

CITY OF BISMARCK, NORTH DAKOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended

December 31, 2018

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018**

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Fiscal Services Division

June 4, 2019

**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, 2018 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 unmodified opinion, and the City of Bismarck's financial statements for the fiscal year ending December 31, 2018 are in conformity with generally accepted accounting principles (GAAP). The auditor's report is presented in the financial section of this report.

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

Finance Department ★ Fiscal Services Division

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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 34.91 square miles and a 2010 census population of 61,272. The City is empowered to levy a property tax on real estate located within its boundaries. The City also has the power by state statute to extend its corporate limits by annexation, which is 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, assistant 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, wastewater and storm water utility services, solid waste disposal, municipal airport, library, and cultural centers and events.

The City adopts an annual budget ordinance approved by the City's governing body. Activities of the General Fund, Special Revenue Funds and Debt Service Funds are included in the annual appropriation 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 and is committed to new as well as current initiatives that support the economic growth of our City.

The Commission was granted a five-year extension for the Renaissance Zone (RZ) program which was established in 2001 to encourage reinvestment through property and income tax incentives in a 39 block area of downtown properties. This program has contributed to revitalization of downtown with numerous new business including retail, services and residential units. Five new projects were approved in 2018 and eleven projects were completed with a property value increase of \$7,575,158. A total of 131 projects have been completed which includes 47 new downtown housing units. The projects have created 599.25 new jobs to date and the initial building value of RZ projects of \$22.6 million has more than tripled to \$77 million. The RZ projects reflect the commitment of the City Commission to strengthen the core of our community by stimulating new development and increased tax base in the downtown.

The Bismarck MSA continued a low unemployment rate of 2.7% in December of 2018 which continues to be lower than the national rate of 3.9%. The local economic outlook remains positive as Bismarck continues to create and sustain jobs. The number of job openings increased from 1,484 in January to 2,123 in October. Census population estimates in June of 2018 identify Bismarck as one of the top three largest fastest growing cities in the State. Bismarck had a gain of 533 residents, a .7% increase, for a total of 72,865 which reflects an increase of 18.4% from 2010.

The Bismarck real estate market continues to remain active. According to the Bismarck-Mandan Board of Realtors, 1,283 single family residential units for a total of 1,652 for all residential units sold in 2018. The average sale price was \$272,987 which is an increase from the average sale price of \$260,331 for 2017. This is supported by a number of accolades Bismarck received in 2018. Wallethub's ranked Bismarck in

the top ten in the nation as the Best State Capital to live in, Best City to Start a Business, Best City for People with Disabilities and ranked #6 for the Best Place to Rent. Livability.com also ranked Bismarck in the Top 100 Best Places to Live for small to mid-sized cities in the US. Bismarck was also included in Forbes' Best Small Place for Business and Careers.

With the stabilization of the economy in the State and despite the impact of internet sales on local retail, the taxable sales and services increased in 2018 as compared to 2017 for Bismarck. State Aid which is the City's share of the State Sales Tax increased by 16.4%. The City's Sales tax revenue had a 1% increase, the hospitality tax revenues had an increase of 2.3% for the motel, restaurant and liquor tax and a decrease of 6.6% for the hotel and motel tax. The motor vehicle rental tax did have a 7.9% decrease contrary to the 3.5% increase in the number of passenger boardings at the Airport. That decrease may be attributed in part to the increased utilization of Uber and Lyft transportation services in the City.

Bismarck continues to experience growth in its tax base through both property value enhancement and new construction. In 2018, 180 building permits were issued for residential construction within the City's corporate limits. This included 169 single-family homes and 11 multi-family homes, which provided an additional 289 residential units. Residential construction in the City's extraterritorial jurisdiction and the adjacent zoned areas of Burleigh County also continued to grow with a total of 27 residential building permits issued in 2018. Commercial growth also increased which included the construction of new retail services, banks, restaurants, grocery store, medical and dental clinics, apartments, a new parochial school complex and 2 public school additions with 232 buildings permits. The Growth in the property tax base for the year 2018 was 2.33%. The table below provides the percentage change by property classification.

Property Class	2017	2018	Percentage
	Market Value	Market Value	Change
Commercial	\$3,017,350,700	\$3,092,753,600	2.50 %
Residential	5,017,508,600	5,129,482,000	2.23 %
Agricultural	946,600	779,900	17.61 %
Total	\$8,035,805,900	\$8,223,015,500	2.33 %

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 \$2,491,265 with an average interest rate of 1.75% for the fiscal year. Pension funds are invested with the North Dakota Retirement and Investment Office. The City Employee and Police pensions had an investment loss of \$3,722,592 for an average decrease of 2.68% for the fiscal year.

Major Initiatives in 2018

The City Commission established the Infrastructure Task Force to review the City's road infrastructure ten-year capital improvement plan which totals \$246 million and develop funding recommendations. The City Commission also established the Special Assessment Task Force (SATF) to consider funding recommendations for infrastructure maintenance as well as new development. The Commission then established a Joint Task with representatives from each Task Force to meet and consider all the recommendations. Based on the Joint Task recommendations, the Commission approved ballot measures to cap the Sales Tax 25 mill property tax reduction to the 2019 level and add an additional ½ cent Sales Tax dedicated to a specific list of arterial street project with a ten-year sunset. The measures passed and the City will start collecting the tax in April of 2019 and the projects in 2020. The City Commission also authorized the introduction of legislation for cities to utilize a street maintenance fee in lieu of special assessments. With this option, property owners would pay a monthly fee on the utility bill and special assessments for street maintenance would be eliminated. This would be similar to the funding used for maintenance of water and sewer. The bill is currently being considered during the 2019 legislative session.

The City Commission approved the purchase and implementation of a citywide Work Order Management System (WMS) and Customer Relationship Management System (CRM) from AssetWorks in 2016. The new citywide system will help manage the work order/services in an estimated 20 areas covering a wide range of departments. GIS is the core of the system since a majority of the work is location and equipment based. The project will be implemented in three phases. Phase one included Forestry, Roads & Streets, Traffic Signals & Lights, and Water, Sanitary Sewer and Storm Water Utilities. The implementation of this phase was started in 2017 with the go live in the spring of 2018. AssetWorks has a mobile solution for field operations and also has interfaces with other city systems. This includes the New World financial system for miscellaneous and interoffice billings, and accounts payable, TraKiT for meters/projects, and OpticView for documents. Phase 2 is scheduled to start in 2019 and includes Fleet, Building Maintenance and expansion of the interoffice billing for all departments. The works areas will be finalized for phase 3 following this implementation.

Burleigh County authorized a ballot measure to increase the 9-1-1 fee by \$.50 for the purpose of purchasing, leasing or constructing and operating a new joint Central Dakota Communications (CenCom) public safety center. The measure passed in the June of 2018 and plans for developing the new center are in process. CenCom serves Bismarck, Mandan and Burleigh County.

The Bismarck Airport is also in the process of updating their master plan. The process entails an established study committee working with a consultant to consider public input, environmental requirements, existing and forecast of conditions and facility requirements for the next 20 years. The plan is expected to be completed in the spring of 2019 and will identify capital improvement projects and funding recommendations for parking, the terminal, concourses, etc. The master plan will serve as the roadmap for future development.

The City Commission authorized a utility rate study to analyze the cost of service and to design equitable rates for water, sewer and storm water for those services. Utilities worked with a consultant to gather input from public meetings with stakeholders. Revenue requirements, operating and capital costs, as well as financial policies, debt requirements and reserves were all evaluated to determine the proper cost allocation to be used in the design of the rate structure. The new rate design was approved in November 2018 which also included a ten-year capital improvement plan and a new capital charges to assist in that funding. The new fees and charges are effective February 1, 2019.

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

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

The Gold Star Community Task Force was established in 2017 to provide a collaborative review of the behavioral health and substance abuse issues in the Bismarck, Mandan and Lincoln communities. The Task Force has representatives from the medical community, local elected officials, state and local government in the areas of public safety, public health, and public schools and colleges. In 2018 The Task Force name was changed to the Burleigh-Morton Behavioral Health Coalition. The focus of the task force includes prevention and education, improved access to treatment and recovery and the development of a community solution to manage social detox.

The new Fire station located next to the site of the new Burn Facility on Miriam Avenue opened in 2018. It replaces the Sleepy Hollow Fire Station located on Divide and 26th Street which is now utilized by Police for special teams. An additional trickling filter and pump station was added at the Wastewater Treatment Plant. Solid Waste closed the disposal cell #2 at the landfill. The Airport also completed phase 2 the major run-way reconstruction project with the final phase to be completed in 2019.

Bismarck received the 2018 Best Tasting Drinking Water in ND and the North American Excellence in Resourcefulness award for the water utility. Bismarck Veterans Memorial Library received the ND Star Library Award and Bismarck Parks and Recreation received accreditation for 2018.

The Commission continued to provide annual funding from Sales Tax to subsidize the special assessment cost to property owners for street repairs projects. Funding of \$1.4 million was used to replace 17,490 lineal feet of hard surfaced streets with permanent full depth asphalt with water mains also replaced in conjunction with the project with funds from the Utility. An additional \$5 million was used to help fund annual resurfacing mill and overlay chip seal in 111,707 lineal feet of local streets. The total assessment cost for the annual street maintenance projects is \$8 million for 2018.

In 2018, there were 502 residential lots approved and 8 annexations for a total of 11.78 acres and 67 new site plans for new businesses, industrial uses and multi-family residential projects. With this, the City had 5 special assessment districts for a total \$5.7 million for new developments for pavement, sanitary sewer, water and street light improvement.

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

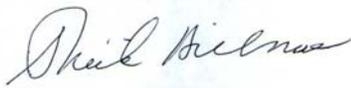
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Bismarck for its comprehensive annual financial report for the year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the comprehensive annual financial report (CAFR), whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Sheila Hillman
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Bismarck
North Dakota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morrill

Executive Director/CEO

City of Bismarck



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

Mayor-Commissioners:

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

Other Elected Officials:

Municipal Judge..... William Severin

Appointed Officials:

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

Department Directors:

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



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bismarck, North Dakota as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bismarck, North Dakota, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparisons for the General Fund and Sales Tax Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 4, 2019 on our consideration of the City of Bismarck's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Bismarck's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bismarck's internal control over financial reporting and compliance.

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

Bismarck, North Dakota
June 4, 2019

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 5 of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Bismarck exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$909,337,034 (net position). Of this amount, \$210,196,551 may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position increased by \$35,909,877 which was a decrease of \$1,537,045 over 2017. The overall increase is attributed to the philosophy of Bismarck to fund projects through accumulative revenue instead of financing. The current year decrease in funding is the result of the capital contributions of infrastructure due to water, and streets.
- At the close of the current fiscal year, the City of Bismarck's governmental activities reported combined ending net position of \$452,331,210, an increase of \$7,359,543 in comparison with the prior year. The unrestricted net position of \$166,262,629, 36.76% of the governmental net position, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$36,360,862 and the assigned fund balance was \$4,316,038. The assigned and unassigned fund balance is 91.40% of total general fund expenditures and 85.12% of total general fund revenues, including transfers.
- Revenue from all sources totaled \$174,163,690 which was an increase of \$4,396,014 over 2017. This increase is mainly attributed to grant funding for the airport runway construction project.

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

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

Both of the government-wide financial statements distinguish functions of the City 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 welfare, culture and recreation, and public works. The business-type activities of the City of Bismarck include an Airport, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Commercial Property and Parking Authority Lots.

The government-wide financial statements can be found on pages 20 - 21 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 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 twenty-five 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 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 project funds. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found on pages 22 - 27 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, Event Center, Solid Waste Disposal, Solid Waste Collections, Water, Sanitary Sewer, Storm Water, Commercial Property, Northern Plains Commerce Centre and Parking Authority Lots. Airport, Event Center, Water, Sanitary Sewer, and Storm Water 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 28 - 32 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 33 - 34 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 35 - 86 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bismarck's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 87 – 92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Bismarck, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$909,337,034 at the close of the most recent fiscal year.

The following table presents condensed financial information on the City's Net Position as of December 31, 2017 and December 31, 2018.

City of Bismarck Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 241,930,116	\$ 246,877,776	\$ 65,622,078	\$ 66,175,283	\$ 307,552,194	\$ 313,053,059
Capital assets	356,199,024	361,009,276	468,438,775	489,989,499	824,637,799	850,998,775
Total assets	598,129,140	607,887,052	534,060,853	556,164,782	1,132,189,993	1,164,051,834
Deferred outflows of resources	8,116,297	11,822,414	2,259,994	3,279,566	10,376,291	15,101,980
Long-term liabilities outstanding	147,208,207	156,051,825	100,399,511	96,774,316	247,607,718	252,826,141
Other liabilities	9,775,328	10,435,246	6,408,388	5,474,004	16,183,716	15,909,250
Total liabilities	156,983,535	166,487,071	106,807,899	102,248,320	263,791,434	268,735,391
Deferred inflows of resources	4,290,235	891,185	1,057,458	190,204	5,347,693	1,081,389
Net position:						
Net investment in capital assets	225,240,744	230,739,569	374,421,127	401,875,951	599,661,871	632,615,520
Restricted	49,167,595	55,329,012	11,138,729	11,195,951	60,306,324	66,524,963
Unrestricted	170,563,328	166,262,629	42,895,634	43,933,922	213,458,962	210,196,551
Total net position	\$ 444,971,667	\$ 452,331,210	\$ 428,455,490	\$ 457,005,824	\$ 873,427,157	\$ 909,337,034

By far the largest portion of the City of Bismarck's net position (69.6%) 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 29.7%. 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 position (7.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$210,196,551 may be used to meet the City's ongoing services to the citizens.

At the end of the current fiscal year, the surplus of \$166,262,629 in the unrestricted governmental activities can be attributed to the funding of capital assets, one-time expenditures, economic development, financing debt and prepaying the cost of the infrastructure in the capital project funds.

As capital projects are finalized and closed, the majority of infrastructure improvements are financed through the issuance of bonds, which are then repaid through special assessments from the benefiting property owners. As the bonds are issued and special assessments are approved, the special assessments are recorded as receivables. However, many infrastructure projects remain open at year-end, resulting in a deficit net position 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 8.19 and for the business-type activities is 5.29 which represents a strong capacity to meet current obligations.

The following table presents condensed financial information on the City's Changes in Net Position for the fiscal year ending December 31, 2017 and December 31, 2018.

City of Bismarck						
Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Revenues:						
Program revenues:						
Charges for services	\$ 11,766,972	\$ 12,046,294	\$ 52,262,678	\$ 54,341,063	\$ 64,029,650	\$ 66,387,357
Operating grants and contributions	11,751,542	12,039,864	6,666	11,319	11,758,208	12,051,183
Capital grants and contributions	25,081,772	20,673,170	17,502,063	24,121,524	42,583,835	44,794,694
General revenues:						
Taxes	47,402,614	47,486,655	33,643	36,465	47,436,257	47,523,120
Investment earnings	2,954,251	2,342,382	576,858	535,407	3,531,109	2,877,789
Gain on disposal of assets	121,371	352,053	307,246	177,494	428,617	529,547
Total revenues	99,078,522	94,940,418	70,689,154	79,223,272	169,767,676	174,163,690
Expenses:						
General Government	16,268,593	18,290,495	-	-	16,268,593	18,290,495
Public Safety	27,502,752	29,185,109	-	-	27,502,752	29,185,109
Highways and Streets	10,946,367	11,430,676	-	-	10,946,367	11,430,676
Health and Welfare	3,329,632	3,486,093	-	-	3,329,632	3,486,093
Culture and Recreation	3,336,676	3,524,975	-	-	3,336,676	3,524,975
Interest and Fiscal Charges	5,144,125	3,849,896	-	-	5,144,125	3,849,896
Public Works	13,945,500	14,626,171	-	-	13,945,500	14,626,171
Airport	-	-	7,399,832	7,735,107	7,399,832	7,735,107
Event Center	-	-	10,718,816	11,108,512	10,718,816	11,108,512
Solid Waste Disposal	-	-	2,997,121	2,600,476	2,997,121	2,600,476
Solid Waste Collections	-	-	4,018,808	4,275,343	4,018,808	4,275,343
Water	-	-	12,867,647	13,347,820	12,867,647	13,347,820
Sanitary Sewer	-	-	8,772,088	8,601,984	8,772,088	8,601,984
Storm Water	-	-	3,076,950	4,239,065	3,076,950	4,239,065
Commercial Property	-	-	399,710	376,854	399,710	376,854
Parking Authority Lots	-	-	1,596,137	1,575,237	1,596,137	1,575,237
Total expenses	80,473,645	84,393,415	51,847,109	53,860,398	132,320,754	138,253,813
Increase in net position before transfers	18,604,877	10,547,003	18,842,045	25,362,874	37,446,922	35,909,877
Transfers	(4,348,794)	(3,187,460)	4,348,794	3,187,460	-	-
Increase in net position	14,256,083	7,359,543	23,190,839	28,550,334	37,446,922	35,909,877
Net position - 1/1	430,715,584	444,971,667	405,264,651	428,455,490	835,980,235	873,427,157
Net position - 12/31	\$ 444,971,667	\$ 452,331,210	\$ 428,455,490	\$ 457,005,824	\$ 873,427,157	\$ 909,337,034

Governmental Activities

Governmental activities increased the City of Bismarck's net position by \$7,359,543, accounting for 20.5% of the total increase in the net position of the City of Bismarck. The increase is attributed to the philosophy of Bismarck to fund projects through accumulative revenue instead of financing. Projected projects included \$13.8 million in special assessment improvement revenue.

Business-type Activities

Business-type activities increased the City of Bismarck's net position by \$28,550,334, accounting for 79.5% of the total growth in the City of Bismarck's net position. An increase in revenue from federal and state grants for the airport runway construction project played a big factor in the net position increase.

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 \$133,546,063, an increase of \$10,039,176 in comparison with the prior year. The total restricted due to external limitations is \$55,329,012 or 41.4% of the total fund balance. These limitations include \$3,128,667 for Building Construction Levy, \$39,902,677 for Debt Payments, \$271,867 for Weather-related Operations and \$12,025,801 for Capital Projects. The nonspendable funds of \$150,000 or 0.1% of fund balance is a result of advances to other funds. The committed funds of \$46,702,145 and assigned funds of \$4,316,068 are limited to its intended use. \$15,391,336 is committed to special programs in the Special Revenue Funds and \$26,109,922 is committed for capital project use in the Sales Tax, Special Deficiency, Building Improvements, Street Lights, Highway Construction, Community Development and Tax Increment Construction Funds. The assigned uses include Contingencies of \$825,000, Department Equipment Reserve of \$1,854,834, Fire Truck and Equipment Reserve of \$159,939, Technology Equipment Reserve of \$115,594, Computer Expansion Reserve of \$409,864, Parking Lot Reserve of \$94,546 and Payroll Reserve of \$856,291.

The General Fund is the chief operating fund of the City of Bismarck. At the end of the current fiscal year, unassigned fund balance of the general fund was \$36,360,862, while total fund balance reached \$43,955,597. The fund balance increased by \$3,280,539 as compared to 2017. The increase can be largely attributed to a reduction in expenditures of \$581,000 for vacant salaries due to turnover in the public safety sector, and higher than anticipated revenue received for state aid distribution of \$743,000, tax increment of \$442,000 and investment income of \$417,000.

The construction project fund accounts for a majority of the improvements to the street, water and sewer mains. The construction projects have a positive fund balance of \$16,797,898. The special deficiency and assumptions was \$4,592,545, highway construction fund was \$20,346,321, building improvements was \$538,964, street lights/signals were \$332,092, tax increment was \$0 and community development was \$300,000 while the construction for street, sewer, water and sidewalk had a combined negative fund balance of \$9,312,024. The City initially cash flows the construction improvement districts which results in the negative fund balances. The City funds the construction projects through a sale of special assessment bonds for these expenses in 2019. The highway construction fund receives funding from sales tax to construct and rehabilitate existing roads and streets. The special deficiency and assumptions receives a mill levy and an administration fee to

repair a portion of the existing roads and streets. The Tax Increment district was ended and the funds were distributed proportionately according to the mill levy.

Proprietary Funds

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

Unrestricted net position of the proprietary funds at the end of the year amounted to a negative \$43,999,500. All individual proprietary funds reported increases in net position, except for Storm Water of \$754,048 due to special assessment payments, Commercial Property of \$57,284 due to a decrease in rental revenue along with maintaining similar operating costs to the prior year, Northern Plains Commerce Centre of \$221,533, Parking Authority of \$76,022, and Event Center of \$1,527,117 all in part to the operating costs exceeding generated revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was no change between the original and final amended budget. Significant variances between budget and actual are as follows:

- Taxes decreased by \$584,429 which is largely due to the 5% discount on early payment.
- Intergovernmental revenue increased by \$1,161,553 which is mainly attributed to an increase in the state aid grant.
- Charges for services exceeded the budget by \$534,285 which is mainly attributed to an increase in building permits and engineering fees.
- Nondepartmental surplus of \$147,996 was partly attributed to unexpended service fees.
- Finance surplus of \$253,465 is largely a result of vacant positions and staff turnover.
- One-time operations deficit of \$669,972 is due to the carryover of encumbrances from the prior year.
- Public Health surplus of \$143,361 is largely a result of vacant positions and staff turnover.
- Transfers of \$599,005 was largely the result of transfers from the General fund to the Government Grants and Tax Increment funds not being needed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The City of Bismarck's net investment in capital assets for its governmental and business type activities as of December 31, 2018, amounts to \$632,615,520 (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:

- Continued with the trickling filter improvement project at the Wastewater Treatment Plant.
- Construction began on Phase II of the airport runway replacement project.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 2,767,950	\$ 2,767,950	\$ 15,836,289	\$ 15,849,073	\$ 18,604,239	\$ 18,617,023
Construction in Progress	12,751,432	1,672,107	52,567,537	51,806,427	65,318,969	53,478,534
Buildings	16,193,887	20,115,490	159,219,777	177,478,541	175,413,664	197,594,031
Improvements Other Than Buildings	19,254	16,768	224,963,802	224,322,252	224,983,056	224,339,020
Machinery and Equipment	14,053,965	13,866,122	15,851,370	20,533,206	29,905,335	34,399,328
Infrastructure	310,412,536	322,570,839	-	-	310,412,536	322,570,839
Total	<u>\$ 356,199,024</u>	<u>\$ 361,009,276</u>	<u>\$ 468,438,775</u>	<u>\$ 489,989,499</u>	<u>\$ 824,637,799</u>	<u>\$ 850,998,775</u>

Additional information on the City of Bismarck's capital assets can be found in Note IV.D on pages 52 – 53 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 \$252,826,142. Of this amount, \$125,165,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The City of Bismarck revenue bonds are secured by Water Revenue, Sanitary Sewer Revenue and Lodging, Liquor and Food Tax.

City of Bismarck Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Net Pension Liability	\$ 12,757,113	\$ 22,677,534	\$ 2,350,011	\$ 4,978,877	\$ 15,107,124	\$ 27,656,411
Special assessment bonds	126,320,000	125,165,000	-	-	126,320,000	125,165,000
Plus unamortized premiums	4,638,280	4,696,275	-	-	4,638,280	4,696,275
Compensated Absences	2,980,573	3,004,326	827,871	883,069	3,808,444	3,887,395
Claims and Judgments	512,241	508,690	163,329	165,814	675,570	674,504
Closure and postclosure costs	-	-	3,040,652	2,843,240	3,040,652	2,843,240
Event Center revenue bonds	-	-	23,820,000	22,770,000	23,820,000	22,770,000
Less unamortized discount	-	-	(22,279)	(20,945)	(22,279)	(20,945)
Water revenue bonds-2012	-	-	2,960,000	2,245,000	2,960,000	2,245,000
Plus unamortized premium	-	-	28,511	19,958	28,511	19,958
Water revenue bonds-2013	-	-	7,070,000	6,515,000	7,070,000	6,515,000
Plus unamortized premium	-	-	1,013	918	1,013	918
Water revenue bonds-2014	-	-	10,970,000	10,175,000	10,970,000	10,175,000
Less unamortized discount	-	-	(102,504)	(93,392)	(102,504)	(93,392)
Water Treatment-2009	-	-	10,735,000	9,930,000	10,735,000	9,930,000
Wastewater revenue bonds-2006	-	-	11,410,000	10,415,000	11,410,000	10,415,000
Wastewater revenue bonds-2015	-	-	27,215,000	26,010,000	27,215,000	26,010,000
Less unamortized discount	-	-	(67,093)	(63,222)	(67,093)	(63,222)
Total	<u>\$ 147,208,207</u>	<u>\$ 156,051,825</u>	<u>\$ 100,399,511</u>	<u>\$ 96,774,317</u>	<u>\$ 247,607,718</u>	<u>\$ 252,826,142</u>

The City issued new special assessments debt of \$15,015,000 which was issued in December of 2018 to fund Series N and SW2017 for projects that were completed in 2017.

There was no new issue for revenue bonds in 2018. The existing revenue bonds are secured by water and sewer revenue which matures in 2035. More detailed information about the debt position of the City can be found in Note IV.G on page 57.

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.

In addition, net pension liability as of December 31, 2018 was \$27,656,411, an increase of \$12,549,287 from 2017.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Growth has continued in the property tax base with new construction and improvements in both residential and commercial properties with an estimated increase of 1.95% in 2019. The number of residential properties sales were 110 through March. There are also 16 new residential building permits issued for that same time period. The growth in the property tax base directly contributes to the continued reduction of the property tax levy to 56.9 mills. The continued growth also leads to an increase in the need for the expansion of infrastructure improvements for streets and utilities. In 2018 there were 6 special assessment improvement districts.

The State Aid in first quarter 2019 reflects a 13% increase over the prior year which is a result of the growth in the oil and gas industries. The unemployment continues at a low rate of 3.4% and the economy in Bismarck continues to maintain steady growth.

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.bismarcknd.gov.

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2018

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 18,207,716	\$ 5,887,294	\$ 24,095,010
Investments	102,013,174	36,028,511	138,041,685
Receivables:			
Taxes receivable	279,236	-	279,236
Accounts receivable	10,466,549	3,454,926	13,921,475
Special assessments receivable	110,259,564	10,230,482	120,490,046
Interest receivable	210,820	101,205	312,025
Notes receivable	1,349,076	-	1,349,076
Inventories	282,455	166,937	449,392
Prepaid Items	4,809	119,516	124,325
Restricted assets:			
Investments	1,655,084	1,139,754	2,794,838
Revenue bond covenant accounts	-	11,195,951	11,195,951
Internal Balances	2,149,293	(2,149,293)	-
Capital assets not being depreciated:			
Land	2,767,950	15,849,073	18,617,023
Construction in progress	1,672,107	51,806,427	53,478,534
Capital assets (net of accumulated depreciation):			
Building and building improvements	20,115,490	177,478,541	197,594,031
Improvements other than buildings	16,768	224,322,252	224,339,020
Machinery and equipment	13,866,122	20,533,206	34,399,328
Infrastructure	322,570,839	-	322,570,839
Total assets	<u>607,887,052</u>	<u>556,164,782</u>	<u>1,164,051,834</u>
DEFERRED OUTFLOWS OF RESOURCES			
Derived from pensions	11,822,414	3,279,566	15,101,980
Total deferred outflows of resources	<u>11,822,414</u>	<u>3,279,566</u>	<u>15,101,980</u>
LIABILITIES			
Accounts payable	5,449,207	2,065,069	7,514,276
Retainage payable	408,432	210,231	618,663
Salaries payable	1,466,652	406,750	1,873,402
Interest payable	652,709	648,355	1,301,064
Unearned revenue	800,095	2,580	802,675
Customer deposits	1,658,151	2,141,019	3,799,170
Total current liabilities	<u>10,435,246</u>	<u>5,474,004</u>	<u>15,909,250</u>
Noncurrent liabilities:			
Net pension liability	22,677,534	4,978,877	27,656,411
Due within one year	19,700,226	7,040,555	26,740,781
Due in more than one year	113,674,065	84,754,884	198,428,949
Total noncurrent liabilities	<u>156,051,825</u>	<u>96,774,316</u>	<u>252,826,141</u>
Total liabilities	<u>166,487,071</u>	<u>102,248,320</u>	<u>268,735,391</u>
DEFERRED INFLOWS OF RESOURCES			
Derived from pensions	891,185	190,204	1,081,389
Total deferred inflows of resources	<u>891,185</u>	<u>190,204</u>	<u>1,081,389</u>
NET POSITION			
Net investment in capital assets	230,739,569	401,875,951	632,615,520
Restricted for:			
Building Construction	3,128,667	-	3,128,667
Capital Projects	12,025,801	-	12,025,801
Debt service	39,902,677	11,195,951	51,098,628
Highway weather related projects	271,867	-	271,867
Unrestricted	166,262,629	43,933,922	210,196,551
Total net position	<u>\$ 452,331,210</u>	<u>\$ 457,005,824</u>	<u>\$ 909,337,034</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, 2018**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 18,290,495	\$ 4,155,262	\$ 3,921,261	\$ -	\$ (10,213,972)	\$ -	\$ (10,213,972)
Public safety	29,185,109	1,636,966	2,030,468	-	(25,517,675)	-	(25,517,675)
Highways and streets	11,430,676	5,496,307	4,086,892	-	(1,847,477)	-	(1,847,477)
Health and welfare	3,486,093	607,188	1,546,342	-	(1,332,563)	-	(1,332,563)
Culture and recreation	3,524,975	130,571	418,624	-	(2,975,780)	-	(2,975,780)
Public works	14,626,171	20,000	36,277	20,673,170	6,103,276	-	6,103,276
Interest and fiscal charges	3,849,896	-	-	-	(3,849,896)	-	(3,849,896)
Total governmental activities	<u>84,393,415</u>	<u>12,046,294</u>	<u>12,039,864</u>	<u>20,673,170</u>	<u>(39,634,087)</u>	<u>-</u>	<u>(39,634,087)</u>
Business-type activities:							
Airport	7,735,107	6,988,947	-	20,421,248	-	19,675,088	19,675,088
Commercial Property	376,854	102,109	-	-	-	(274,745)	(274,745)
Event Center	11,108,512	7,293,652	11,319	-	-	(3,803,541)	(3,803,541)
Parking Authority Lots	1,575,237	1,510,575	-	-	-	(64,662)	(64,662)
Sanitary Sewer	8,601,984	10,963,919	-	1,700,375	-	4,062,310	4,062,310
Solid Waste Collections	4,275,343	4,768,732	-	-	-	493,389	493,389
Solid Waste Disposal	2,600,476	3,902,953	-	-	-	1,302,477	1,302,477
Storm Water	4,239,065	2,305,184	-	283,068	-	(1,650,813)	(1,650,813)
Water	13,347,820	16,504,992	-	1,716,833	-	4,874,005	4,874,005
Total business-type activities	<u>53,860,398</u>	<u>54,341,063</u>	<u>11,319</u>	<u>24,121,524</u>	<u>-</u>	<u>24,613,508</u>	<u>24,613,508</u>
Total primary government	<u>\$138,253,813</u>	<u>\$66,387,357</u>	<u>\$ 12,051,183</u>	<u>\$ 44,794,694</u>	<u>(39,634,087)</u>	<u>24,613,508</u>	<u>(15,020,579)</u>
General revenues:							
Property taxes					20,628,624	-	20,628,624
Sales tax					15,543,636	-	15,543,636
Occupancy tax					965,445	-	965,445
Lodging/liquor/food tax					2,919,682	-	2,919,682
Car Rental Tax					66,121	-	66,121
Unrestricted state aid distribution					4,498,092	-	4,498,092
Franchise taxes					1,158,319	-	1,158,319
Other taxes					1,706,736	36,465	1,743,201
Unrestricted investment earnings					2,342,382	535,407	2,877,789
Gain (Loss) on disposal of assets					352,053	177,494	529,547
Transfers					(3,187,460)	3,187,460	-
Total general revenues, special items, and transfers					<u>46,993,630</u>	<u>3,936,826</u>	<u>50,930,456</u>
Change in net position					<u>7,359,543</u>	<u>28,550,334</u>	<u>35,909,877</u>
Net position - beginning					<u>444,971,667</u>	<u>428,455,490</u>	<u>873,427,157</u>
Net position - ending					<u>\$ 452,331,210</u>	<u>\$457,005,824</u>	<u>\$909,337,034</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 3,879,894	\$ 4,216,153	\$ 6,176,493	\$ -	\$ -	\$ 3,835,176	\$ 18,107,716
Investments	39,074,734	10,090,818	13,563	12,930,339	-	37,377,219	99,486,673
Receivables:							
Taxes receivable	231,194	-	-	-	-	48,042	279,236
Accounts receivable	2,689,938	2,919,717	-	-	-	4,467,637	10,077,292
Special assessments receivable	-	-	20,078,401	80,856,800	-	9,324,363	110,259,564
Notes receivable	-	-	-	-	-	1,349,076	1,349,076
Due from other funds	5,098	-	-	7,403,117	-	1,126,422	8,534,637
Advances to other funds	150,000	-	-	-	-	1,780,000	1,930,000
Restricted investments	-	-	-	-	-	1,655,084	1,655,084
Total assets	<u>\$46,030,858</u>	<u>\$17,226,688</u>	<u>\$26,268,457</u>	<u>\$101,190,256</u>	<u>\$ -</u>	<u>\$60,963,019</u>	<u>\$ 251,679,278</u>
LIABILITIES							
Accounts payable	\$ 703,750	\$ -	\$ 4,628	\$ 10,759	\$ -	\$ 3,944,375	\$ 4,663,512
Retainage payable	-	-	-	-	375,807	32,625	408,432
Due to other funds	-	-	-	-	7,403,117	912,226	8,315,343
Salaries payable	1,198,176	-	-	-	-	237,294	1,435,470
Unearned revenue	-	-	-	-	-	800,098	800,098
Customer deposits	1,100	-	-	-	-	1,657,051	1,658,151
Total liabilities	<u>1,903,026</u>	<u>-</u>	<u>4,628</u>	<u>10,759</u>	<u>7,778,924</u>	<u>7,583,669</u>	<u>17,281,006</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable special assessment taxes	-	-	18,646,112	73,783,652	-	8,214,406	100,644,170
Unavailable property taxes	172,235	-	-	-	-	35,804	208,039
Total deferred inflow of resources	<u>172,235</u>	<u>-</u>	<u>18,646,112</u>	<u>73,783,652</u>	<u>-</u>	<u>8,250,210</u>	<u>100,852,209</u>
Total liabilities and deferred inflows of resources	<u>2,075,261</u>	<u>-</u>	<u>18,650,740</u>	<u>73,794,411</u>	<u>7,778,924</u>	<u>15,833,879</u>	<u>118,133,215</u>
FUND BALANCES (DEFICITS)							
Nonspendable	150,000	-	-	-	-	-	150,000
Restricted	3,128,667	12,025,801	7,617,717	27,395,845	-	5,160,982	55,329,012
Committed	-	5,200,887	-	-	-	41,501,258	46,702,145
Assigned	4,316,068	-	-	-	-	-	4,316,068
Unassigned	36,360,862	-	-	-	(7,778,924)	(1,533,100)	27,048,838
Total fund balances (deficits)	<u>43,955,597</u>	<u>17,226,688</u>	<u>7,617,717</u>	<u>27,395,845</u>	<u>(7,778,924)</u>	<u>45,129,140</u>	<u>133,546,063</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$46,030,858</u>	<u>\$17,226,688</u>	<u>\$26,268,457</u>	<u>\$101,190,256</u>	<u>\$ -</u>	<u>\$60,963,019</u>	

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

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

361,009,276

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

101,063,031

The net pension liability is not due and payable in the current period and therefore is not reported in the funds. Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

(11,746,305)

Internal service funds are used by management to charge the cost of 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 position.

1,977,455

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

(133,518,310)

Net position of governmental activities

\$ 452,331,210

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, 2018

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Sewermain Bonds</u>	<u>Street Improvement Bonds</u>	<u>Street Improvement Construction</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 18,728,383	\$15,543,636	\$ -	\$ -	\$ -	\$ 7,422,740	\$ 41,694,759
Licenses and permits	1,896,684	-	-	-	-	1,050	1,897,734
Special assessments revenue	-	-	5,122,123	14,937,993	96,460	2,178,187	22,334,763
Intergovernmental	8,091,371	-	-	-	-	10,244,486	18,335,857
Charges for services	4,451,061	-	-	-	-	3,468,389	7,919,450
Fines and forfeits	1,438,498	-	-	-	-	118,953	1,557,451
Investment income	658,937	165,633	108,815	453,535	-	509,874	1,896,794
Rentals	300,359	-	-	-	-	90,318	390,677
Miscellaneous	65,795	-	-	-	-	382,892	448,687
Total revenues	<u>35,631,088</u>	<u>15,709,269</u>	<u>5,230,938</u>	<u>15,391,528</u>	<u>96,460</u>	<u>24,416,889</u>	<u>96,476,172</u>
EXPENDITURES							
Current:							
General government	10,928,970	90	-	-	-	4,838,376	15,767,436
Public safety	24,786,607	-	-	-	-	943,443	25,730,050
Highways and streets	2,476,999	-	-	-	-	7,497,140	9,974,139
Health and welfare	2,320,091	-	-	-	-	871,253	3,191,344
Culture and recreation	410,864	-	-	-	-	2,338,105	2,748,969
Public works	-	-	-	-	430,027	3,072,235	3,502,262
Debt service:							
Principal retirement	-	-	2,756,432	11,796,551	-	1,617,017	16,170,000
Interest	-	-	624,649	2,815,875	37,177	300,300	3,778,001
Capital outlay:							
General government	292,787	-	-	-	-	445,104	737,891
Public safety	367,002	-	-	-	-	421,051	788,053
Highways and streets	25,577	-	-	-	-	348,589	374,166
Health and welfare	8,631	-	-	-	-	-	8,631
Culture and recreation	-	-	-	-	-	421,757	421,757
Public works	-	-	-	-	12,364,927	5,403,762	17,768,689
Total expenditures	<u>41,617,528</u>	<u>90</u>	<u>3,381,081</u>	<u>14,612,426</u>	<u>12,832,131</u>	<u>28,518,132</u>	<u>100,961,388</u>
Excess (deficiency) of revenues over expenditures	<u>(5,986,440)</u>	<u>15,709,179</u>	<u>1,849,857</u>	<u>779,102</u>	<u>(12,735,671)</u>	<u>(4,101,243)</u>	<u>(4,485,216)</u>
OTHER FINANCING SOURCES (USES)							
Transfer in	12,154,005	-	131,812	470,624	10,651,378	9,083,060	32,490,879
Transfers out	(2,887,026)	(14,711,817)	(67,884)	(183,821)	(514,088)	(15,045,786)	(33,410,422)
Premium on special assessment funds	-	-	-	-	270,967	157,968	428,935
Special assessments bonds issued	-	-	-	-	9,662,052	5,352,948	15,015,000
Total other financing sources (uses)	<u>9,266,979</u>	<u>(14,711,817)</u>	<u>63,928</u>	<u>286,803</u>	<u>20,070,309</u>	<u>(451,810)</u>	<u>14,524,392</u>
Net change in fund balances	3,280,539	997,362	1,913,785	1,065,905	7,334,638	(4,553,053)	10,039,176
Fund balances - beginning	40,675,058	16,229,326	5,703,932	26,329,940	(15,113,562)	49,682,193	123,506,887
Fund balances - ending	<u>\$ 43,955,597</u>	<u>\$17,226,688</u>	<u>\$ 7,617,717</u>	<u>\$ 27,395,845</u>	<u>\$ (7,778,924)</u>	<u>\$45,129,140</u>	<u>\$ 133,546,063</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

Net change in fund balances-total governmental funds (Page 23) \$ 10,039,176

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. 4,809,141

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase/(decrease) net position. 1,395

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. (4,079,000)

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 726,065

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. (2,481,966)

Internal service funds are used by management to charge the cost of health insurance, liability insurance, unemployment insurance, and revolving cost to the individual funds. A portion of the net revenue in the internal service funds is reported with governmental activities. (1,655,268)

Change in net position of governmental activities (Page 21) \$ 7,359,543

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, 2018

	<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	\$ 40,675,058	\$ 40,675,058	\$ 40,675,058	\$ -
Resources (inflows)				
Taxes	19,312,812	19,312,812	18,728,383	(584,429)
Licenses and permits	1,494,575	1,494,575	1,896,684	402,109
Intergovernmental	6,929,818	6,929,818	8,091,371	1,161,553
Charges for services	3,916,776	3,916,776	4,451,061	534,285
Fines and forfeits	1,200,200	1,200,200	1,438,498	238,298
Investment income	351,700	351,700	658,937	307,237
Rentals	300,796	300,796	300,359	(437)
Miscellaneous	31,900	31,900	65,795	33,895
Transfer in	12,307,629	12,307,629	12,154,005	(153,624)
Amount available for appropriation	<u>86,521,264</u>	<u>86,521,264</u>	<u>88,460,151</u>	<u>1,938,887</u>
Charges to appropriations (outflows)				
General government				
Nondepartmental	1,346,863	1,346,863	1,198,867	147,996
Administration	915,123	915,123	831,375	83,748
Building maintenance	879,338	879,338	845,858	33,480
Attorney	616,965	616,965	610,191	6,774
Finance	3,648,360	3,648,360	3,394,895	253,465
Human resources	546,943	546,943	510,409	36,534
Municipal court	549,816	561,816	536,431	25,385
Community development	2,367,305	2,473,796	2,564,387	(90,591)
One-time operations	617,720	482,955	1,152,927	(669,972)
Equipment reserve	79,230	77,971	53,258	24,713
Public safety				
Central dakota communications center	2,896,481	2,896,481	2,846,366	50,115
Fire	8,186,764	8,165,764	8,065,373	100,391
Police	13,186,563	13,186,563	13,081,452	105,111
One-time operations	985,783	1,108,611	1,212,094	(103,483)
Highways and streets				
Engineering	2,553,212	2,553,212	2,453,752	99,460
One-time operations	50,000	50,000	46,464	3,536
Equipment reserve	3,000	3,000	3,000	-
Health and welfare				
Public health	2,360,989	2,360,989	2,217,628	143,361
One-time operations	101,999	101,999	76,380	25,619
Equipment reserve	28,365	29,624	29,623	1
Culture and recreation				
Cable tv promotions	391,614	391,614	391,614	-
One-time operations	19,250	19,250	19,250	-
Transfer out				
Nondepartmental	1,916,317	1,916,317	1,317,312	599,005
Building construction	927,348	927,348	820,504	106,844
Contingencies	825,000	825,000	-	825,000
Central dakota communications center	-	-	4,587	(4,587)
Fire	-	21,000	21,000	-
Community development	-	1,174	1,683	(509)
Equipment reserve	-	-	-	-
One-time operations	843,605	735,877	721,940	13,938
Total charges to appropriations	<u>46,843,953</u>	<u>46,843,953</u>	<u>45,028,620</u>	<u>1,815,334</u>
Budgetary Fund Balance, December 31	<u>\$ 39,677,311</u>	<u>\$ 39,677,311</u>	<u>\$ 43,431,532</u>	<u>\$ 3,754,221</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, 2018**

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

Sources/inflows of resources	General Fund
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 88,460,151
 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	(40,675,058)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(12,154,005)
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$ 35,631,088
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 45,028,620
 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	(614,888)
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	90,822
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(2,887,026)
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$ 41,617,528

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, 2018

	<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	\$ 16,229,326	\$ 16,229,326	\$ 16,229,326	\$ -
Resources (inflows)				
Taxes	16,000,000	16,000,000	15,543,636	(456,364)
Investment income	54,027	54,027	165,633	111,606
Amount available for appropriation	<u>32,283,353</u>	<u>32,283,353</u>	<u>31,938,595</u>	<u>(344,758)</u>
Charges to appropriations (outflows)				
General government	400	400	90	310
Transfer out	16,669,451	16,669,451	14,711,817	1,957,634
Total charges to appropriations	<u>16,669,851</u>	<u>16,669,851</u>	<u>14,711,907</u>	<u>1,957,944</u>
Budgetary Fund Balance, December 31	<u><u>\$ 15,613,502</u></u>	<u><u>\$ 15,613,502</u></u>	<u><u>\$ 17,226,688</u></u>	<u><u>\$ 1,613,186</u></u>

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-type Activities - Enterprise Funds						Governmental Activities -	
	Airport	Event Center	Water	Sanitary Sewer	Storm Water	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,800	\$ -	\$ 1,360,120	\$ -	\$ 1,822,852	\$ 2,702,522	\$ 5,887,294	\$ 100,000
Investments	4,794,244	-	4,838,216	6,664,630	1,111,820	18,429,796	35,838,706	2,716,307
Accounts receivable	986,749	181,276	697,523	776,518	161,216	650,976	3,454,258	389,946
Special assessments receivable	-	-	493,828	523,716	300,420	-	1,317,964	-
Interest receivable	5,534	-	23,386	23,480	6,472	42,333	101,205	-
Due from other funds	-	22,455	-	-	-	-	22,455	-
Inventories	-	-	166,937	-	-	-	166,937	282,455
Prepaid Items	11,534	34,024	34,968	15,892	2,982	20,116	119,516	4,809
Total current assets	<u>5,799,861</u>	<u>237,755</u>	<u>7,614,978</u>	<u>8,004,236</u>	<u>3,405,762</u>	<u>21,845,743</u>	<u>46,908,335</u>	<u>3,493,517</u>
Noncurrent assets:								
Special assessments receivable	-	-	3,276,787	3,503,972	2,131,759	-	8,912,518	-
Restricted assets:								
Investments	-	1,112,292	-	-	-	27,462	1,139,754	-
Revenue bond covenant accounts	-	161,863	6,082,767	4,951,321	-	-	11,195,951	-
Capital assets not being depreciated:								
Land	8,469,631	912,100	877,279	337,375	2,567,739	2,684,949	15,849,073	-
Construction in progress	50,050,957	55,663	35,868	171,855	740,124	751,960	51,806,427	-
Capital assets (net of accumulated depreciation):								
Building and building improvements	14,010,313	28,122,151	60,076,173	53,189,264	-	22,080,640	177,478,541	-
Improvements other than buildings	42,377,123	-	75,844,334	49,350,693	46,941,870	9,808,232	224,322,252	-
Machinery and equipment	1,701,270	1,760,924	5,858,084	6,674,282	74,058	4,464,588	20,533,206	229
Total noncurrent assets	<u>116,609,294</u>	<u>32,124,993</u>	<u>152,051,292</u>	<u>118,178,762</u>	<u>52,455,550</u>	<u>39,817,831</u>	<u>511,237,722</u>	<u>229</u>
Total assets	<u>122,409,155</u>	<u>32,362,748</u>	<u>159,666,270</u>	<u>126,182,998</u>	<u>55,861,312</u>	<u>61,663,574</u>	<u>558,146,057</u>	<u>3,493,746</u>
DEFERRED OUTFLOWS OF RESOURCES								
Derived from pensions	490,215	508,732	903,571	533,396	131,154	712,498	3,279,566	262,986
Total deferred outflows of resources	<u>490,215</u>	<u>508,732</u>	<u>903,571</u>	<u>533,396</u>	<u>131,154</u>	<u>712,498</u>	<u>3,279,566</u>	<u>262,986</u>

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2018**

	Business-type Activities - Enterprise Funds						Governmental Activities -	
	Airport	Event Center	Water	Sanitary Sewer	Storm Water	Nonmajor Enterprise Funds	Total	Internal Service Funds
LIABILITIES								
Current liabilities:								
Accounts payable	721,432	144,268	213,145	613,672	63,050	305,443	2,061,010	789,779
Retainage payable	-	-	24,529	167,068	-	18,634	210,231	-
Bonds payable	-	1,075,000	2,940,000	2,250,000	-	-	6,265,000	-
Accrued interest payable	-	103,909	256,919	287,527	-	-	648,355	-
Due to other funds	-	241,748	-	-	-	-	241,748	-
Compensated benefits payable	106,150	103,995	171,785	76,556	18,118	133,137	609,741	-
Salaries payable	67,503	90,644	94,834	53,569	13,083	87,117	406,750	31,182
Unearned revenue	-	-	-	-	-	2,580	2,580	-
Customer deposits	-	1,112,292	977,500	13,900	-	37,327	2,141,019	-
Claims and judgments payable	-	-	-	9,504	-	-	9,504	665,000
Total current liabilities	<u>895,085</u>	<u>2,871,856</u>	<u>4,678,712</u>	<u>3,471,796</u>	<u>94,251</u>	<u>584,238</u>	<u>12,595,938</u>	<u>1,485,961</u>
Noncurrent liabilities:								
Compensated benefits payable	30,887	53,370	23,532	39,480	13,528	112,531	273,328	-
Net pension liability	753,885	759,689	1,363,560	804,936	197,921	1,098,886	4,978,877	394,204
Advances from other funds	-	-	-	-	-	1,930,000	1,930,000	-
Revenue bonds payable	-	21,674,055	25,852,484	34,111,778	-	-	81,638,317	-
Accrued closure/post closure costs	-	-	-	-	-	2,843,240	2,843,240	-
Total noncurrent liabilities	<u>784,772</u>	<u>22,487,114</u>	<u>27,239,576</u>	<u>34,956,194</u>	<u>211,449</u>	<u>5,984,657</u>	<u>91,663,762</u>	<u>394,204</u>
Total liabilities	<u>1,679,857</u>	<u>25,358,970</u>	<u>31,918,288</u>	<u>38,427,990</u>	<u>305,700</u>	<u>6,568,895</u>	<u>104,259,700</u>	<u>1,880,165</u>
DEFERRED INFLOWS OF RESOURCES								
Derived from pensions	40,862	21,944	32,309	19,071	4,690	71,328	190,204	9,174
Total deferred inflows of resources	<u>40,862</u>	<u>21,944</u>	<u>32,309</u>	<u>19,071</u>	<u>4,690</u>	<u>71,328</u>	<u>190,204</u>	<u>9,174</u>
NET POSITION								
Net investment in capital assets	116,609,294	8,101,783	113,874,725	73,194,623	50,323,791	39,771,735	401,875,951	229
Restricted for:								
Debt Service	-	161,863	6,082,767	4,951,321	-	-	11,195,951	-
Unrestricted	4,569,357	(773,080)	8,661,752	10,123,389	5,358,285	15,964,114	43,903,817	1,867,164
Total net position	<u>\$121,178,651</u>	<u>\$ 7,490,566</u>	<u>\$128,619,244</u>	<u>\$88,269,333</u>	<u>\$55,682,076</u>	<u>\$ 55,735,849</u>	<u>456,975,719</u>	<u>\$ 1,867,393</u>
Difference between business-type adjustments to assets and liabilities.							30,105	
Net position of business-type activities							<u>\$457,005,824</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 POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities -	
	Airport	Event Center	Water	Sanitary Sewer	Storm Water	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES								
Event sales	\$ -	\$ 6,772,912	\$ -	\$ -	\$ -	\$ -	\$ 6,772,912	\$ -
Sale of gas and oil	-	-	-	-	-	-	-	936,629
Sale of parts and labor	105,527	-	166,922	2,041	-	-	274,490	2,326,211
Water sales	1,867	-	15,570,263	-	-	-	15,572,130	-
Sanitation fees	-	-	32,374	10,948,057	2,277,554	8,531,843	21,789,828	-
Landing and airport fees	2,904,360	-	-	-	-	-	2,904,360	-
Miscellaneous sales	69,997	22,053	25,457	1,781	27,629	35,728	182,645	175,844
Rentals	3,907,196	510,006	709,976	12,040	-	1,716,798	6,856,016	15,225
Employer contributions	-	-	-	-	-	-	-	7,587,256
Employee contributions	-	-	-	-	-	-	-	103,721
Total operating revenues	<u>6,988,947</u>	<u>7,304,971</u>	<u>16,504,992</u>	<u>10,963,919</u>	<u>2,305,183</u>	<u>10,284,369</u>	<u>54,352,381</u>	<u>11,144,886</u>
OPERATING EXPENSES								
Cost of goods sold	-	3,467,050	106,816	-	-	-	3,573,866	1,970,572
Personal services - salaries & wages	1,359,527	2,223,879	2,030,679	1,216,414	288,860	1,895,546	9,014,905	631,818
Personal services - fringe benefits	592,882	682,938	1,021,797	582,196	137,566	958,911	3,976,290	437,740
Professional legal and contracted services	1,117,929	127,266	513,241	234,331	95,037	735,688	2,823,492	3,154
Building equipment and vehicle services	750,255	768,599	2,209,691	1,524,955	2,488,208	1,289,153	9,030,861	355,885
Travel & training	14,965	14,544	27,002	26,952	5,841	3,563	92,867	9,344
Operating services	242,664	192,794	398,421	263,731	23,408	1,539,552	2,660,570	9,842,736
Operating supplies	309,577	83,308	1,296,938	599,514	10,788	395,806	2,695,931	(2,283)
Depreciation expense	3,275,867	2,579,194	4,703,701	2,890,165	1,172,739	1,889,227	16,510,893	284
Total operating expenses	<u>7,663,666</u>	<u>10,139,572</u>	<u>12,308,286</u>	<u>7,338,258</u>	<u>4,222,447</u>	<u>8,707,446</u>	<u>50,379,675</u>	<u>13,249,250</u>
Operating income (loss)	<u>(674,719)</u>	<u>(2,834,601)</u>	<u>4,196,706</u>	<u>3,625,661</u>	<u>(1,917,264)</u>	<u>1,576,923</u>	<u>3,972,706</u>	<u>(2,104,364)</u>
NONOPERATING REVENUES (EXPENSES)								
Intergovernmental	36,466	-	-	-	-	-	36,466	-
Investment income	23,118	6,040	135,103	120,072	35,932	212,907	533,172	24,748
Gain (loss) on disposal of assets	1,198	-	29,104	33,609	76,310	37,273	177,494	165,282
Interest and fiscal charges	-	(896,689)	(914,679)	(1,192,137)	-	-	(3,003,505)	-
Special assessments	-	-	717,072	709,077	2,412	-	1,428,561	-
Total nonoperating revenues (expenses)	<u>60,782</u>	<u>(890,649)</u>	<u>(33,400)</u>	<u>(329,379)</u>	<u>114,654</u>	<u>250,180</u>	<u>(827,812)</u>	<u>190,030</u>
Income (loss) before contributions and transfers	(613,937)	(3,725,250)	4,163,306	3,296,282	(1,802,610)	1,827,103	3,144,894	(1,914,334)
CAPITAL CONTRIBUTIONS	20,421,248	-	2,132,770	1,012,591	1,117,451	-	24,684,060	-
TRANSFERS OUT	(135,986)	(264,649)	(3,647,361)	(354,915)	(68,889)	(773,170)	(5,244,970)	(212,711)
TRANSFERS IN	1,849,863	2,462,782	284,348	1,442,965	-	-	6,039,958	337,266
Change in net position	21,521,188	(1,527,117)	2,933,063	5,396,923	(754,048)	1,053,933	28,623,942	(1,789,779)
Total net position - beginning	99,657,463	9,017,683	125,686,181	82,872,410	56,436,124	54,681,916	3,657,172	-
Total net position - ending	<u>\$121,178,651</u>	<u>\$ 7,490,566</u>	<u>\$128,619,244</u>	<u>\$ 88,269,333</u>	<u>\$55,682,076</u>	<u>\$ 55,735,849</u>	<u>\$28,550,334</u>	<u>\$ 1,867,393</u>
Adjustment to reflect the consolidation of internal service fund activities related to Changes in net position of business-type activities (page 21)							(73,608)	
							<u>\$28,550,334</u>	

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

CITY OF BISMARCK, NORTH DAKOTA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds						Governmental Activities -	
	Airport	Event Center	Water	Sanitary Sewer	Storm Water	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 7,376,708	\$ 7,745,059	\$ 16,368,784	\$ 10,855,563	\$ 2,267,823	\$ 10,278,969	\$ 54,892,906	\$ 3,297,363
Receipts from employer	-	-	-	-	-	-	-	7,587,256
Other operating cash receipts	-	-	-	-	-	-	-	175,842
Payments to suppliers	(3,633,271)	(5,245,768)	(5,580,103)	(3,595,650)	(2,827,817)	(5,089,185)	(25,971,794)	(12,487,616)
Payments to employees	(1,243,574)	(2,087,581)	(1,806,286)	(1,076,736)	(253,421)	(1,722,299)	(8,189,897)	(568,220)
Net cash provided (used) by operating activities	<u>2,499,863</u>	<u>411,710</u>	<u>8,982,395</u>	<u>6,183,177</u>	<u>(813,415)</u>	<u>3,467,485</u>	<u>20,731,215</u>	<u>(1,995,375)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Payment on advance	-	-	-	-	-	(80,000)	(80,000)	-
Transfers from other funds	1,849,863	2,462,782	284,348	1,442,965	-	-	6,039,958	337,266
Transfers to other funds	(135,986)	(264,649)	(3,647,361)	(354,915)	(68,889)	(773,170)	(5,244,970)	(212,711)
Net cash provided (used) by noncapital financing activities	<u>1,713,877</u>	<u>2,198,133</u>	<u>(3,363,013)</u>	<u>1,088,050</u>	<u>(68,889)</u>	<u>(853,170)</u>	<u>714,988</u>	<u>124,555</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Intergovernmental revenue	20,457,715	-	-	-	-	-	20,457,715	-
Revenue bond payment	-	(1,050,000)	(2,870,000)	(2,200,000)	-	-	(6,120,000)	-
Interest paid	-	(901,328)	(937,524)	(1,214,811)	-	-	(3,053,663)	-
Proceeds from sale of capital assets	1,198	-	29,104	33,609	76,310	37,273	177,494	3,965
Proceeds from insurance recoveries	-	-	-	-	-	-	-	161,317
Special assessments collected	-	-	622,942	581,173	441,372	-	1,645,487	-
Purchase of capital assets	(33,167)	(110,140)	(89,669)	(273,194)	-	(662,363)	(1,168,533)	-
Construction of capital assets	(24,474,231)	(119,164)	(1,522,241)	(5,623,766)	(3,000)	(1,213,528)	(32,955,930)	-
Net cash provided (used) by capital and related financing activities	<u>(4,048,485)</u>	<u>(2,180,632)</u>	<u>(4,767,388)</u>	<u>(8,696,989)</u>	<u>514,682</u>	<u>(1,838,618)</u>	<u>(21,017,430)</u>	<u>165,282</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Proceeds from sale and maturities of investments	4,600,654	677,041	4,240,838	7,937,827	3,262,794	19,419,325	40,138,479	3,498,128
Purchase of investments	(4,794,244)	(1,112,292)	(4,838,216)	(6,664,630)	(1,111,820)	(18,457,258)	(36,978,460)	(2,716,309)
Investment income	28,335	6,040	133,727	124,991	39,400	218,346	550,839	24,748
Net cash provided (used) by investing activities	<u>(165,255)</u>	<u>(429,211)</u>	<u>(463,651)</u>	<u>1,398,188</u>	<u>2,190,374</u>	<u>1,180,413</u>	<u>3,710,858</u>	<u>806,567</u>
Net increase (decrease) in cash and cash equivalents	-	-	388,343	(27,574)	1,822,752	1,956,110	4,139,631	(898,971)
Cash and cash equivalents - January 1	1,800	-	971,777	27,574	100	746,412	1,747,663	998,971
Cash and cash equivalents - December 31	<u>\$ 1,800</u>	<u>\$ -</u>	<u>\$ 1,360,120</u>	<u>\$ -</u>	<u>\$ 1,822,852</u>	<u>\$ 2,702,522</u>	<u>\$ 5,887,294</u>	<u>\$ 100,000</u>

CITY OF BISMARCK, NORTH DAKOTA
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018

	Business-type Activities - Enterprise Funds						Governmental	
	Airport	Event Center	Water	Sanitary Sewer	Storm Water	Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating Income (loss)	\$ (674,719)	\$(2,834,601)	\$ 4,196,706	\$ 3,625,661	\$ (1,917,264)	\$ 1,576,923	\$ 3,972,706	\$ (2,104,364)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Depreciation	3,275,867	2,579,194	4,703,701	2,890,165	1,172,739	1,889,227	16,510,893	284
Changes in assets and liabilities:								
Change in Deferred outflows	(158,984)	(149,147)	(298,229)	(191,867)	(52,419)	(168,927)	(1,019,573)	(93,114)
Change in Deferred inflows	(136,421)	(134,402)	(234,814)	(131,636)	(30,055)	(199,928)	(867,256)	(65,050)
(Increase) decrease in accounts receivable	387,760	4,296	(78,707)	(122,256)	(37,360)	(11,892)	141,841	(84,425)
(Increase) decrease in due from other funds	-	(15,244)	-	-	-	-	(15,244)	-
(Increase) decrease in inventories	-	-	(18,333)	-	-	-	(18,333)	47,038
(Increase) decrease in prepaid items	641	(768)	(3,145)	(1,671)	(348)	(972)	(6,263)	(282)
Increase (decrease) in customer deposits	-	435,793	(57,500)	13,900	-	6,915	399,108	-
Increase (decrease) in accounts payable	(605,640)	13,251	14,817	(372,107)	(66,617)	31,873	(984,423)	89,777
Increase (decrease) in revenue bonds payable	-	1,334	464	3,871	-	-	5,669	-
Increase (decrease) in compensated benefits payable	4,078	9,000	15,994	9,146	1,588	15,392	55,198	-
Increase (decrease) in net pension liability	403,283	401,021	734,741	450,165	116,132	523,524	2,628,866	219,062
Increase (decrease) in salaries payable	3,998	9,826	6,700	3,872	189	3,184	27,769	2,699
Increase (decrease) in due to other funds	-	92,157	-	-	-	-	92,157	-
Increase (decrease) in unearned revenue	-	-	-	-	-	(422)	(422)	-
Increase (decrease) in estimated pending claims	-	-	-	5,934	-	-	5,934	(7,000)
Increase (decrease) in closure and post closure costs	-	-	-	-	-	(197,412)	(197,412)	-
Net cash provided (used) by operating activities	<u>\$ 2,499,863</u>	<u>\$ 411,710</u>	<u>\$ 8,982,395</u>	<u>\$ 6,183,177</u>	<u>\$ (813,415)</u>	<u>\$ 3,467,485</u>	<u>\$ 20,731,215</u>	<u>\$ (1,995,375)</u>
NONCASH INVESTING, CAPITAL AND FINANCE								
Construction of capital assets contributed through capital project funds	\$ -	\$ -	\$ 1,133,008	\$ 21,293	\$ 836,795	\$ -	\$ 1,991,096	\$ -
Contribution of capital assets from developers	-	-	999,762	800,798	280,656	-	2,081,216	-
Increase in fair value of investments	5,708	870	22,636	25,801	8,735	47,041	110,791	4,874

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2018**

	Pension Trust Fund
ASSETS	
Receivables:	
Accounts receivable	\$ 602
Accrued interest and dividends	251,967
Investments, at fair value:	
International equities	62,892,469
International fixed income	43,658,245
Real estate	26,335,721
Mutual funds	327,675
Certificate of deposits	292,693
Invested cash	585,611
Invested securities lending collateral	487,917
Total assets	134,832,900
LIABILITIES	
Accounts payable	90,938
Securities lending collateral	487,917
Total liabilities	578,855
NET POSITION	
Net position - restricted for pension benefits	134,254,045
Total net position held in trust	\$ 134,254,045

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDING DECEMBER 31, 2018**

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,095,642
Employee	2,107,719
Total contributions	<u>6,203,361</u>
Investment income:	
Net increase (decrease) in fair value of investments	(6,944,657)
Interest and dividends	3,167,973
	<u>(3,776,684)</u>
Less: investment expense	(301,657)
Net investment income (loss)	<u>(4,078,341)</u>
Securities lending Income	11,749
Less: securities lending expense	(2,349)
Net securities lending income	<u>9,400</u>
Total additions	<u>2,134,420</u>
DEDUCTIONS	
Benefits paid to participants	7,562,262
Refunds	236,526
Administration expenses	122,367
Total deductions	<u>7,921,155</u>
Change in net position	<u>(5,786,735)</u>
Net position - beginning	<u>140,040,780</u>
Net position- ending	<u><u>\$ 134,254,045</u></u>

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

NOTES TO FINANCIAL STATEMENTS

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**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

I. 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 position and the statement of activities) report information on all of the nonfiduciary activities. Reporting of the internal activities has been eliminated to avoid duplication on the statements. 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 for all revenue types except for Federal grants expended with reimbursements yet to be received. These revenue sources are considered current to reimburse the current period liability. 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; 2% Motel tax and the car rental tax collected are 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
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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.

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.

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

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

Internal Service Funds – These funds are used by management to charge the cost of 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.

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
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Proprietary funds report operating revenues and expenses separately from non-operating 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 non-operating revenues and expenses.

D. ASSETS, LIABILITIES, AND NET POSITION 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 Position as "Cash and Cash Equivalents".

The City has no cash overdrafts from pooled cash and investments at December 31, 2018.

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.

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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. Receivables and Payables

Notes receivable as of December 31, 2018 were:

	INTEREST RATE	MATURITY DATE	AMOUNT
HUD Brandon Heights II Project	0%	7/1/2003 - 7/1/2023	\$ 109,650
HUD Abused Adult Resource Bonnie's House	0%	7/24/2013 - 9/20/2033	100,563
HUD Habitat Home Ownership Project	0%	7/8/2009 - 7/8/2024	33,696
HUD Home Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	347,000
HUD Neighborhood Stabilization Program	0%	3/30/2010 - 3/30/2025	15,746
HUD NSP Dakota Apartments	0%	12/20/2011 - 12/20/2031	193,443
HUD Patterson Place Apartments Loan	0%	12/31/2039	300,000
Laughing Sun Brewing Company, LLC	2%	5/18/2018 - 12/1/2030	103,337
JB Lozensky Properties, LLP	2%	12/31/2018 - 6/1/2036	39,627
ND Safety Council	2%	5/24/2018 - 1/1/2024	106,014
TOTAL NOTES RECEIVABLE			<u>\$ 1,349,076</u>

Repayments of the HUD loans are forgivable when the terms of the agreement are met. The details of the HUD loans are disclosed in Note IV on page 53.

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.

4. 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, 2018, as prepaid items. The cost of services to governmental type funds is recorded as expenditures when paid rather than the benefited period.

5. 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. Investments are also purchased in the Roads & Streets Fund by a developer in the City of Bismarck's name to guarantee payment of landscape development. A corresponding liability recognizes the developer's deposit which is payable upon the sale of the property.

**CITY OF BISMARCK, NORTH DAKOTA
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Event Center ticket sales, along with Parking Authority key deposits are considered restricted assets until obligations have been met.

Certain proceeds of the Event Center's Lodging, Liquor, Food's revenue bonds, Water Enterprise Fund's revenue bonds and the Sanitary Sewer Enterprise Fund's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position because their use is limited by applicable revenue bond covenants. The balances of the revenue bond covenant accounts are disclosed in Note IV on pages 57-58.

6. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are, reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000, except for infrastructure networks which are capitalized if the total cost exceeds \$50,000. Capital assets are valued at historical or estimated historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

7. Deferred Outflows of Resources

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

8. Compensated Absences/Termination Benefits

Sick Leave

The sick leave plan for compensated absences started 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.

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

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 hours 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 position. Bond premiums and discounts 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.

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

**CITY OF BISMARCK, NORTH DAKOTA
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Internal service funds predominately serve the governmental funds. At year end, \$674,504 of claims and judgments are included in governmental and business-type activities. Governmental compensated absences of \$3,004,326 generally have been liquidated by the General Fund and various Special Revenue Funds.

10. Pensions

The City's portion of the Bismarck City Employee Pension Plan is based on the proportionate share of the net pension liability, deferred outflows/inflows and pension expense. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The City's proportionate share was further reallocated between governmental and business-type funds (proprietary/internal service funds) based on the present value of future payroll.

11. Deferred Inflows of Resources

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

12. Net Position/Fund Balance

The difference between assets, deferred outflows, liabilities and deferred inflows is "net position" on the government-wide, proprietary and fiduciary fund financial statements and "fund balance" on the governmental fund financial statements.

The Bismarck City Commission in 2011 approved the following policy which provides clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance – are those that cannot be spent because they are either:

1. Not in spendable form (e.g. inventories, prepaid items, deferred expenditures, long-term receivables).
2. Legally or contractually required to be maintained intact.

Restricted fund balance – are those that have constraints placed on their use either:

1. Externally by creditors, grantors, contributors, or laws or regulations or other governments (e.g. Bond Covenants, Federal and State Grantors, Donations).
2. By law through constitutional provisions or enabling legislation (e.g. sales and use tax).

Committed fund balance – are those the City of Bismarck Board of Commissioners has authorized to set aside funds for a specific purpose based on a single majority vote. Any funds set aside as committed Fund Balance requires formal motion by a simple majority vote which is the highest level action required to constitute a binding restraint. The formal motion must take place prior to December 31 of the applicable fiscal year and be recorded in the official minutes. If the actual amount of the commitment is not available by December 31st, the motion must state the process or formula necessary to calculate the actual amount as soon as information is available. Commitments may be changed or removed by the City Commission by taking the same formal action that imposed the original constraint.

**CITY OF BISMARCK, NORTH DAKOTA
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Assigned fund balance – are those amounts set aside for the intended use of a specific purpose that is neither restricted nor committed. The Director of Finance has the ability to reserve intended amounts for assigned funds. The City of Bismarck Budget Committee has the authority to remove or change the assignment of the funds.

Unassigned fund balance – are those which represent the residual classification for the General Fund. It represents the resources available for future spending and amounts that have not been assigned to other funds that are non-spendable, restricted, committed, or assigned to specific purpose. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Commission establishes, modifies or rescinds fund balance commitments by passage of a resolution. A resolution is the highest level of authority and requires another simple majority vote to modify or rescind. Assigned fund balance is established through adoption or amendment of the budget for its intended specific purpose.

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

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, restricted fund balance is considered to have been spent first unless legal requirements disallow it. When committed, assigned and unassigned funds are available for expenditure, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts unless the governing board has provided otherwise in its commitment or assignment actions.

As of December 31, 2018, fund balances are composed of the following:

	General Fund	Sales Tax	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Nonmajor Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>							
Advance to other funds	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
<u>Restricted:</u>							
Building construction	3,128,667	-	-	-	-	-	3,128,667
Highway weather projects	-	-	-	-	-	271,867	271,867
Capital projects	-	12,025,801	-	-	-	-	12,025,801
Debt payments	-	-	7,617,717	27,395,845	-	4,889,115	39,902,677
<u>Committed:</u>							
Advance to other funds	-	-	-	-	-	1,780,000	1,780,000
Public health programs	-	-	-	-	-	1,025,630	1,025,630
Transit system	-	-	-	-	-	3,775	3,775
Public library	-	-	-	-	-	750,337	750,337
Drug enforcement	-	-	-	-	-	307,574	307,574
Highways and streets	-	-	-	-	-	5,055,363	5,055,363
Street light operations	-	-	-	-	-	2,549,924	2,549,924
Economic development	-	-	-	-	-	2,123,195	2,123,195
Capital projects	-	5,200,887	-	-	-	27,905,460	33,106,347
<u>Assigned:</u>							
Contingencies	825,000	-	-	-	-	-	825,000
Department equipment	1,854,834	-	-	-	-	-	1,854,834
Fire Truck/Equipment	159,939	-	-	-	-	-	159,939
Technology equipment	115,594	-	-	-	-	-	115,594
Computer expansion	409,864	-	-	-	-	-	409,864
Parking lot	94,546	-	-	-	-	-	94,546
Payroll reserve	856,291	-	-	-	-	-	856,291
<u>Unassigned</u>	36,360,862	-	-	-	(7,778,924)	(1,533,100)	27,048,838
Total Fund Balances	\$ 43,955,597	\$ 17,226,688	\$ 7,617,717	\$ 27,395,845	\$ (7,778,924)	\$ 45,129,140	\$ 133,546,063

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

E. CHANGE IN ACCOUNTING PRINCIPLE

The following GASB Statements became effective and were implemented for the fiscal year ended December 31, 2018:

GASB Statement No. 82, *“Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73”* was issued on March 2016. This statement addresses issues raised in GASB 67, 68 and 73 regarding payroll-related measurements in the required supplementary information, selection of assumptions and treatment of deviations from the guidance Actuarial Standard of Practice for financial reporting and the classification of employments payments. The statement amends GASB 67 and 68 to require the presentation of covered payroll and defines covered payroll and provides the ratios to be used. The statement clarifies the term deviation as used in the Actuarial Standard of Practice is not in conformity with the selection of assumptions requirements of GASB 67, 68 and 73. This statement also clarifies that qualifying employer contributions identified as plan member contribution should be classified as plan member contributions for GASB 67 and as employee contributions for GASB 68. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2016 and June 15, 2017 when the pension liability reporting period used is not the employer’s most recent fiscal year.

GASB Statement No. 85, *Omnibus 2017* was issued on March 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. A variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]) are addressed. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2017.

GASB Statement No. 86, *Certain Debt Extinguishment Issues* was issued on May 2017. This statement is designed to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. Improving accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance is also an objective of this statement. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2017.

**CITY OF BISMARCK, NORTH DAKOTA
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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 POSITION

The governmental fund balance sheet includes the reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

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 \$(133,518,310) difference are as follows:

	2018
Bonds payable	\$ (125,165,000)
Less: unamortized bond discount	-
Plus: unamortized bond premium	(4,696,276)
Accrued interest payable	(652,708)
Compensated absences	(3,004,326)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	\$ (133,518,310)

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 position 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 \$4,809,141 difference are as follows:

Capital outlay	\$ 20,099,187
Contributed capital	1,722,817
Capital outlay transferred to Enterprise Funds	(1,991,096)
Depreciation expense	(15,021,767)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 4,809,141

**CITY OF BISMARCK, NORTH DAKOTA
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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/(decrease) net position.” The details of this \$1,395 difference are as follows:

In the statement of activities, only the gain/(loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase/(decrease) financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	<u>\$ 1,395</u>
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Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 1,395</u></u>
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Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

The details of this \$726,065 difference are as follows:

Debt issued or incurred:	
Issuance of special assessment debt	\$ (15,015,000)
Plus: bond premium	(428,935)
Principal repayments:	
General obligation debt	<u>16,170,000</u>
Net adjustment to increase/(decrease) net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 726,065</u></u>

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 \$(2,481,966) are as follows:

Compensated absences	\$ (23,753)
Accrued interest	(13,899)
Amortization of bond premium & interest on escrow	403,340
Amortization of bond discounts	(32,400)
Net pension liability and related deferred outflows and inflows	<u>(2,815,254)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (2,481,966)</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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 the Net Position. 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 presented in the statements. 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 7th.

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. Revisions approved for open encumbrances totaled \$614,890 for General Fund for the year ended December 31, 2018. 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.

For the year ended December 31, 2018, expenditures exceeded appropriations by \$806,392 in the Public Transit fund due to the recognition of receivables and payables at year end for federal awards. The variance with the final budget was due to uncertainty of the receipt of the federal awards. Therefore, the City is unable to account for the need of additional appropriations during the budget year. The federal awards meet criteria for recognizing the receivables and payables, however this occurred after the year end of the annual budget.

B. DEFICIT FUND BALANCE

The following individual funds had deficits at December 31, 2018, as measured by the balances in the total fund balance as follows:

<u>Capital Projects Funds:</u>	<u>Amount</u>
Sewermain Construction	\$ (230,493)
Watermain Construction	(76)
Sidewalk Construction	(1,302,531)
Street Improvement Construction	(7,778,924)

Sewermain Construction, Watermain Construction, Sidewalk Construction and Street Improvement Construction will be funded through a sale of special assessment bonds in December 2019.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018, the carrying amount of the City's deposits was \$35,281,995 and the bank balance was \$35,451,523 all of which was insured and collateralized.

Cash and Investments

As of December 31, 2018 the city's cash and investments are as follows:

Cash on hand	\$ 43,738
Deposits	35,281,995
Investments	<u>275,382,080</u>
Total cash and investments	<u>\$ 310,707,813</u>

The cash and investments presented in the Financial Statements December 31, 2018 are as follows:

<u>Primary Government</u>	
Cash and cash equivalents	\$ 24,095,010
Investments	138,041,685
Restricted:	
Investments	2,794,838
Revenue bond covenant accounts	<u>11,195,951</u>
Total primary government cash and investments	<u>176,127,483</u>
<u>Fiduciary Funds</u>	
Investments	<u>134,580,330</u>
Total cash and investments	<u>\$ 310,707,813</u>

B. INVESTMENTS

Primary Government

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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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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, 2018 the City (Primary Government) had the following debt securities shown in the table below by investment type and maturity.

Interest Rate Risk: City

	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
Certificate of Deposits	\$ 77,723,655	\$ 61,012,425	\$ 16,711,230	\$ -	\$ -
Government Agencies	52,792,384	35,640,845	12,592,869	4,169,930	388,740
Government Bonds	10,320,484	4,640,178	5,680,306	-	-
Total Debt Securities	\$ 140,836,523	\$ 101,293,448	\$ 34,984,405	\$ 4,169,930	\$ 388,740

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, 2018, the City (Primary Government) had the following debt securities with their respective ratings.

Credit Risk: City Investments

<u>S&P Credit Rating</u>	Total Fair Value	Government Agencies
AA	\$ 52,792,384	\$ 52,792,384
<u>Not Rated</u>		
Government Bonds	10,320,484	
Certificate of Deposits	77,723,655	
Total Debt Securities	\$ 140,836,523	

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. As of December 31, 2018, 28.94 percent of the City's (Primary Government) investments were invested with the Federal National Mortgage association and the Federal Home Loan Mortgage Corporation.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Fair Value Measurement

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

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

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

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

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the City of Bismarck's investment portfolio are as of December 31, 2018.

Investments by fair value level	Fair Value 12/31/2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income investments				
Government Agencies	\$ 52,792,384	\$ -	\$ 52,792,384	\$ -
Government Bonds	10,320,484	-	10,320,484	-
Total investments by fair value level	63,112,868	\$ -	\$ 63,112,868	\$ -

Investments at other than fair value

Certificate of Deposits	77,723,655
Total investment at other than fair value	77,723,655

Total Investment \$140,836,523

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

Pension Funds

Interest Rate Risk

Investments in the Deferred Sick, City Pension and Police Pension funds are generally managed by the North Dakota Retirement and Investment Office (NDRIO) under the authority of the State Investment Board. The 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. More information on the NDRIO can be found in their financial reports at <http://www.state.nd.us/rio/SIB/Publications/default.htm>.

**CITY OF BISMARCK, NORTH DAKOTA
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Agencies investments are governed by the Bismarck Firefighters' Relief Association Board. The Employee Excess Retirement fund is directed by the employees utilizing a contracted City investment manager.

NDRIO has chosen to use the Segmented Time Distribution disclosure method for the Deferred Retirement, City and Police investments. The City's portion of interest rate risk for pension debt securities is shown in the table below by investment type and maturity as of June 30, 2018, the most recent information available from NDRIO. Beginning in 2017, NDRIO has changed the format of the table based on guidance from the State Auditor's Office. Because we participate in an external investment pool our investments are at the asset class pool level rather than the security level as in years past. The Employee Excess Retirement included in the table is as of December 31, 2018.

Interest Rate Risk: Pension Investments

All values in \$000

	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	10+ Years
Domestic Fix Income Pool	\$ 35,100	\$ 1,218	\$ 7,080	\$ 7,955	\$ 18,847
Fixed Income Pool	428	10	74	207	137
Fixed Income Pool (closed)	-	-	-	-	-
Below Investment Grade FI Pool	3,807	43	1,558	1,627	579
International Fixed Income Pool	-	-	-	-	-
Large Cap Domestic Equity Pool	1,652	7	525	38	1,082
Small Cap Domestic Equity Pool	2,962	15	1,012	104	1,831
Total Debt Securities	\$ 43,949	\$ 1,293	\$ 10,249	\$ 9,931	\$ 22,476

Credit Risk

The NDRIO 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 NDRIO's external investment pool as of June 30, 2018. December 31, 2018 information is not available from NDRIO. The Employee Excess Retirement's ratings are as of December 31, 2018.

Credit Risk: Pension Fund Investments

All values in \$000

	Total Fair Value	Bond Mutual Funds	Fixed Mutual Funds	External Investment Pool
S&P Credit Rating				
Not Rated	\$ 43,949	\$ -	\$ -	\$ 43,949
Total Debt Securities	\$ 43,949	\$ -	\$ -	\$ 43,949

Fair Value Measurement

The investments of the City of Bismarck's pooled funds are invested in the State Investment Board investment pool. The pool invests in securities authorized by state statutes. At December 31, 2018, the City of Bismarck's portion of the State Investment Board had a fair market value of \$133,245,908.

**CITY OF BISMARCK, NORTH DAKOTA
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The State Investment Board is regulated by an eleven-member board. The audited financial statements may be found at http://www.nd.gov/rio/RIO_ref/report_type.asp?reportType=financials or on the North Dakota State Government website. Several agencies whose investments are under the supervision of the SIB participates in the pooled investments. The agencies transfer money into the investment pools and receive an appropriate percentage ownership of the pooled portfolio based upon fair value. All activities of the investment pools are allocated to the agencies based upon their respective ownership percentages. Each participant unit is valued at \$1.00 per unit.

C. TAX ABATEMENTS

The City of Bismarck provides five tax abatement programs which includes a Commercial and Residential Renaissance Zone Program, New or Expanding Business Exemptions, and a Commercial and Residential Remodeling Exemption.

As of December 31, 2018, the Renaissance Zone Property Tax Exemptions under the NDCC Ch. 40-63, is for Commercial and Residential buildings located within the renaissance zone that allow for the property to be excluded for up to five years, provided the City approves the exemption. A renaissance zone is a geographical area that the City applies to the State Department of Commerce to designate a portion of the City into a renaissance zone.

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

New or Expanding Business Exemption under NDCC Ch. 40-57.1, provides property tax abatements by assisting in establishing industrial plants, expanding and retaining existing businesses. A property tax exemption allows for the property to be excluded for up to five years. The property must have prior certification as a primary sector business by the ND Commerce Department. A partial or complete exemption from ad valorem taxation under this section for retail sector projects may receive a partial or complete exemption from the City Commission.

The Commercial and Residential Remodeling Exemption under NDCC Ch. 40-57.02.2, provides property tax abatements by assisting in incentives for remodeling properties that are 30 years or older. This exemption will be for commercial and residential remodeling projects and will only include additions for residential structures. The exemption will be for a maximum of 3 years. The City Commission must approve the application prior to receiving the exemption.

The amount of taxes abated for the year ending December 31, 2018 was as follows:

Tax Abatement Programs	Tax Abatement in 2018
Renaissance Zone Exemption - Commercial	\$ 274,002
Renaissance Zone Exemption - Residential	25,701
Remodeling Exemption - Commercial	360,311
Remodeling Exemption - Residential	27,168
	\$ 687,182

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 2,767,950	\$ -	\$ -	\$ 2,767,950
Construction in progress	12,751,432	1,345,809	(12,425,134)	1,672,107
Total capital assets, not being depreciated	15,519,382	1,345,809	(12,425,134)	4,440,057
Capital assets, being depreciated:				
Buildings and building improvements	35,309,871	5,039,353	-	40,349,224
Improvements other than buildings	85,349	-	-	85,349
Machinery & equipment	39,442,386	2,560,076	(578,449)	41,424,013
Infrastructure	417,198,901	23,320,804	-	440,519,705
Total capital assets being depreciated	492,036,507	30,920,233	(578,449)	522,378,291
Less accumulated depreciation for:				
Buildings and building improvements	(19,115,984)	(1,117,750)	-	(20,233,734)
Improvements other than buildings	(66,095)	(2,486)	-	(68,581)
Machinery & equipment	(25,388,421)	(2,739,314)	569,844	(27,557,891)
Infrastructure	(106,786,365)	(11,162,501)	-	(117,948,866)
Total accumulated depreciation	(151,356,865)	(15,022,051)	569,844	(165,809,072)
Total capital assets, being depreciated, net	340,679,642	15,898,182	(8,605)	356,569,219
Governmental activities capital assets, net	\$ 356,199,024	\$ 17,243,991	\$ (12,433,739)	\$ 361,009,276

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 15,836,289	\$ 12,784	\$ -	\$ 15,849,073
Construction in progress	52,567,537	25,646,477	(26,407,587)	51,806,427
Total capital assets, not being depreciated	68,403,826	25,659,261	(26,407,587)	67,655,500
Capital assets, being depreciated:				
Buildings and building improvements	253,956,627	25,605,176	-	279,561,803
Improvements other than buildings	338,616,095	6,960,793	-	345,576,888
Machinery & equipment	32,459,005	6,248,956	(830,216)	37,877,745
Total capital assets being depreciated	625,031,727	38,814,925	(830,216)	663,016,436
Less accumulated depreciation for:				
Buildings and building improvements	(94,736,850)	(7,346,412)	-	(102,083,262)
Improvements other than buildings	(113,652,293)	(7,602,343)	-	(121,254,636)
Machinery & equipment	(16,607,635)	(1,562,138)	825,234	(17,344,539)
Total accumulated depreciation	(224,996,778)	(16,510,893)	825,234	(240,682,437)
Total capital assets, being depreciated, net	400,034,949	22,304,032	(4,982)	422,333,999
Business-type activities capital assets, net	\$ 468,438,775	\$ 47,963,293	\$ (26,412,569)	\$ 489,989,499

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

<u>Governmental activities:</u>	
General Government	\$ 1,255,744
Public Safety	1,460,490
Highways and Streets	578,142
Health	30,651
Culture and Recreation	570,779
Public Works	11,126,245
Total depreciation expense - governmental activities	<u>\$ 15,022,051</u>
 <u>Business-type activities:</u>	
Airport	\$ 3,275,867
Event Center	2,579,194
Solid Waste Disposal	617,921
Solid Waste Collections	279,611
Water	4,703,701
Sanitary Sewer	2,890,165
Storm Water	1,172,739
Commercial Property	53,033
Northern Plains Commerce Center	215,235
Parking Authority Lots	723,427
Total depreciation expense - business-type activities	<u>\$ 16,510,893</u>

E. COMMITMENTS

As of December 31, 2018, the City had commitments on various contracts totaling \$18,904,963.

The HOME Program and Neighborhood Stabilization Program have 4 outstanding loans. Dakota Apartments Home Program is \$347,000. The Neighborhood Stabilization Program is \$193,443 and is forgiven after 20 years or is due if ownership changes starting as of 12/20/2011. Habitat Home Ownership project in the amount of \$33,696 is forgivable at 10% per year starting on 7/8/2015 and is 100% forgiveness if owned for 15 years. Brandon Heights II Home Project requires a balloon payment \$129,000 or loan forgiveness at the end of 20 years. In 2017, they made a loan payment of \$19,350, bringing the total to \$109,650. The Abused Adult Resource Center for Bonnie's House is \$100,563 that is forgiven after 20 years or if ownership changes starting as of 12/24/2013. The Neighborhood Stabilization Program has one loan outstanding in the amount of \$15,746 that is forgivable at 10% per year after 6 years. The Patterson Place Apartment Loan is a non-forgivable loan for \$300,000 with 0% interest. Payment is due from surplus cash from the sale of the property if ownership changes, or when a change in the Façade Easement is made. The original 1983 loan was subordinated on 12/16/2003 with an extended term until April 1, 2024. On March 24, 2019, the note was assumed by new ownership, and the term was extended to December 31, 2039. The CDBG program had one outstanding loan for rehab of the Horizons Building (RMHH). This loan was for \$25,000 with 0% interest. If there was no change in use or ownership within 5 years, the loan would be forgiven on 4/28/20; however, the building was sold and this loan was paid back in January of 2018.

Notes receivable authorized from the Vision fund to Laughing Sun Brewing Company, LLC, JB Lozensky Properties, LLP and ND Safety Council are to promote economic and job development in the Bismarck area.

**CITY OF BISMARCK, NORTH DAKOTA
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The City of Bismarck encumbrances at December 31, 2018 were \$614,890. The General Fund encumbrances included \$5,000 for a catch basin repair and \$5,000 for roof drainage repair at Fire Station #5 which are scheduled for completion in 2019. The Fire Department also encumbered \$116,100 for match funds regarding a grant to replace the self-contained breathing apparatus equipment. The grant application was not approved in 2018, therefore the funds are being carried over to 2019. An encumbrance of \$46,487 remains for the strategic planning contract that was approved in 2018, and will continue in 2019. An encumbrance of \$439,850 for the completion of the AssetWorks implementation, and \$2,453 for the completion of the US Highway 83 alternatives study also account for a portion of the total encumbrances reported.

	<u>General Fund</u>
Encumbrances	\$ 614,890

F. 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, 2018 was:

<u>Due From:</u>	<u>Due To:</u>				<u>Total Due From</u>
	<u>Governmental Funds</u>			<u>Event Center</u>	
	<u>Nonmajor Governmental Funds</u>	<u>Street Improvement Construction</u>			
<u>Governmental Funds:</u>					
General Fund	\$ 5,098	\$ -	\$ -		\$ 5,098
Street Improvement Bonds	-	7,403,117	-		7,403,117
Nonmajor Governmental Funds	884,674	-	241,748		1,126,422
	<u>889,772</u>	<u>7,403,117</u>	<u>241,748</u>		<u>8,534,637</u>
 <u>Business-Type Funds:</u>					
Event Center	22,455	-	-		22,455
	<u>22,455</u>	<u>-</u>	<u>-</u>		<u>22,455</u>
 Total Due To	 <u>\$ 912,227</u>	 <u>\$ 7,403,117</u>	 <u>\$ 241,748</u>		 <u>\$ 8,557,092</u>

The due to/from other funds will be repaid in 2019.

**CITY OF BISMARCK, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018**

Advances

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

	Advance To:
Advance From:	Business-Type Funds
	Nonmajor Enterprise Funds
General Fund	\$ 150,000
Nonmajor Governmental Funds	1,780,000
Total Advance To	\$ 1,930,000

The advances to/from other funds have scheduled repayment plans through 2019. General Fund advances will be repaid by future revenues generated in Parking Authority Lots. Lodging/Liquor/Food Special Revenue Fund advance to the Commercial Properties Enterprise Fund will be repaid by future revenue.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Transfers

Governmental Funds:

Transfer Out:	Transfer In - Governmental Funds				
	General Fund	Street Improvement Construction	Street Improvement Bonds	Sewermain Bonds	Nonmajor Governmental Funds
General Fund	\$ -	\$ -	\$ -	\$ -	\$ 2,546,750
Sales Tax	9,444,149	-	-	-	5,267,668
Street Improvement Construction	-	-	470,624	-	43,464
Street Improvement Bonds	-	183,821	-	-	-
Sewermain Bonds	-	-	-	-	67,884
Nonmajor Governmental Funds	1,233,423	7,289,444	-	131,812	460,423
Airport	135,986	-	-	-	-
Event Center	264,649	-	-	-	-
Water	369,274	3,178,113	-	-	99,974
Sanitary Sewer	127,410	-	-	-	227,505
Storm Water	68,889	-	-	-	-
Nonmajor Enterprise Funds	297,752	-	-	-	369,154
Internal Service Funds	212,473	-	-	-	238
Total Transfers Out	\$ 12,154,005	\$ 10,651,378	\$ 470,624	\$ 131,812	\$ 9,083,060

Transfer Out:	Transfer In - Business-type Funds					Totals
	Airport	Event Center	Water	Sanitary Sewer	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 5,180	\$ 335,096	\$ 2,887,026
Sales Tax	-	-	-	-	-	14,711,817
Street Improvement Construction	-	-	-	-	-	514,088
Street Improvement Bonds	-	-	-	-	-	183,821
Sewermain Bonds	-	-	-	-	-	67,884
Nonmajor Governmental Funds	1,849,863	2,462,782	178,084	1,437,785	2,170	15,045,786
Airport	-	-	-	-	-	135,986
Event Center	-	-	-	-	-	264,649
Water	-	-	-	-	-	3,647,361
Sanitary Sewer	-	-	-	-	-	354,915
Storm Water	-	-	-	-	-	68,889
Nonmajor Enterprise Funds	-	-	106,264	-	-	773,170
Internal Service Funds	-	-	-	-	-	212,711
Total Transfers Out	\$ 1,849,863	\$ 2,462,782	\$ 284,348	\$ 1,442,965	\$ 337,266	\$ 38,868,103

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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, 2018 was \$205,677,375 with a remaining non-obligated margin of \$205,677,375. The City had no general obligation bonds outstanding as of December 31, 2018.

Revenue Bonds

The City has issued \$27,695,000 bonds in 2013 where the government pledges future income from the Lodging, Liquor Food Tax revenue to fund the Event Center Exhibit Hall Expansion. Principal and interest for the current year was \$1,948,856. Lodging, Liquor Food Tax revenue totaled \$3,043,916 for the year.

The City has issued \$45,270,000 bonds in 2009, 2012, 2013 and 2014 where the government pledges future Water revenue to fund the Bismarck Water Treatment Facility Sludge Plant Expansion, Standby Power, the Water Softening Expansion project and the Water Treatment Plant intake project. Principal and interest for the current year was \$3,811,642. Water revenue totaled \$16,504,992 for the year.

The City has issued \$47,400,000 bonds in 2006 and 2015 where the government pledges future Sanitary Sewer revenue to fund a major upgrade to the intake to the Wastewater Treatment Plant and a new Wastewater Pumping Station that will deliver wastewater to the trickling filters. Principal and interest for the current year was \$3,409,800. Sanitary Sewer revenue totaled \$10,963,919 for the year.

Revenue bonds outstanding at December 31, 2018 are as follows:

	Date of Issue	Date of Final Payment	Interest Rate	Original Amount of Issue	Amount Outstanding 1/1/2018	Amount Retired in 2018	Amount Outstanding 12/31/2018	Due Within One Year
Business-type Activities								
Civic Center-Lodging, Liquor, Food	10/16/2013	12/1/2034	3.00-4.25%	\$ 27,695,000	\$ 23,820,000	\$ 1,050,000	\$ 22,770,000	\$ 1,075,000
Water Utility-2012	4/26/2012	4/1/2021	2.00%-2.50%	6,415,000	2,960,000	715,000	2,245,000	730,000
Water Utility-2013	10/10/2013	4/1/2028	1.00-4.00%	9,000,000	7,070,000	555,000	6,515,000	570,000
Water Utility-2014	11/1/2014	4/1/2029	.05-3.00%	13,535,000	10,970,000	795,000	10,175,000	805,000
Water Treatment-2009	6/15/2009	9/1/2028	3.31%	16,320,000	10,735,000	805,000	9,930,000	835,000
Wastewater-2006	11/14/2006	9/1/2027	2.50%	18,400,000	11,410,000	995,000	10,415,000	1,025,000
Wastewater-2015	11/1/2015	5/1/2035	2.00-5.00%	29,000,000	27,215,000	1,205,000	26,010,000	1,225,000
Total Revenue Bonds				\$ 120,365,000	\$ 94,180,000	\$ 6,120,000	\$ 88,060,000	\$ 6,265,000

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

Years	BUSINESS-TYPE ACTIVITIES	
	Principal	Interest
2019	\$ 6,265,000	\$ 2,748,578
2020	6,420,000	2,556,252
2021	6,590,000	2,353,196
2022	6,005,000	2,145,068
2023	6,190,000	1,940,173
2024-2028	32,830,000	6,595,968
2029-2033	17,990,000	2,334,995
2034-2035	5,770,000	159,075
Total	\$ 88,060,000	\$ 20,833,305

Pledged Revenues

Special Assessment Debt with Governmental Commitment

Special assessment bonds of \$212,425,00 were issued 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. Principal and interest for the current year was \$19,778,462. Special assessment revenue totaled \$21,985,362 for the year. 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, 2018 are as follows:

Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2018	Amount Issued in 2018	Amount Retired in 2018	Amount Outstanding 12/31/2018	Due Within One Year
Series W refunding	12/23/2008	5/1/2023	3.50-4.45%	\$ 8,915,000	\$ 3,515,000	\$ -	\$ 605,000	\$ 2,910,000	\$ 600,000
Series X refunding	1/1/2009	5/1/2023	3.50-5.375%	8,210,000	110,000	-	60,000	50,000	10,000
Series Y refunding	1/6/2010	5/1/2024	2.00-4.00%	9,615,000	3,000,000	-	500,000	2,500,000	420,000
Series A refunding	3/25/2010	5/1/2019	2.00-3.00%	3,855,000	370,000	-	240,000	130,000	130,000
Series B refunding	12/8/2010	5/1/2025	0.70-4.25%	9,630,000	3,510,000	-	510,000	3,000,000	500,000
Series C refunding	12/14/2011	5/1/2026	2.00-2.75%	9,065,000	3,800,000	-	855,000	2,945,000	405,000
Series D refunding	12/14/2011	5/1/2020	1.00-2.00%	1,605,000	410,000	-	165,000	245,000	160,000
Series E refunding	4/15/2012	5/1/2021	2.00-2.20%	4,365,000	1,450,000	-	385,000	1,065,000	365,000
Series F refunding	12/19/2012	5/1/2027	1.00-1.80%	9,465,000	6,190,000	-	690,000	5,500,000	685,000
Series G refunding	1/3/2013	5/1/2022	1.50-2.00%	3,790,000	1,205,000	-	525,000	680,000	515,000
Series H refunding	11/14/2013	5/1/2028	1.00-1.80%	15,755,000	9,845,000	-	1,470,000	8,375,000	1,470,000
Series I refunding	12/1/2014	5/1/2029	.05-3.00%	24,725,000	17,940,000	-	2,450,000	15,490,000	2,430,000
Series J refunding	3/25/2015	5/1/2022	2.00-3.00%	6,510,000	4,385,000	-	955,000	3,430,000	930,000
Series K refunding	11/10/2015	5/1/2030	2.50-5.00%	31,905,000	26,705,000	-	3,100,000	23,605,000	2,850,000
Series L refunding	11/22/2016	5/1/2031	2.0-5.0%	18,365,000	17,235,000	-	1,660,000	15,575,000	1,625,000
Series M refunding	12/5/2017	5/1/2032	2-2.5%	17,790,000	17,790,000	-	615,000	17,175,000	1,490,000
Series N refunding	11/27/2018	5/1/2033	3-5%	13,815,000	-	13,815,000	-	13,815,000	525,000
Total refunding series				\$ 197,380,000	\$ 117,460,000	\$13,815,000	\$14,785,000	\$ 116,490,000	\$15,110,000

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Governmental Activities - Special Assessment Bonds	Date of Issue	Date of Final Payment	Interest Rates	Original Amount of Issue	Amount Outstanding 1/1/2018	Amount Issued in 2018	Amount Retired in 2018	Amount Outstanding 12/31/2018	Due Within One Year
Sidewalk 07	12/23/2008	5/1/2018	3.00-4.00%	\$ 1,085,000	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ -
Sidewalk 08	1/6/2010	5/1/2019	100-3.10%	810,000	160,000	-	80,000	80,000	80,000
Sidewalk 09	12/8/2010	5/1/2020	0.90-3.00%	665,000	195,000	-	65,000	130,000	65,000
Sidewalk 10	12/14/2011	5/1/2021	0.50-2.00%	935,000	375,000	-	95,000	280,000	95,000
Sidewalk 11	1/3/2013	5/1/2022	120-170%	915,000	455,000	-	95,000	360,000	90,000
Sidewalk 12	11/14/2013	5/1/2023	2.00-2.75%	2,145,000	1,315,000	-	225,000	1,090,000	225,000
Sidewalk 13	12/1/2014	5/1/2024	2.00-3.00%	1,835,000	1,310,000	-	190,000	1,120,000	190,000
Sidewalk 14	12/1/2015	5/1/2025	2.00-3.00%	1,950,000	1,590,000	-	210,000	1,380,000	200,000
Sidewalk 15	12/15/2016	5/1/2026	2.00-4.00%	1,970,000	1,820,000	-	205,000	1,615,000	205,000
Sidewalk 16	12/5/2017	5/1/2027	2-2.5%	1,535,000	1,535,000	-	115,000	1,420,000	150,000
Sidewalk 17	11/27/2018	5/1/2028	3-5%	1,200,000	-	1,200,000	-	1,200,000	45,000
Total sidewalk bonds				\$ 15,045,000	\$ 8,860,000	\$ 1,200,000	\$ 1,385,000	\$ 8,675,000	\$ 1,345,000
Total special assessment bonds				\$ 212,425,000	\$ 126,320,000	\$ 15,015,000	\$ 16,170,000	\$ 125,165,000	\$ 16,455,000

Special Assessment Debt Requirement to Maturity

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

<u>Years</u>	<u>GOVERNMENTAL ACTIVITIES</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 16,455,000	\$ 3,702,403
2020	16,315,000	3,211,651
2021	15,200,000	2,689,851
2022	13,470,000	2,216,844
2023	11,680,000	1,761,675
2024-2028	38,780,000	4,453,967
2029-2033	13,265,000	716,338
Total	\$ 125,165,000	\$ 18,752,730

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special assessment bonds	\$ 126,320,000	\$ 15,015,000	\$ 16,170,000	\$ 125,165,000	\$ 16,455,000
Plus unamortized premium	4,638,280	428,935	370,940	4,696,275	-
Compensated absences	2,980,573	3,618,503	3,594,750	3,004,326	2,736,536
Claims and judgments	512,241	5,396,096	5,399,647	508,690	508,690
TOTAL	\$ 134,451,094	\$ 24,458,534	\$ 25,535,337	\$ 133,374,291	\$ 19,700,226
BUSINESS-TYPE ACTIVITIES:					
Compensated absences	\$ 827,871	\$ 656,511	\$ 601,313	\$ 883,069	\$ 609,741
Claims and judgments	163,329	1,785,836	1,783,351	165,814	165,814
Closure and postclosure costs	3,040,652	-	197,412	2,843,240	-
Event Center revenue bonds	23,820,000	-	1,050,000	22,770,000	1,075,000
Less unamortized discount	(22,279)	1,334	-	(20,945)	-
Water revenue bonds-2012	2,960,000	-	715,000	2,245,000	730,000
Plus unamortized premium	28,511	-	8,553	19,958	-
Water revenue bonds-2013	7,070,000	-	555,000	6,515,000	570,000
Plus unamortized premium	1,013	-	95	918	-
Water revenue bonds-2014	10,970,000	-	795,000	10,175,000	805,000
Less unamortized discount	(102,504)	9,112	-	(93,392)	-
Water Treatment-2009	10,735,000	-	805,000	9,930,000	835,000
Wastewater-2006	11,410,000	-	995,000	10,415,000	1,025,000
Wastewater-2015	27,215,000	-	1,205,000	26,010,000	1,225,000
Less unamortized discount	(67,093)	3,871	-	(63,222)	-
TOTAL	\$ 98,049,500	\$ 2,456,664	\$ 8,710,724	\$ 91,795,440	\$ 7,040,555

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, 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, 2018, 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. This amount is most often in excess of the actual amount issued. When completely paid or called, they must notify the City of this event.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

I. RESTRICTED ASSETS

The balances of the restricted asset accounts on December 31, 2018 are as follows:

GOVERNMENTAL

Restricted Investments

Sidewalk Construction Certificate of Deposits	\$ 1,645,929
Roads & Streets - Forestry Certificate of Deposits	9,155
Total Governmental Restricted Assets	<u>\$ 1,655,084</u>

BUSINESS-TYPE

Restricted Investments

Event Center Customer Deposits	\$ 1,112,292
Parking Authority Customer Deposits	27,462

Restricted Revenue Bond Covenant Accounts

Event Center Lodging Liquor Food Account	161,863
Water Revenue Bond Covenant Accounts	6,082,767
Wastewater Revenue Bond Covenant Accounts	4,951,321
Total Business-Type Restricted Assets	<u>\$ 12,335,705</u>

V. OTHER INFORMATION

A. RISK MANAGEMENT

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

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City has established a general liability self-insurance fund. The fund is structured so that only expenses under \$2,500 relating to covered liabilities of the City are charged against it. The Fund earns interest and is subject to periodic funding from property taxation as deemed necessary by the Board of City Commissioners. The self-insurance fund does not provide collision or comprehensive automotive coverage for the City.

N.D.C.C. Chapter 32-12.1 provides that for actions in tort, the City has a liability limitation of \$250,000 per claim with a \$500,000 aggregate limit per event. At December 31, 2018 management estimates claims incurred prior to NDIRF but not paid of \$9,504 Sewer Claims and \$0 City-Wide Liability Claims. The sewer claim has been recorded as a liability.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

City-Wide Liability Claims				
	CURRENT-YEAR			
BEGINNING FISCAL YEAR LIABILITY	CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END	
2018	\$ -	\$ -	\$ -	-
2017	200	840	1,040	-
2016	400	170	370	200

Sewer Backup Claims				
	CURRENT-YEAR			
BEGINNING FISCAL YEAR LIABILITY	CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END	
2018	\$ 3,770	\$ 118,018	\$ 112,284	\$ 9,504
2017	-	80,404	76,634	3,770
2016	9,556	39,696	49,252	-

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 \$2,087,407 for 2018. 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 \$665,000 as of December 31, 2018. A summary of the claim reserve liabilities and related claim payments is shown below:

	CURRENT-YEAR			
BEGINNING FISCAL YEAR LIABILITY	CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END	
2018	\$ 672,000	\$ 7,054,210	\$ 7,061,210	\$ 665,000
2017	508,000	6,497,817	6,303,817	672,000
2016	410,000	5,811,735	5,713,735	508,000

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

Worker's Compensation

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

B. Closure and Post Closure Care Costs

State and federal laws and regulations require the City to place a final cover on its Bismarck Municipal Solid Waste Facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,843,240 reported as landfill closure and post closure care liability at December 31, 2018, represents the cumulative amount reported to date based on the use of 95.15 percent of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all closure and post closure care 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

Central Dakota Communications Center/Emergency Management

The City of Bismarck owns and operates the Central Dakota 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), 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.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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On October 27, 2015 the City Commission approved a charter agreement for the Combined Communication Center merger with the City of Mandan effective January 1, 2016. Central Dakota Communications Center (CenCom) replaces the Combined Communications Center. CenCom will dispatch all emergency calls for law enforcement, fire and emergency medical services in Bismarck, Mandan and Burleigh County, including Wilton. In 2016, the City provided 65% and the County provided 35% of the funding for the Combined Communications Center & Emergency Management Operations excluding easements which the County funded at 100%. 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	\$ 391,350
Less value of accumulated depreciation	(348,191)
Net position	<u>\$ 43,159</u>
 Total operating expenditures - 2018	 <u>\$ 2,850,954</u>

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

D. Employee Retirement Systems

The City of Bismarck administers a defined benefit plan for full-time city and police employees for the City and Police Pension Funds. These Pension plans are reported in the City's financial reports as Pension Trust Funds which is disclosed in Note V on page 82. Actuarial reports are available for the City and Police Pension Funds by contacting:

City of Bismarck Finance
PO Box 5506
Bismarck, ND 58506-5506

The full-time Firemen are administered by the Firefighters' Relief Association which is a separate legal entity and is not included in the City's financial pension reports. The Fire plan is a single employer public employee retirement system governed by Section 18-05 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. Participating employees contribute to the plan at a minimum of \$201.46 per bi-weekly payroll or 8% of their covered payroll whichever is greater. The employer contributed \$889,438 in 2018 as set by the City Commission. The complete audited financial and pension information can be obtained by contacting:

Firefighters' Relief Association
PO Box 5503
Bismarck, ND 58506-5503

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

City of Bismarck Employee's Pension

Plan Description - The Bismarck City Employee Pension Plan (BCEPP) is a cost sharing, multiple employer public employee retirement system with the Bismarck Park District. The BCEPP document provides for all full-time City employees with the exclusion of sworn police officers, non-sworn members of the police department who began employment before December 31, 2006 and members of the firefighter's relief fund.

Plan Membership - Memberships begin with their hire date before December 31, 2018 and are vested after five years of service. Membership in the BCEPP on December 31, 2018 is as follows:

Retirees and beneficiaries receiving benefits	226
Terminated employees - vested	62
Active employees:	
Vested	274
Non-vested	186
Number of participating employers:	2

Plan Administration – North Dakota Century Code (NDCC) 40-46 and in accordance with Chapter 9-07 of the Bismarck Code of Ordinance grants the authority to establish and amend the benefit terms to the City Commission. Management of the BCEPP plan is vested in the Board of Trustees which consists of the City Administrator and all department heads with the exception of the Chief of Police.

Benefits Provided - Benefit provisions, amendments, and all requirements are established under the authority of the City Commission. 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-month 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 with respect to automatic and post-retirement benefit increases. Employees with 5 years of credited service may retire at an earlier age and receive actuarially reduced retirement benefit.

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

Contributions

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Net Position - The net position at December 31, 2018 is \$95,023,653 and the entire amount is restricted for employee pension benefits.

	2018
Actuarially determined contributions	\$ 2,467,685
Contributions in relation to the actuarially determined contribution	2,541,349
Contribution deficiency (excess)	\$ (73,664)
Covered Payroll	\$ 23,757,750
Contributions as a percentage of covered payroll	10.7%

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

Investments

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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The following was the plan's asset allocation as of December 31, 2018:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Domestic Equity	15%
Small Domestic Equity	10%
Developed International Equity	12%
Emerging International Equity	5%
Private Equity	4%
Domestic Fixed Income	30%
International Fixed Income	4%
Real Estate	10%
Infrastructure	5%
Timber	5%
	<u>100%</u>

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

Long-term Expected Return on Plan Assets – The long-term expected rate of return of 7.5% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage. The projected 10 year geometric real rates of return by asset class are summarized in the following table:

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

**CITY OF BISMARCK, NORTH DAKOTA
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Actuarial Assumptions

Valuation date	1/1/2019
Actuarial cost method	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	20
Mortality Rate	Based on RP-2014 generational mortality projected with Scale MP-2017
Asset Valuation Method	Market
Valuation Method	
Inflation rate	3.00%
Investment rate of return	7.50%
Projected salary increases	
0-9 years of service	5.00%
10 + years of service	4.00%
Post retirement cost of living adjustments	None

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

Schedule of Net Pension Liability	<u>2018</u>
Total Pension Liability	\$ 113,840,750
Plan fiduciary net position	<u>95,023,653</u>
Net pension liability (asset)	<u>\$ 18,817,097</u>
Plan fiduciary net position as a percentage of the total pension liability	83.47%
Covered payroll	\$ 27,247,919
Net pension liability (asset) as a percentage of covered payroll	69.1%

**CITY OF BISMARCK, NORTH DAKOTA
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Schedule of Changes in Total Pension Liability	<u>2018</u>
Service Cost	\$ 2,997,689
Interest	8,098,573
Changes of benefit terms	-
Differences between expected and actual experience	282,336
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(5,042,261)</u>
Net change in total pension liability	\$ 6,336,337
Total pension liability-beginning	<u>107,504,413</u>
Total pension liability-ending	<u>\$ 113,840,750</u>

Schedule of Changes in Plan Fiduciary Net Position	<u>2018</u>
Contributions-employer	\$ 2,886,703
Contributions-member	1,346,630
Net investment income	(2,537,270)
Benefit payments, including refunds of member contributions	(5,042,261)
Administrative expense	(296,087)
Other	<u>-</u>
Net change in fiduciary net position	\$ (3,642,285)
Plan fiduciary net position-beginning	<u>98,665,938</u>
Plan fiduciary net position-ending	<u>\$ 95,023,653</u>

Schedule of Investment Returns	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	-2.6%

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

Sensitivity of the Net Pension Liability to Changes in the Discount

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total pension liability	\$ 128,291,361	\$ 113,840,750	\$ 101,724,493
Plan fiduciary net position	95,023,653	95,023,653	95,023,653
Net pension liability (asset)	\$ 33,267,708	\$ 18,817,097	\$ 6,700,840
City Share	\$ 28,455,483	\$ 16,095,175	\$ 5,731,553

Proportionate Share of the Net Pension Liability – The net pension liability for the BCEPP was recorded at \$16,095,175 as of 12/31/2018. The calculation was determined by an actuarial valuation based on the City's share of present value of future payroll. The City's proportionate share was 85.53%.

Net Pension Liability	2018
Employer's proportion of the net pension liability	85.53%
Employer's proportionate share of the net pension liability	16,095,175
Employer's covered payroll	23,757,750
Plan fiduciary net position	95,023,653
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	67.75%
Plan fiduciary net position as a percentage of the total pension liability	83.47%

**CITY OF BISMARCK, NORTH DAKOTA
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Deferred Inflows and Outflows of Resources – The City recognized pension expense of \$2,411,525 as of 12/31/2018. Deferred inflows and outflows of resources related to pensions are from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,292,856	\$ 321,488
Changes of assumptions	3,700,563	-
Net difference between projected and actual earnings on pension plan investments	4,442,403	-
Changes in proportionate and differences between employer contributions and proportionate share of contributions	376,333	440,396
Employer contributions subsequent to the measurement date	-	-
Total	\$ 10,812,155	\$ 761,884

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

Pension Expense

2019	\$ 2,716,251
2020	1,907,292
2021	1,834,894
2022	2,572,115
2023	713,463
Thereafter	306,256
Total	\$ 10,050,271

**CITY OF BISMARCK, NORTH DAKOTA
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City of Bismarck Police Pension

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

Plan Membership - Memberships begin with their hire date before December 31, 2018 and are vested after five years of service. Membership in the BCPMP on December 31, 2018 is as follows:

Retirees and beneficiaries receiving benefits	86
Terminated employees - vested	27
Active employees:	
Vested	83
Non-vested	49
Number of participating employers:	1

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

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

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

Contributions

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

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

Net Position - The net position at December 31, 2018 is \$38,157,708 and the entire amount is restricted for employee pension benefits.

Schedule of Contributions

	2018
Actuarially determined contributions	\$ 1,042,573
Contributions in relation to the actuarially determined contribution	1,208,939
Contribution deficiency (excess)	\$ (166,366)
Covered Payroll	\$ 8,152,505
Contributions as a percentage of covered payroll	14.8%

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

Investments

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

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

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

The following was the plans asset allocation as of December 31, 2018:

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Actuarial Assumptions

Valuation date	1/1/2019
Actuarial cost method	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	20
Mortality Rate	Based on RP-2014 generational mortality projected with Scale MP-2017
Asset Valuation Method	Market
Valuation Method	
Inflation rate	3.00%
Investment rate of return	7.50%
Projected salary increases	
0-9 years of service	5.00%
10 + years of service	4.00%
Post retirement cost of living adjustments	None

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

Schedule of Net Pension Liability	<u>2018</u>
Total Pension Liability	\$ 49,718,945
Plan fiduciary net position	<u>38,157,708</u>
Net pension liability (asset)	<u>\$ 11,561,237</u>
Plan fiduciary net position as a percentage of the total pension liability	76.7%
Covered payroll	\$ 8,152,505
Net pension liability (asset) as a percentage of covered payroll	141.8%

**CITY OF BISMARCK, NORTH DAKOTA
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Schedule of Changes in Total Pension Liability	<u>2018</u>
Service Cost	\$ 1,064,551
Interest	3,557,651
Changes of benefit terms	-
Differences between expected and actual experience	43,473
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(2,635,043)</u>
Net change in total pension liability	\$ 2,030,632
Total pension liability-beginning	<u>47,688,313</u>
Total pension liability-ending	<u><u>\$ 49,718,945</u></u>

Schedule of Changes in Plan Fiduciary Net Position	<u>2018</u>
Contributions-employer	\$ 1,208,939
Contributions-member	761,089
Net investment income	(1,185,323)
Benefit payments, including refunds of member contributions	(2,635,043)
Administrative expense	(128,392)
Other	<u>-</u>
Net change in fiduciary net position	\$ (1,978,730)
Plan fiduciary net position-beginning	<u>40,136,438</u>
Plan fiduciary net position-ending	<u><u>\$ 38,157,708</u></u>

Schedule of Investment Returns	<u>2018</u>
Annual money-weighted rate of return, net of investment expense	-3.0%

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

Sensitivity of the Net Pension Liability to Changes in the Discount

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Total pension liability	\$ 56,353,309	\$ 49,718,945	\$ 44,243,763
Plan fiduciary net position	38,157,708	38,157,708	38,157,708
Net pension liability	<u>\$ 18,195,601</u>	<u>\$ 11,561,237</u>	<u>\$ 6,086,055</u>

Deferred Inflows and Outflows of Resources – The City recognized a reduction in pension expense of \$1,145,770 for the BCEPP as of 12/31/2018. Deferred inflows and outflows of resources related to pensions are from the following sources:

	Primary Government	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 908,788	\$ 319,507
Changes of assumptions	1,374,326	-
Net difference between projected and actual earnings on pension plan investments	2,006,710	-
Total	<u>\$ 4,289,824</u>	<u>\$ 319,507</u>

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

Pension Expense

2019	\$ 1,268,660
2020	746,922
2021	657,838
2022	1,090,300
2023	199,862
Thereafter	6,735
Total	<u>\$ 3,970,317</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

Bismarck Firefighters' Relief Association Plan

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

Plan Membership - All full-time firefighters are eligible members. Membership in the plan on December 31, 2017 is as follows:

Retirees, beneficiaries and disabled receiving benefits	52
Terminated employees - vested	2
Active employees:	
Vested	43
Non-vested	38

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

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

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

Net Position – The net position at December 31, 2017 is \$30,018,631 and the entire amount is restricted for employee pension benefits.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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	2017
Actuarially determined contributions	\$ 950,095
Contributions in relation to the actuarially determined contributions	848,277
Contribution deficiency (excess)	\$ 101,818
Covered Payroll	\$ 5,197,344
 Contributions as a percentage of covered payroll	16.3%

Investments

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

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

Actuarial Assumptions

	Fire Plan
Valuation date	12/31/2017
Actuarial cost method	Entry Age
Amortization method	Layered closed level percentage of payroll
Remaining amortization period	23 - 25 years
Mortality Rate	Healthy mortality: 1983 group annuity mortality table Disability Mortality: 1983 railroad retirement board disabled life mortality
Asset Valuation Method	5 year smoothed market
Valuation Method	
Inflation rate	3.50%
Investment rate of return	7.5%, net of investment expense
Projected salary increases, including inflation	4.50%
Post retirement cost of living adjustments at age 62	up to 2% of CPI

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Measurements – Presented below are the Schedule of Net Pension Liability, Schedule of Changes in Net Position Liability, Schedule of Changes in Plan Fiduciary Net Position and the Schedule of Investment Returns for the Firefighters' Relief Association Pension Plan.

Schedule of Net Pension Liability	<u>2017</u>
Total Pension Liability	\$ 36,147,624
Plan fiduciary net position	<u>30,018,631</u>
Net pension liability (asset)	<u><u>\$ 6,128,993</u></u>

Plan fiduciary net position as a percentage of the total pension liability	83.0%
Covered payroll	\$ 5,197,344
Net pension liability (asset) as a percentage of covered payroll	117.9%

Schedule of Changes in Total Pension Liability	<u>2017</u>
Service Cost	\$ 1,336,097
Interest	2,396,694
Changes of benefit terms	-
Differences between expected and actual experience	161,748
Changes of assumptions	(5,731,634)
Benefit payments, including refunds of member contributions	<u>(1,468,159)</u>
Net change in total pension liability	\$ (3,305,254)
Total pension liability-beginning	<u>39,452,878</u>
Total pension liability-ending	<u><u>\$ 36,147,624</u></u>

Schedule of Changes in Plan Fiduciary Net Position	<u>2017</u>
Contributions-employer	\$ 848,277
Contributions-member	477,787
Net investment income	3,976,713
Benefit payments, including refunds of member contributions	(1,468,159)
Administrative expense	(34,684)
Other	-
Net change in fiduciary net position	<u>\$ 3,799,934</u>
Plan fiduciary net position-beginning	<u>26,218,697</u>
Plan fiduciary net position-ending	<u><u>\$ 30,018,631</u></u>

Schedule of Investment Returns	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	6.0%

**CITY OF BISMARCK, NORTH DAKOTA
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Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the Firefighters’ Relief Association Pension Fund is calculated at a discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.5%) or 1 percent higher (8.5%) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 10,381,138	\$ 6,128,993	\$ 2,548,713

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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**PENSION TRUST FUNDS
COMBINING STATEMENT OF NET POSITION**

	Deferred Sick Leave	Employee Excess Retirement	City Pension	Police Pension	Total
ASSETS					
Receivables:					
Accounts	\$ -	\$ -	\$ -	\$ 602	\$ 602
Accrued interest and dividends	1,786		179,768	70,413	251,967
Investments, at fair value:					
International equities	212,080	-	43,408,007	19,272,382	62,892,469
International fixed income	460,530	-	32,299,524	10,898,191	43,658,245
Real estate	-	-	18,819,640	7,516,081	26,335,721
Mutual funds	405	327,270	-		327,675
Certificate of deposits	1,427	-	285,322	5,944	292,693
Invested cash	69,689	422	99,641	415,859	585,611
Invested Securities Lending	2,955	-	348,718	136,244	487,917
Total assets	<u>748,872</u>	<u>327,692</u>	<u>95,440,620</u>	<u>38,315,716</u>	<u>134,832,900</u>
LIABILITIES					
Accounts payable	503	422	68,248	21,765	90,938
Securities Lending Collateral	2,955	-	348,718	136,244	487,917
Total liabilities	<u>3,458</u>	<u>422</u>	<u>416,966</u>	<u>158,009</u>	<u>578,855</u>
NET POSITION					
Assets held in trust for pension and other employee benefits	<u>745,414</u>	<u>327,270</u>	<u>95,023,654</u>	<u>38,157,707</u>	<u>134,254,045</u>
Total net position held in trust	<u>\$ 745,414</u>	<u>\$ 327,270</u>	<u>\$ 95,023,654</u>	<u>\$ 38,157,707</u>	<u>\$ 134,254,045</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

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

	Deferred Sick Leave	Employee Excess Retirement	City Pension	Police Pension	Total
ADDITIONS					
Contributions:					
Employer	\$ -	\$ -	\$ 2,886,703	\$ 1,208,939	\$ 4,095,642
Employee	-	-	1,346,630	761,089	2,107,719
Total contributions	-	-	4,233,333	1,970,028	6,203,361
Investment income:					
Net increase (decrease) in fair value of investments	(38,344)	(21,198)	(4,805,209)	(2,079,906)	(6,944,657)
Interest and dividends	17,118	-	2,259,634	891,221	3,167,973
	(21,226)	(21,198)	(2,545,575)	(1,188,685)	(3,776,684)
Less: investment expense	(1,879)	-	(213,651)	(86,127)	(301,657)
Net investment income	(23,105)	(21,198)	(2,759,226)	(1,274,812)	(4,078,341)
Security lending activity:					
Securities lending income	81	-	8,306	3,362	11,749
Less: securities lending expenses	(15)	-	(1,663)	(671)	(2,349)
Net securities lending income	66	-	6,643	2,691	9,400
Total additions	(23,039)	(21,198)	1,480,750	697,907	2,134,420
DEDUCTIONS					
Benefits paid to participants	37,881	-	4,932,295	2,592,086	7,562,262
Refunds	-	83,603	109,966	42,957	236,526
Administration	-	-	80,773	41,594	122,367
Total deductions	37,881	83,603	5,123,034	2,676,637	7,921,155
Change in net position	(60,920)	(104,801)	(3,642,284)	(1,978,730)	(5,786,735)
Net position - beginning	806,334	432,071	98,665,938	40,136,437	140,040,780
Net position - ending	\$745,414	\$ 327,270	\$95,023,654	\$38,157,707	\$134,254,045

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

E. Issued But Non-Effective Pronouncements

GASB Statement No. 83, *Certain Asset Retirement Obligations* was issued on November 2016. This statement establishes the criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. Asset retirement obligations is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement requires that recognition occur when the liability is both incurred and reasonably estimable. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2018.

GASB Statement No. 84, *Fiduciary Activities* was issued on January 2017. This statement establishes specific criteria for identifying activities that should be reported as fiduciary activities and clarifying whether and how business-type activities should report their fiduciary activities. If applicable, there are four fiduciary funds that should be reported: 1) pension (and other employee benefit) trust funds, 2) investment trust funds, 3) private-purpose trust funds, and 4) custodial funds. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2018.

GASB Statement No. 87, *Leases* was issued on June 2017. This statement requires the recognition of certain assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract while also establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2019.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* was issued on April 2018. This statement provides clarity as to which liabilities governments should include when disclosing information related to debt. It also requires additional essential information related to debt be disclosed in the notes to the financial statements such as unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2018.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period by recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus, which in turn means the interest cost incurred before the end of the construction period will not be included in the historical cost of a capital asset reported for either a business-type activity or enterprise fund. For financial statements prepared using the current financial resources measurement focus, this statement reiterates that interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2019.

GASB Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. This statement is designed to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2018.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

F. Contingent Litigation

Jamie Scott for the estate of James Anthony Scott v. the City of Bismarck, et. al. James Scott was shot and killed by a Bismarck Police officer on March 6, 2016. At the time of the shooting, Scott had driven to Bismarck from Mandan with a shotgun with the stated purpose to kill another individual. After a brief interaction, Scott was killed as he attempted to leave the scene. Scott's widow, Jamie Scott has brought suit against the City of Bismarck and several individual members of the Bismarck Police Department. The case was filed in federal district court in Bismarck on March 31, 2017. Discovery has been on-going with the Plaintiff's including an officer as an individual defendant. Based upon the police reports, the use of deadly force was justified in this instance however it is difficult to judge at this point how the case will present to a jury. The defense of this case is being provided by NDIRF (Randy Bakke). The parties have settled this matter through mediation and are working through the documents to formally end the case.

Radomysl Twardowski v. The Bismarck Police Department, Lt. Glen Ternes, Sgt. Lyle Sinclair and Det. Brandon Rask. Radomysl Twardowski sued the Bismarck Police Department and the named officers for an incident that occurred in January of 2007. The named police officers were following up regarding a domestic report where Twardowski was reported to have assaulted his son the previous day. The officer went to speak with Twardowski and ended up physically restraining him and placing him under arrest. Twardowski called for assistance at Twardowski's residence regarding a domestic situation. Twardowski ended up pleading guilty to a charge related to the assault. Many years passed with minimal contact and in 2016, Twardowski became active in re-hashing the incident and, in January 2017, filed a lawsuit against the City and the named officers in Federal District Court. Twardowski is acting pro se and likely has not stated a claim for which relief could be granted. It is also likely that he has limitation of action issues. The defense of this case is being provided by NDIRF (Scott Porsborg). The Eighth Circuit issued a per curiam opinion affirming the prior dismissal. On March 11, 2019, Twardowski filed a Petition for Rehearing which was denied. He has filed for certiorari with the United States Supreme Court April 30, 2019.

Travis Clark v. Officer Michael Carlson; Officer Dan Salandar; and the City of Bismarck, North Dakota. Travis Clark was shot by two Bismarck Police officers on January 31, 2016, while they were attempting to serve a felony warrant on Clark. At the time of the incident, Clark was armed and failed to follow any of the directions given by the officers. Clark was injured but it is unknown as to what extent. Discover has been ongoing. On February 19, 2019, counsel for the Defendants filed a Motion for Dismissal, which is still pending. Clark has asked for damages for medical expenses, pain and suffering and lost wages. The defense of this case is being provided by NDIRF (Randy Bakke). Motion for Dismissal has been filed and trial is scheduled commencing April 27, 2020.

Tashena Enno v. Burleigh County Sheriff's Office, Bismarck Police Department, unknown law enforcement agencies, and unknown law enforcement officers. Taschena Enno was arrested on March 9, 2017 and at that time had various personal property seized by the arresting officers, including a car. Enno sued the arresting jurisdictions for return of the car and other items, probably in order to recover the car sooner and to attempt to influence a companion criminal case. The case has been inactive since it was served on the City in June of 2017. This still has not been filed with the court. The defense of this case is being provided by NDIRF (Scott Porsborg).

Holly Dahl v. The City of Bismarck. Holly Dahl tripped and fell in the street in front of Woodmansees on November 5, 2015 on 4th Street in Bismarck. She alleges that she stepped in a crack in the street and sustained injuries when she fell. The City responds that it has no duty to maintain the street in a condition safe for pedestrian travel. The case was served on the City in November of 2017. Dahl has alleged in excess of \$50,000 in damages, to be proven at trial. Discovery is ongoing. The defense of this case is being provided by NDIRF (Lawrence King).

Robyn Krile v. City of Bismarck and Daniel Donlin. Robyn Krile is a former police sergeant who was terminated for cause in March of 2017. At that time, she had an open labor complaint against the City at the North Dakota Department of Labor and was terminated on different but related grounds. She later amended her labor complaint to include wrongful termination. She has lost at the North Dakota Department of Labor and Human Rights as well as United States Equal Employment Opportunity Commission appeals. She filed a civil Complaint in federal court in January 2019. NDIRF is defending the labor complaint (Randy Bakke). Discovery disclosures are just starting.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018**

United Fire & Casualty Company v. City of Bismarck. North Country Contracting, LLC walked away from their work contracted for Bismarck Sewer Utility Project No. 15-58. Deficiencies were found in their performance. The City has contacted the Secretary of State on the contractor's bond as well as the contract bond with United Fire & Casualty Company to get the work fixed and finished. United Fire served the City with a federal court action in January 2019. The costs of defense are being paid for the utility and will attempt to recover those costs against a bond or the contractor. Chris Edison is providing defense. Informal discovery is proceeding.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

City of Bismarck Employee's Pension

Proportionate Share of the Net Pension Liability

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

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

Schedule of Contributions

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

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

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation date	1/1/2019
Actuarial cost method	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	20
Mortality Rate	Based on RP-2014 generational mortality projected with Scale MP-2017
Asset Valuation Method Valuation Method	Market
Inflation rate	3.00%
Investment rate of return	7.50%
Projected salary increases	
0-9 years of service	5.00%
10 + years of service	4.00%
Post retirement cost of living adjt	None

City of Bismarck Police Pension

Net Pension Liability

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

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

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Schedule of Changes in Total Pension Liability	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Service Cost	\$ 753,453	\$ 785,453	\$ 893,502	\$ 964,707	\$ 1,064,551
Interest	2,787,966	2,967,949	3,166,457	3,311,839	3,557,651
Changes of benefit terms	574,760	-	-	-	-
Differences between expected and actual experience	446,562	1,187,426	303,852	(449,917)	43,473
Changes of assumptions	-	-	-	1,935,276	-
Benefit payments, including refunds of member contributions	(2,045,424)	(2,344,522)	(2,459,685)	(2,533,482)	(2,635,043)
Net change in total pension liability	\$ 2,517,317	\$ 2,596,306	\$ 1,904,126	\$ 3,228,423	\$ 2,030,632
Total pension liability-beginning	37,442,142	39,959,459	42,555,764	44,459,890	47,688,313
Total pension liability-ending	<u>\$39,959,459</u>	<u>\$42,555,765</u>	<u>\$44,459,890</u>	<u>\$47,688,313</u>	<u>\$49,718,945</u>

Notes to Schedule:

Benefit changes. In 2014, benefit terms were increased to include a 3% increase for Cost Of Living Adjustment

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

Schedule of Changes in Plan Fiduciary Net Position	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contributions-employer	\$ 941,815	\$ 892,803	\$ 961,513	\$ 1,091,295	\$ 1,208,939
Contributions-member	578,785	648,594	684,652	731,933	761,089
Net investment income	2,075,134	302,518	2,472,466	5,603,725	(1,185,323)
Benefit payments, including refunds of member contributions	(2,045,424)	(2,344,522)	(2,459,685)	(2,533,482)	(2,635,043)
Administrative expense	(181,567)	(163,692)	(124,023)	(153,007)	(128,392)
Other	-	-	-	-	-
Net change in fiduciary net position	\$ 1,368,743	\$ (664,299)	\$ 1,534,923	\$ 4,740,464	\$ (1,978,730)
Plan fiduciary net position-beginning	33,156,607	34,525,350	33,861,051	35,395,974	40,136,438
Plan fiduciary net position-ending	<u>\$34,525,350</u>	<u>\$33,861,051</u>	<u>\$35,395,974</u>	<u>\$40,136,438</u>	<u>\$38,157,708</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Schedule of Contributions

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

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

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation date	1/1/2019
Actuarial cost method	Entry Age
	Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	20
Mortality Rate	Based on RP-2014 generational mortality projected with Scale MP-2017
Asset Valuation Method	Market
Valuation Method	
Inflation rate	3.00%
Investment rate of return	7.50%
Projected salary increases	
0-9 years of service	5.00%
10 + years of service	4.00%
Post retirement cost of living adjustments	None

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Bismarck Firefighters' Relief Association Plan

Net Pension Liability

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

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

Schedule of Changes in Total Pension Liability	2014	2015	2016	2017
Service Cost	\$ 821,469	\$ 842,499	\$ 1,360,151	\$ 1,336,097
Interest	2,106,033	2,224,099	2,267,052	2,396,694
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	43,037	357,724	(343,687)	161,748
Changes of assumptions	-	5,893,220	(757,588)	(5,731,634)
Benefit payments, including refunds of member contributions	(1,379,239)	(1,413,407)	(1,338,548)	(1,468,159)
Net change in total pension liability	<u>\$ 1,591,300</u>	<u>\$ 7,904,135</u>	<u>\$ 1,187,380</u>	<u>\$ (3,305,254)</u>
Total pension liability-beginning	28,770,063	30,361,363	38,265,498	39,452,878
Total pension liability-ending	<u>\$ 30,361,363</u>	<u>\$ 38,265,498</u>	<u>\$ 39,452,878</u>	<u>\$ 36,147,624</u>

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

Schedule of Changes in Plan Fiduciary Net Position	2014	2015	2016	2017
Contributions-employer	\$ 702,664	\$ 619,751	\$ 785,431	\$ 848,277
Contributions-member	392,381	439,971	448,716	477,787
Net investment income	1,044,748	(724,003)	1,432,963	3,976,713
Benefit payments, including refunds of member contributions	(1,379,239)	(1,413,407)	(1,338,548)	(1,468,159)
Administrative expense	(55,100)	(77,100)	(50,452)	(34,684)
Other	-	317,180	21,147	-
Net change in fiduciary net position	<u>\$ 705,454</u>	<u>\$ (837,608)</u>	<u>\$ 1,299,257</u>	<u>\$ 3,799,934</u>
Plan fiduciary net position-beginning	25,053,962	25,759,416	24,919,440	26,218,697
Plan fiduciary net position-ending	<u>\$ 25,759,416</u>	<u>\$ 24,921,808</u>	<u>\$ 26,218,697</u>	<u>\$ 30,018,631</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018**

Schedule of Contributions

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

Notes to the Required Supplementary Information

Actuarial Assumptions

Valuation date	12/31/2017
Actuarial cost method	Entry Age
Amortization method	Layered closed level percentage of payroll
Remaining amortization period	23 - 25 years
Mortality Rate	Healthy mortality: 1983 group annuity mortality table Disability Mortality: 1983 railroad retirement board disabled life mortality
Asset Valuation Method	5 year smoothed market
Valuation Method	
Inflation rate	3.50%
Investment rate of return	7.5%, net of investment expense
Projected salary increases, including inflation	4.50%
Post retirement cost of living adjustments at age 62	up to 2% of CPI

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2018**

	<u>Special Revenue Totals</u>	<u>Debt Service Totals</u>	<u>Capital Projects Totals</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 3,277,857	\$ 122,563	\$ 434,756	\$ 3,835,176
Investments	10,712,066	1,161,409	25,503,744	37,377,219
Receivables:				
Taxes receivable	42,181	-	5,861	48,042
Accounts receivable	4,087,437	-	380,200	4,467,637
Special assessments receivable	-	9,112,098	212,265	9,324,363
Notes receivable	248,978	-	1,100,098	1,349,076
Due from other funds	241,748	884,674	-	1,126,422
Advances to other funds	1,780,000	-	-	1,780,000
Restricted assets:				
Investments	9,155	-	1,645,929	1,655,084
Total assets	<u>\$ 20,399,422</u>	<u>\$ 11,280,744</u>	<u>\$ 29,282,853</u>	<u>\$ 60,963,019</u>
LIABILITIES				
Accounts payable	\$ 2,795,489	\$ 5,904	\$ 1,142,982	\$ 3,944,375
Retainage payable	-	-	32,625	32,625
Due to other funds	22,455	-	889,771	912,226
Salaries payable	237,294	-	-	237,294
Unearned revenue	-	-	800,098	800,098
Customer deposits	11,122	-	1,645,929	1,657,051
Total liabilities	<u>3,066,360</u>	<u>5,904</u>	<u>4,511,405</u>	<u>7,583,669</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable special assessment taxes	-	8,024,157	190,249	8,214,406
Unavailable property taxes	31,427	-	4,377	35,804
Total deferred inflow of resources	<u>31,427</u>	<u>8,024,157</u>	<u>194,626</u>	<u>8,250,210</u>
Total liabilities and deferred inflows of resources	<u>3,097,787</u>	<u>8,030,061</u>	<u>4,706,031</u>	<u>15,833,879</u>
FUND BALANCES				
Restricted	1,910,299	3,250,683	-	5,160,982
Committed	15,391,336	-	26,109,922	41,501,258
Unassigned	-	-	(1,533,100)	(1,533,100)
Total fund balances	<u>17,301,635</u>	<u>3,250,683</u>	<u>24,576,822</u>	<u>45,129,140</u>
Total liabilities and fund balances	<u>\$ 20,399,422</u>	<u>\$ 11,280,744</u>	<u>\$ 29,282,853</u>	<u>\$ 60,963,019</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Special Revenue Totals</u>	<u>Debt Service Totals</u>	<u>Capital Projects Totals</u>	<u>Totals</u>
REVENUES				
Taxes	\$ 7,058,854	\$ -	\$ 363,886	\$ 7,422,740
Licenses and permits	1,050	-	-	1,050
Special assessments	-	1,925,246	252,941	2,178,187
Intergovernmental	9,465,774	-	778,712	10,244,486
Charges for services	3,135,121	-	333,268	3,468,389
Fines and forfeits	118,953	-	-	118,953
Investment income	141,376	41,020	327,478	509,874
Rentals	90,318	-	-	90,318
Miscellaneous	362,889	-	20,003	382,892
Total revenues	<u>20,374,335</u>	<u>1,966,266</u>	<u>2,076,288</u>	<u>24,416,889</u>
EXPENDITURES				
Current:				
General government	4,769,436	-	68,940	4,838,376
Public safety	943,443	-	-	943,443
Highways and streets	7,497,140	-	-	7,497,140
Health and welfare	871,253	-	-	871,253
Culture and recreation	2,338,105	-	-	2,338,105
Public works	-	-	3,072,235	3,072,235
Debt service:				
Principal retirement	-	1,617,017	-	1,617,017
Interest	-	268,946	31,354	300,300
Capital outlay:				
General government	445,104	-	-	445,104
Public safety	421,051	-	-	421,051
Highways and streets	348,589	-	-	348,589
Culture and recreation	421,757	-	-	421,757
Public works	-	-	5,403,762	5,403,762
Total expenditures	<u>18,055,878</u>	<u>1,885,963</u>	<u>8,576,291</u>	<u>28,518,132</u>
Excess (deficiency) of revenues over expenditures	<u>2,318,457</u>	<u>80,303</u>	<u>(6,500,003)</u>	<u>(4,101,243)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,012,305	56,203	7,014,552	9,083,060
Transfers out	(3,199,464)	(501)	(11,845,821)	(15,045,786)
Premium on special assessment funds	-	-	157,968	157,968
Special assessments bonds issued	-	-	5,352,948	5,352,948
Total other financing sources (uses)	<u>(1,187,159)</u>	<u>55,702</u>	<u>679,647</u>	<u>(451,810)</u>
Net change in fund balances	1,131,298	136,005	(5,820,356)	(4,553,053)
Fund balances - beginning	16,170,337	3,114,678	30,397,178	49,682,193
Fund balances - ending	<u>\$ 17,301,635</u>	<u>\$ 3,250,683</u>	<u>\$ 24,576,822</u>	<u>\$ 45,129,140</u>

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

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	<u>Public Transit</u>	<u>Library</u>	<u>Police Drug Enforcement</u>	<u>Roads & Streets</u>	<u>Street Lights</u>
ASSETS					
Cash and cash equivalents	\$ 1,261	\$ 575,724	\$ 37,090	\$ 1,592,798	\$ 367,852
Investments	2,167	242,686	267,943	3,351,256	2,076,680
Receivables:					
Taxes receivable	14,694	27,487	-	-	-
Accounts receivable	1,819,536	50,538	3,234	787,071	174,589
Notes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted investments	-	-	-	9,155	-
Total assets	\$ 1,837,658	\$ 896,435	\$ 308,267	\$ 5,740,280	\$ 2,619,121
LIABILITIES					
Accounts payable	\$ 1,822,935	\$ 62,730	\$ 693	\$ 292,766	\$ 47,391
Due to other funds	-	-	-	-	-
Salaries payable	-	62,889	-	111,129	19,839
Customer deposits	-	-	-	9,155	1,967
Total liabilities	1,822,935	125,619	693	413,050	69,197
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	10,948	20,479	-	-	-
Total deferred inflow of resources	10,948	20,479	-	-	-
Total liabilities and deferred inflows of resources	1,833,883	146,098	693	413,050	69,197
FUND BALANCES					
Restricted	-	-	-	271,867	-
Committed	3,775	750,337	307,574	5,055,363	2,549,924
Total fund balances	3,775	750,337	307,574	5,327,230	2,549,924
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,837,658	\$ 896,435	\$ 308,267	\$ 5,740,280	\$ 2,619,121

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2018**

	<u>Hotel/Motel Tax</u>	<u>Lodging/ Liquor/ Food Tax</u>	<u>Vision Fund</u>	<u>Government Grants & Activities</u>	<u>Total Special Revenue</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 387,392	\$ -	\$ 315,740	\$ 3,277,857
Investments	-	2,322,161	1,874,217	574,956	10,712,066
Receivables:					
Taxes receivable	-	-	-	-	42,181
Accounts receivable	149,700	482,669	-	620,100	4,087,437
Notes receivable	-	-	248,978	-	248,978
Due from other funds	-	241,748	-	-	241,748
Advances to other funds	-	1,780,000	-	-	1,780,000
Restricted investments	-	-	-	-	9,155
Total assets	<u>\$ 149,700</u>	<u>\$ 5,213,970</u>	<u>\$ 2,123,195</u>	<u>\$ 1,510,796</u>	<u>\$ 20,399,422</u>
LIABILITIES					
Accounts payable	\$ 127,245	\$ -	\$ -	\$ 441,729	\$ 2,795,489
Due to other funds	22,455	-	-	-	22,455
Salaries payable	-	-	-	43,437	237,294
Customer deposits	-	-	-	-	11,122
Total liabilities	<u>149,700</u>	<u>-</u>	<u>-</u>	<u>485,166</u>	<u>3,066,360</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	-	-	-	-	31,427
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,427</u>
Total liabilities and deferred inflows of resources	<u>149,700</u>	<u>-</u>	<u>-</u>	<u>485,166</u>	<u>3,097,787</u>
FUND BALANCES					
Restricted	-	1,638,432	-	-	1,910,299
Committed	-	3,575,538	2,123,195	1,025,630	15,391,336
Total fund balances	<u>-</u>	<u>5,213,970</u>	<u>2,123,195</u>	<u>1,025,630</u>	<u>17,301,635</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 149,700</u>	<u>\$ 5,213,970</u>	<u>\$ 2,123,195</u>	<u>\$ 1,510,796</u>	<u>\$ 20,399,422</u>

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Public Transit</u>	<u>Library</u>	<u>Police Drug Enforcement</u>	<u>Roads & Streets</u>	<u>Street Lights</u>
REVENUES					
Taxes	\$ 1,083,943	\$ 2,023,663	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,050	-
Intergovernmental	2,888,395	620,758	-	4,077,919	-
Charges for services	-	82,382	-	198,426	2,464,790
Fines and forfeits	-	36,052	82,871	30	-
Investment income	310	15,837	3,006	38,685	28,319
Rentals	-	8,840	-	54,448	630
Miscellaneous	-	3,297	4,799	19,772	140,263
Total revenues	<u>3,972,648</u>	<u>2,790,829</u>	<u>90,676</u>	<u>4,390,330</u>	<u>2,634,002</u>
EXPENDITURES					
Current:					
General government	3,526,024	-	-	-	-
Public safety	-	-	36,033	-	-
Highways and streets	-	-	-	5,642,246	1,843,389
Health and welfare	-	-	-	-	-
Culture and recreation	-	2,262,149	-	-	-
Capital outlay:					
General government	445,104	-	-	-	-
Public safety	-	-	24,800	-	-
Highways and streets	-	-	-	348,589	-
Culture and recreation	-	365,681	-	-	-
Total expenditures	<u>3,971,128</u>	<u>2,627,830</u>	<u>60,833</u>	<u>5,990,835</u>	<u>1,843,389</u>
Excess (deficiency) of revenues over expenditures	<u>1,520</u>	<u>162,999</u>	<u>29,843</u>	<u>(1,600,505)</u>	<u>790,613</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	2,010,893	-
Transfers out	-	(66,175)	-	(126,962)	(471,965)
Total other financing sources (uses)	<u>-</u>	<u>(66,175)</u>	<u>-</u>	<u>1,883,931</u>	<u>(471,965)</u>
Net change in fund balances	1,520	96,824	29,843	283,426	318,648
Fund balances - beginning	2,255	653,513	277,731	5,043,804	2,231,276
Fund balances - ending	<u>\$ 3,775</u>	<u>\$ 750,337</u>	<u>\$ 307,574</u>	<u>\$ 5,327,230</u>	<u>\$ 2,549,924</u>

The notes to the financial statements are an integral part

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, 2018

	<u>Hotel/Motel Tax</u>	<u>Lodging/ Liquor/ Food Tax</u>	<u>Vision Fund</u>	<u>Government Grants & Activities</u>	<u>Total Special Revenue</u>
REVENUES					
Taxes	\$ 965,445	\$ 2,985,803	\$ -	\$ -	\$ 7,058,854
Licenses and permits	-	-	-	-	1,050
Intergovernmental	-	-	-	1,878,702	9,465,774
Charges for services	-	-	-	389,523	3,135,121
Fines and forfeits	-	-	-	-	118,953
Investment income	-	31,713	20,019	3,487	141,376
Rentals	-	26,400	-	-	90,318
Miscellaneous	-	-	-	194,758	362,889
Total revenues	<u>965,445</u>	<u>3,043,916</u>	<u>20,019</u>	<u>2,466,470</u>	<u>20,374,335</u>
EXPENDITURES					
Current:					
General government	881,332	17,941	200,000	144,139	4,769,436
Public safety	-	-	-	907,410	943,443
Highways and streets	-	-	-	11,505	7,497,140
Health and welfare	-	-	-	871,253	871,253
Culture and recreation	-	-	-	75,956	2,338,105
Capital outlay:					
General government	-	-	-	-	445,104
Public safety	-	-	-	396,251	421,051
Highways and streets	-	-	-	-	348,589
Culture and recreation	-	-	-	56,076	421,757
Total expenditures	<u>881,332</u>	<u>17,941</u>	<u>200,000</u>	<u>2,462,590</u>	<u>18,055,878</u>
Excess (deficiency) of revenues over expenditures	<u>84,113</u>	<u>3,025,975</u>	<u>(179,981)</u>	<u>3,880</u>	<u>2,318,457</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	1,412	2,012,305
Transfers out	(155,420)	(2,352,714)	-	(26,228)	(3,199,464)
Total other financing sources (uses)	<u>(155,420)</u>	<u>(2,352,714)</u>	<u>-</u>	<u>(24,816)</u>	<u>(1,187,159)</u>
Net change in fund balances	(71,307)	673,261	(179,981)	(20,936)	1,131,298
Fund balances - beginning	71,307	4,540,709	2,303,176	1,046,566	16,170,337
Fund balances - ending	<u>\$ -</u>	<u>\$ 5,213,970</u>	<u>\$ 2,123,195</u>	<u>\$ 1,025,630</u>	<u>\$ 17,301,635</u>

The notes to the financial statements are an integral part

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
PUBLIC TRANSIT
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 2,255	\$ 2,255	\$ 2,255	\$ -
Resources (inflows)				
Taxes	1,141,756	1,141,756	1,083,943	(57,813)
Intergovernmental	2,021,980	2,021,980	2,888,395	866,415
Investment income	1,000	1,000	310	(690)
Amount available for appropriation	<u>3,166,991</u>	<u>3,166,991</u>	<u>3,974,903</u>	<u>807,912</u>
Charges to appropriations (outflows)				
General government	<u>3,164,736</u>	<u>3,164,736</u>	<u>3,971,128</u>	<u>(806,392)</u>
Total charges to appropriations	<u>3,164,736</u>	<u>3,164,736</u>	<u>3,971,128</u>	<u>(806,392)</u>
Budgetary Fund Balance, December 31	<u><u>\$ 2,255</u></u>	<u><u>\$ 2,255</u></u>	<u><u>\$ 3,775</u></u>	<u><u>\$ 1,520</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 653,513	\$ 653,513	\$ 653,513	\$ -
Resources (inflows)				
Taxes	2,138,411	2,138,411	2,023,663	(114,748)
Intergovernmental	606,386	606,386	620,758	14,372
Charges for services	95,175	95,175	82,382	(12,793)
Fines and forfeits	40,900	40,900	36,052	(4,848)
Investment income	8,710	8,710	15,837	7,127
Rentals	8,700	8,700	8,840	140
Miscellaneous	2,805	2,805	3,297	492
Amount available for appropriation	<u>3,554,600</u>	<u>3,554,600</u>	<u>3,444,342</u>	<u>(110,258)</u>
Charges to appropriations (outflows)				
Culture and recreation	2,741,180	2,739,340	2,624,379	114,961
Transfer out	<u>66,175</u>	<u>68,015</u>	<u>66,175</u>	<u>1,840</u>
Total charges to appropriations	<u>2,807,355</u>	<u>2,807,355</u>	<u>2,690,554</u>	<u>116,801</u>
Budgetary Fund Balance, December 31	<u>\$ 747,245</u>	<u>\$ 747,245</u>	<u>\$ 753,788</u>	<u>\$ 6,543</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIBRARY
FOR YEAR ENDED DECEMBER 31, 2018**

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	\$ 3,444,342
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>(653,513)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,790,829</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,690,554
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	3,451
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(66,175)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 2,627,830</u></u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
POLICE DRUG ENFORCEMENT
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 277,731	\$ 277,731	\$ 277,731	\$ -
Resources (inflows)				
Fines and forfeits	65,000	65,000	82,871	17,871
Investment income	800	800	3,006	2,206
Miscellaneous	-	-	4,799	4,799
Amount available for appropriation	<u>343,531</u>	<u>343,531</u>	<u>368,407</u>	<u>24,876</u>
Charges to appropriations (outflows)				
Public safety	<u>102,711</u>	<u>102,711</u>	<u>60,833</u>	<u>41,878</u>
Total charges to appropriations	<u>102,711</u>	<u>102,711</u>	<u>60,833</u>	<u>41,878</u>
Budgetary Fund Balance, December 31	<u><u>\$ 240,820</u></u>	<u><u>\$ 240,820</u></u>	<u><u>\$ 307,574</u></u>	<u><u>\$ 66,754</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
ROADS & STREETS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 5,043,804	\$ 5,043,804	\$ 5,043,804	\$ -
Resources (inflows)				
Licenses and permits	1,050	1,050	1,050	-
Intergovernmental	3,360,091	3,360,091	4,077,919	717,828
Charges for services	240,416	240,416	198,426	(41,990)
Fines and forfeits	-	-	30	30
Investment income	14,376	14,376	38,685	24,309
Rentals	88,048	88,048	54,448	(33,600)
Miscellaneous	19,370	19,370	19,772	402
Transfer in	2,470,108	2,470,108	2,010,893	(459,215)
Amount available for appropriation	<u>11,237,263</u>	<u>11,237,263</u>	<u>11,445,027</u>	<u>207,764</u>
Charges to appropriations (outflows)				
Highways and streets	6,955,168	6,955,168	5,977,576	977,592
Transfer out	126,962	126,962	126,962	-
Total charges to appropriations	<u>7,082,130</u>	<u>7,082,130</u>	<u>6,104,538</u>	<u>977,592</u>
Budgetary Fund Balance, December 31	<u>\$ 4,155,133</u>	<u>\$ 4,155,133</u>	<u>\$ 5,340,489</u>	<u>\$ 1,185,356</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROADS & STREETS
FOR YEAR ENDED DECEMBER 31, 2018**

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	\$ 11,445,027
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	(5,043,804)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(2,010,893)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 4,390,330</u></u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 6,104,538
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	13,259
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(126,962)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u><u>\$ 5,990,835</u></u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
STREET LIGHTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$2,231,276	\$2,231,276	\$ 2,231,276	\$ -
Resources (inflows)				
Charges for services	2,585,057	2,585,057	2,464,790	(120,267)
Investment income	22,820	22,820	28,319	5,499
Rentals	2,000	2,000	630	(1,370)
Miscellaneous	99,933	99,933	140,263	40,330
Amount available for appropriation	<u>4,941,086</u>	<u>4,941,086</u>	<u>4,865,278</u>	<u>(75,808)</u>
Charges to appropriations (outflows)				
Highways and streets	2,372,366	2,372,366	1,841,827	530,539
Transfer out	388,312	388,312	471,965	(83,653)
Total charges to appropriations	<u>2,760,678</u>	<u>2,760,678</u>	<u>2,313,792</u>	<u>446,886</u>
Budgetary Fund Balance, December 31	<u>\$2,180,408</u>	<u>\$2,180,408</u>	<u>\$ 2,551,486</u>	<u>\$ 371,078</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET LIGHTS
FOR YEAR ENDED DECEMBER 31, 2018**

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	\$ 4,865,278
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>(2,231,276)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 2,634,002</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,313,792
Differences - Budget to GAAP	
The city budgets for salaries on the cash basis, rather than on the modified accrual basis	1,562
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(471,965)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 1,843,389</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
HOTEL/MOTEL TAX
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 71,307	\$ 71,307	\$ 71,307	\$ -
Resources (inflows)				
Taxes	<u>1,200,000</u>	<u>1,200,000</u>	<u>965,445</u>	<u>(234,555)</u>
Amount available for appropriation	<u>1,271,307</u>	<u>1,271,307</u>	<u>1,036,752</u>	<u>(234,555)</u>
Charges to appropriations (outflows)				
General government	1,020,100	1,020,100	881,332	138,768
Transfer out	<u>179,900</u>	<u>179,900</u>	<u>155,420</u>	<u>24,480</u>
Total charges to appropriations	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,036,752</u>	<u>163,248</u>
Budgetary Fund Balance, December 31	<u>\$ 71,307</u>	<u>\$ 71,307</u>	<u>\$ -</u>	<u>\$ (71,307)</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX
FOR YEAR ENDED DECEMBER 31, 2018**

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

Sources/inflows of resources	<u>Hotel/Motel Tax</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 1,036,752
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>(71,307)</u>
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 965,445</u>
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,036,752
Differences - Budget to GAAP	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(155,420)</u>
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 881,332</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
LODGING/LIQUOR/FOOD TAX
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Budgetary Fund Balance, January 1	\$ 4,540,709	\$4,540,709	\$ 4,540,709	\$ -
Resources (inflows)				
Taxes	2,948,332	2,948,332	2,985,803	37,471
Investment income	11,201	11,201	31,713	20,512
Rentals	26,400	26,400	26,400	-
Amount available for appropriation	<u>7,526,642</u>	<u>7,526,642</u>	<u>7,584,625</u>	<u>57,983</u>
Charges to appropriations (outflows)				
General government	12,100	12,100	17,941	(5,841)
Transfer out	4,919,361	4,919,361	2,352,714	2,566,647
Total charges to appropriations	<u>4,931,461</u>	<u>4,931,461</u>	<u>2,370,655</u>	<u>2,560,806</u>
Budgetary Fund Balance, December 31	<u><u>\$ 2,595,181</u></u>	<u><u>\$2,595,181</u></u>	<u><u>\$ 5,213,970</u></u>	<u><u>\$ 2,618,789</u></u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LODGING/LIQUOR/FOOD TAX
FOR YEAR ENDED DECEMBER 31, 2018**

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

Sources/inflows of resources	<u>Lodging/ Liquor/ Food Tax</u>
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 7,584,625
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	(4,540,709)
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$ 3,043,916
 Uses/outflows of resources	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 2,370,655
Differences - Budget to GAAP	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(2,352,714)
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$ 17,941

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

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
VISION FUND
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 2,303,176	\$ 2,303,176	\$ 2,303,176	\$ -
Resources (inflows)				
Investment income	<u>27,637</u>	<u>27,637</u>	<u>20,019</u>	<u>(7,618)</u>
Amount available for appropriation	<u>2,330,813</u>	<u>2,330,813</u>	<u>2,323,195</u>	<u>(7,618)</u>
Charges to appropriations (outflows)				
General government	<u>2,341,386</u>	<u>2,341,386</u>	<u>200,000</u>	<u>2,141,386</u>
Total charges to appropriations	<u>2,341,386</u>	<u>2,341,386</u>	<u>200,000</u>	<u>2,141,386</u>
Budgetary Fund Balance, December 31	<u><u>\$ (10,573)</u></u>	<u><u>\$ (10,573)</u></u>	<u><u>\$ 2,123,195</u></u>	<u><u>\$ 2,133,768</u></u>

**CITY OF BISMARCK, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE,
BUDGET AND ACTUAL
GOVERNMENT GRANTS & ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<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	\$ 1,046,566	\$ 1,046,566	\$ 1,046,566	\$ -
Resources (inflows)				
Intergovernmental	3,760,122	3,760,122	1,878,702	(1,881,420)
Charges for services	458,598	458,598	389,523	(69,075)
Fines and forfeits	1,500	1,500	-	(1,500)
Investment income	2,125	2,125	3,487	1,362
Miscellaneous	172,050	172,050	194,758	22,708
Transfers in	-	-	1,412	1,412
Amount available for appropriation	<u>5,440,961</u>	<u>5,440,961</u>	<u>3,514,448</u>	<u>(1,926,513)</u>
Charges to appropriations (outflows)				
General government	1,561,000	1,525,509	133,657	1,391,852
Public safety	1,418,566	1,429,989	1,310,190	119,799
Highways and streets	16,900	16,900	11,505	5,395
Health and welfare	1,285,419	1,285,419	870,365	415,054
Culture and recreation	140,847	140,847	132,032	8,815
Transfer out	650	24,718	26,228	(1,510)
Total charges to appropriations	<u>4,423,382</u>	<u>4,423,382</u>	<u>2,483,977</u>	<u>1,939,405</u>
Budgetary Fund Balance, December 31	<u>\$ 1,017,579</u>	<u>\$ 1,017,579</u>	<u>\$ 1,030,471</u>	<u>\$ 12,892</u>

**CITY OF BISMARCK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENT GRANTS & ACTIVITIES
FOR YEAR ENDED DECEMBER 31, 2018**

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

		Government Grants & Activities
Sources/inflows of resources		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$	3,514,448
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		(1,046,566)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes		(1,412)
		(1,412)
Total revenues as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$	2,466,470
Uses/outflows of resources		
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$	2,483,977
Differences - Budget to GAAP		
The City budgets for salaries are on the cash basis rather than on the modified accrual basis		4,841
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(26,228)
		(26,228)
Total expenditures as reported on the statements of revenues, expenditures, and changes in fund balances - governmental funds	\$	2,462,590

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

MAJOR DEBT SERVICE FUNDS

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
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, 2018**

	<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	\$26,329,940	\$26,329,940	\$ 26,329,940	\$ -
Resources (inflows)				
Special assessments	15,695,500	15,695,500	14,937,993	(757,507)
Investment income	300,000	300,000	453,535	153,535
Transfer in	1,500,000	1,500,000	470,624	(1,029,376)
Refunding bonds issued	6,000,000	6,000,000	-	(6,000,000)
Premium on special assessment debt	75,000	75,000	-	(75,000)
Amount available for appropriation	<u>49,900,440</u>	<u>49,900,440</u>	<u>42,192,092</u>	<u>(7,708,348)</u>
Charges to appropriations (outflows)				
Principal	13,173,979	13,173,979	11,796,551	1,377,428
Interest and fiscal charges	2,692,477	2,692,477	2,815,875	(123,398)
Discount on special assessment debt	75,000	75,000	-	75,000
Payment to refunded bond escrow agent	6,000,000	6,000,000	-	6,000,000
Transfer out	<u>1,000,000</u>	<u>1,000,000</u>	<u>183,821</u>	<u>816,179</u>
Total charges to appropriations	<u>22,941,456</u>	<u>22,941,456</u>	<u>14,796,247</u>	<u>8,145,209</u>
Budgetary Fund Balance, December 31	<u>\$26,958,984</u>	<u>\$26,958,984</u>	<u>\$ 27,395,845</u>	<u>\$ 436,861</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, 2018**

	<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	\$ 5,703,932	\$ 5,703,932	\$ 5,703,932	\$ -
Resources (inflows)				
Special assessments	3,787,100	3,787,100	5,122,123	1,335,023
Investment income	80,000	80,000	108,815	28,815
Transfer in	500,000	500,000	131,812	(368,188)
Refunding bonds issued	3,500,000	3,500,000	-	(3,500,000)
Premium on special assessment debt	45,000	45,000	-	(45,000)
Amount available for appropriation	<u>13,616,032</u>	<u>13,616,032</u>	<u>11,066,682</u>	<u>(2,549,350)</u>
Charges to appropriations (outflows)				
Principal	3,064,227	3,064,227	2,756,432	307,795
Interest and fiscal charges	677,394	677,394	624,649	52,745
Discount on special assessment debt	45,000	45,000	-	45,000
Payment to refunded bond escrow agent	3,500,000	3,500,000	-	3,500,000
Transfer out	500,000	500,000	67,884	432,116
Total charges to appropriations	<u>7,786,621</u>	<u>7,786,621</u>	<u>3,448,965</u>	<u>4,337,656</u>
Budgetary Fund Balance, December 31	<u>\$ 5,829,411</u>	<u>\$ 5,829,411</u>	<u>\$ 7,617,717</u>	<u>\$ 1,788,306</u>

NONMAJOR DEBT SERVICE FUNDS

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2018**

	<u>Watermain Bonds</u>	<u>Sidewalk Bonds</u>	<u>Total Debt Service</u>
ASSETS			
Cash and cash equivalents	\$ 12,652	\$ 109,911	\$ 122,563
Investments	530,875	630,534	1,161,409
Receivables:			
Special assessments receivable	1,390,435	7,721,663	9,112,098
Due from other funds	77	884,597	884,674
Total assets	<u>\$ 1,934,039</u>	<u>\$ 9,346,705</u>	<u>\$ 11,280,744</u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 5,904</u>	<u>\$ 5,904</u>
Total liabilities	<u>-</u>	<u>5,904</u>	<u>5,904</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable special assessment taxes	<u>1,315,260</u>	<u>6,708,897</u>	<u>8,024,157</u>
Total deferred inflows of resources	<u>1,315,260</u>	<u>6,708,897</u>	<u>8,024,157</u>
Total liabilities and deferred inflows of resources	<u>1,315,260</u>	<u>6,714,801</u>	<u>8,030,061</u>
FUND BALANCES			
Restricted	<u>618,779</u>	<u>2,631,904</u>	<u>3,250,683</u>
Total fund balances	<u>618,779</u>	<u>2,631,904</u>	<u>3,250,683</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,934,039</u>	<u>\$ 9,346,705</u>	<u>\$ 11,280,744</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2018**

	<u>Watermain Bonds</u>	<u>Sidewalk Bonds</u>	<u>Total Debt Service</u>
REVENUES			
Investment income	\$ 6,789	\$ 34,231	\$ 41,020
Special assessments revenue	247,567	1,677,679	1,925,246
Total revenues	<u>254,356</u>	<u>1,711,910</u>	<u>1,966,266</u>
EXPENDITURES			
Debt service:			
Principal retirement	232,017	1,385,000	1,617,017
Interest	60,190	208,756	268,946
Total expenditures	<u>292,207</u>	<u>1,593,756</u>	<u>1,885,963</u>
Excess (deficiency) of revenues over expenditures	<u>(37,851)</u>	<u>118,154</u>	<u>80,303</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	156	56,047	56,203
Transfers out	(1)	(500)	(501)
Total other financing sources (uses)	<u>155</u>	<u>55,547</u>	<u>55,702</u>
Net change in fund balances	(37,696)	173,701	136,005
Fund balances - beginning	<u>656,475</u>	<u>2,458,203</u>	<u>3,114,678</u>
Fund balances - ending	<u>\$ 618,779</u>	<u>\$ 2,631,904</u>	<u>\$ 3,250,683</u>

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

**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, 2018**

	<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	\$ 656,475	\$ 656,475	\$ 656,475	\$ -
Resources (inflows)				
Special assessments	298,000	298,000	247,567	(50,433)
Investment income	30,000	30,000	6,789	(23,211)
Transfer in	250,000	250,000	156	(249,844)
Refunding bonds issued	450,000	450,000	-	(450,000)
Premium on special assessment debt	10,000	10,000	-	(10,000)
Amount available for appropriation	<u>1,694,475</u>	<u>1,694,475</u>	<u>910,987</u>	<u>(783,488)</u>
Charges to appropriations (outflows)				
Principal	260,503	260,503	232,018	28,485
Interest and fiscal charges	75,819	75,819	60,189	15,630
Discount on special assessment debt	10,000	10,000	-	10,000
Payment to refunded bond escrow agent	450,000	450,000	-	450,000
Transfer out	250,000	250,000	1	249,999
Total charges to appropriations	<u>1,046,322</u>	<u>1,046,322</u>	<u>292,208</u>	<u>754,114</u>
Budgetary Fund Balance, December 31	<u>\$ 648,153</u>	<u>\$ 648,153</u>	<u>\$ 618,779</u>	<u>\$ (29,374)</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, 2018**

	<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	\$2,458,203	\$2,458,203	\$ 2,458,203	\$ -
Resources (inflows)				
Special assessments	1,722,500	1,722,500	1,677,679	(44,821)
Investment income	43,000	43,000	34,231	(8,769)
Transfer in	50,000	50,000	56,047	6,047
Premium on special assessment debt	15,000	15,000	-	(15,000)
Amount available for appropriation	<u>4,288,703</u>	<u>4,288,703</u>	<u>4,226,160</u>	<u>(62,543)</u>
Charges to appropriations (outflows)				
Principal	1,490,000	1,490,000	1,385,000	105,000
Interest and fiscal charges	230,693	230,693	208,756	21,937
Discount on special assessment debt	15,000	15,000	-	15,000
Transfer out	50,000	50,000	500	49,500
Total charges to appropriations	<u>1,785,693</u>	<u>1,785,693</u>	<u>1,594,256</u>	<u>191,437</u>
Budgetary Fund Balance, December 31	<u>\$2,503,010</u>	<u>\$2,503,010</u>	<u>\$ 2,631,904</u>	<u>\$ 128,894</u>

NONMAJOR CAPITAL PROJECTS FUNDS

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

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

TAX INCREMENT-This fund accounts for improvements made in the tax increment district. Financing is provided by a specific annual property tax on property within the district as set by NDCC.

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2018**

	Special Deficiency/ Assumptions	Tax Increment	Community Development	Building Improvements	Street Light/Signals
ASSETS					
Cash and cash equivalents	\$ 369,065	\$ -	\$ -	\$ -	\$ -
Investments	4,194,284	-	-	620,631	332,092
Receivables:					
Taxes receivable	5,861	-	-	-	-
Accounts receivable	11,249	-	368,951	-	-
Special assessments	38,012	-	-	-	-
Notes receivable	-	-	1,100,098	-	-
Restricted investments	-	-	-	-	-
Total assets	<u>\$ 4,618,471</u>	<u>\$ -</u>	<u>\$ 1,469,049</u>	<u>\$ 620,631</u>	<u>\$ 332,092</u>
LIABILITIES					
Accounts payable	\$ 1,290	\$ -	\$ 363,853	\$ 81,667	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	5,098	-	-
Unearned revenue	-	-	800,098	-	-
Customer deposits	-	-	-	-	-
Total liabilities	<u>1,290</u>	<u>-</u>	<u>1,169,049</u>	<u>81,667</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable special assessment taxes	20,259	-	-	-	-
Unavailable property taxes	4,377	-	-	-	-
Total deferred inflows of resources	<u>24,636</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>25,926</u>	<u>-</u>	<u>1,169,049</u>	<u>81,667</u>	<u>-</u>
FUND BALANCES					
Committed	4,592,545	-	300,000	538,964	332,092
Unassigned	-	-	-	-	-
Total fund balances	<u>4,592,545</u>	<u>-</u>	<u>300,000</u>	<u>538,964</u>	<u>332,092</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,618,471</u>	<u>\$ -</u>	<u>\$ 1,469,049</u>	<u>\$ 620,631</u>	<u>\$ 332,092</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2018**

	Highway Construction	Sewermain Construction	Watermain Construction	Sidewalk Construction	Total Capital Projects
ASSETS					
Cash and cash equivalents	\$ -	\$ 65,691	\$ -	\$ -	\$ 434,756
Investments	20,356,737	-	-	-	25,503,744
Receivables:					
Taxes receivable	-	-	-	-	5,861
Accounts receivable	-	-	-	-	380,200
Special assessments	174,253	-	-	-	212,265
Notes receivable	-	-	-	-	1,100,098
Restricted investments	-	-	-	1,645,929	1,645,929
Total assets	<u>\$ 20,530,990</u>	<u>\$ 65,691</u>	<u>\$ -</u>	<u>\$ 1,645,929</u>	<u>\$ 29,282,853</u>
LIABILITIES					
Accounts payable	\$ 14,679	\$ 263,559	\$ -	\$ 417,934	1,142,982
Retainage payable	-	32,625	-	-	32,625
Due to other funds	-	-	76	884,597	889,771
Unearned revenue	-	-	-	-	800,098
Customer deposits	-	-	-	1,645,929	1,645,929
Total liabilities	<u>14,679</u>	<u>296,184</u>	<u>76</u>	<u>2,948,460</u>	<u>4,511,405</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable special assessment taxes	169,990	-	-	-	190,249
Unavailable property taxes	-	-	-	-	4,377
Total deferred inflows of resources	<u>169,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,626</u>
Total liabilities and deferred inflows of resources	<u>184,669</u>	<u>296,184</u>	<u>76</u>	<u>2,948,460</u>	<u>4,706,031</u>
FUND BALANCES					
Committed	20,346,321	-	-	-	26,109,922
Unassigned	-	(230,493)	(76)	(1,302,531)	(1,533,100)
Total fund balances	<u>20,346,321</u>	<u>(230,493)</u>	<u>(76)</u>	<u>(1,302,531)</u>	<u>24,576,822</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 20,530,990</u>	<u>\$ 65,691</u>	<u>\$ -</u>	<u>\$ 1,645,929</u>	<u>\$ 29,282,853</u>

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Special Deficiency/ Assumptions</u>	<u>Tax Increment</u>	<u>Community Development</u>	<u>Building Improvements</u>	<u>Street Light/Signals</u>
REVENUES					
Taxes	\$ 363,886	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,708	-	732,730	-	-
Charges for services	333,268	-	-	-	-
Investment income	30,569	-	-	3,911	-
Miscellaneous	-	-	-	20,003	-
Special assessments	35,852	-	-	-	-
Total revenues	<u>773,283</u>	<u>-</u>	<u>732,730</u>	<u>23,914</u>	<u>-</u>
EXPENDITURES					
Current:					
General government	68,940	-	-	-	-
Public works	-	1,707,519	695,427	-	210,727
Debt service:					
Interest	-	-	-	-	-
Capital outlay:					
Public works	-	-	-	2,843,670	216,504
Total expenditures	<u>68,940</u>	<u>1,707,519</u>	<u>695,427</u>	<u>2,843,670</u>	<u>427,231</u>
Excess (deficiency) of revenues over expenditures	<u>704,343</u>	<u>(1,707,519)</u>	<u>37,303</u>	<u>(2,819,756)</u>	<u>(427,231)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	205,995	-	913,631	400,742
Transfers out	(1,781,164)	-	(56,653)	-	-
Premium on special assessment funds	-	-	-	-	-
Special assessments bonds issued	-	-	-	-	-
Total other financing sources (uses)	<u>(1,781,164)</u>	<u>205,995</u>	<u>(56,653)</u>	<u>913,631</u>	<u>400,742</u>
Net change in fund balances	(1,076,821)	(1,501,524)	(19,350)	(1,906,125)	(26,489)
Fund balances - beginning	5,669,366	1,501,524	319,350	2,445,089	358,581
Fund balances - ending	<u>\$ 4,592,545</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 538,964</u>	<u>\$ 332,092</u>

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Highway Construction</u>	<u>Sewermain Construction</u>	<u>Watermain Construction</u>	<u>Sidewalk Construction</u>	<u>Total Capital Projects</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 363,886
Intergovernmental	36,274	-	-	-	778,712
Charges for services	-	-	-	-	333,268
Investment income	292,998	-	-	-	327,478
Miscellaneous	-	-	-	-	20,003
Special assessments	26,533	20,941	-	169,615	252,941
Total revenues	<u>355,805</u>	<u>20,941</u>	<u>-</u>	<u>169,615</u>	<u>2,076,288</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	68,940
Public works	37,686	345,609	43,518	31,749	3,072,235
Debt service:					
Interest	-	15,979	-	15,375	31,354
Capital outlay:					
Public works	106,498	858,088	13,006	1,365,996	5,403,762
Total expenditures	<u>144,184</u>	<u>1,219,676</u>	<u>56,524</u>	<u>1,413,120</u>	<u>8,576,291</u>
Excess (deficiency) of revenues over expenditures	<u>211,621</u>	<u>(1,198,735)</u>	<u>(56,524)</u>	<u>(1,243,505)</u>	<u>(6,500,003)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,084,776	305,957	99,976	3,475	7,014,552
Transfers out	(9,819,989)	(131,812)	(156)	(56,047)	(11,845,821)
Premium on special assessment funds	-	116,467	-	41,501	157,968
Special assessments bonds issued	-	4,152,948	-	1,200,000	5,352,948
Total other financing sources (uses)	<u>(4,735,213)</u>	<u>4,443,560</u>	<u>99,820</u>	<u>1,188,929</u>	<u>679,647</u>
Net change in fund balances	(4,523,592)	3,244,825	43,296	(54,576)	(5,820,356)
Fund balances - beginning	24,869,913	(3,475,318)	(43,372)	(1,247,955)	30,397,178
Fund balances - ending	<u>\$ 20,346,321</u>	<u>\$ (230,493)</u>	<u>\$ (76)</u>	<u>\$ (1,302,531)</u>	<u>\$ 24,576,822</u>

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

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018**

	<u>Solid Waste Disposal</u>	<u>Solid Waste Collections</u>	<u>Commercial Property</u>	<u>Northern Plains Commerce Centre</u>	<u>Parking Authority Lots</u>	<u>Total</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 972,969	\$ 900,922	\$ 291,773	\$ -	\$ 536,858	\$ 2,702,522
Investments	12,541,824	2,093,506	183,096	3,377,567	233,803	18,429,796
Accounts receivable	323,971	310,545	-	4,625	11,835	650,976
Interest receivable	27,388	5,753	938	6,878	1,376	42,333
Prepaid Items	13,969	3,605	1,104	-	1,438	20,116
Total current assets	<u>13,880,121</u>	<u>3,314,331</u>	<u>476,911</u>	<u>3,389,070</u>	<u>785,310</u>	<u>21,845,743</u>
Noncurrent assets:						
Restricted investments	-	-	-	-	27,462	27,462
Capital assets not being depreciated						
Land	396,247	603,338	259,000	223,212	1,203,152	2,684,949
Construction in progress	11,262	-	-	-	740,698	751,960
Capital assets (net of accumulated depreciation)						
Building and building improvements	3,328,646	-	1,153,475	-	17,598,519	22,080,640
Improvements other than buildings	3,294,471	5,247	-	6,493,659	14,855	9,808,232
Machinery and equipment	1,778,161	2,221,048	-	-	465,379	4,464,588
Total noncurrent assets	<u>8,808,787</u>	<u>2,829,633</u>	<u>1,412,475</u>	<u>6,716,871</u>	<u>20,050,065</u>	<u>39,817,831</u>
Total assets	<u>22,688,908</u>	<u>6,143,964</u>	<u>1,889,386</u>	<u>10,105,941</u>	<u>20,835,375</u>	<u>61,663,574</u>
DEFERRED OUTFLOWS OF RESOURCES						
Derived from pensions	249,592	462,906	-	-	-	712,498
Total deferred outflows of resources	<u>249,592</u>	<u>462,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>712,498</u>

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2018**

	<u>Solid Waste Disposal</u>	<u>Solid Waste Collections</u>	<u>Commercial Property</u>	<u>Northern Plains Commerce Centre</u>	<u>Parking Authority Lots</u>	<u>Total</u>
LIABILITIES						
Current liabilities:						
Accounts payable	51,139	137,512	8,276	70,033	38,483	305,443
Retainage payable	-	-	-	-	18,634	18,634
Compensated benefits payable	57,083	76,054	-	-	-	133,137
Salaries payable	31,452	55,665	-	-	-	87,117
Unearned revenue	-	-	-	-	2,580	2,580
Total current liabilities	<u>139,674</u>	<u>269,231</u>	<u>8,276</u>	<u>70,033</u>	<u>59,697</u>	<u>546,911</u>
Noncurrent liabilities:						
Compensated benefits payable	34,217	78,314	-	-	-	112,531
Net pension liability	384,946	713,940	-	-	-	1,098,886
Advances from other funds	-	-	1,780,000	-	150,000	1,930,000
Customer deposits	6,915	-	2,950	-	27,462	37,327
Accrued closure/post closure costs	2,843,240	-	-	-	-	2,843,240
Total noncurrent liabilities	<u>3,269,318</u>	<u>792,254</u>	<u>1,782,950</u>	<u>-</u>	<u>177,462</u>	<u>6,021,984</u>
Total liabilities	<u>3,408,992</u>	<u>1,061,485</u>	<u>1,791,226</u>	<u>70,033</u>	<u>237,159</u>	<u>6,568,895</u>
DEFERRED INFLOWS OF RESOURCES						
Derived from pensions	24,988	46,340	-	-	-	71,328
Total deferred inflows of resources	<u>24,988</u>	<u>46,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,328</u>
NET POSITION						
Net investment in capital assets	8,808,787	2,829,633	1,412,475	6,716,871	20,003,969	39,771,735
Unrestricted	10,695,733	2,669,412	(1,314,315)	3,319,037	594,247	15,964,114
Total net position	<u>\$ 19,504,520</u>	<u>\$ 5,499,045</u>	<u>\$ 98,160</u>	<u>\$ 10,035,908</u>	<u>\$ 20,598,216</u>	<u>\$ 55,735,849</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 POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Solid Waste Disposal</u>	<u>Solid Waste Collections</u>	<u>Commercial Property</u>	<u>Northern Plains Commerce Centre</u>	<u>Parking Authority Lots</u>	<u>Total</u>
OPERATING REVENUES						
Sanitation fees	\$ 3,778,231	\$ 4,753,612	\$ -	\$ -	\$ -	\$ 8,531,843
Miscellaneous sales	20,609	15,119	-	-	-	35,728
Rentals	104,114	-	41,592	60,517	1,510,575	1,716,798
Total operating revenues	<u>3,902,954</u>	<u>4,768,731</u>	<u>41,592</u>	<u>60,517</u>	<u>1,510,575</u>	<u>10,284,369</u>
OPERATING EXPENSES						
Personal services - salaries & wages	631,922	1,263,624	-	-	-	1,895,546
Personal services - fringe benefits	322,203	636,708	-	-	-	958,911
Professional legal and contracted services	235,221	22,130	6,647	3,437	468,253	735,688
Building equipment and vehicle services	268,900	599,752	26,250	70,032	324,219	1,289,153
Travel & training	3,303	260	-	-	-	3,563
Operating services	296,460	1,194,588	2,200	20	46,284	1,539,552
Operating supplies	184,775	197,978	-	-	13,053	395,806
Depreciation expense	617,921	279,611	53,033	215,235	723,427	1,889,227
Total operating expenses	<u>2,560,705</u>	<u>4,194,651</u>	<u>88,130</u>	<u>288,724</u>	<u>1,575,236</u>	<u>8,707,446</u>
Operating income (loss)	<u>1,342,249</u>	<u>574,080</u>	<u>(46,538)</u>	<u>(228,207)</u>	<u>(64,661)</u>	<u>1,576,923</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income	138,897	28,954	4,505	33,594	6,957	212,907
Gain (loss) on disposal of assets	2,423	32,315	-	-	2,535	37,273
Total nonoperating revenues (expenses)	<u>141,320</u>	<u>61,269</u>	<u>4,505</u>	<u>33,594</u>	<u>9,492</u>	<u>250,180</u>
Income (loss) before contributions and transfers	1,483,569	635,349	(42,033)	(194,613)	(55,169)	1,827,103
TRANSFERS OUT	<u>(589,038)</u>	<u>(121,108)</u>	<u>(15,251)</u>	<u>(26,920)</u>	<u>(20,853)</u>	<u>(773,170)</u>
Change in net position	894,531	514,241	(57,284)	(221,533)	(76,022)	1,053,933
Total net position - beginning	<u>18,609,989</u>	<u>4,984,804</u>	<u>155,444</u>	<u>10,257,441</u>	<u>20,674,238</u>	<u>54,681,916</u>
Total net position - ending	<u>\$ 19,504,520</u>	<u>\$ 5,499,045</u>	<u>\$ 98,160</u>	<u>\$ 10,035,908</u>	<u>\$ 20,598,216</u>	<u>\$ 55,735,849</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	Solid Waste Disposal	Solid Waste Collections	Commercial Property	Northern Plains Commerce Centre	Parking Authority Lots	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 3,897,684	\$ 4,760,993	\$ 41,592	\$ 67,667	\$ 1,511,033	\$ 10,278,969
Payments to suppliers	(1,485,126)	(2,631,657)	(39,740)	(78,348)	(854,314)	(5,089,185)
Payments to employees	(592,853)	(1,129,446)	-	-	-	(1,722,299)
Net cash provided (used) by operating activities	<u>1,819,705</u>	<u>999,890</u>	<u>1,852</u>	<u>(10,681)</u>	<u>656,719</u>	<u>3,467,485</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payment on advance	-	-	-	-	(80,000)	(80,000)
Transfers to other funds	(589,038)	(121,108)	(15,251)	(26,920)	(20,853)	(773,170)
Net cash provided (used) by noncapital financing activities	<u>(589,038)</u>	<u>(121,108)</u>	<u>(15,251)</u>	<u>(26,920)</u>	<u>(100,853)</u>	<u>(853,170)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets	2,423	32,315	-	-	2,535	37,273
Purchase of capital assets	-	(623,389)	-	-	(38,974)	(662,363)
Construction of capital assets	(750,591)	-	-	-	(462,937)	(1,213,528)
Net cash provided (used) by capital and related financing activities	<u>(748,168)</u>	<u>(591,074)</u>	<u>-</u>	<u>-</u>	<u>(499,376)</u>	<u>(1,838,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	12,890,188	2,677,264	193,887	3,379,795	278,191	19,419,325
Purchase of investments	(12,541,824)	(2,093,506)	(183,096)	(3,377,567)	(261,265)	(18,457,258)
Investment income	142,106	29,456	4,784	35,067	6,933	218,346
Net cash provided (used) by investing activities	<u>490,470</u>	<u>613,214</u>	<u>15,575</u>	<u>37,295</u>	<u>23,859</u>	<u>1,180,413</u>
Net increase (decrease) in cash and cash equivalents	<u>972,969</u>	<u>900,922</u>	<u>2,176</u>	<u>(306)</u>	<u>80,349</u>	<u>1,956,110</u>
Cash and cash equivalents - January 1	-	-	289,597	306	456,509	746,412
Cash and cash equivalents - December 31	<u>\$ 972,969</u>	<u>\$ 900,922</u>	<u>\$ 291,773</u>	<u>\$ -</u>	<u>\$ 536,858</u>	<u>\$ 2,702,522</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 1,342,249	\$ 574,080	\$ (46,538)	\$ (228,207)	\$ (64,661)	\$ 1,576,923
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	617,921	279,611	53,033	215,235	723,427	1,889,227
Changes in assets and liabilities:						
Change in Deferred outflows	(41,286)	(127,641)	-	-	-	(168,927)
Change in Deferred inflows	(78,963)	(120,965)	-	-	-	(199,928)
(Increase) decrease in accounts receivable	(12,183)	(7,739)	-	7,150	880	(11,892)
(Increase) decrease in prepaid items	(1,570)	(290)	(18)	-	906	(972)
Increase (decrease) in customer deposits	6,915	-	-	-	-	6,915
Increase (decrease) in accounts payable	24,718	20,050	(4,625)	(4,859)	(3,411)	31,873
Increase (decrease) in compensated benefits payable	(6,263)	21,655	-	-	-	15,392
Increase (decrease) in net pension liability	164,456	359,068	-	-	-	523,524
Increase (decrease) in salaries payable	1,123	2,061	-	-	-	3,184
Increase (decrease) in deferred revenue	-	-	-	-	(422)	(422)
Increase (decrease) in closure and post closure costs	(197,412)	-	-	-	-	(197,412)
Net cash provided (used) by operating activities	<u>\$ 1,819,705</u>	<u>\$ 999,890</u>	<u>\$ 1,852</u>	<u>\$ (10,681)</u>	<u>\$ 656,719</u>	<u>\$ 3,467,485</u>
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES						
Increase in fair value of investments	\$ 30,648	\$ 6,317	\$ 1,020	\$ 7,520	\$ 1,536	\$ 47,041

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

NONMAJOR INTERNAL SERVICE FUNDS

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECMEBER 31, 2018**

	<u>Fleet Services</u>	<u>Liability Insurance</u>	<u>Workforce Safety Insurance</u>	<u>Employee Insurance</u>	<u>Revolving</u>	<u>Total</u>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Investments	829,237	185,855	657,975	807,501	235,739	2,716,307
Accounts receivable	6,226	19	-	2,848	380,853	389,946
Inventories	282,455	-	-	-	-	282,455
Prepaid Items	4,809	-	-	-	-	4,809
Total current assets	<u>1,122,727</u>	<u>185,874</u>	<u>657,975</u>	<u>810,349</u>	<u>716,592</u>	<u>3,493,517</u>
Noncurrent assets:						
Capital assets (net of accumulated depreciation):						
Machinery and equipment	229	-	-	-	-	229
Total noncurrent assets	<u>229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>229</u>
Total assets	<u>1,122,956</u>	<u>185,874</u>	<u>657,975</u>	<u>810,349</u>	<u>716,592</u>	<u>3,493,746</u>
DEFERRED OUTFLOWS OF RESOURCES						
Derived from pensions	262,986	-	-	-	-	262,986
Total deferred outflows of resources	<u>262,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,986</u>
LIABILITIES						
Current liabilities:						
Accounts payable	86,438	-	7,991	17,285	678,065	789,779
Salaries payable	29,995	-	-	-	1,187	31,182
Claims and judgments payable	-	-	-	665,000	-	665,000
Total current liabilities	<u>116,433</u>	<u>-</u>	<u>7,991</u>	<u>682,285</u>	<u>679,252</u>	<u>1,485,961</u>
Noncurrent liabilities:						
Net pension liability	394,204	-	-	-	-	394,204
Total noncurrent liabilities	<u>394,204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,204</u>
Total liabilities	<u>510,637</u>	<u>-</u>	<u>7,991</u>	<u>682,285</u>	<u>679,252</u>	<u>1,880,165</u>
DEFERRED INFLOWS OF RESOURCES						
Derived from pensions	9,174	-	-	-	-	9,174
Total deferred infows of resources	<u>9,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,174</u>
NET POSITION						
Net investment in capital assets	229	-	-	-	-	229
Unrestricted	865,902	185,874	649,984	128,064	37,340	1,867,164
Total net position	<u>\$ 866,131</u>	<u>\$ 185,874</u>	<u>\$ 649,984</u>	<u>\$ 128,064</u>	<u>\$ 37,340</u>	<u>\$ 1,867,393</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 POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Fleet Services</u>	<u>Liability Insurance</u>	<u>Workforce Safety Insurance</u>	<u>Employee Insurance</u>	<u>Revolving</u>	<u>Total</u>
OPERATING REVENUES						
Charges for services						
Sale of gas and oil	\$ 936,629	\$ -	\$ -	\$ -	\$ -	\$ 936,629
Sale of parts and labor	2,326,211	-	-	-	-	2,326,211
Miscellaneous sales	1,856	-	-	173,750	238	175,844
Rentals	15,225	-	-	-	-	15,225
Employer contributions	-	-	210,958	7,376,298	-	7,587,256
Employee contributions	-	-	-	103,721	-	103,721
Total operating revenues	<u>3,279,921</u>	<u>-</u>	<u>210,958</u>	<u>7,653,769</u>	<u>238</u>	<u>11,144,886</u>
OPERATING EXPENSES						
Cost of goods sold	1,970,572	-	-	-	-	1,970,572
Personal services - salaries & wages	631,417	-	-	-	401	631,818
Personal services - fringe benefits	298,678	-	-	139,062	-	437,740
Professional legal and contracted services	1,269	32	11	1,842	-	3,154
Building equipment and vehicle services	207,866	-	-	-	148,019	355,885
Travel & training	9,344	-	-	-	-	9,344
Operating services	22,185	277,956	-	9,542,595	-	9,842,736
Operating supplies	(2,805)	-	-	522	-	(2,283)
Depreciation expense	284	-	-	-	-	284
Total operating expenses	<u>3,138,810</u>	<u>277,988</u>	<u>11</u>	<u>9,684,021</u>	<u>148,420</u>	<u>13,249,250</u>
Operating income (loss)	<u>141,111</u>	<u>(277,988)</u>	<u>210,947</u>	<u>(2,030,252)</u>	<u>(148,182)</u>	<u>(2,104,364)</u>
NONOPERATING REVENUES (EXPENSES)						
Investment income	6,260	2,609	6,368	9,511	-	24,748
Gain (loss) on disposal of assets	3,965	-	-	-	161,317	165,282
Total nonoperating revenues (expenses)	<u>10,225</u>	<u>2,609</u>	<u>6,368</u>	<u>9,511</u>	<u>161,317</u>	<u>190,030</u>
Income (loss) before contributions and transfers	151,336	(275,379)	217,315	(2,020,741)	13,135	(1,914,334)
TRANSFERS OUT	(68,596)	(39,870)	(7,353)	(96,654)	(238)	(212,711)
TRANSFERS IN	-	330,000	-	7,266	-	337,266
Change in net position	82,740	14,751	209,962	(2,110,129)	12,897	(1,789,779)
Total net position - beginning	783,391	171,123	440,022	2,238,193	24,443	3,657,172
Total net position - ending	<u>\$ 866,131</u>	<u>\$ 185,874</u>	<u>\$ 649,984</u>	<u>\$ 128,064</u>	<u>\$ 37,340</u>	<u>\$ 1,867,393</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, 2018**

	<u>Fleet Services</u>	<u>Liability Insurance</u>	<u>Workforce Safety Insurance</u>	<u>Employee Insurance</u>	<u>Revolving</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 3,274,887	\$ -	\$ -	\$ 102,767	\$ -	\$ 3,377,654
Receipts from employer	-	-	210,958	7,376,298	-	7,587,256
Other operating cash receipts	1,854	-	-	173,750	238	175,842
Payments to suppliers	(2,452,147)	(278,007)	(3,592)	(9,693,334)	(140,827)	(12,567,907)
Payments to employees	(568,220)	-	-	-	-	(568,220)
Net cash provided (used) by operating activities	<u>256,374</u>	<u>(278,007)</u>	<u>207,366</u>	<u>(2,040,519)</u>	<u>(140,589)</u>	<u>(1,995,375)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	-	330,000	-	7,266	-	337,266
Transfers to other funds	(68,596)	(39,870)	(7,353)	(96,654)	(238)	(212,711)
Net cash provided (used) by noncapital financing activities	<u>(68,596)</u>	<u>290,130</u>	<u>(7,353)</u>	<u>(89,388)</u>	<u>(238)</u>	<u>124,555</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of capital assets	3,965	-	-	-	-	3,965
Proceeds from insurance recoveries	-	-	-	-	161,317	161,317
Net cash provided (used) by capital and related financing activities	<u>3,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,317</u>	<u>165,282</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sales and maturities of investments	631,234	171,123	451,595	2,028,926	215,250	3,498,128
Purchase of investments	(829,237)	(185,855)	(657,976)	(807,501)	(235,740)	(2,716,309)
Investment income	6,260	2,609	6,368	9,511	-	24,748
Net cash provided (used) by investing activities	<u>(191,743)</u>	<u>(12,123)</u>	<u>(200,013)</u>	<u>1,230,936</u>	<u>(20,490)</u>	<u>806,567</u>
Net increase (decrease) in cash and cash equivalents	-	-	-	(898,971)	-	(898,971)
Cash and cash equivalents - January 1	-	-	-	898,971	100,000	998,971
Cash and cash equivalents - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income (loss)	\$ 141,111	\$ (277,988)	\$ 210,947	\$ (2,030,252)	\$ (148,182)	\$ (2,104,364)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	284	-	-	-	-	284
Changes in assets and liabilities:						
Change in deferred outflows	(93,114)	-	-	-	-	(93,114)
Change in deferred inflows	(65,050)	-	-	-	-	(65,050)
(Increase) decrease in accounts receivable	(3,180)	(19)	-	(954)	(80,272)	(84,425)
(Increase) decrease in inventories	47,038	-	-	-	-	47,038
(Increase) decrease in prepaid items	(282)	-	-	-	-	(282)
Increase (decrease) in accounts payable	8,207	-	(3,581)	(2,313)	87,464	89,777
Increase (decrease) in net pension liability	219,062	-	-	-	-	219,062
Increase (decrease) in salaries payable	2,298	-	-	-	401	2,699
Increase (decrease) in estimated pending claims	-	-	-	(7,000)	-	(7,000)
Net cash provided (used) by operating activities	<u>\$ 256,374</u>	<u>\$ (278,007)</u>	<u>\$ 207,366</u>	<u>\$ (2,040,519)</u>	<u>\$ (140,589)</u>	<u>\$ (1,995,375)</u>
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES						
Increase in fair value of investments	\$ 1,300	\$ 595	\$ 1,434	\$ 1,546	\$ -	\$ 4,874

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

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

**CITY OF BISMARCK, NORTH DAKOTA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 COMPARATIVE SCHEDULES BY SOURCE
 DECEMBER 31, 2018**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	2,767,950
Buildings and building improvements	40,349,224
Improvements other than buildings	85,349
Machinery and equipment	41,424,013
Infrastructure	440,519,705
Construction in progress	1,672,107
Total governmental funds capital assets	526,818,348

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	7,960,309
Special revenue funds	21,113,206
Federal and state grants	130,827,204
Capital projects funds	358,023,768
Enterprise funds	15,210
Donations	8,878,651
Total governmental funds capital assets	526,818,348

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2018**

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Total
General government:						
Administration and management	\$ -	\$ -	\$ -	\$ 57,638	\$ -	\$ 57,638
Fiscal, assessing and information services	-	-	-	1,480,665	-	1,480,665
Common software	-	-	-	1,058,423	-	1,058,423
City/county office building	-	10,785,685	18,411	886,349	-	11,690,445
Bismarck-mandan visitor bureau	200,000	804,475	-	-	-	1,004,475
Human resources	-	-	-	21,229	-	21,229
Attorney	-	-	-	8,423	-	8,423
Municipal court	-	269,509	-	-	-	269,509
Community development	-	-	-	208,645	-	208,645
Building maintenance	-	-	-	69,766	-	69,766
E/H transit system	108,421	3,311,836	-	5,642,053	-	9,062,310
Total general government	308,421	15,171,505	18,411	9,433,191	-	24,931,528
Public safety:						
Police	499,500	7,073,482	37,078	7,973,762	319,359	15,903,181
Fire	580,688	9,967,523	15,790	7,502,171	101,099	18,167,271
Combined communication center	-	-	-	391,350	-	391,350
Total public safety	1,080,188	17,041,005	52,868	15,867,283	420,458	34,461,802
Highways and streets:						
Roads and streets	50,923	-	-	10,280,963	65,184	10,397,070
Engineering	-	-	-	609,211	-	609,211
Forestry	-	-	-	737,337	-	737,337
Total highways and streets	50,923	-	-	11,627,511	65,184	11,743,618
Health:						
Bismarck burleigh public health	-	170,524	-	338,558	220,000	729,082
Total health	-	170,524	-	338,558	220,000	729,082
Culture and recreation:						
Centennial beach	-	-	-	29,956	-	29,956
Library	324,000	7,966,190	-	4,111,754	68,912	12,470,856
Total culture and recreation	324,000	7,966,190	-	4,141,710	68,912	12,500,812
Public works:						
Sales tax fund	22,721	-	-	-	-	22,721
Highway construction	980,937	-	-	-	98,129,702	99,110,639
Sidewalk construction	-	-	14,070	-	32,878,174	32,892,244
Street lights construction	-	-	-	15,760	1,868,158	1,883,918
Street improvements	760	-	-	-	306,869,117	306,869,877
Total public works	1,004,418	-	14,070	15,760	439,745,151	440,779,399
Construction in progress:	-	82,513	-	7,440	1,582,154	1,672,107
Total governmental funds capital assets	\$ 2,767,950	\$ 40,431,737	\$ 85,349	\$ 41,431,453	\$ 442,101,859	\$ 526,818,348

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, 2018

FUNCTION AND ACTIVITY	Balance January 1, 2018	Additions	Deductions	Transfers	Balance December 31, 2018
General government:					
Administration and management	\$ 57,638	\$ -	\$ -	\$ -	\$ 57,638
Fiscal, assessing and information services	1,006,832	473,833	-	-	1,480,665
Common software	1,058,423	-	-	-	1,058,423
City/county office buildings	11,668,695	21,750	-	-	11,690,445
Bismarck-mandan visitors bureau	1,004,475	-	-	-	1,004,475
Human resources	21,229	-	-	-	21,229
Attorney	8,423	-	-	-	8,423
Municipal court	269,509	-	-	-	269,509
Community development	208,645	-	-	-	208,645
Building maintenance	50,648	19,118	-	-	69,766
E/H transit system	9,026,348	445,103	409,141	-	9,062,310
Total general government	24,380,865	959,804	409,141	-	24,931,528
Public safety:					
Police	15,137,422	898,956	133,197	-	15,903,181
Fire and inspections	14,922,181	3,245,090	-	-	18,167,271
Combined communications center	391,350	-	-	-	391,350
Total public safety	30,450,953	4,144,046	133,197	-	34,461,802
Highways and streets:					
Roads and streets	10,058,747	348,590	10,267	-	10,397,070
Engineering	594,479	25,577	10,845	-	609,211
Forestry	737,337	-	-	-	737,337
Total highways and streets	11,390,563	374,167	21,112	-	11,743,618
Health:					
Bismarck burleigh public health	735,450	8,631	14,999	-	729,082
Total health	735,450	8,631	14,999	-	729,082
Culture and recreation:					
Centennial beach	29,956	-	-	-	29,956
Library	10,296,339	2,174,517	-	-	12,470,856
Total culture and recreation	10,326,295	2,174,517	-	-	12,500,812
Public works:					
Sales tax fund	22,721	-	-	-	22,721
Highway construction	99,068,651	41,988	-	-	99,110,639
Sidewalk construction	31,526,248	1,365,996	-	-	32,892,244
Street light construction	1,667,414	216,504	-	-	1,883,918
Street improvements	285,235,297	21,634,580	-	-	306,869,877
Total public works	417,520,331	23,259,068	-	-	440,779,399
Construction in progress:	12,751,432	1,345,809	12,425,134	-	1,672,107
Total governmental funds capital assets	\$ 507,555,889	\$ 32,266,042	\$ 13,003,583	\$ -	526,818,348

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	134
<p>These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.</p>	
Revenue Capacity	139
<p>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.</p>	
Debt Capacity	144
<p>These schedules present information to help the reader assess the affordability of the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	148
<p>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.</p>	
Operating Information	151
<p>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.</p>	

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Invested in capital assets, net of related debt	\$ 156,325,434	\$ 156,675,941	\$ 148,375,719	\$ 166,974,373	\$ 180,195,611	\$ 192,652,784	\$ 197,951,649	\$ 218,218,040	\$ 225,240,744	\$ 230,739,569
Restricted	12,749,497	13,913,204	25,072,759	17,512,811	22,540,504	20,182,943	25,205,341	31,075,288	49,167,595	55,329,012
Unrestricted	98,313,442	111,526,195	110,261,833	120,115,806	136,188,454	148,773,677	171,295,399	181,422,256	170,563,328	166,262,629
Total governmental activities net position	\$ 267,388,373	\$ 282,115,340	\$ 283,710,311	\$ 304,602,990	\$ 338,924,569	\$ 361,609,404	\$ 394,452,389	\$ 430,715,584	\$ 444,971,667	\$ 452,331,210
Business-type activities										
Invested in capital assets, net of related debt	\$ 224,137,364	\$ 226,357,253	\$ 261,533,235	\$ 280,053,990	\$ 289,017,006	\$ 319,745,687	\$ 319,247,440	\$ 341,955,183	\$ 374,421,127	\$ 401,875,951
Restricted	16,785,740	11,788,078	6,991,320	8,419,928	7,264,652	9,941,852	36,089,113	12,175,717	11,138,729	11,195,951
Unrestricted	27,737,575	36,359,215	44,055,121	40,723,027	52,359,095	59,056,335	38,560,107	51,133,751	42,895,634	43,933,922
Total business-type activities net position	\$ 268,660,679	\$ 274,504,546	\$ 312,579,676	\$ 329,196,945	\$ 348,640,753	\$ 388,743,874	\$ 393,896,660	\$ 405,264,651	\$ 428,455,490	\$ 457,005,824
Primary government										
Net investment in capital assets	\$ 380,462,798	\$ 383,033,194	\$ 409,908,954	\$ 447,028,363	\$ 469,212,617	\$ 512,398,471	\$ 517,199,089	\$ 560,173,223	\$ 599,661,871	\$ 632,615,520
Restricted	29,535,237	25,701,282	32,064,079	25,932,739	29,805,156	30,124,795	61,294,454	43,251,005	60,306,324	66,524,963
Unrestricted	126,051,017	147,885,410	154,316,954	160,838,833	188,547,549	207,830,012	209,855,506	232,556,007	213,458,962	210,196,551
Total primary government net position	\$ 536,049,052	\$ 556,619,886	\$ 596,289,987	\$ 633,799,935	\$ 687,565,322	\$ 750,353,278	\$ 788,349,049	\$ 835,980,235	\$ 873,427,157	\$ 909,337,034

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 13,695,936	\$ 13,379,249	\$ 28,399,400	\$ 15,456,780	\$ 15,602,062	\$ 17,017,718	\$ 18,265,605	\$ 16,888,611	\$ 16,268,593	\$ 18,290,495
Public safety	16,956,774	17,956,779	18,250,946	19,192,839	19,578,855	20,852,897	24,641,875	26,286,801	27,502,752	29,185,109
Highways and streets	7,895,728	8,567,797	8,099,656	8,061,851	8,324,951	8,727,481	10,413,928	10,407,454	10,946,367	11,430,676
Health and welfare	2,494,859	2,911,995	2,915,310	3,024,156	3,068,043	2,782,462	3,201,291	3,201,853	3,329,632	3,486,093
Culture and recreation	8,902,739	9,664,609	2,538,849	2,727,686	2,755,016	2,757,172	2,953,530	3,182,488	3,336,676	3,524,975
Interest and fiscal charges	2,505,666	2,350,187	2,174,135	2,067,666	2,245,752	2,063,752	2,400,187	3,041,297	5,144,125	3,849,896
Public works	8,170,980	7,262,546	7,145,379	16,242,401	9,248,433	9,243,920	9,972,223	11,551,442	13,945,500	14,626,171
Total governmental activities expenses	60,622,682	62,093,162	69,523,675	66,773,379	60,823,112	63,445,402	71,848,639	74,559,946	80,473,645	84,393,415
Business-type activities:										
Airport	5,680,499	5,695,428	5,706,324	6,419,847	6,852,348	8,361,929	8,679,828	7,588,752	7,399,832	7,735,107
Event center	-	-	7,271,580	7,943,750	8,270,394	9,594,634	11,436,810	11,043,455	10,718,816	11,108,512
Solid waste disposal	2,449,207	2,525,468	2,480,955	2,385,838	2,655,380	2,694,350	2,453,612	4,340,662	2,997,121	2,600,476
Solid waste collections	2,084,233	1,964,611	2,194,976	2,165,553	2,198,750	3,118,929	4,065,304	3,872,531	4,018,808	4,275,343
Water	7,603,788	8,036,750	8,501,442	9,118,635	9,516,385	10,581,458	11,722,982	11,896,989	12,867,647	13,347,820
Sanitary sewer	4,921,746	5,237,690	6,059,940	5,832,427	6,000,337	6,401,858	7,014,055	7,691,135	8,772,088	8,601,984
Storm water	989,869	1,215,570	1,517,382	1,701,198	1,828,442	2,167,522	1,993,037	2,697,316	3,076,950	4,239,065
Commercial property	-	33,312	151,021	339,567	379,303	385,053	441,991	293,168	399,710	376,854
Parking authority lots	926,238	873,209	905,461	990,948	1,030,182	1,114,692	1,608,473	1,639,973	1,596,137	1,575,237
Total business-type activities expenses	24,655,580	25,582,038	34,789,081	36,897,763	38,731,521	44,420,425	49,416,092	51,063,981	51,847,109	53,860,398
Total primary government expenses	\$ 85,278,262	\$ 87,675,200	\$ 104,312,756	\$ 103,671,142	\$ 99,554,633	\$ 107,865,827	\$ 121,264,731	\$ 125,623,927	\$ 132,320,754	\$ 138,253,813
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	\$ 2,906,616	\$ 2,999,341	\$ 3,905,967	\$ 4,158,680	\$ 4,951,446	\$ 4,803,514	\$ 4,903,933	\$ 4,141,666	\$ 4,282,664	\$ 4,155,262
Public safety	1,075,509	1,351,519	1,236,829	1,315,180	1,221,973	1,165,470	1,122,078	1,382,234	1,471,580	1,636,966
Highways and streets	3,151,547	3,370,465	4,083,149	4,002,264	5,312,152	6,219,938	6,310,840	6,306,131	5,306,563	5,496,307
Health and welfare	444,964	511,601	554,209	473,245	554,942	446,889	446,618	474,109	575,029	607,188
Culture and recreation	4,348,057	5,015,681	150,215	137,179	127,966	121,094	131,868	135,435	131,136	130,571
Public works	-	-	-	-	300,235	-	-	-	-	20,000
Operating grants and contributions	11,508,981	10,113,555	27,284,007	11,335,009	13,663,676	12,042,851	11,067,383	13,162,314	11,751,542	12,039,864
Capital grants and contributions	17,986,128	16,781,232	22,787,617	21,559,092	27,917,289	39,286,234	39,485,749	36,180,257	25,081,772	20,673,170
Total governmental activities program revenues	41,421,802	40,143,394	60,001,993	42,980,649	54,049,679	64,085,990	63,468,469	61,782,146	48,600,286	44,759,328
Business-type activities:										
Charges for services:										
Airport	4,293,102	4,559,948	4,903,504	5,680,205	5,813,095	5,688,130	6,004,126	5,880,634	6,581,900	6,988,947
** Event center	-	-	5,019,304	5,627,000	5,400,169	6,178,766	7,106,440	6,817,419	6,904,800	7,293,652
Solid waste disposal	2,262,373	2,544,702	2,796,433	2,842,790	3,739,199	4,201,932	4,307,855	4,355,606	4,375,408	3,902,953
Solid waste collections	2,071,090	2,170,392	2,390,337	2,360,138	3,271,983	3,250,198	3,899,855	4,003,128	4,609,120	4,768,732
Water	10,010,899	10,320,520	9,468,281	12,276,473	11,600,535	12,320,934	14,179,792	13,918,492	16,101,327	16,504,992
Sanitary sewer	5,311,824	5,428,006	5,667,907	6,167,542	5,840,563	6,719,385	7,224,309	8,917,828	10,209,905	10,963,919

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Storm water	1,040,526	900,844	920,664	983,176	1,183,703	1,242,126	1,352,712	1,390,903	1,825,511	2,305,184
Commercial property	-	54,103	201,831	424,361	346,142	235,951	255,917	180,632	104,430	102,109
Parking authority lots	867,583	883,751	941,990	963,953	1,063,898	1,230,561	1,561,998	1,460,754	1,550,277	1,510,575
Operating grants and contributions	-	-	1,856	-	68,057	1,212,522	227,245	40,360	6,666	11,319
Capital grants and contributions	8,037,085	3,675,261	10,680,059	11,361,611	9,212,197	13,475,408	9,924,565	6,748,212	17,502,063	24,121,524
Total business-type activities program revenues	33,894,482	30,537,527	42,992,166	48,687,249	47,539,541	55,755,913	56,044,814	53,713,968	69,771,407	78,473,906
Total primary government program revenues	\$ 75,316,284	\$ 70,680,921	\$ 102,994,159	\$ 91,667,898	\$ 101,589,220	\$ 119,841,903	\$ 119,513,283	\$ 115,496,114	\$ 118,371,693	\$ 123,233,234
Net (expense)/revenue										
Government activities	(19,200,880)	(21,949,768)	(9,521,682)	(23,792,730)	(6,773,433)	640,588	(8,380,170)	(12,777,800)	(31,873,359)	(39,634,087)
Business-type activities	9,238,902	4,955,489	8,203,085	11,789,486	8,808,020	11,335,488	6,628,722	2,649,987	17,924,298	24,613,508
Total primary government net expense	\$ (9,961,978)	\$ (16,994,279)	\$ (1,318,597)	\$ (12,003,244)	\$ 2,034,587	\$ 11,976,076	\$ (1,751,448)	\$ (10,127,813)	\$ (13,949,061)	\$ (15,020,579)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 16,167,137	\$ 16,200,763	\$ 17,162,429	\$ 17,230,221	\$ 17,801,629	\$ 18,398,151	\$ 19,270,501	\$ 20,253,570	\$ 21,250,283	\$ 20,628,624
Sales tax	11,756,546	12,403,143	13,955,767	16,388,127	17,271,062	17,238,016	17,436,203	16,747,940	15,849,579	15,543,636
Occupancy tax	674,643	753,860	914,599	1,066,817	1,174,646	1,219,152	1,188,853	1,086,064	1,014,964	965,445
Lodging/liquor/food tax	1,880,879	1,984,688	2,217,379	2,498,156	2,672,862	2,809,757	2,910,312	2,848,332	2,877,076	2,919,682
Car rental tax	55,105	58,898	75,119	87,310	77,142	72,999	71,808	73,046	78,262	66,121
State aid distribution	2,582,642	2,975,302	3,773,172	4,882,955	4,958,139	5,539,292	5,069,954	3,902,315	3,888,355	4,498,092
Franchise taxes	1,099,793	1,082,874	1,182,709	1,246,491	1,341,007	1,427,837	1,123,478	1,243,287	1,218,141	1,158,319
Other taxes	465,811	535,798	665,151	2,776,357	932,923	1,239,000	1,333,130	1,247,280	1,225,954	1,706,736
Unrestricted investment earnings	1,076,333	901,297	579,687	632,739	362,192	837,497	675,796	690,481	2,954,251	2,342,382
Gain (loss) on disposal of assets	28,153	244,748	31,259	49,510	107,871	(416,026)	-	178,109	121,371	352,053
Transfers	836,582	(464,636)	(29,440,618)	(2,173,274)	(5,604,461)	(26,321,428)	1,959,501	(3,580,283)	(4,348,794)	(3,187,460)
Total governmental activities	36,623,624	36,676,735	11,116,653	44,685,409	41,095,012	22,044,247	51,039,536	44,690,141	46,129,442	46,993,630
Business-type activities:										
Taxes										
Other taxes	78,488	63,107	60,524	61,658	56,441	43,158	39,923	40,714	33,643	36,465
Unrestricted investment earnings	475,469	299,907	352,646	189,974	82,393	543,817	419,227	375,048	576,858	535,407
Gain (loss) on disposal of assets	43,735	60,728	18,257	2,402,877	4,892,493	1,859,230	487,056	1,445,890	307,246	177,494
Transfers	(836,582)	464,636	29,440,618	2,173,274	5,604,461	26,321,428	(2,153,088)	3,580,283	4,348,794	3,187,460
Total business-type activities	(238,890)	888,378	29,872,045	4,827,783	10,635,788	28,767,633	(1,206,882)	5,441,935	5,266,541	3,936,826
Total primary government	\$ 36,384,734	\$ 37,565,113	\$ 40,988,698	\$ 49,513,192	\$ 51,730,800	\$ 50,811,880	\$ 49,832,654	\$ 50,132,076	\$ 51,395,983	\$ 50,930,456
Change in Net Assets										
Governmental activities	\$ 17,422,744	\$ 14,726,967	\$ 1,594,971	\$ 20,892,679	\$ 34,321,579	\$ 22,684,835	\$ 42,659,366	\$ 31,912,341	\$ 14,256,083	\$ 7,359,543
Business-type activities	9,000,012	5,843,867	38,075,130	16,617,269	19,443,808	40,103,121	5,421,840	8,091,922	23,190,839	28,550,334
Total primary government	\$ 26,422,756	\$ 20,570,834	\$ 39,670,101	\$ 37,509,948	\$ 53,765,387	\$ 62,787,956	\$ 48,081,206	\$ 40,004,263	\$ 37,446,922	\$ 35,909,877

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

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

	<u>2009</u>	<u>2010</u>	<u>**2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund										
Reserved	\$ 984,800	\$ 574,778	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	20,617,386	20,369,528	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	200,000	230,000	230,000	230,000	150,000
Restricted	-	-	197,703	387,263	1,138,547	423,884	2,414,706	2,741,315	2,553,106	3,128,667
Committed	-	-	22,043	-	1,243,193	-	-	-	-	-
Assigned	-	-	3,966,827	4,656,009	5,654,308	4,928,903	4,236,860	4,555,285	3,622,460	4,316,068
Unassigned	-	-	18,424,444	23,284,261	24,868,320	30,743,043	31,714,584	32,800,155	34,269,492	36,360,862
Total general fund	<u>\$ 21,602,186</u>	<u>\$ 20,944,306</u>	<u>\$ 22,611,017</u>	<u>\$ 28,327,533</u>	<u>\$ 32,904,368</u>	<u>\$ 36,295,830</u>	<u>\$ 38,596,150</u>	<u>\$ 40,326,755</u>	<u>\$ 40,675,058</u>	<u>\$ 43,955,597</u>
All other governmental funds										
Reserved	\$ 3,851,742	\$ 2,399,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	16,727,976	18,673,953	-	-	-	-	-	-	-	-
Debt service funds	11,817,883	13,036,782	-	-	-	-	-	-	-	-
Capital project funds	3,669,661	14,760,167	-	-	-	-	-	-	-	-
Nonspendable	-	-	2,707,591	2,379,957	2,243,109	2,112,390	-	1,880,000	-	-
Restricted	-	-	26,179,564	23,020,798	27,802,558	31,603,572	10,503,322	40,936,613	46,614,489	52,200,345
Committed	-	-	36,269,194	39,415,488	42,338,892	40,212,743	76,137,429	55,295,682	56,097,547	46,702,145
Unassigned	-	-	(11,628,605)	(20,370,554)	(18,379,791)	(28,128,497)	(21,204,601)	(22,506,461)	(19,880,207)	(9,312,024)
Total all other governmental funds	<u>\$ 36,067,262</u>	<u>\$ 48,869,985</u>	<u>\$ 53,527,744</u>	<u>\$ 44,445,689</u>	<u>\$ 54,004,768</u>	<u>\$ 45,800,208</u>	<u>\$ 65,436,150</u>	<u>\$ 75,605,834</u>	<u>\$ 82,831,829</u>	<u>\$ 89,590,466</u>

**Implemented GASB #54 with 2011 CAFR.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$29,681,652	\$30,578,360	\$33,189,580	\$38,399,225	\$38,060,526	\$40,918,256	\$42,010,581	\$44,000,157	\$42,252,472	\$41,694,759
Licenses and permits	1,352,746	1,508,083	1,956,383	2,552,169	3,195,879	2,478,578	2,333,947	2,023,147	1,861,177	1,897,424
Special assessments	11,601,197	11,445,698	12,107,061	13,253,134	18,157,172	17,717,047	18,539,363	21,449,838	21,849,733	22,334,763
Intergovernmental	15,218,722	15,704,913	38,165,942	17,763,798	21,041,079	20,549,194	17,854,293	18,299,828	17,743,566	18,335,857
Charges for services	6,575,095	7,390,191	5,724,439	5,788,168	7,378,274	8,373,154	8,660,788	8,631,635	7,795,507	7,919,450
Fines and forfeits	868,180	868,997	869,714	1,018,317	1,082,254	1,382,099	1,193,693	1,263,594	1,510,695	1,557,451
Investment income	1,315,694	968,974	770,749	789,381	633,343	1,099,991	1,142,573	1,087,639	1,406,656	1,896,794
Rentals	814,068	799,489	914,901	423,403	476,051	404,790	427,935	410,379	402,562	390,677
Miscellaneous	613,419	456,451	710,737	628,557	612,875	418,866	398,792	543,337	263,390	448,997
Total revenues	<u>68,040,773</u>	<u>69,721,156</u>	<u>94,409,506</u>	<u>80,616,152</u>	<u>90,637,453</u>	<u>93,341,975</u>	<u>92,561,965</u>	<u>97,709,554</u>	<u>95,085,758</u>	<u>96,476,172</u>
EXPENDITURES										
General government	12,174,121	11,995,913	26,460,346	13,785,186	13,967,053	15,750,318	15,715,568	15,192,348	14,432,957	15,767,436
Public safety	15,414,803	16,134,498	16,520,641	17,040,285	17,392,151	19,993,552	21,529,929	23,883,543	25,619,157	25,730,050
Highways and streets	7,596,100	7,919,024	7,757,762	7,923,168	8,103,587	8,656,321	9,131,659	10,243,511	10,734,028	9,974,139
Health and welfare	2,390,513	2,804,458	2,819,958	2,862,728	2,892,536	2,786,465	2,904,894	3,167,152	3,247,464	3,191,344
Culture and recreation	4,159,604	4,369,646	1,954,030	2,091,326	2,078,185	2,184,841	2,230,807	2,600,315	2,740,879	2,748,969
Public works	1,380,553	1,244,878	1,260,901	9,866,920	2,404,256	1,975,649	1,703,421	2,931,214	3,788,925	3,502,262
Capital outlays	24,142,618	24,112,934	28,295,435	27,843,527	42,597,079	58,509,103	44,750,179	33,359,349	31,585,615	20,099,187
Debt service										
Principal	7,885,000	9,020,000	9,355,000	9,690,000	9,715,000	10,660,000	11,730,000	14,415,000	15,755,000	16,170,001
Interest and fiscal charges	2,450,581	2,356,595	2,230,206	2,040,805	1,840,051	2,108,120	2,315,618	3,248,717	3,412,221	3,778,000
Total expenditures	<u>77,593,893</u>	<u>79,957,946</u>	<u>96,654,279</u>	<u>93,143,945</u>	<u>100,989,898</u>	<u>122,624,369</u>	<u>112,012,075</u>	<u>109,041,149</u>	<u>111,316,246</u>	<u>100,961,388</u>
Excess (deficiency) of revenues over (under) expenditures	(9,553,120)	(10,236,790)	(2,244,773)	(12,527,793)	(10,352,445)	(29,282,394)	(19,450,110)	(11,331,595)	(16,230,488)	(4,485,216)
OTHER FINANCING SOURCES (USES)										
Transfer in	22,825,204	21,050,225	23,187,603	23,914,275	23,576,359	26,863,375	49,932,949	33,181,033	34,653,793	32,490,879
Transfer out	(18,639,463)	(19,472,373)	(24,505,560)	(23,275,607)	(22,206,862)	(28,710,635)	(43,395,802)	(33,590,238)	(32,157,306)	(33,410,422)
Refunding bonds issued	-	3,855,000	1,605,000	4,365,000	-	-	6,510,000	-	-	-
Premium on special assessment debt	70,495	240,378	150,391	118,586	521,142	18,507	1,889,225	762,423	1,983,299	428,935
Discount on special assessment debt	-	(131,597)	(18,189)	-	(7,278)	(261,951)	-	-	-	-
Payment to refunded bond escrow agent	-	(3,880,000)	(1,850,000)	(5,425,000)	-	-	(7,405,000)	-	-	-
Special assessment bonds issued	8,210,000	20,720,000	10,000,000	9,465,000	22,605,000	26,560,000	33,855,000	20,335,000	19,325,000	15,015,000
Total other financing sources (uses)	<u>12,466,236</u>	<u>22,381,633</u>	<u>8,569,245</u>	<u>9,162,254</u>	<u>24,488,361</u>	<u>24,469,296</u>	<u>41,386,372</u>	<u>20,688,218</u>	<u>23,804,786</u>	<u>14,524,392</u>
Net changes in fund balances	<u>2,913,116</u>	<u>12,144,843</u>	<u>6,324,472</u>	<u>(3,365,539)</u>	<u>14,135,916</u>	<u>(4,813,098)</u>	<u>21,936,262</u>	<u>9,356,623</u>	<u>7,574,298</u>	<u>10,039,176</u>
Debt service as a percentage of noncapital expenditures	19.3%	20.4%	16.9%	18.0%	19.8%	19.9%	20.9%	23.3%	24.0%	24.7%

Source: Fiscal Services

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

Fiscal Year	Property¹ Taxes	Sales Tax	Occupancy Tax	Lodging/ Liquor/Food Tax	Car Rental Tax	State Aid Distribution	Franchise Tax	Other Taxes	Total
2009	16,167,137	11,756,546	674,643	1,880,879	55,105	2,582,642	1,099,793	465,811	34,682,556
2010	16,200,763	12,403,143	753,860	1,984,688	58,898	2,975,302	1,082,874	535,798	35,995,326
2011	17,162,429	13,955,767	914,599	2,217,379	75,119	3,773,172	1,182,709	665,151	39,946,325
2012	17,230,221	16,388,127	1,066,817	2,498,156	87,310	4,882,955	1,246,491	2,776,357	46,176,434
2013	17,801,629	17,271,062	1,174,646	2,672,862	77,142	4,958,139	1,341,007	932,923	46,229,410
2014	18,398,151	17,238,016	1,219,152	2,809,757	72,999	5,539,292	1,427,837	1,239,000	47,944,204
2015	19,270,501	17,436,203	1,188,853	2,910,312	71,808	5,069,954	1,123,478	1,333,130	48,404,239
2016	20,253,570	16,747,940	1,086,064	2,848,332	73,046	3,902,315	1,243,287	1,247,280	47,401,834
2017	21,250,283	15,849,579	1,014,964	2,877,076	78,262	3,888,355	1,218,141	1,225,954	47,402,614
2018	20,628,624	15,543,636	965,445	2,919,682	66,121	4,498,092	1,158,319	1,706,736	47,486,655

¹ 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 Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Taxable Value	Total Direct Tax Rate
2008	660,701,410	1,286,286,222	156,300	27,468,550	1,974,612,482	3,949,224,964	50%	184,598,386	82.78
2009	700,195,450	1,353,003,345	156,500	29,602,980	2,082,958,275	4,165,916,549	50%	194,765,794	80.63
2010	731,769,330	1,432,085,034	179,050	30,219,050	2,194,252,464	4,388,504,927	50%	199,968,720	80.68
2011	750,575,750	1,437,185,900	169,450	34,450,950	2,222,382,050	4,444,764,100	50%	207,866,346	79.05
2012	802,091,790	1,545,634,922	287,200	37,619,840	2,385,633,752	4,771,267,504	50%	223,107,026	75.77
2013	917,646,830	1,760,180,545	361,800	44,303,550	2,722,492,725	5,444,985,449	50%	254,647,467	69.35
2014	1,041,981,000	2,012,744,111	401,100	50,630,280	3,105,756,491	6,211,512,982	50%	290,448,208	63.10
2015	1,177,555,620	2,232,032,489	371,000	54,422,280	3,464,381,389	6,928,762,778	50%	324,136,621	59.07
2016	1,308,377,570	2,389,363,545	428,050	50,439,270	3,748,608,435	7,497,216,869	50%	350,957,710	57.01
2017	1,505,305,200	2,454,101,322	475,150	52,943,010	4,012,824,682	8,025,649,364	50%	376,741,455	57.01

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	Total City Millage	Burleigh County Millage	Public School Millage	Bismarck Park District	State of North Dakota	
2008	82.78	82.78	53.85	223.39	39.59	1.00	400.61
2009	80.63	80.63	54.45	142.03	39.63	1.00	317.74
2010	80.68	80.68	54.55	142.13	39.82	1.00	318.18
2011	79.05	79.05	55.32	140.99	39.62	1.00	315.98
2012	75.77	75.77	53.99	138.39	39.55	1.00	308.70
2013	69.35	69.35	50.28	101.68	38.50	1.00	260.81
2014	63.10	63.10	48.63	103.60	37.30	1.00	253.63
2015	59.07	59.07	47.03	100.42	36.08	1.00	243.60
2016	57.01	57.01	45.77	100.47	34.68	1.00	238.93
2017	57.01	57.01	36.66	103.92	34.31	1.00	232.90

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

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

Source: Burleigh County Levies

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

<u>Taxpayer</u>	<u>2018</u>			<u>2009</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
* Kirkwood Mall Acquistiion LLC	\$ 27,860,100	1	0.69 %	\$ 22,810,750	1	1.15 %
Waterford on West Century LLC	17,681,900	2	0.44	8,819,850	3	0.44
LaSalle Shopping Center	15,124,850	3	0.38			
EVI Coulee Ridge 1 LLC	14,252,300	4	0.35			
Medcenter One Inc	13,058,250	5	0.33	9,419,250	2	0.47
EVI Bismarck Village LLC	10,861,000	6	0.27			
* Clark Equipment Company	10,345,400	7	0.26	5,629,300	11	0.28
Mid Dakota Med Building Partnership	10,225,550	8	0.25			
CMGL11 LLC	9,720,500	9	0.24			
IRET - River Ridge Apartments	9,160,700	10	0.23			
Walmart RE Trust -North	9,141,350	11	0.23	7,919,450	4	0.40
Walmart RE Trust-South	-			7,643,750	5	0.38
Dakota Upreit LTD Partnership	-					
Menards Inc	-			5,823,400	10	0.29
Basin Electric Cooperative	-			6,845,200	6	0.34
VP Investments (Gateway Fashion Mall)	-			6,608,850	7	0.33
Pinehurst Square Acquisition LLC	-			6,302,100	8	0.32
Regency Midwest Ventures LTD	-			5,912,500	9	0.30
Totals	<u><u>\$ 147,431,900</u></u>		<u><u>3.67</u></u>	<u><u>\$ 93,734,400</u></u>		<u><u>4.70</u></u>

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

Source: Assessing Division

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

Fiscal Year	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	15,281,053	14,361,482	0.9398	169,350	14,530,832	0.9509
2010	15,703,966	14,671,145	0.9342	164,566	14,835,711	0.9447
2011	16,133,477	15,207,718	0.9426	216,757	15,424,475	0.9561
2012	16,431,836	15,478,265	0.9420	187,816	15,666,081	0.9534
2013	16,904,819	15,953,724	0.9437	139,427	16,093,151	0.9520
2014	17,659,802	16,786,435	0.9505	101,201	16,887,636	0.9563
2015	18,327,284	17,501,225	0.9549	86,534	17,587,759	0.9596
2016	19,146,750	18,371,529	0.9595	116,676	18,488,205	0.9656
2017	20,008,099	19,260,495	0.9626	115,708	19,376,203	0.9684
2018	21,478,030	20,279,319	0.9442	135,005	20,414,324	0.9505

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 Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Capital Leases	Revenue Bonds	Capital Leases			
2009	-	3,705,000	52,315,000	-	28,694,406	12,555	84,726,961	0.0240	1,403
2010	-	2,850,000	64,845,000	-	31,137,187	6,484	98,838,671	0.0283	1,613
2011	-	1,940,000	66,155,000	-	29,807,244	17,377	97,919,621	0.0256	1,576
2012	-	-	68,810,000	-	32,135,806	12,543	100,958,349	0.0246	1,563
2013	-	-	79,700,000	-	70,642,434	5,037	150,347,471	0.0307	2,257
2014	-	-	95,600,000	-	80,777,434	-	176,377,434	0.0584	2,571
2015	-	-	116,830,000	-	105,495,000	-	222,325,000	0.0656	3,142
2016	-	-	125,651,063	-	100,011,979	-	225,663,042	0.0666	3,094
2017	-	-	130,958,280	-	94,017,648	-	224,975,928	0.0703	3,091
2018	-	-	129,861,275	-	87,903,317	-	217,764,592	0.0660	2,931

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 149 for personal income and population data.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 104,147,914	\$ 109,712,623	\$ 111,119,103	\$ 119,281,688	\$ 136,124,636	\$ 155,287,825	\$ 173,219,069	\$ 187,430,422	\$ 200,641,234	\$ 205,677,375
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 104,147,914	\$ 109,712,623	\$ 111,119,103	\$ 119,281,688	\$ 136,124,636	\$ 155,287,825	\$ 173,219,069	\$ 187,430,422	\$ 200,641,234	\$ 205,677,375
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2018

Total assessed value	\$ 4,113,547,500
Debt limit (5% of total assessed value)	205,677,375
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>\$ 205,677,375</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, 2018**

<u>Governmental Unit</u>	<u>2018 Taxable Value</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Total Direct and Overlapping Debt</u>
City of Bismarck	\$ 386,263,173	\$ 129,861,275	100.00 %	\$ 129,861,275
Bismarck Public School	481,058,486	103,158,836	80.29	82,826,229
Bismarck Park District	386,263,173	15,702,771	100.00	13,890,627
² Burleigh County	500,271,690	49,698,000	93.84	46,636,603
Total Direct and Overlapping Debt		<u>\$ 298,420,882</u>		<u>\$ 273,214,735</u>

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

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

²The information for Burleigh County is from 2017 because the 2018 is unavailable.

Sources:

Bismarck Public School as of June 30, 2018

Burleigh County Levies, 2018

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

Fiscal Year	Water Revenue Bonds						Sanitary Sewer Bonds					
	Water Charges	Less:	Net	Debt Service			Sanitary Sewer Charges	Less:	Net	Debt Service		
		Operating Expenses	Available Revenue	Principal	Interest	Coverage		Operating Expenses	Available Revenue	Principal	Interest	Coverage
2009	10,431,069	5,240,741	5,190,328	640,000	350,525	5.24	5,311,824	3,058,353	2,253,471	800,000	449,537	1.80
2010	10,278,544	5,098,702	5,179,842	1,165,000	403,604	3.30	5,428,005	2,641,739	2,786,266	785,000	455,674	2.25
2011	9,957,329	5,637,538	4,319,791	1,210,000	478,992	2.56	5,669,910	3,523,287	2,146,623	810,000	440,375	1.72
2012	12,926,268	5,945,048	6,981,220	7,930,000	412,206	0.84	6,167,541	3,254,117	2,913,424	835,000	420,125	2.32
2013	12,222,233	6,261,250	5,960,983	1,350,000	477,553	3.26	5,840,563	3,387,536	2,453,027	860,000	399,250	1.95
2014	12,869,433	6,195,938	6,673,495	1,685,000	818,438	2.67	6,719,390	3,588,061	3,131,329	885,000	377,750	2.48
2015	14,557,406	6,658,423	7,898,983	2,215,000	1,063,525	2.41	7,224,308	3,851,519	3,372,789	910,000	355,625	2.66
2016	14,483,419	6,476,574	8,006,845	2,765,000	1,018,350	2.12	8,917,827	3,624,122	5,293,705	1,535,000	1,304,875	1.86
2017	16,662,851	7,103,387	9,559,464	2,815,000	956,170	2.53	10,209,905	4,714,551	5,495,354	2,155,000	1,236,750	1.62
2018	16,504,992	7,604,585	8,900,407	2,870,000	880,017	2.37	10,963,919	4,448,093	6,515,826	2,200,000	1,152,750	1.94

Fiscal Year	Special Assessment Bonds				Motel, Liquor, Restaurant Bonds			
	Special Assessment Collections	Debt Service		Coverage	Lodging, Liquor, Food Tax Collections *	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2009	7,864,035	7,085,000	2,283,141	0.84	1,880,879	800,000	167,440	1.94
2010	9,109,289	8,165,000	2,213,955	0.88	1,984,688	855,000	142,640	1.99
2011	9,566,595	8,445,000	2,096,794	0.91	2,217,379	910,000	112,715	2.17
2012	10,488,662	13,175,000	1,971,244	0.69	2,498,156	1,940,000	68,548	1.24
2013	11,346,780	9,715,000	1,840,051	0.98	2,672,862	-	-	-
2014	11,690,035	10,660,000	2,108,120	0.92	2,809,757	830,000	1,184,291	1.39
2015	15,506,201	19,135,000	2,315,618	0.72	2,910,312	1,000,000	990,206	1.46
2016	15,657,902	13,175,000	3,208,493	0.96	2,848,332	1,015,000	960,206	1.44
2017	17,236,969	15,755,000	3,356,638	0.90	2,877,076	1,030,000	929,756	1.47
2018	18,394,111	16,170,000	1,206,535	1.06	2,919,682	1,050,000	898,856	1.50

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

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Median Age¹	Public School Enrollment³	Unemployment Rate⁴
2009	60,389	3,535,775,950	58,550	36.5	10,701	3.7
2010	61,272	3,495,812,688	57,054	38.0	10,852	3.5
2011	62,120	3,829,946,480	61,654	38.0	10,971	3.1
2012	64,588	4,097,462,720	63,440	38.0	11,424	2.7
2013	66,608	4,892,290,992	73,449	38.0	11,656	2.4
2014	68,601	3,019,653,476	73,371	38.0	12,020	2.5
2015	70,766	3,387,188,980	80,166	38.0	12,380	2.3
2016	72,926	3,387,893,453	78,906	38.0	12,683	2.5
2017	72,793	3,200,488,435	75,384	38.0	12,861	2.6
2018	74,294	3,301,033,103	77,952	38.0	13,007	2.4

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

Sources:

¹ Community Development

² ND State Tax Department

³ Bismarck Public Schools

⁴ North Dakota Job Service Labor Market Information Center website

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

Employer	2017 ¹			2009		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of ND	4,600	1	11.99 %	4,400	1	12.63 %
Sanford Health	3,284	2	8.56	3,000	2	8.61
Bismarck Public Schools	2,187	3	5.70	1,671	4	4.80
CHI St. Alexius	2,044	4	5.33	2,144	3	6.15
US Government Offices	1,200	5	3.13	1,179	5	3.38
Bismarck State College	719	6	1.87	316	15	0.91
Walmart North/South	665	7	1.73	675	7	1.94
Aetna	660	8	1.72	620	8	1.78
University of Mary	642	9	1.67	514	10	1.48
Housing Industry Training (HIT)	641	10	1.67			
City of Bismarck	631	11	1.64	534	9	1.53
MDU Resources Group	592	12	1.54	747	6	2.14
Bobcat/Doosan Company	582	13	1.52	0	6	0.00
Missouri Slope Lutheran Care Center	560	14	1.46	502	11	1.44
Basin Electric Power Cooperative	560	15	1.46	483	12	1.39
Coventry Healthcare				475	13	1.36
Mid Dakota Clinic				465	14	1.33
Total	19,567		50.99	17,725		50.87

¹The 2018 data from the Bismarck Mandan Development Association's website was not available.

Sources:
City of Bismarck 2017 Budget
Bismarck Mandan Development Association
ND Job Service-Labor Market Information Center website

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	71	71	72	73	80	85	86	86	87	93
Public safety										
Central dakota communications center	24	24	26	26	26	26	27	30	31	31
Police										
Officers	96	101	101	103	109	112	113	116	128	128
Civilians	28	28	28	28	28	28	30	30	30	30
Fire										
Firefighters and officers	76	76	76	76	79	80	83	83	82	83
Civilians	6	6	6	6	6	6	2	2	2	2
Highways and streets										
Engineering	22	22	24	25	26	28	29	29	29	29
Maintenance	55	55	55	55	60	59	63	64	63	64
Health and welfare	26	27	26	26	26	25	29	29	29	29
Culture and recreation	16	16	16	17	17	19	22	24	25	25
Airport	21	21	21	21	21	21	21	21	22	23
Solid Waste	38	38	38	38	38	38	38	38	38	36
Water and sewer	55	55	55	55	58	61	64	64	64	65
Total	534	540	544	549	574	588	607	616	631	638

Source: City of Bismarck Annual Budgets

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Number of building permits issued	1,513	1,654	1,879	2,365	2,218	1,951	1,756	1,648	1,410	1,248
Number of building inspections done	7,103	6,330	7,830	9,745	9,460	8,926	5,581	5,690	6,321	4,979
Number of plumbing permits issued	539	639	707	1,092	1,153	920	696	644	548	389
Number of plumbing inspections done	1,745	1,887	1,972	2,861	3,050	2,006	2,170	1,946	1,748	1,748
Number of mechanical/HVAC permits issued	1,256	1,348	1,564	2,037	2,037	1,692	1,454	1,649	1,653	1,577
Number of mechanical/HVAC inspections done	2,754	2,340	2,361	2,991	3,210	2,296	2,924	3,254	2,805	2,708
Number of electrical permits issued	1,067	1,127	1,257	1,589	1,578	1,248	-	1,395	1,071	927
Number of electrical inspections done	3,257	3,286	4,024	4,789	5,220	3,141	-	3,462	3,505	2,483
Number of septic permits issued	102	109	122	225	193	101	102	52	47	46
Number of septic inspections done	233	283	240	298	249	121	200	129	108	92
Public Safety										
Police										
Physical arrests	2,381	3,589	2,480	3,862	4,768	4,672	4,750	4,958	5,757	5,728
Traffic citations	12,008	12,995	12,869	14,309	16,168	15,623	14,831	16,062	17,733	19,279
Parking citations	8,977	8,296	7,975	8,617	7,898	15,188	11,845	11,342	10,903	10,064
Number of accidents	3,741	3,865	3,820	3,747	3,985	3,824	3,723	3,789	3,680	3,535
Number of 911 emergency dispatches	4,740	4,802	4,037	4,858	3,554	3,907	5,704	5,258	4,981	5,000
Fire										
Number of 911 emergency dispatches	1,934	2,429	2,833	3,115	3,106	3,475	3,799	4,289	4,364	4,448
Number of fire inspections conducted	3,083	2,897	3,607	3,130	2,985	3,236	3,256	4,069	4,058	3,291
Highways and streets										
Engineering										
Number of excavation permits	637	827	608	743	820	739	706	647	535	411
Number of improvement projects	36	36	35	72	82	57	65	37	28	38
Forestry										
Number of street trees planted	328	480	423	507	477	235	889	806	667	713
Number of street trees trimmed	1,097	1,038	3,182	2,948	2,248	2,910	1,904	1,675	4,450	2,720
Number of street trees removed	178	212	194	190	294	162	408	321	439	182
Roads and streets										
Potholes repaired	6,657	6,205	7,640	844	5,052	5,634	108,628	103,677	63,953	20,122
Street striping (miles)	110	215	195	204	211	211	157	145	156	126
Snow removal (hours)	20,000	20,553	11,947	1,199	8,854	7,695	12,877	19,060	12,848	12,096
Sand Ice removal (tons)	9,926	6,850	3,889	4,005	6,216	4,730	2,329	4,573	5,493	4,998
Salt Ice removal (tons)	849	902	1,547	1,937	1,927	1,658	1,278	1,153	1,690	1,350
Loads of snow hauled	12,925	14,481	5,321	1,382	4,049	1,579	1,417	84,747	21,881	2,386
Health and welfare										
Number of home visits	6,216	5,239	5,190	4,240	4,808	4,302	4,033	4,426	4,382	4,473
Number of immunizations	14,766	12,482	8,473	6,316	9,039	8,833	9,719	7,059	6,881	6,195
Number of office visits	4,756	4,517	3,586	3,150	3,174	3,081	3,292	3,217	4,142	4,557
Number of environmental health inspections	3,866	4,988	2,437	2,270	1,534	2,091	1,718	1,821	1,606	1,548

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Culture and recreation										
Auditorium events	115	113	108	90	123	174	153	138	150	162
Auditorium admissions	39,361	35,030	34,163	38,840	37,454	51,820	55,051	41,373	48,480	52,118
Community center events	412	411	484	452	416	430	498	531	464	451
Community center admissions	316,926	329,652	340,331	359,149	315,580	353,218	420,403	411,619	345,787	343,557
Function										
Airport										
Gallons fuel dispensed (fuel permit holders)	2,995,619	3,787,215	3,772,974	4,084,352	4,110,507	4,550,313	4,895,740	4,864,385	4,452,075	4,874,780
Number of passengers-enplaning	181,114	194,043	196,414	236,172	237,683	245,205	259,734	271,022	272,739	282,363
Number of passengers-deplaning	180,322	193,897	195,208	235,207	237,450	245,062	261,459	272,251	271,274	281,487
Pounds of airmail-enplaning	-	1	-	-	-	-	-	-	-	-
Pounds of airmail-deplaning	-	239	-	-	-	-	-	-	-	-
Pounds of freight-enplaning	66,997	35,301	29,858	29,472	16,813	12,856	19,591	26,288	31,696	35,339
Pounds of freight-deplaning	85,939	55,130	35,300	48,135	13,738	8,149	10,667	33,840	31,715	22,545
Pounds of air cargo freight-enplaning	1,297,017	1,357,768	1,412,447	2,129,165	1,495,195	1,399,845	1,976,260	1,469,145	614,248	858,106
Pounds of air cargo freight-deplaning	2,995,192	3,254,751	3,486,123	4,853,797	4,535,773	5,193,061	5,926,322	5,699,311	2,860,020	3,036,927
Solid Waste										
Refuse collected (tons/year)	24,445	24,425	25,143	24,826	24,662	25,033	26,789	26,199	26,195	26,338
Garbage accepted for disposal (tons/year)	83,263	89,794	97,675	98,932	102,197	106,758	108,919	111,131	118,430	107,636
Acres used at landfill	2.5	2.5	2.5	2.5	6.5	6.5	6.5	6.5	6.5	6.5
Water										
Number of service connections	18,100	18,400	18,700	19,420	20,000	20,350	20,978	21,237	21,691	22,024
Average daily consumption (thousand of gallons)	9,350	8,840	8,260	10,290	9,640	9,390	8,582	9,850	10,800	10,120
Wastewater										
Average daily sewage treatment (thousand of gallons)	6,630	6,830	7,150	6,240	6,830	6,620	6,410	6,370	6,430	6,330

Sources:

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

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	19	18	19	21	21	21	21	35	34
Fire stations	4	5	5	5	5	5	5	5	5	5
Highways and streets										
Paved streets (miles)	293	300	311	313	319	339	345	349	365	367
Streetlights	7,263	7,468	7,755	7,990	8,149	8,522	8,596	8,872	9,068	9,113
Traffic signals	104	104	105	107	107	108	110	110	110	110
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	25	22	20	20	20	21	21	21	21	22
Water										
Watermains (miles)	325	327	330	336	348	354	365	371	371	426
Fire hydrants	3,000	3,014	3,100	3,256	3,355	3,430	3,625	3,675	3,720	4,500
Maximum daily water treatment capacity (thousand of gallons)	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	29,000	29,000
Sewer										
Sanitary sewers (miles)	290	292	295	297	300	305	307	310	313	307
Storm sewers (miles)	143	144	146	147	148	149	149	152	153	153
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	5	5	5	5	5

Note: Parking lots only include Parking Authority lots.

Source:

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