	-	-	2,980
Building, equipment, and vehicle services	-	156,837	-	-	-	45,503	202,340
Travel & training	-	3,665	-	-	-	-	3,665
Operating services	42,195	14,216	167,731	4,072,104	-	18,452	4,314,698
Operating supplies	103	20,496	-	422	-	-	21,021
Depreciation expense	-	13,860	-	-	-	-	13,860
Total operating expenses	<u>1,831,615</u>	<u>2,440,490</u>	<u>168,393</u>	<u>4,081,567</u>	<u>16,561</u>	<u>64,216</u>	<u>8,602,842</u>
Operating income (loss)	<u>102,226</u>	<u>67,775</u>	<u>(66,889)</u>	<u>177,512</u>	<u>(16,561)</u>	<u>(64,216)</u>	<u>199,847</u>
NONOPERATING REVENUES (EXPENSES)							
Gain on disposal of assets	-	100	-	-	-	35,399	35,499
Investment income	5,313	7,382	6,007	9,885	162	-	28,749
Total nonoperating revenues (expenses)	<u>5,313</u>	<u>7,482</u>	<u>6,007</u>	<u>9,885</u>	<u>162</u>	<u>35,399</u>	<u>64,248</u>
Income (loss) before contributions and transfers	107,539	75,257	(60,882)	187,397	(16,399)	(28,817)	264,095
CAPITAL CONTRIBUTIONS							
TRANSFER IN							
TRANSFER OUT							
Change in net assets	-	2,240	-	-	-	-	2,240
Total net assets - beginning	(112,741)	(44,746)	(25,106)	(32,495)	1,059	52,035	(197,094)
Total net assets - ending	(5,202)	32,751	58,012	154,902	(15,340)	23,218	248,341
Total net assets - ending	<u>(8,704)</u>	<u>395,372</u>	<u>76,794</u>	<u>(76,594)</u>	<u>7,367</u>	<u>(10,776)</u>	<u>383,459</u>
Total net assets - ending	<u>\$ (13,906)</u>	<u>\$ 428,123</u>	<u>\$ 134,806</u>	<u>\$ 78,308</u>	<u>\$ (7,973)</u>	<u>\$ 12,442</u>	<u>\$ 631,800</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, 2008

	Arena	Fleet Services	Liability Insurance	Employee Insurance	Unemployment Insurance	Revolving	Total
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	\$ 1,933,841	\$ 2,514,757	\$ -	\$ -	\$ -	\$ -	\$ 4,448,598
Receipts from employer	-	-	-	4,193,024	-	-	4,193,024
Other operating cash receipts	-	-	101,504	56,383	-	-	157,887
Payments to suppliers	(1,510,715)	(2,076,531)	(168,424)	(4,223,942)	(13,247)	(54,433)	(8,047,292)
Payments to employees	(213,998)	(350,377)	-	-	-	-	(564,375)
Net cash provided (used) by operating activities	209,128	87,849	(66,920)	25,465	(13,247)	(54,433)	187,842
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers from other funds	-	-	144,000	-	1,059	52,035	197,094
Transfers to other funds	(112,741)	(44,746)	(25,106)	(32,495)	-	-	(215,088)
Net cash provided (used) by noncapital and related financing activities	(112,741)	(44,746)	118,894	(32,495)	1,059	52,035	(17,994)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds of claim/insurance recoveries	-	100	-	-	-	52,228	52,328
Purchase of Capital Assets	-	100	-	-	-	52,228	52,328
Net cash provided (used) by capital and related financing activities	-	100	-	-	-	52,228	52,328
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	150,261	169,211	82,846	399,578	6,582	216,379	1,024,857
Purchase of investments	(240,608)	(218,932)	(140,099)	(401,186)	-	(266,209)	(1,267,034)
Investment income	5,247	6,518	5,279	8,638	146	29,828	29,828
Net cash provided (used) by investing activities	(85,100)	(43,203)	(51,974)	7,030	6,728	(49,830)	(216,349)
Net increase (decrease) in cash and cash equivalents	11,287	-	-	-	(5,460)	-	5,827
Cash and cash equivalents - January 1	21,061	-	-	-	5,460	-	26,521
Cash and cash equivalents - December 31	\$ 32,348	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,348
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 102,226	\$ 67,775	\$ (66,889)	\$ 177,512	\$ (16,561)	\$ (64,216)	\$ 199,847
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	-	13,860	-	-	-	-	13,860
(Increase) decrease in accounts receivable	-	6,492	-	(9,672)	-	(20,076)	(23,256)
(Increase) decrease in inventories	-	23,649	-	-	-	-	23,649
(Increase) decrease in prepaid items	(97)	(489)	-	-	-	-	(586)
Increase (decrease) in customer deposits	71,258	-	-	-	-	-	71,258
Increase (decrease) in accounts payable	30,539	(28,958)	(231)	(60,034)	(2,395)	29,012	(32,067)
Increase (decrease) in salaries payable	5,202	5,520	-	-	-	1,129	11,851
Increase (decrease) in due to other funds	-	-	-	-	5,709	-	5,709
Increase (decrease) in due to other entities	-	-	-	-	-	(282)	(282)
Increase (decrease) in estimated pending claims	-	-	200	(82,341)	-	-	(82,141)
Total adjustments	106,902	20,074	(31)	(152,047)	3,314	9,783	(12,005)
Net cash provided (used) by operating activities	\$ 209,128	\$ 87,849	\$ (66,920)	\$ 25,465	\$ (13,247)	\$ (54,433)	\$ 187,842
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES:							
Construction of capital assets contributed through capital project funds	\$ -	\$ 2,240	\$ -	\$ -	\$ -	\$ -	\$ 2,240
Increase in fair value of investments	66	864	728	1,247	16	-	2,921

**CITY OF BISMARCK, NORTH DAKOTA
 FIREMEN'S PENSION AGENCY FUND
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED DECEMBER 31, 2008**

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
ASSETS				
Investments	\$ 889	\$ 1,128,987	\$ 1,129,077	\$ 799
Receivables:				
Taxes	6,467	-	300	6,167
Accounts	8,946	9,940	8,946	9,940
Total assets	<u>\$ 16,302</u>	<u>\$ 1,138,927</u>	<u>\$ 1,138,323</u>	<u>\$ 16,906</u>
LIABILITIES				
Accounts payable	\$ 878	\$ 563,736	\$ 563,819	\$ 795
Due to other entities	15,424	871	184	16,111
Total liabilities	<u>\$ 16,302</u>	<u>\$ 564,607</u>	<u>\$ 564,003</u>	<u>\$ 16,906</u>

**CITY OF BISMARCK, NORTH DAKOTA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 DECEMBER 31, 2008**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	3,538,480
Buildings and building improvements	62,934,240
Improvements other than buildings	85,349
Machinery and equipment	30,666,262
Infrastructure	186,118,396
Construction in progress	2,633,007
Total governmental funds capital assets	285,975,734

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	11,856,940
Special revenue funds	22,144,419
Federal and state grants	81,620,355
Capital projects funds	166,230,206
Enterprise funds	15,210
Donations	4,108,604
Total governmental funds capital assets	285,975,734

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2008**

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Total
General government:						
Administration and management	\$ -	\$ -	\$ -	\$ 38,075	\$ -	\$ 38,075
Fiscal, assessing and information services	-	-	-	230,602	-	230,602
Common software	-	-	-	796,251	-	796,251
City/County office building	-	10,114,834	18,411	173,551	-	10,306,796
Bismarck-Mandan visitor bureau	200,000	804,475	-	-	-	1,004,475
Human Resources	-	-	-	21,229	-	21,229
Attorney	-	-	-	8,423	-	8,423
Community Development	-	-	-	83,617	-	83,617
NPCC	443,760	495,492	-	309,810	7,359,282	8,608,344
E/H transit system	108,421	1,094,831	-	3,074,326	-	4,277,577
Total general government	<u>752,181</u>	<u>12,509,632</u>	<u>18,411</u>	<u>4,735,884</u>	<u>7,359,282</u>	<u>25,375,390</u>
Public safety:						
Police	499,500	7,410,442	37,078	2,204,707	-	10,151,727
Fire and inspections	580,688	3,038,886	15,790	4,406,903	-	8,042,267
Combined communication center	-	-	-	346,369	-	346,369
Total public safety	<u>1,080,188</u>	<u>10,449,328</u>	<u>52,868</u>	<u>6,957,978</u>	<u>-</u>	<u>18,540,363</u>
Highways and streets:						
Roads and streets	50,923	-	-	6,705,457	65,184	6,821,563
Engineering	-	-	-	297,498	-	297,498
Forestry	-	-	-	464,254	-	464,254
Total highways and streets	<u>50,923</u>	<u>-</u>	<u>-</u>	<u>7,467,209</u>	<u>65,184</u>	<u>7,583,315</u>
Health:						
Bismarck Burleigh public health	-	-	-	163,147	-	163,147
Total health	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,147</u>	<u>-</u>	<u>163,147</u>
Culture and recreation:						
Centennial beach	-	297,838	-	-	-	297,838
City auditorium	11,500	3,454,948	-	5,350	-	3,471,798
Civic center	900,600	31,203,697	-	3,645,910	-	35,750,207
Library	324,000	5,018,797	-	7,690,783	-	13,033,580
Total culture and recreation	<u>1,236,100</u>	<u>39,975,280</u>	<u>-</u>	<u>11,342,043</u>	<u>-</u>	<u>52,553,423</u>
Public works:						
Sales tax fund	22,721	-	-	-	-	22,721
Special deficiency fund	-	-	14,070	-	-	14,070
Highway construction	395,607	-	-	-	56,039,821	56,435,428
Sidewalk construction	-	-	-	-	16,928,584	16,928,584
Street improvements	760	-	-	-	105,725,526	105,726,286
Total public works	<u>419,088</u>	<u>-</u>	<u>14,070</u>	<u>-</u>	<u>178,693,931</u>	<u>179,127,089</u>
Construction in progress:	<u>-</u>	<u>180,846</u>	<u>-</u>	<u>-</u>	<u>2,452,161</u>	<u>2,633,007</u>
Total governmental funds capital assets	<u><u>\$ 3,538,480</u></u>	<u><u>\$ 63,115,085</u></u>	<u><u>\$ 85,349</u></u>	<u><u>\$ 30,666,262</u></u>	<u><u>\$ 188,570,558</u></u>	<u><u>\$ 285,975,734</u></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, 2008

FUNCTION AND ACTIVITY	Balance January 1, 2008	Additions	Deductions	Balance December 31, 2008
General government:				
Administration and management	\$ 9,199	\$ 28,876	\$ -	\$ 38,075
Fiscal, Assessing and Information Services	163,032	67,570	-	230,602
Common software	786,251	10,000	-	796,251
City/County office buildings	9,495,492	847,407	36,103	10,306,796
Bismarck-Mandan visitors bureau	1,004,475	-	-	1,004,475
Human Resources	-	21,229	-	21,229
Attorney	-	8,423	-	8,423
Community Development	28,104	61,218	5,705	83,617
NPCC	7,971,901	636,443	-	8,608,344
E/H transit system	4,388,164	13,273	123,860	4,277,577
Total general government	<u>23,846,618</u>	<u>1,694,439</u>	<u>165,668</u>	<u>25,375,389</u>
Public safety:				
Police	7,633,343	2,576,423	58,039	10,151,727
Fire and inspections	8,104,367	41,838	103,938	8,042,267
Combined communications center	380,169	15,157	48,957	346,369
Total public safety	<u>16,117,879</u>	<u>2,633,418</u>	<u>210,934</u>	<u>18,540,363</u>
Highways and streets:				
Roads and streets	6,388,025	686,185	252,647	6,821,563
Engineering	290,075	16,423	9,000	297,498
Forestry	460,878	21,149	17,773	464,254
Total highways and streets	<u>7,138,978</u>	<u>723,757</u>	<u>279,420</u>	<u>7,583,315</u>
Health:				
Bismarck Burleigh public health	127,861	50,276	14,990	163,148
Total health	<u>127,861</u>	<u>50,276</u>	<u>14,990</u>	<u>163,148</u>
Culture and recreation:				
Centennial beach	297,838	-	-	297,838
City auditorium	3,471,798	-	-	3,471,798
Civic center	35,367,292	382,915	-	35,750,207
Library	12,656,019	377,561	-	13,033,580
Total culture and recreation	<u>51,792,947</u>	<u>760,476</u>	<u>-</u>	<u>52,553,423</u>
Public works:				
Sales tax fund	22,721	-	-	22,721
Special deficiency fund	14,070	-	-	14,070
Highway construction	54,843,182	1,592,246	-	56,435,428
Sidewalk construction	16,105,929	822,655	-	16,928,584
Street improvements	94,991,326	10,734,960	-	105,726,286
Total public works	<u>165,977,228</u>	<u>13,149,861</u>	<u>-</u>	<u>179,127,089</u>
Construction in progress:	<u>2,881,742</u>	<u>2,531,632</u>	<u>2,780,367</u>	<u>2,633,007</u>
Total governmental funds capital assets	<u><u>\$ 267,883,253</u></u>	<u><u>\$ 21,543,859</u></u>	<u><u>\$ 3,451,378</u></u>	<u><u>285,975,733</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	115
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	121
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	125
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	130
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	133
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
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
Restricted	19,860,939	14,103,406	11,973,853	11,506,459	12,084,714	11,898,341
Unrestricted	54,179,556	57,398,276	57,462,204	61,774,561	75,208,853	93,057,450
Total governmental activities net assets	\$ 117,317,181	\$ 135,008,611	\$ 186,903,191	\$ 198,577,311	\$ 227,076,984	\$ 249,965,628
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
Restricted	-	-	-	6,169,917	15,199,969	9,727,626
Unrestricted	37,768,820	29,559,556	29,877,684	29,112,256	27,267,243	37,688,506
Total business-type activities net assets	\$ 185,376,268	\$ 200,965,604	\$ 214,963,390	\$ 235,633,125	\$ 250,017,235	\$ 259,660,667
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
Restricted	19,860,939	14,103,406	11,973,853	17,676,376	27,284,683	21,625,967
Unrestricted	91,948,376	86,957,832	87,339,888	90,886,817	102,476,096	130,745,956
Total primary government net assets	\$ 302,693,449	\$ 335,974,215	\$ 401,866,581	\$ 434,210,436	\$ 477,094,219	\$ 509,626,295

*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
Expenses						
Governmental activities:						
General government	\$ 8,179,507	\$ 9,039,757	\$ 11,284,393	\$ 10,492,958	\$ 10,249,017	\$ 13,854,192
Public safety	11,796,743	12,800,931	13,519,865	15,140,144	15,493,552	15,366,898
Highways and streets	5,459,602	6,167,330	5,688,282	6,291,580	6,811,043	7,025,955
Health and welfare	1,570,817	1,551,325	1,758,290	2,031,386	2,170,397	2,411,139
Culture and recreation	8,909,217	7,778,554	7,192,544	7,091,216	7,057,007	8,083,899
Interest and fiscal charges	707,778	1,809,733	1,419,105	1,455,778	1,832,560	2,177,509
Public works	1,907,209	3,179,326	4,069,184	8,980,826	7,251,011	7,493,102
Total governmental activities expenses	38,530,873	42,326,956	44,931,663	51,483,888	50,864,587	56,412,694
Business-type activities:						
Airport	3,189,893	3,381,964	3,861,147	4,390,771	4,585,664	5,301,641
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
Solid waste collections	1,525,709	1,573,279	1,574,263	1,732,743	1,773,631	1,801,698
Water	5,455,249	5,899,033	6,130,931	7,120,142	7,522,591	8,229,859
Sanitary sewer	2,621,053	3,066,589	3,465,950	3,480,827	3,892,916	4,526,528
Storm water	303,776	508,290	549,854	651,098	894,853	847,819
Parking authority lots	745,690	751,226	777,506	789,564	925,530	1,123,507
Total business-type activities expenses	16,378,086	18,284,993	20,159,391	21,671,903	23,071,742	25,004,901
Total primary government expenses	\$ 54,908,959	\$ 60,611,949	\$ 65,091,054	\$ 73,155,791	\$ 73,936,329	\$ 81,417,595
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
Public safety	1,455,663	2,030,048	1,972,048	2,230,428	1,978,685	1,063,372
Highways and streets	1,062,264	2,101,050	1,501,637	2,663,024	2,500,250	3,123,784
Health and welfare	117,898	166,410	235,909	192,742	216,261	382,628
Culture and recreation	5,106,556	4,466,125	3,666,423	3,062,688	3,434,124	4,094,528
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
Capital grants and contributions	7,167,363	16,676,232	12,992,496	13,853,173	26,747,183	23,052,334
Total governmental activities program revenues	25,208,558	35,671,971	29,977,683	33,013,018	47,159,789	43,850,775
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
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
Solid waste collections	1,220,645	1,285,912	1,616,615	1,654,140	1,685,987	1,621,413
Water	8,584,721	8,364,265	9,292,463	11,231,908	10,445,955	10,864,440
Sanitary sewer	4,178,097	4,575,391	4,856,558	5,053,527	5,003,913	5,095,871

(Continued from previous page)

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

	2003	2004	2005	2006	2007	2008
Storm water	616,636	630,804	800,159	957,724	998,671	938,624
Parking authority lots	774,764	765,404	796,650	807,583	808,003	834,896
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
Total business-type activities program revenues	31,350,268	32,467,439	31,208,936	37,789,732	31,754,584	31,796,806
Total primary government program revenues	\$ 56,558,826	\$ 68,139,410	\$ 61,186,619	\$ 70,802,750	\$ 78,914,373	\$ 75,647,581
Net (expense)/revenue						
Government activities	(13,322,315)	(6,654,985)	(14,953,980)	(18,470,870)	(3,704,798)	(12,561,919)
Business-type activities	14,972,182	14,182,446	11,049,545	16,117,829	8,682,842	6,791,905
Total primary government net expense	\$ 1,649,867	\$ 7,527,461	\$ (3,904,435)	\$ (2,363,041)	\$ 4,978,044	\$ (5,770,014)
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
Sales tax	8,344,606	8,615,944	9,607,321	10,955,561	11,746,147	11,943,929
Occupancy tax	441,560	439,389	487,773	520,947	572,633	622,144
Lodging/liquor/food tax	1,239,576	1,300,551	1,435,820	1,534,606	1,700,605	1,835,399
State aid distribution	1,496,408	1,690,974	1,757,995	1,923,989	2,308,021	2,685,052
Franchise taxes	549,499	599,808	668,229	897,694	908,863	1,028,020
Other taxes	536,180	450,555	673,191	511,954	500,201	501,564
Unrestricted investment earnings	750,390	868,736	1,409,418	2,585,623	2,941,614	2,032,392
Gain (loss) on disposal of assets	14,324	27,892	176,949	173,018	145,575	163,874
Transfers	1,225,130	(903,933)	(3,472,278)	(2,764,681)	(3,532,194)	(840,854)
Total governmental activities	25,706,629	23,870,154	24,070,178	30,144,990	32,204,471	35,450,563
Business-type activities:						
Taxes						
Other taxes	62,911	69,357	67,271	21,487	56,117	97,298
Unrestricted investment earnings	396,668	392,750	819,900	1,704,943	1,986,272	1,698,200
Gain (loss) on disposal of assets	537,287	40,850	(2,381,188)	60,795	126,685	215,175
Transfers	(1,463,519)	903,933	3,472,278	2,764,681	3,532,194	840,854
Total business-type activities	(466,653)	1,406,890	1,978,261	4,551,906	5,701,268	2,851,527
Total primary government	\$ 25,239,976	\$ 25,277,044	\$ 26,048,439	\$ 34,696,896	\$ 37,905,739	\$ 38,302,090
Change in Net Assets						
Governmental activities	\$ 12,384,314	\$ 17,215,169	\$ 9,116,198	\$ 11,674,120	\$ 28,499,673	\$ 22,888,644
Business-type activities	14,505,529	15,589,336	13,027,806	20,669,735	14,384,110	9,643,432
Total primary government	\$ 26,889,843	\$ 32,804,505	\$ 22,144,004	\$ 32,343,855	\$ 42,883,783	\$ 32,532,076

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

*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)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
REVENUES										
Taxes	\$17,326,647	\$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
Licenses and permits	963,334	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
Special assessments	4,561,559	4,596,572	5,905,661	4,970,403	5,105,366	5,568,789	5,873,191	6,185,745	7,404,159	8,013,382
Intergovernmental	8,032,882	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
Charges for services	3,402,431	4,362,725	4,246,430	4,424,915	4,269,843	4,908,485	4,296,509	5,378,503	5,395,329	6,733,596
Fines and forfeits	914,009	914,156	958,229	1,034,585	1,005,608	1,432,979	1,237,852	1,319,887	1,158,782	962,615
Investment income	1,935,278	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
Rentals	344,250	339,856	403,948	599,456	510,076	526,962	570,485	873,198	759,240	815,495
Miscellaneous	105,238	174,583	82,054	225,889	185,747	245,353	235,853	207,675	229,092	243,636
Total revenues	37,585,628	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
EXPENDITURES										
General government	5,460,350	5,353,173	5,813,893	9,205,332	7,669,823	8,571,651	10,486,183	9,497,701	9,084,824	12,316,706
Public safety	9,069,081	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
Highways and streets	4,211,093	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
Health and welfare	755,889	790,492	857,895	943,627	1,545,937	1,523,547	1,712,812	1,873,190	2,022,052	2,308,410
Culture and recreation	2,755,972	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
Public works	-	-	-	-	736,087	1,397,143	481,233	1,177,137	2,092,389	2,136,119
Capital outlays	13,009,448	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
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	5,730,000	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
Interest and fiscal charges	2,264,932	1,988,451	2,350,011	2,094,524	2,082,745	1,894,734	1,453,663	1,385,807	1,762,755	2,269,842
Total expenditures	43,256,825	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
Excess (deficiency) of revenues over (under) expenditures	(5,671,197)	(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)
OTHER FINANCING SOURCES (USES)										
Transfer in	14,424,691	9,548,753	10,308,050	21,796,551	17,003,809	14,579,467	14,479,141	21,670,671	20,486,409	19,848,116
Transfer out	(13,796,417)	(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)
Refunding bonds issued	3,920,000	-	6,090,880	1,989,999	7,295,000	2,005,000	-	-	-	2,430,000
Premium on special assessment debt	-	-	-	-	-	21,084	-	-	-	22,881
Discount on special assessment debt	-	-	-	-	-	(12,987)	(33,539)	(4,422)	(46,236)	(36,678)
Payment to refunded bond escrow agent	(4,247,972)	-	(1,050,000)	(4,825,000)	(1,925,000)	(8,960,000)	-	-	-	(2,430,000)
Special assessment bonds issued	4,035,000	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
Revenue bonds issued	-	-	-	-	-	-	-	-	-	-
General obligation bonds issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	4,335,302	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
Net changes in fund balances	(1,335,895)	1,683,664	14,127,190	(1,380,542)	4,311,946	(5,965,979)	(2,114,035)	(1,038,297)	4,844,952	4,698,878
Debt service as a percentage of noncapital expenditures	26.4%	24.2%	24.3%	22.0%	20.9%	20.2%	19.5%	16.9%	17.5%	17.4%

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 Tax	Other ¹ Taxes	Total
1999	7,718,325	7,113,335	364,888	1,033,431	-	-	-	-	16,229,979
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

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 Land and Buildings	Residential Land and Buildings	Agricultural Land	Public Utilities	Total Taxable		Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
					Assessed Value	True and Full Value				
1998	\$ 303,040,640	\$ 617,220,978	\$ 335,450	\$ 18,012,760	\$ 938,609,828	\$ 1,877,219,656	50%	108.25		
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		

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		
1998	104.03	4.22	108.25	66.70	265.07	38.76	1.00	479.78	
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	

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, 2007

**CITY OF BISMARCK, NORTH DAKOTA
PRINCIPAL "SINGLE PROPERTY" TAXPAYERS
DECEMBER 31, 2008**

Taxpayer	2008			1999		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Metropolitan Life Assurance Company	\$ 22,363,500	1	1.39 %	\$ 19,166,900	1	1.91 %
Medcenter One	9,234,550	2	0.57	6,212,400	2	0.62
Waterford on West Century	8,646,900	3	0.54	-		
Wal-Mart Property North	7,837,950	4	0.49	-		
Wal-Mart Property South	7,493,850	5	0.47	-		
Basin Electric Cooperative	6,711,000	6	0.42	3,708,550	6	0.37
Gateway Fashion Mall	6,479,300	7	0.40	5,820,900	3	0.58
CNLRs Bismarck	5,988,800	8	0.37	-		
Mindakota LTD	5,796,550	9	0.36	3,898,750	4	0.39
* Menards	5,709,150	10	0.35	-		
Clark Equipment	5,518,900	11	0.34	3,830,500	5	0.38
* Mid Dakota Clinic	-			3,318,850	7	0.33
IRET Properties	-			2,954,650	8	0.29
Wal-Mart Store	-			2,817,400	9	0.28
McKenzie Hotel	-			2,297,500	10	0.23
Totals	\$ 91,780,450		5.70	\$ 54,026,400		5.38

* 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
1999	9,492,309	8,985,097	0.9466	78,815	9,063,912	0.9549
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

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		Revenue		Capital				
	Obligation	Bonds	Revenue	Bonds	Assessment	Bonds	Leases	Leases			
1999	\$ 960,000	\$ 12,805,000	\$ 28,380,000	\$ -	\$ -	\$ 425,000	\$ -	\$ -	\$ 42,570,000	0.0198	\$ 1,083
2000	665,000	11,290,000	28,900,000	-	-	-	-	-	40,855,000	0.0186	1,030
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

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 128 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	%
1999	960,000	191,185	768,815	0.0008	14
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	-	-	-	-	-

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 119 for property value data.

² Population data can be found in the Schedule of Demographic and Economic Statistics on page 128.

Sources:
 Planning Department
 Assessing Division
 Fiscal Services

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$49,997,663	\$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
Total net debt applicable to limit	12,322,174	411,178	62,942	41,526	-	-	-	-	-	-
Legal debt margin	\$37,675,489	\$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
Total net debt applicable to the limit as a percentage of debt limit	24.65%	0.78%	0.11%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2008

Total assessed value	\$ 1,974,612,482
Debt limit (5% of total assessed value)	98,730,624
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>\$ 98,730,624</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, 2008**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Bismarck Public School	\$ 17,824,112	80.39	\$ 1,432,880,364
Totals	<u>\$ 17,824,112</u>		<u>\$ 1,432,880,364</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, 2008
 Burleigh County Levies, 2008

**CITY OF BISMARCK, NORTH DAKOTA
PLEGGED-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 Coverage	Special Assessment Collections	Debt Service		Coverage
						Principal	Interest	
1999	\$9,867,647	\$4,965,072	\$4,902,575	5.82	\$3,293,877	\$3,390,000	\$1,358,419	0.69
2000	10,959,257	4,676,758	6,282,499	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	54.98	4,922,034	4,935,000	1,160,817	0.81
2007	16,500,612	7,368,682	9,131,930	10.04	5,437,106	5,190,000	1,554,890	0.81
2008	16,952,988	8,574,428	8,378,560	4.96	6,684,382	5,585,002	2,079,602	0.87

Fiscal Year	Sales Tax Bonds				Motel, Liquor, Restaurant Bonds			
	Sales Tax Collections	Debt Service Coverage	Lodging, Liquor, Food Tax Collections	Coverage	Debt Service		Coverage	
					Principal	Interest		
1999	\$7,113,335	\$1,090,000	\$218,765	5.44	\$180,000	\$589,568	1.34	
2000	7,500,496	1,135,000	168,625	5.75	380,000	446,910	1.30	
2001	7,837,357	1,185,000	116,415	6.02	410,000	428,860	1.34	
2002	8,324,913	1,295,360	45,674	6.21	440,000	409,385	1.42	
2003	8,344,606	990,000	79,263	7.80	470,000	612,732	1.14	
2004	8,615,944	1,015,000	49,188	8.10	525,000	609,142	1.15	
2005	9,607,321	1,045,000	16,981	9.05	640,000	240,990	1.63	
2006	10,955,561	-	-	-	685,000	224,990	1.69	
2007	11,698,846	-	-	-	705,000	207,865	1.91	
2008	11,943,929	-	-	-	760,000	190,240	1.93	

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 ¹	Education Level in Years of Formal Schooling ⁴	Public School Enrollment ³		Unemployment Rate ⁴
						Enrollment ³	Rate ⁴	
1999	54,571	2,145,568,007	39,317	36.0	-	10,607	3.0	
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	13.6	10,591	2.8	
2007	59,194	3,140,123,312	53,048	36.5	13.6	10,647	2.8	
2008	59,503	3,341,212,456	56,152	36.5	13.6	10,707	2.8	

**This is a new table with our 2006 CAFR. Some of the previous year information is not available.

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 Planning Department
- ² ND State Tax Department
- ³ Bismarck Public Schools
- ⁴ North Dakota Job Service Labor Market Information Center website

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

Employer	2008			2002		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of ND	4,321	1	11.90 %	4,309	1	13.19 %
Medcenter One	2,597	2	7.15	2,350	2	7.20
St. Alexius Medical Center	2,010	3	5.53	1,900	3	5.82
Bismarck Public Schools	1,640	4	4.52	1,506	4	4.61
US Government Offices	1,198	5	3.30	1,198	5	3.67
BOBCAT/Ingersoll Rand	785	6	2.16	867	6	2.65
MDU Resources Group	693	7	1.91	380	11	1.16
Walmart	665	8	1.83	715	7	2.19
AETNA	653	9	1.80	554	8	1.70
University of Mary	572	10	1.57	400	10	1.22
City of Bismarck	519	11	1.43	469	9	1.44
Missouri Slope Lutheran Care Center	493	12	1.36	250	14	0.77
Basin Electric Power Cooperative Corporate Office	481	13	1.32	-	-	-
Coventry Healthcare	415	14	1.14	-	-	-
Mid Dakota Clinic	410	15	1.13	247	15	0.76
United Tribes Technical College	-	-	-	370	12	1.13
Bismarck State College	-	-	-	360	13	1.10
Total	17,452		48.05	15,875		48.61

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

Sources:
 City of Bismarck 2009 Budget
 Bismarck Mandan Development Association website
 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	2005	2006	2007	2008
General government	53	58	61	72
Public safety				
Combined communications	20	21	22	22
Police				
Officers	92	90	91	92
Civilians	24	25	26	26
Fire				
Firefighters and officers	63	63	63	68
Civilians	13	13	14	7
Highways and streets				
Engineering	21	21	22	22
Maintenance	56	55	53	55
Health and welfare	20	22	24	25
Culture and recreation	15	15	16	16
Airport	19	19	19	21
Solid Waste	37	38	38	38
Water and sewer	54	53	54	55
Total	487	493	503	519

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

Source: City of Bismarck 2008 Budget

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public Safety										
Police										
Physical arrests	2,687	2,812	2,269	2,214	3,237	5,045	3,837	2,821	2,689	2,585
Traffic citations	9,598	8,938	9,604	10,466	10,954	14,111	12,785	13,230	10,882	10,926
Parking citations	31,475	29,819	29,113	24,205	19,990	14,055	13,717	13,670	10,154	10,523
Number of accidents	2,921	2,865	2,960	3,129	3,158	3,018	3,184	3,184	3,149	3,563
Number of 911 emergency dispatches	5,622	2,597	2,796	3,005	3,572	4,257	2,926	3,762	3,792	3,942
Fire										
Number of 911 emergency dispatches	2,100	1,745	1,900	2,053	2,224	2,093	2,153	2,376	2,361	2,355
Number of fire inspections conducted	2,000	2,000	2,250	2,509	2,238	2,466	2,350	2,542	2,559	3,017
Number of building inspections conducted	11,795	9,934	11,650	13,692	14,031	15,929	15,560	14,848	15,011	16,893
Number of environmental health inspections	4,000	3,698	4,752	3,676	3,172	4,684	3,966	3,770	3,974	1,531
Highways and streets										
Engineering										
Number of excavation permits	672	543	531	576	742	619	657	812	827	777
Number of improvement projects	57	54	54	43	58	38	57	77	79	43
Forestry										
Number of street trees planted	520	545	475	408	397	506	549	495	491	300
Number of street trees trimmed	3,191	3,378	2,733	2,798	3,470	3,568	2,662	2,440	1,105	1,116
Number of street trees removed	213	114	61	98	144	163	96	177	341	150
Roads and streets										
Potholes repaired	1,500	2,245	2,685	3,228	3,448	3,486	3,231	3,120	2,800	3,221
Street striping (miles)	150	98	102	190	104	185	104	105	110	125
Snow removal (hours)	2,013	5,888	6,452	2,523	2,497	25	1,673	3,421	3,918	7,465
Sand ice removal (tons)	14,807	12,860	7,299	10,900	7,976	10,656	10,200	10,987	11,793	11,408
Salt ice removal (tons)	540	514	485	640	578	1,162	1,014	762	926	868
Loads of snow hauled	1,103	4,856	998	1,400	1,668	16	1,122	1,974	2,771	2,899
Health and welfare										
Number of home visits	4,880	4,132	4,427	4,453	4,401	4,480	5,248	5,848	5,264	5,290
Number of immunizations	7,305	4,349	8,155	5,417	3,505	4,494	2,928	6,243	9,553	8,107
Number of office visits	4,175	3,442	3,796	3,708	3,784	5,902	2,365	5,040	4,255	4,209
Culture and recreation										
Auditorium events	54	55	56	54	57	55	65	55	108	121
Auditorium admissions	31,804	32,679	29,469	29,508	26,273	28,524	34,321	28,589	30,060	38,507
Community center events	338	319	316	302	200	211	250	283	346	393
Community center admissions	305,020	432,280	355,884	401,563	380,210	328,652	310,000	326,853	291,860	336,622

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

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Airport										
Gallons fuel dispensed (City only)	2,253,610	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 (FBO's only)	693,017	987,038	976,933	628,812	781,647	1,171,576	1,184,315	1,185,503	1,440,263	2,141,689
Number of passengers-enplaning	127,812	134,483	131,246	139,343	141,090	159,963	174,567	180,674	181,310	175,626
Number of passengers-deplaning	128,296	134,396	130,760	139,978	141,307	160,613	172,766	180,170	180,844	174,579
Pounds of airmail-enplaning	631,243	236,627	456,651	441,852	402,390	16,076	3,455	-	-	-
Pounds of airmail-deplaning	1,125,120	1,127,393	856,096	5,235	1,595	7	-	-	-	-
Pounds of freight-enplaning	141,213	171,222	171,193	126,783	125,547	153,600	115,018	123,791	98,467	98,816
Pounds of freight-deplaning	247,518	219,325	170,176	152,469	169,122	209,302	131,188	133,518	114,659	98,834
Solid Waste										
Refuse collected (tons/year)	20,333	22,896	18,090	21,834	21,077	26,234	26,533	22,941	23,877	21,263
Garbage accepted for disposal (tons/year)	85,510	84,004	86,125	89,485	89,234	83,277	81,610	81,050	80,676	78,772
Acres used at landfill	3	1	1	3	2	2	2	2	2	2.5
Water										
Number of service connections	14,900	15,900	15,900	15,950	16,100	16,400	16,850	17,250	17,600	17,850
Average daily consumption (thousand of gallons)	8,560	9,027	9,569	10,324	10,285	9,360	9,947	11,690	10,420	10,300
Wastewater										
Average daily sewage treatment (thousand of gallons)	7,280	6,770	6,860	6,170	6,040	5,960	6,290	6,040	6,220	6,010

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	18	19	19	20	20	21	21	21	24	24
Fire stations	3	3	3	3	3	4	4	4	4	4
Highways and streets										
Streets (miles)	233	235	239	245	295	320	345	357	372	381
Streetlights	5,385	5,390	5,650	5,650	5,900	6,204	6,619	6,718	7,044	7,181
Traffic signals	31	42	49	60	77	86	92	106	106	106
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	16	17	17	17	20	20	21	20	20
Water										
Watermains (miles)	248	235	258	263	268	275	301	308	315	320
Fire hydrants	2,221	2,300	2,319	2,370	2,400	2,459	2,629	2,695	2,800	2,900
Maximum daily water treatment capacity (thousand of gallons)	26,000	26,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Sewer										
Sanitary sewers (miles)	221	225	231	236	241	247	256	267	276	281
Storm sewers (miles)	96	97	98	99	100	102	133	134	137	139
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