



BISMARCK, NORTH DAKOTA

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended December 31, 2023



INTRODUCTORY SECTION



CITY OF BISMARCK, NORTH DAKOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended

December 31, 2023

Prepared by Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

TABLE OF CONTENTS

I. INTRODUCTORY SECTION	Page
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	5
City of Bismarck Organizational Chart	6
List of Elected and Appointed Officials of the City	7
II. FINANCIAL SECTION	
Independent Auditor's Report	8
MANAGEMENT'S DISCUSSION AND ANALYSIS	12
A. BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	22
Statement of Activities	24
Fund Financial Statements	
Governmental Fund Financial Statements	
Balance Sheet	25
Reconciliation of Balance Sheet to the Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances	27
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	28
Proprietary Fund Financial Statements	
Statement of Net Position	29
Statement of Revenues, Expenses, and Changes in Fund Net Position	30
Statement of Cash Flows	31
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position	34
Notes to the Financial Statements	
Required Supplementary Information	
Budgetary Comparison Schedule: General Fund	82
Budgetary Comparison Schedule: Sales Tax Fund	83
City of Bismarck Employees' Pension Plan	84
Bismarck City Police Pension Plan	85
Notes to the Required Supplementary	86
B. SUPPLEMENTARY INFORMATION - COMBINING FUND FINANCIAL STATEMENTS	
Nonmajor Governmental Funds - Summary	
Balance Sheet	87
Statement of Revenues, Expenditures, and Changes in Fund Balances	88

TABLE OF CONTENTS, Continued

	<u>Page</u>
Nonmajor Special Revenue Funds	
Combining Balance Sheet	89
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	90
Budgetary Comparison Schedule: Public Transit System Fund	91
Budgetary Comparison Schedule: Library Fund	92
Budgetary Comparison Schedule: Police Asset Forfeiture Fund	93
Budgetary Comparison Schedule: Roads and Streets Fund	94
Budgetary Comparison Schedule: Street Lights and Traffic Signals Fund	95
Budgetary Comparison Schedule: Hotel / Motel Tax Fund	96
Budgetary Comparison Schedule: Lodging, Liquor, and Food Tax Fund	97
Budgetary Comparison Schedule: Vision Fund	98
Budgetary Comparison Schedule: Government Grants and Activities Fund	99
Major Debt Service Funds	
Budgetary Comparison Schedule: Street Improvement Bonds	100
Budgetary Comparison Schedule: Sewermain Bonds	101
Nonmajor Debt Service Funds	
Combining Balance Sheet	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	103
Budgetary Comparison Schedule: Watermain Bonds	104
Budgetary Comparison Schedule: Sidewalk Bonds	105
Nonmajor Capital Project Funds	
Combining Balance Sheet	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	107
Nonmajor Enterprise Funds	
Combining Statement of Net Position	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	109
Combining Statement of Cash Flows	110
Internal Service Funds	
Combining Statement of Net Position	111
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	112
Combining Statement of Cash Flows	113
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	114
Combining Statement of Changes in Fiduciary Net Position	115
Component Unit	
Statement of Net Position	116
Statement of Revenues, Expenses, and Changes in Fund Net Position	117

TABLE OF CONTENTS, Continued

III. STATISTICAL SECTION

	<u>Page</u>
Net Position by Component	118
Changes in Net Position	119
Fund Balances of Governmental Funds	121
Changes in Fund Balances of Governmental Funds	122
Governmental Activities Tax Revenues by Source	123
Assessed Value and True and Full Value of Taxable Property	124
Property Tax Rates - Direct and Overlapping Governments	125
Principal "Single Property" Taxpayers	126
Property Tax Levies and Collections	127
Ratios of Outstanding Debt by Type	128
Legal Debt Margin Information	129
Direct and Overlapping Governmental Activities Debt	130
Pledged-Revenue Coverage	131
Demographic and Economic Statistics	132
Principal Employers	133
Full-time Equivalent City Government Employees by Function	134
Operating Indicators by Function	135
Capital Asset Statistics by Function	137



June 24, 2024

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

The Annual Comprehensive Financial Report (ACFR) of the City of Bismarck, North Dakota (the City) for the fiscal year ended December 31, 2023, is hereby presented. This complete set of financial statements has been prepared by the Fiscal Services Division of the City's Finance Department in accordance with generally accepted accounting principles (GAAP) and audited by an independent licensed certified public accounting firm in accordance with the auditing standards generally accepted in the United States of America (GAAS) and applicable laws.

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

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

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

State statutes and local ordinances require an annual audit by independent certified public accountants. The firm of Eide Bailly, LLP, has audited the financial statements of the City for the year ended December 31, 2023. The annual audit provides reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. Eide Bailly, LLP, concluded that the audit provides a reasonable basis for an unmodified opinion, and the City's financial statements for the fiscal year ending December 31, 2023, are in conformity with generally accepted accounting principles (GAAP). The auditors' opinion is presented in the financial section of this report.

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

Finance Department ★ Fiscal Services Division

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City Profile

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

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

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

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

Local Economic Condition and Statistics

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

In 2023, the City's local businesses and restaurants fully recovered and were operational from the effects of the COVID-19 pandemic of 2020. The City continued to experience some increases in business activity, specifically lodging and entertainment, compared to the peak of the pandemic. The City's sales tax and lodging tax collections exceeded pre-pandemic levels while hotel/motel tax and car rental tax both recovered to pre-pandemic levels. Similarly, the City's economy was impacted by the national inflation in the last few years. Inflation was tempered by the change in interest rate adjustments made by the U.S. Federal Reserve. Therefore, the City's economy was tempered but continued to increase at a steady rate. In addition, property values increased across the City due to significant demand for property and inflation.

The City's unemployment rate reported by the U.S. Bureau of Labor Statistics decreased from 2.25% in December 2022 to 1.5% in December 2023. Census population estimates identify the City as one of the top three largest and fastest growing cities in the State. The City continues to gain residents, which is confirmed by the 2020 census reporting a population of 73,622 compared to 61,272 in 2010.

The City's challenges in the prior year, such as inflation and supply chain issues, have improved. The supply chain issues have recovered some and inflationary increases have been tempered. This is consistent with the national economic impact. In 2023, wage growth continued from the previous year causing hiring issues and maintenance of existing employees. According to the U.S. Bureau of Labor Statistics, from December 2022 to December 2023, consumer prices for all products rose 3.4%. The City continues to experience some increases in costs in many products, including specialty chemicals and equipment.

Certain specialty equipment such as fire trucks and large equipment still experience supply chain issues. This causes the City's budgets to be carried forward to future years in order to budget for encumbrances and commitments. Manufacturers are struggling to keep up with demand for equipment, which causes the City to sustain long lead times and place orders early to combat price increases.

Wage growth and low unemployment has created issues with attracting and retaining employees. As wages continue to increase, employee retention, and recruitment has become a problem at the City. The impacts of inflation and wage growth were partially offset by market valuation increases from 2022 to 2023. As the federal reserve continues to increase interest rates in 2023 and stabilized in 2024, the City is optimistic that this will slow-down the economy and cause more stability in the workforce and production in the United States in 2024 and 2025.

The City's real estate market remained active in 2023 and early 2024. Lack of residential housing supply increases values of existing homes. Wallethub's ranked Bismarck ranked #19 as the Best Run City in the nation, #20 as Happiest Cities in the US, #11 as Best Places to Raise a Family, and Livability.com includes Bismarck in the Top 100 Best Places to Live in America.

The City continues to experience growth in the tax base through both property value enhancement and new construction. In 2023, 694 building permits were issued within the City's corporate limits. Residential construction in the City's extraterritorial jurisdiction and the adjacent zoned areas of Burleigh County also continued to grow in 2023. Commercial growth also increased which included the construction of new retail services, banks, restaurants, medical and dental clinics, apartments, and school district additions. The growth in the property tax for the year 2023 was 8.94%, which will impact the City's 2024 budget.

Major Initiatives

In 2023, the City Commission paused the Infrastructure Task Force that review the City's road infrastructure ten-year capital improvement plan which totals \$140 million and develop funding recommendations. The City Commission also continued the Special Assessment Task Force (SATF) to consider a funding reform and recommendations for infrastructure maintenance as well as new development. The City Commission then established a joint task force with representatives from each existing task force committees to meet and consider all the options. Based on the recommendations in 2018, the City Commission approved ballot measures to cap the sales tax used for the 25-mill levy property tax reduction to the 2019 level and add an additional ½ cent sales tax dedicated to a specific list of arterial street project with a ten-year sunset. The City began collection of the ½ cent sales tax in the amount of approximately \$10 million annually to be used for the restricted projects, as noted in the ballot measure. The State of North Dakota authorized the legislation for cities to utilize a street maintenance fee in lieu of special assessments. With this option, property owners would potentially pay a monthly fee on the utility bill and special assessments for street maintenance would be eliminated. This would be similar to the funding used for maintenance of water and sewer. The SATF continues to work toward developing the specifics of the fee with the goal of providing a recommendation to the City Commission in the future. At this point, the City is not active with this project due to failure of a change to state statutes to allow local government(s) to continue to special assess their portion of the street utility fee.

In 2020, the City completed a space needs study to identify needs and uses of City buildings to account for growth and additional space for public safety, public health, and public works functions. The City Commission authorized the expansion of the public works building and construction of new public health building in 2021 to address City needs and serve citizens. The public health building was completed in 2023 and the Public Works expansion is expected to be complete in 2024. The City Commission continues to evaluate the future building needs based on the study, such as a new police station, which will be discussed as part of the 2025 budget.

In 2023, the City received approximately \$12 million from the State of North Dakota from the "Prairie Dog Funding" for HB 1066.

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

In 2024, the City Commission approved a budget with no increases to the City's property taxes beyond the annual market valuation increase. The City Budget Committee's goal was to sustain existing services and apply significant objectives such as equipment replacement and afford base operational costs. The City will continue to implement this plan into future years.

The City completed a new water rate study in 2022-2023 to restructure the existing water and sewer rates. The City Commission approved new water rates on April 25, 2023, to be effective immediately. The City continues to utilize the existing rates. In addition, the City was awarded \$50 million from the State of North Dakota for the expansion of the City's water treatment plant. This would allow the City to minimize the water rate increases for citizens.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the year ended December 31, 2022. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized the annual comprehensive financial report, whose contents conform to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Dmitriy Chernyak, CPA
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Bismarck
North Dakota**

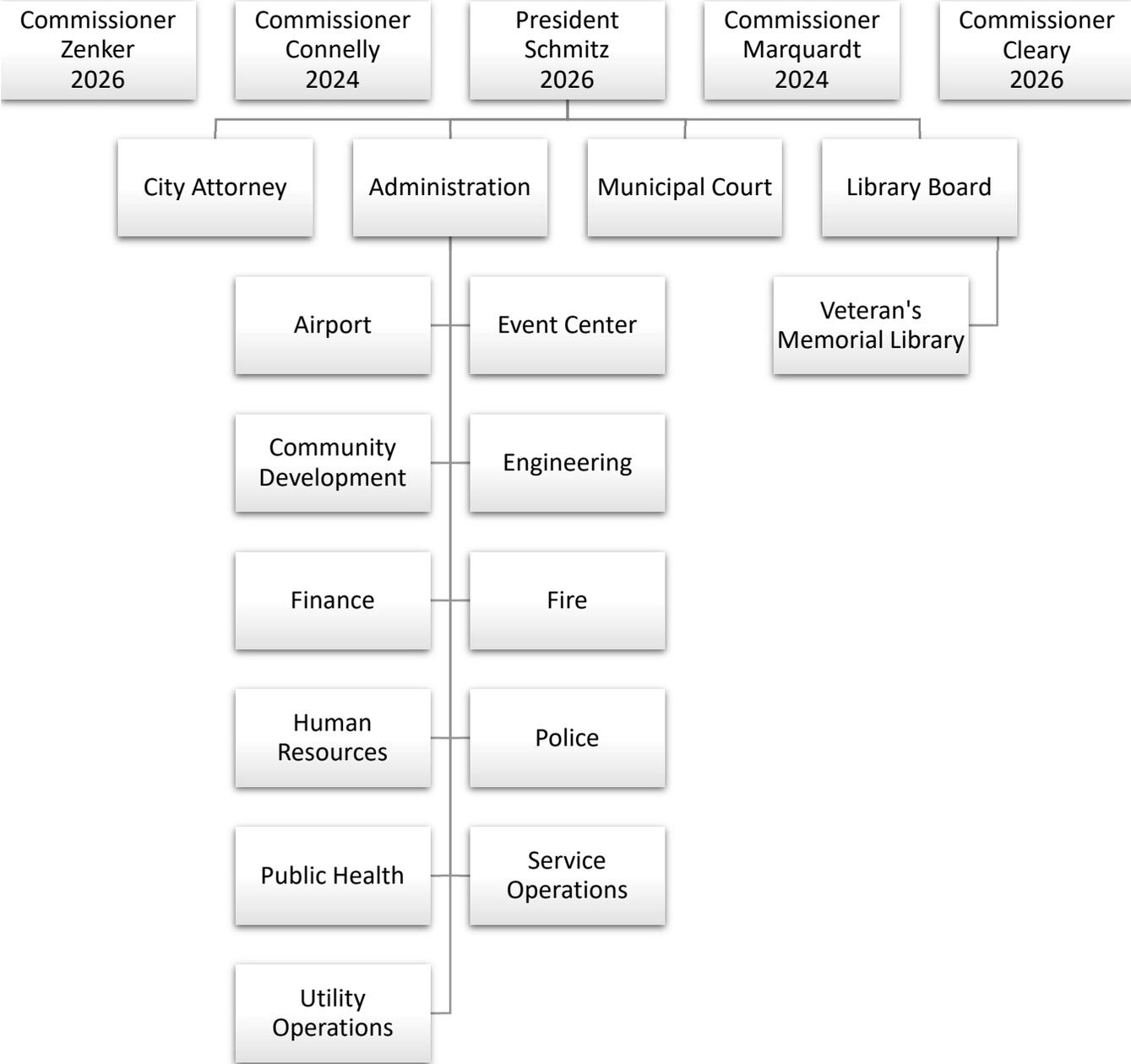
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

City of Bismarck



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

Mayor-Commissioners:

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

Other Elected Officials:

Municipal JudgeWilliam Severin

Appointed Officials:

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

Department Directors:

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

FINANCIAL SECTION





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck (the City), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bismarck, as of December 31, 2023, and the respective change in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Adoption of New Accounting Standard

As discussed in Note 1.D.6 to the financial statements, the City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended December 31, 2023. As a result of implementing the standard, there was no effect on the governmental activities or business-type activities beginning net position as of January 1, 2023. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2024 on our consideration of the City'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'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's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Bismarck, North Dakota
July 1, 2024

**MANAGEMENT'S
DISCUSSION
AND
ANALYSIS**

CITY OF BISMARCK, NORTH DAKOTA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis for the City of Bismarck, North Dakota (City) offers readers a narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2023. Readers are encouraged to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, basic financial statements, and notes to the basic financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,239,662,647 (net position). Of this amount, \$275,110,852 may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's business-type activities reported combined ending net position of \$607,563,588 as of December 31, 2023, an increase of \$43,070,014 from the prior year. This is primarily due to revenues exceeding expenditures for Airport, Water, Solid Waste Disposal, and Sanitary Sewer. The underlying reasons for the increase in net position are discussed further on page 16.
- The City's governmental activities reported combined ending net position of \$632,099,059 as of December 31, 2023, an increase of \$57,174,040 from the prior year. This is due to an increase in revenues related to tax collections and intergovernmental revenues. The underlying reasons for the increase in net position are discussed further on page 15.
- The City's governmental funds reported combined ending fund balance of \$198,370,766, an increase of \$17,230,703 from the prior year. The underlying reasons for the increase are discussed further on page 17.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

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

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

The government-wide financial statements can be found on pages 22 - 24 of this report.

Fund financial statements

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 25 - 28 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 29 - 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's own functions. Fiduciary funds use the accrual basis of accounting. 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 - 81 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 82 – 86 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position – The following table presents condensed financial information on the City's Net Position as of December 31, 2022, and December 31, 2023.

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Non-Capital Assets	\$ 285,064,155	\$ 307,966,752	\$ 120,713,866	\$ 135,677,524	\$ 405,778,021	\$ 443,644,276
Capital Assets	440,264,442	477,099,024	544,021,323	592,661,264	984,285,765	1,069,760,288
Total Assets	<u>725,328,597</u>	<u>785,065,776</u>	<u>664,735,189</u>	<u>728,338,788</u>	<u>1,390,063,786</u>	<u>1,513,404,564</u>
Deferred Outflows of Resources	<u>17,367,070</u>	<u>11,961,756</u>	<u>4,883,958</u>	<u>3,620,645</u>	<u>22,251,028</u>	<u>15,582,401</u>
Long-Term Liabilities Outstanding	152,468,396	152,266,452	86,141,886	98,187,288	238,610,282	250,453,740
Other Liabilities	13,554,454	10,599,715	5,069,522	11,114,211	18,623,976	21,713,926
Total Liabilities	<u>166,022,850</u>	<u>162,866,167</u>	<u>91,211,408</u>	<u>109,301,499</u>	<u>257,234,258</u>	<u>272,167,666</u>
Deferred Inflows of Resources	<u>1,747,798</u>	<u>2,062,306</u>	<u>13,914,166</u>	<u>15,094,346</u>	<u>15,661,964</u>	<u>17,156,652</u>
Net Position:						
Net Investment in Capital Assets	315,866,703	348,132,922	461,645,551	495,405,986	777,512,254	843,538,908
Restricted	91,855,188	108,242,946	14,294,810	12,769,941	106,149,998	121,012,887
Unrestricted	<u>167,203,128</u>	<u>175,723,191</u>	<u>88,553,212</u>	<u>99,387,661</u>	<u>255,756,340</u>	<u>275,110,852</u>
Total Net Position	<u>\$ 574,925,019</u>	<u>\$ 632,099,059</u>	<u>\$ 564,493,573</u>	<u>\$ 607,563,588</u>	<u>\$ 1,139,418,592</u>	<u>\$ 1,239,662,647</u>

Net position consists of several categories including net investment in capital assets, restricted, and unrestricted. The largest portion of the City's net position is the net investment in capital assets of \$843,538,908. This category consists of capital assets, right-to-use lease assets and subscription-based IT arrangements, net of accumulated depreciation/amortization, less any capital related outstanding debt, leases, and subscription liabilities used to acquire those assets. Capital assets are not available for future spending and, therefore, reported separately. \$121,012,887 of the City's net position is restricted due to externally imposed constraints placed on the use of resources. The City's restricted net position is primarily made up of resources required to be used for future building construction, capital projects, or debt service. The remaining balance of \$275,110,852 represents the unrestricted portion of the City's net position. Unrestricted net position may be used to meet the City's ongoing services to the citizens.

Statement of Activities - The following presents the changes in net position for governmental and business-type activities for the fiscal year ending December 31, 2022, and December 31, 2023.

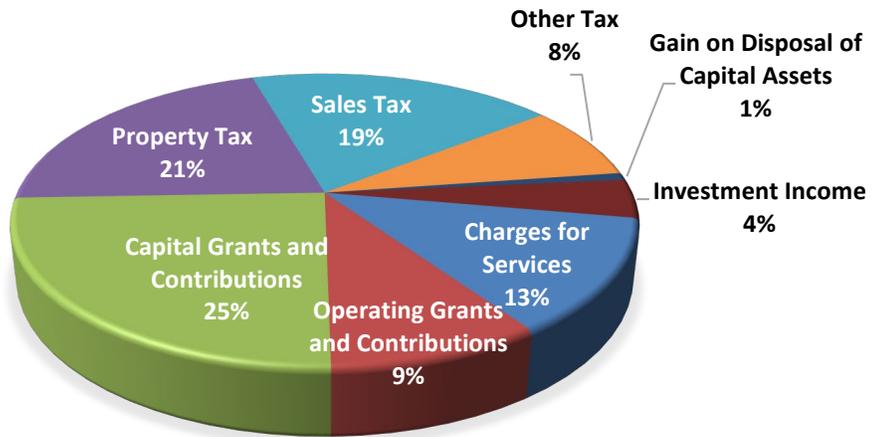
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 18,937,302	\$ 20,701,356	\$ 59,360,974	\$ 62,203,731	\$ 78,298,276	\$ 82,905,087
Operating Grants and Contributions	22,837,303	15,366,176	5,557,720	1,916,047	28,395,023	17,282,223
Capital Grants and Contributions	34,198,440	40,597,241	22,333,719	26,434,913	56,532,159	67,032,154
General Revenues:						
Taxes	73,726,609	79,301,325	44,691	40,648	73,771,300	79,341,973
Investment Income (Loss)	(456,178)	7,023,614	(644,160)	3,266,049	(1,100,338)	10,289,663
Gain on Disposal of Capital Assets	1,157,268	1,298,876	1,660,764	3,024,029	2,818,032	4,322,905
Total Revenues	150,400,744	164,288,588	88,313,708	96,885,417	238,714,452	261,174,005
Expenses:						
General Government	20,791,192	20,704,945	-	-	20,791,192	20,704,945
Public Safety	34,973,641	36,282,115	-	-	34,973,641	36,282,115
Highways and Streets	14,260,875	15,429,235	-	-	14,260,875	15,429,235
Health and Welfare	4,825,140	5,106,925	-	-	4,825,140	5,106,925
Culture and Recreation	4,027,559	4,235,992	-	-	4,027,559	4,235,992
Public Works	16,766,244	16,560,851	-	-	16,766,244	16,560,851
Interest and Fiscal Charges	2,507,919	2,878,081	-	-	2,507,919	2,878,081
Airport	-	-	10,417,823	10,568,092	10,417,823	10,568,092
Event Center	-	-	8,870,482	9,132,878	8,870,482	9,132,878
Solid Waste Disposal	-	-	3,204,427	4,974,389	3,204,427	4,974,389
Solid Waste Collections	-	-	4,791,389	5,099,369	4,791,389	5,099,369
Water	-	-	15,490,859	15,575,391	15,490,859	15,575,391
Sanitary Sewer	-	-	9,619,713	9,923,021	9,619,713	9,923,021
Storm Water	-	-	3,523,528	2,355,935	3,523,528	2,355,935
Northern Plains Commerce Centre	-	-	267,383	262,915	267,383	262,915
Parking Authority	-	-	1,764,888	1,839,817	1,764,888	1,839,817
Total Expenses	98,152,570	101,198,144	57,950,492	59,731,807	156,103,062	160,929,951
Increase in Net Position Before Transfers	52,248,174	63,090,444	30,363,216	37,153,610	82,611,390	100,244,054
Transfers	(4,446,747)	(5,916,404)	4,446,747	5,916,404	-	-
Increase in Net Position	47,801,427	57,174,040	34,809,963	43,070,014	82,611,390	100,244,054
Net Position, Beginning of Year	527,123,592	574,925,019	529,683,611	564,493,574	1,056,807,203	1,139,418,593
Net Position, End of Year	\$574,925,019	\$632,099,059	\$564,493,574	\$607,563,588	\$ 1,139,418,593	\$ 1,239,662,647

Governmental Activities

Governmental activities increased the City's net position by \$57,174,040 accounting for 57.03% of the total increase in the net position of the City. Significant factors that caused the increases from December 31, 2022, to December 31, 2023, are explained as follows:

- Total property tax revenue was \$34,614,680, an increase of \$3,094,096. For 2023, the City saw growth in residential property valuations from the prior year of 10.52% and in commercial property valuations of 8.42%.
- Total revenue from taxes other than property tax was \$44,686,645, an increase of \$2,480,620. Sales tax, occupancy tax, lodging, liquor, and food tax, car rental tax, and state aid all continued to see increases from the prior year due to increased business activity within the City.
- Total revenue from operating grants and contributions was \$15,366,176, a decrease of \$7,471,127. The primary reason for the decrease was one-time federal grant funding recognized in 2022 of \$9,656,565 in Coronavirus State and Local Fiscal Recovery Funds. The City received one-time funding from the State of North Dakota for snow removal costs and Highway funds distribution in 2023 totaling \$2,662,788.
- Total revenue from capital grants and contributions was \$40,597,241, an increase of \$6,398,801. The City received \$12,115,645 in Municipal Infrastructure Funds from the State to construct or replace City infrastructure. This was offset by the City receiving \$5,422,804 less in federal funding through the North Dakota Department of Transportation for road reconstruction projects in 2023.

2023 REVENUE BY SOURCE - GOVERNMENTAL ACTIVITIES

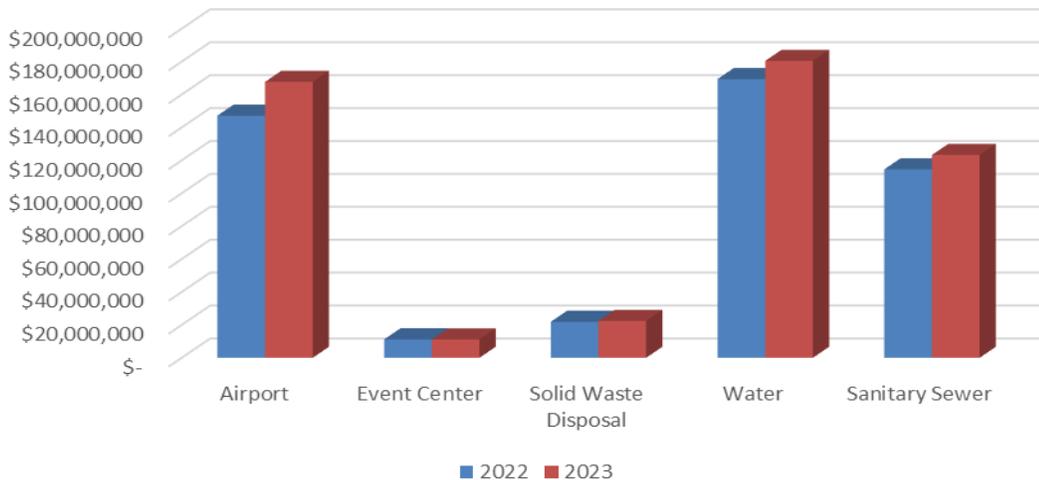


Business-type Activities

Business-type activities increased the City's net position by \$43,070,014 (42.97% of the total growth in net position). Significant factors that caused the increases from December 31, 2022, to December 31, 2023, are explained as follows:

- The Airport's net position increased \$20,522,582. The Airport has received a significant amount of COVID-19-related grant funding. \$1,803,000 of grant revenue was received to cover Airport operations in 2023. The Airport also received an additional \$17,619,310 in AIP capital grants in 2023 used for construction of the Snow Removal Equipment building and for wetlands mitigation.
- Water Fund and Sanitary Sewer Fund revenues exceeded expenditures by \$11,045,914 and \$8,743,538, respectively. Both divisions have major capital project needs in the near future and the surpluses from 2023 will be used to reduce the amount of debt needed for those projects.

**Comparison of Major Business-Type Net Position Balances
as of December 31, 2022 and December 31, 2023**



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

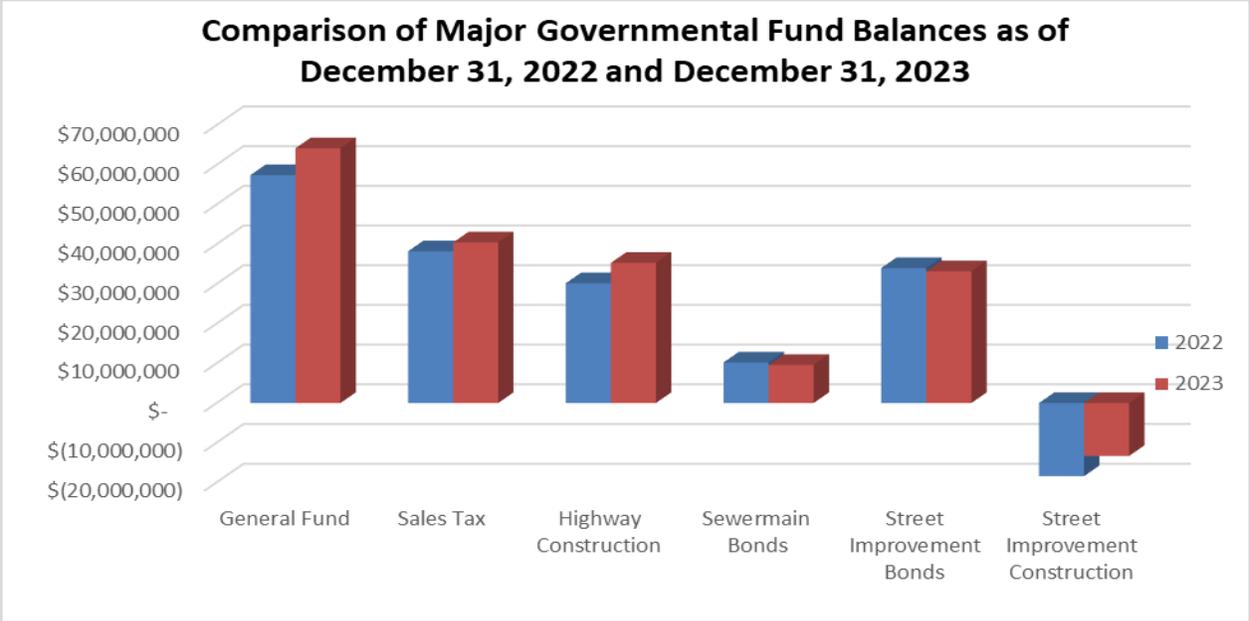
Governmental Funds

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

As of December 31, 2023, the City's governmental funds reported combined ending fund balances of \$198,370,766, an increase of \$17,230,703 in comparison with the prior year fund balance. The total fund balance consists of non-spendable, restricted, committed, assigned, and unassigned categories. For more information on the City's restrictions, commitments, and assignments of fund balance, refer to the notes to the basic financial statements. Significant factors that resulted in the increase are explained as follows:

- Sales Tax fund balance increased \$2,220,195 in comparison with the prior year. The City collects a one-half cent sales tax restricted for use on specific arterial street construction and reconstruction projects. The City is expecting to complete major road reconstruction projects in future years that will spend down the fund balance. Transfers were made from the Sales Tax Fund to the Highway Construction Fund for the 2023 budgeted construction projects and to the Sales Tax fund from Highway Construction for unspent contributions to close out completed projects as of year end.
- Highway Construction fund balance increased \$5,123,088 in comparison to the prior year. This is due to transfers from the Sales Tax Fund to cover budgeted costs of road reconstruction projects in 2023 and 2024.
- Street Improvement Construction fund balance increased \$5,099,713 in comparison to the prior year. This fund accounts for expenditures related to street improvements and typically carries a deficit fund balance due to timing of when construction costs are incurred and reimbursed the overall amount of construction as well taking place throughout the year. The deficit is related to 2023 construction costs that will be reimbursed through bond proceeds in 2024.
- The Sewermain Bonds Fund and Street Improvement Bonds Fund did not have a significant change in fund balance in comparison with the prior year.

At the end of the current fiscal year, total fund balance of the General Fund reached \$64,168,188 which is an increase of \$6,772,935 as compared to the prior year. The unassigned fund balance of the General Fund was \$39,980,654, an increase of \$4,796,424 from the prior year. The increase is primarily due to salary savings from vacancies, delays in receiving certain equipment that was budgeted in 2023 and increased investment earnings. Restricted fund balance is consistent with the prior year at \$8,045,803 to be used for building construction projects. Assigned fund balance was \$16,136,726, an increase of \$1,959,657. The increase is due to the City setting aside fund balance for future fire truck purchases and deferred sick leave payouts due to some employees at retirement.



Proprietary Funds

As of December 31, 2023, unrestricted net position of enterprise funds was \$96,447,828, an increase of \$8,900,455. Net investment in capital assets increased \$33,760,434 to \$495,405,986. All individual proprietary funds reported increases in net position except for Event Center, which had a decrease in net position of \$64,959. The Event Center decrease is due to regular operational losses. Factors that caused changes in the enterprise funds have been discussed in the business-type activity narrative beginning on page 16.

Internal service fund net position remained consistent with the prior year with the exceptions of Fleet Services and Employee Insurance. Fleet Services net position decreased \$144,241 primarily because of decreased sales of diesel fuel. Employee Insurance net position increased \$3,000,955 from the prior year. Health claims came in lower than anticipated and premiums were increased in 2023 by 5%. This resulted in an increase in net position.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City had an overall budget increase between the original and final budget of \$1,690,142. This is due to budget amendments needed due to unforeseen expenditures in 2023 and the implementation of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*. Actual General Fund revenues were \$54,820,145 or \$2,120,197 higher than the final budgeted total revenues. Factors contributing to the additional revenue are as follows:

- Intergovernmental revenue exceeded budget by \$932,865. The primary reason for the increase was \$666,302 in State Aid Distribution from the State of North Dakota.
- Licenses and Permits exceeded budget by \$498,849. The City continued to grow at a fast pace so revenues for construction permits exceeded expectations as well as the City selling two new liquor licenses to local businesses.
- Investment Income was over budget by \$1,344,578. The City had increased investment interest earned throughout 2023 due to stabilization of higher interest rates and the bond market values.

Actual General Fund expenditures were \$55,173,355 or \$3,476,488 lower than the final budgeted total expenditures in 2023. General government and public safety expenditures were under budget by \$2,171,292 and \$2,511,623 respectively due to operational savings in General Fund departments. This is primarily made up of salaries and fringe benefit savings from staff turnover and vacant positions. Capital

outlay expenditures were over budget by \$1,230,171 due to recognition of leased equipment and SBITA acquisitions.

Actual other financing sources were \$7,126,145 or \$3,065,124 higher than the final budgeted total other financing sources (uses). This is a result of recognizing proceeds from finance purchase arrangements, leases and SBITAs which totaled \$1,424,725. Transfers in was over budget by \$792,677 as a result of grant funding being transferred in from VW settlement grant. The transfers out to other funds were under budget by \$818,840 primarily due to not needing to utilize the contingency budget during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – As of December 31, 2023, the City’s capital assets for its governmental and business-type activities were \$1,069,760,288, net of accumulated depreciation/amortization. This investment in capital assets includes land, buildings and improvements, machinery and equipment, infrastructure, construction in progress, right-to-use lease assets and subscription-based IT arrangements.

The following table summarizes capital assets for governmental and business-type activities for 2022 and 2023:

City of Bismarck Capital Assets (net of depreciation/amortization)						
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 3,248,836	\$ 3,248,836	\$ 18,590,966	\$ 18,590,966	\$ 21,839,802	\$ 21,839,802
Construction in Progress	17,253,399	14,254,954	28,122,287	72,987,465	45,375,686	87,242,419
Buildings and Building Improvements	18,028,456	28,609,326	170,819,688	165,456,080	188,848,144	194,065,406
Improvements Other Than Buildings	9,585	8,326	306,422,380	313,564,795	306,431,965	313,573,121
Infrastructure	378,835,032	403,640,445	-	-	378,835,032	403,640,445
Machinery and Equipment	22,133,728	24,481,571	20,046,896	22,046,492	42,180,624	46,528,063
Right-to-Use Lease Assets	755,406	935,994	9,106	7,189	764,512	943,183
Subscription-Based IT Arrangements	-	1,919,572	-	8,277	-	1,927,849
Total	\$ 440,264,442	\$ 477,099,024	\$ 544,021,323	\$ 592,661,264	\$ 984,275,765	\$ 1,069,760,288

Significant capital asset construction or acquisition that occurred during the fiscal year ended December 31, 2023, included the following:

- Construction in progress included an airport wetland removal project, airport snow removal equipment storage building, public works building expansion, sanitary sewer lift station, street maintenance throughout the City, and the construction of new streets for several new subdivisions. These capital projects are anticipated to be completed in upcoming years.
- Major construction projects placed in service in 2023 included the public health facility as well as additions to infrastructure including road reconstruction projects, asphalt maintenance throughout the City, and construction of streets for several new subdivisions.
- Additions to machinery and equipment included heavy equipment purchases for roads and streets operations, body cameras for police officers, a public transit bus and a scraper for landfill operations.
- Subscription-Based IT Arrangement assets increased during the year with the adoption of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, and its recognition of subscription-based assets.

Additional information on the City’s capital assets, right-to-use lease assets, and subscription-based IT arrangements can be found in Note IV.E on pages 53 - 55 of this report.

Long-Term Debt – As of December 31, 2023, the City had total long-term debt outstanding of \$250,317,077. Of this amount, \$115,250,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The City revenue bonds are secured by Water Revenue, Sanitary Sewer Revenue, Waste Disposal Revenue, Waste Collection Revenue, and Lodging, Liquor and Food Tax.

The following table shows various classifications of the City’s long-term debt as of December 31, 2023:

City of Bismarck Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Net Pension Liability	\$ 27,123,408	\$ 21,923,958	\$ 6,302,500	\$ 5,098,756	\$ 33,425,908	\$ 27,022,714
Special Assessment Bonds	112,905,000	115,250,000	-	-	112,905,000	115,250,000
Plus Unamortized Premiums	5,630,706	5,540,514	-	-	5,630,706	5,540,514
Financed Purchase Obligations	1,745,196	2,659,647	-	1,215,020	1,745,196	3,874,667
Leases Payable	-	875,146	-	7,343	-	882,489
SBITAs Payable	-	1,917,972	-	6,338	-	1,924,310
Compensated Absences	3,822,366	4,035,206	1,080,025	1,142,233	4,902,391	5,177,439
Claims and Judgments	632,381	469,361	226,000	224,341	858,381	693,702
Closure and Postclosure Costs	-	-	3,626,597	2,754,059	3,626,597	2,754,059
Event Center Revenue Bonds	-	-	18,200,000	16,880,000	18,200,000	16,880,000
Less Unamortized Discount	-	-	-	-	-	-
Water Revenue Bonds-2014	-	-	6,850,000	5,965,000	6,850,000	5,965,000
Less Unamortized Discount	-	-	(56,947)	(47,836)	(56,947)	(47,836)
Water Revenue Bonds-2020	-	-	3,620,000	3,025,000	3,620,000	3,025,000
Plus Unamortized Premium	-	-	241,203	195,260	241,203	195,260
Water Treatment Loan, 2009	-	-	6,395,000	5,425,000	6,395,000	5,425,000
Water Treatment Loan, 2021	-	-	5,487,277	5,170,000	5,487,277	5,170,000
Water Treatment Loan, 2022	-	-	223,212	38,159	223,212	38,159
Water Treatment Loan, 2023	-	-	-	70,041	-	70,041
Wastewater Loan, 2006	-	-	6,130,000	4,975,000	6,130,000	4,975,000
Wastewater Loan, 2020	-	-	4,705,000	4,410,000	4,705,000	4,410,000
Sanitary Sewer Revenue Bonds, 2015	-	-	20,970,000	19,640,000	20,970,000	19,640,000
Less Unamortized Discount	-	-	(47,739)	(43,868)	(47,739)	(43,868)
Utility Revenue Bond, 2021	-	-	1,355,746	21,495,427	1,355,746	21,495,427
Total	<u>\$151,859,057</u>	<u>\$152,671,804</u>	<u>\$ 85,307,874</u>	<u>\$ 97,645,273</u>	<u>\$237,166,931</u>	<u>\$250,317,077</u>

The City issued total special assessment debt of \$19,785,000 in November 2023. The bonds were issued for special assessment projects completed in 2022 and 2023. The City received an Aa1 bond rating from Moody’s. This rating is consistent with previous ratings received from this agency.

In 2021, the City entered into an agreement for a \$26,000,000 infrastructure revolving loan with the Bank of North Dakota known as the Utility Revenue Bond, 2021. The loan proceeds are being drawn down as expenses are incurred to expand the public works building. As of December 31, 2023, \$22,902,271 has been drawn down for eligible construction expenses. \$1,406,316 in principal payments were made during 2023 resulting in a balance owed of \$21,495,427.

The net pension liability of the City as of December 31, 2023, was \$27,022,714, an decrease of \$6,403,194 from 2022. The City has two pension plans: City Employees’ Pension Plan and Police Employees’ Pension Plan. Actual investment returns exceeded projections in 2023 resulting in a proportionate share of net pension liability of \$16,650,775 for the City Employee’s Pension Plan and net pension liability of \$10,371,939 for the Police Employees’ Pension Plan.

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

More detailed information about the debt position of the City can be found on Note IV.G on page 57 and more detailed information about the City’s pension plans can be found on Note IV.N starting on page 70.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Growth has continued in the property tax base with new construction and improvements in residential and commercial properties. The estimated property market value for 2023 increased 8.95% from the prior year. The continued growth of the City leads to an increase in the need for the expansion of infrastructure, improvements for streets and utilities, and additional resources for Police, Fire, and Public Health. The Bismarck City Commission did not change the property tax mill levy rate for 2023 in order to sustain the existing services of the City.

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

The City typically experiences unemployment rates less than that of the national average. The February 2024 unemployment rate reported by the Bureau of Labor Statistics for Bismarck was 2.7%. The City anticipates employment numbers to remain strong into the future.

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

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
ASSETS				
Current Assets				
Cash and Investments	\$ 192,182,428	\$ 88,327,677	\$ 280,510,105	\$ -
Taxes Receivable	444,828	-	444,828	-
Accounts Receivable	11,012,882	11,731,939	22,744,821	1,072,697
Due from Other Entities	1,051,254	-	1,051,254	-
Special Assessments Receivable	98,411,215	6,019,133	104,430,348	-
Interest Receivable	2,405,651	1,295,125	3,700,776	844
Notes Receivable	2,004,479	-	2,004,479	-
Leases Receivable	39,811	2,636,415	2,676,226	3,631
Inventory	448,019	91,578	539,597	-
Prepaid Items	5,542	207,396	212,938	-
Internal Balances	(39,357)	39,357	-	-
Total Current Assets	<u>307,966,752</u>	<u>110,348,620</u>	<u>418,315,372</u>	<u>1,077,172</u>
Noncurrent Assets				
Restricted Cash and Investments	-	12,948,530	12,948,530	-
Leases Receivable	-	12,380,374	12,380,374	232,495
Capital Assets, Net of Depreciation/Amortization				
Land	3,248,836	18,590,966	21,839,802	-
Construction in Progress	14,254,954	72,987,465	87,242,419	-
Buildings and Building Improvements	28,609,326	165,456,080	194,065,406	-
Improvements Other Than Buildings	8,326	313,564,795	313,573,121	-
Infrastructure	403,640,445	-	403,640,445	-
Machinery and Equipment	24,481,571	22,046,492	46,528,063	2,237,409
Right-To-Use Lease Assets	935,994	7,189	943,183	7,517,957
Subscription-Based IT Arrangements	1,919,572	8,277	1,927,849	-
Total Noncurrent Assets	<u>477,099,024</u>	<u>617,990,168</u>	<u>1,095,089,192</u>	<u>9,987,861</u>
Total Assets	<u>785,065,776</u>	<u>728,338,788</u>	<u>1,513,404,564</u>	<u>11,065,033</u>
DEFERRED OUTFLOWS OF RESOURCES				
Asset Retirement Obligation	62,438	-	62,438	-
Pensions	11,899,318	3,067,024	14,966,342	-
Loss on Debt Refunding	-	553,621	553,621	-
Total Deferred Outflows of Resources	<u>11,961,756</u>	<u>3,620,645</u>	<u>15,582,401</u>	<u>-</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2023**

	PRIMARY GOVERNMENT			COMPONENT UNIT
	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
LIABILITIES				
Current Liabilities				
Accounts Payable	3,177,485	5,904,139	9,081,624	21,443
Retainage Payable	1,769,789	4,053,445	5,823,234	-
Salaries Payable	2,666,337	713,679	3,380,016	-
Due to Other Entities	-	-	-	1,051,254
Accrued Interest Payable	671,843	435,172	1,107,015	26,738
Unearned Revenue	1,605,811	1,032	1,606,843	-
Customer Deposits	235,598	2,871	238,469	-
Due Within One Year	22,587,474	9,422,553	32,010,027	-
Leases Payable	93,668	1,850	95,518	315,309
SBITA Payable	379,184	2,023	381,207	-
Total Current Liabilities	<u>33,187,189</u>	<u>20,536,764</u>	<u>53,723,953</u>	<u>1,414,744</u>
Noncurrent Liabilities				
Customer Deposits	-	545,888	545,888	-
Due in More Than One Year	105,367,254	83,110,283	188,477,537	-
Leases Payable	781,478	5,493	786,971	7,463,022
SBITA Payable	1,538,788	4,315	1,543,103	-
Net Pension Liability	21,923,958	5,098,756	27,022,714	-
Asset Retirement Obligation	67,500	-	67,500	-
Total Noncurrent Liabilities	<u>129,678,978</u>	<u>88,764,735</u>	<u>218,443,713</u>	<u>7,463,022</u>
Total Liabilities	<u>162,866,167</u>	<u>109,301,499</u>	<u>272,167,666</u>	<u>8,877,766</u>
DEFERRED INFLOWS OF RESOURCES				
Pensions	2,026,400	617,364	2,643,764	-
Leases	35,906	14,476,982	14,512,888	223,274
Total Deferred Inflows of Resources	<u>2,062,306</u>	<u>15,094,346</u>	<u>17,156,652</u>	<u>223,274</u>
NET POSITION				
Net Investment in Capital Assets	348,132,922	495,405,986	843,538,908	1,977,035
Restricted For				
Building Construction	8,045,803	-	8,045,803	-
Heavy Equipment	708,530	-	708,530	-
Highways and Streets	1,106,883	-	1,106,883	-
Capital Projects	32,840,171	-	32,840,171	-
Debt Service	51,953,884	12,769,941	64,723,825	-
House Bill 1066 (Prairie Dog Funding)	13,463,312	-	13,463,312	-
Opioid Settlement	124,363	-	124,363	-
Unrestricted	175,723,191	99,387,661	275,110,852	(13,042)
Total Net Position	<u>\$ 632,099,059</u>	<u>\$ 607,563,588</u>	<u>\$ 1,239,662,647</u>	<u>\$ 1,963,993</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, 2023**

Functions / Programs	NET REVENUES (EXPENSE) AND CHANGES IN NET POSITION							
	PROGRAM REVENUES				PRIMARY GOVERNMENT			COMPONENT UNIT
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Central Dakota Communications Center
Primary Government								
Governmental Activities								
General Government	\$ 20,704,945	\$ 7,352,658	\$ 4,389,618	\$ -	\$ (8,962,669)	\$ -	\$ (8,962,669)	\$ -
Public Safety	36,282,115	4,614,224	1,412,498	208,603	(30,046,790)	-	(30,046,790)	-
Highways and Streets	15,429,235	7,052,303	6,540,117	-	(1,836,815)	-	(1,836,815)	-
Health and Welfare	5,106,925	1,157,055	2,600,046	-	(1,349,824)	-	(1,349,824)	-
Culture and Recreation	4,235,992	176,323	423,897	-	(3,635,772)	-	(3,635,772)	-
Public Works	16,560,851	348,793	-	40,388,638	24,176,580	-	24,176,580	-
Interest and Fiscal Charges	2,878,081	-	-	-	(2,878,081)	-	(2,878,081)	-
Total Governmental Activities	<u>101,198,144</u>	<u>20,701,356</u>	<u>15,366,176</u>	<u>40,597,241</u>	<u>(24,533,371)</u>	<u>-</u>	<u>(24,533,371)</u>	<u>-</u>
Business-Type Activities								
Airport	10,568,092	8,835,352	1,803,000	17,619,310	-	17,689,570	17,689,570	-
Event Center	9,132,878	6,443,294	27,676	-	-	(2,661,908)	(2,661,908)	-
Water	15,575,391	17,976,874	-	6,165,856	-	8,567,339	8,567,339	-
Sanitary Sewer	9,923,021	14,033,509	-	1,745,528	-	5,856,016	5,856,016	-
Solid Waste Disposal	4,974,389	5,323,850	-	-	-	349,461	349,461	-
Solid Waste Collections	5,099,369	6,114,617	-	-	-	1,015,248	1,015,248	-
Storm Water	2,355,935	1,503,263	85,371	904,219	-	136,918	136,918	-
Northern Plains Commerce Centre	262,915	85,215	-	-	-	(177,700)	(177,700)	-
Parking Authority	1,839,817	1,887,757	-	-	-	47,940	47,940	-
Total Business-Type Activities	<u>59,731,807</u>	<u>62,203,731</u>	<u>1,916,047</u>	<u>26,434,913</u>	<u>-</u>	<u>30,822,884</u>	<u>30,822,884</u>	<u>-</u>
Total Primary Government	<u>\$ 160,929,951</u>	<u>\$ 82,905,087</u>	<u>\$ 17,282,223</u>	<u>\$ 67,032,154</u>	<u>(24,533,371)</u>	<u>30,822,884</u>	<u>6,289,513</u>	<u>-</u>
Component Unit								
Central Dakota Comm Center	<u>\$ 4,369,152</u>	<u>\$ 4,085,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(283,549)</u>
General Revenues								
Property Taxes					34,614,680	-	34,614,680	-
Sales Tax					31,192,129	-	31,192,129	-
Occupancy Tax					1,174,639	-	1,174,639	-
Lodging, Liquor, and Food Tax					4,094,829	-	4,094,829	-
Car Rental Tax					80,054	-	80,054	-
State Aid					5,947,512	-	5,947,512	-
Franchise Taxes					924,506	-	924,506	-
Other Taxes					1,272,976	40,648	1,313,624	-
Investment Income					7,023,614	3,266,049	10,289,663	-
Gain on Disposal of Capital Assets					1,298,876	3,024,029	4,322,905	-
Transfers					(5,916,404)	5,916,404	-	-
Total General Revenues, Gain on Disposal of Capital Assets, and Transfers					<u>81,707,411</u>	<u>12,247,130</u>	<u>93,954,541</u>	<u>-</u>
Change in Net Position					57,174,040	43,070,014	100,244,054	(283,549)
Net Position, Beginning of Year					574,925,019	564,493,574	1,139,418,593	2,247,542
Net Position, End of Year					<u>\$ 632,099,059</u>	<u>\$ 607,563,588</u>	<u>\$ 1,239,662,647</u>	<u>\$ 1,963,993</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, 2023**

	<u>General Fund</u>	<u>Sales Tax</u>	<u>Highway Construction</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>
ASSETS								
Cash and Investments	\$ 64,253,928	\$ 34,780,302	\$ 35,688,107	\$ 8,282,785	\$ 13,497,255	\$ -	\$ 27,390,595	\$ 183,892,972
Taxes Receivable	387,788	-	-	-	-	-	57,040	444,828
Accounts Receivable	1,469,503	5,658,797	745,967	-	-	-	2,830,478	10,704,745
Due from Other Entities	1,051,254	-	-	-	-	-	-	1,051,254
Special Assessments Receivable	-	-	436,459	13,427,113	75,214,694	-	9,332,949	98,411,215
Interest Receivable	1,922	-	-	-	-	-	149	2,071
Notes Receivable	-	-	-	-	-	-	2,004,479	2,004,479
Leases Receivable	-	-	-	-	-	-	39,811	39,811
Inventory	5,005	-	-	-	-	-	-	5,005
Interfund Receivables	17,560	-	-	590,939	12,901,315	-	2,141,567	15,651,381
Total Assets	<u>\$ 67,186,960</u>	<u>\$ 40,439,099</u>	<u>\$ 36,870,533</u>	<u>\$ 22,300,837</u>	<u>\$ 101,613,264</u>	<u>\$ -</u>	<u>\$ 43,797,068</u>	<u>\$ 312,207,761</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	\$ 573,202	\$ -	\$ 198,502	\$ -	\$ 3,533	\$ 34,825	\$ 1,191,704	\$ 2,001,766
Retainage Payable	-	-	969,498	-	-	396,732	403,559	1,769,789
Interfund Payables	-	-	-	-	-	12,901,315	2,506,344	15,407,659
Salaries Payable	2,153,568	-	-	-	-	-	463,849	2,617,417
Customer Deposits	-	-	-	-	-	-	235,598	235,598
Unearned Revenue	-	-	-	-	-	-	1,605,811	1,605,811
Total Liabilities	<u>2,726,770</u>	<u>-</u>	<u>1,168,000</u>	<u>-</u>	<u>3,533</u>	<u>13,332,872</u>	<u>6,406,865</u>	<u>23,638,040</u>
DEFERRED INFLOWS OF RESOURCES								
Special Assessments	-	-	404,731	12,711,962	68,423,563	-	8,287,902	89,828,158
Property Tax	292,002	-	-	-	-	-	42,889	334,891
Leases	-	-	-	-	-	-	35,906	35,906
Total Deferred Inflows of Resources	<u>292,002</u>	<u>-</u>	<u>404,731</u>	<u>12,711,962</u>	<u>68,423,563</u>	<u>-</u>	<u>8,366,697</u>	<u>90,198,955</u>
FUND BALANCES								
Nonspendable	5,005	-	-	-	-	-	584,603	589,608
Restricted	8,045,803	32,840,171	13,463,312	9,588,875	33,186,168	-	11,118,617	108,242,946
Committed	-	7,598,928	21,834,490	-	-	-	18,724,036	48,157,454
Assigned	16,136,726	-	-	-	-	-	1,563,579	17,700,305
Unassigned	39,980,654	-	-	-	-	(13,332,872)	(2,967,329)	23,680,453
Total Fund Balances	<u>64,168,188</u>	<u>40,439,099</u>	<u>35,297,802</u>	<u>9,588,875</u>	<u>33,186,168</u>	<u>(13,332,872)</u>	<u>29,023,506</u>	<u>198,370,766</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 67,186,960</u>	<u>\$ 40,439,099</u>	<u>\$ 36,870,533</u>	<u>\$ 22,300,837</u>	<u>\$ 101,613,264</u>	<u>\$ -</u>	<u>\$ 43,797,068</u>	<u>\$ 312,207,761</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
RECONCILIATION OF BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023**

Total Fund Balances	\$ 198,370,766
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.	474,243,458
Right-to-use lease and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	2,855,566
Other assets are not available to pay for current period expenditures and, therefore, not recognized as a receivable or are deferred outflow (inflow) of resources in the governmental funds.	92,566,629
Long-term liabilities, including bonds, financing purchase obligations, leases, and SBITAs payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(130,950,328)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds. Deferred outflows and inflows of resources related to pensions are applicable to future periods, and, therefore, are not reported in the governmental funds.	(12,051,040)
Internal service funds are used by management to charge the cost of employee insurance, liability insurance, unemployment insurance, and revolving cost to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	7,064,008
Total Net Position	<u><u>\$ 632,099,059</u></u>

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 31,018,629	\$ 31,192,129	\$ -	\$ -	\$ -	\$ -	\$ 9,779,124	\$ 71,989,882
Special Assessments	-	-	130,804	1,930,838	14,532,410	1,483,093	2,166,719	20,243,864
Intergovernmental	8,035,252	-	12,568,236	-	-	-	14,935,586	35,539,074
Charges for Services	9,859,008	-	1,555,582	-	-	-	4,859,485	16,274,075
Licenses and Permits	2,367,124	-	-	-	-	-	1,425	2,368,549
Fines and Forfeitures	1,268,651	-	-	-	-	-	145,994	1,414,645
Leases and Rentals	156,063	-	-	-	-	-	57,689	213,752
Investment Income	1,987,213	1,368,642	691,062	210,778	175,496	-	625,662	5,058,853
Donations	50,000	-	-	-	-	-	178,180	228,180
Miscellaneous	78,205	-	-	-	-	21,853	398,709	498,767
Total Revenues	<u>54,820,145</u>	<u>32,560,771</u>	<u>14,945,684</u>	<u>2,141,616</u>	<u>14,707,906</u>	<u>1,504,946</u>	<u>33,148,573</u>	<u>153,829,641</u>
EXPENDITURES								
Current								
General Government	12,252,660	142,867	-	-	-	-	6,090,363	18,485,890
Public Safety	32,947,414	-	-	-	-	-	1,560,069	34,507,483
Highways and Streets	2,987,115	-	-	-	-	-	10,740,191	13,727,306
Health and Welfare	3,217,674	-	-	-	-	-	1,669,256	4,886,930
Culture and Recreation	595,741	-	-	-	-	-	2,819,722	3,415,463
Public Works	-	-	1,903,420	-	34,974	78,856	493,489	2,510,739
Capital Outlay	2,755,301	-	18,326,497	-	-	19,963,636	14,092,166	55,137,600
Debt Service								
Principal	409,788	-	-	2,237,973	13,299,139	-	2,554,773	18,501,673
Interest	7,662	-	-	529,671	2,524,235	-	334,743	3,396,311
Total Expenditures	<u>55,173,355</u>	<u>142,867</u>	<u>20,229,917</u>	<u>2,767,644</u>	<u>15,858,348</u>	<u>20,042,492</u>	<u>40,354,772</u>	<u>154,569,395</u>
Excess of Revenues Over (Under) Expenditures	<u>(353,210)</u>	<u>32,417,904</u>	<u>(5,284,233)</u>	<u>(626,028)</u>	<u>(1,150,442)</u>	<u>(18,537,546)</u>	<u>(7,206,199)</u>	<u>(739,754)</u>
OTHER FINANCING SOURCES (USES)								
Issuance of Special Assessment Bonds	-	-	-	-	-	17,000,000	2,785,000	19,785,000
Premium on Special Assessment Bonds	-	-	-	-	-	419,000	73,373	492,373
Proceeds from Sale of Capital Assets	28,882	-	-	-	-	-	708,200	737,082
Financing Purchase Proceeds	520,596	-	-	-	-	-	967,980	1,488,576
Leases Proceeds	325,936	-	-	-	-	-	14,012	339,948
SBITAs Proceeds	578,193	-	-	-	-	-	-	578,193
Transfers In	10,646,203	2,164,664	21,365,466	35,025	601,986	6,820,245	6,656,842	48,290,431
Transfers Out	(4,973,665)	(32,362,373)	(10,958,145)	(43,139)	(265,223)	(601,986)	(4,536,615)	(53,741,146)
Total Other Financing Sources (Uses)	<u>7,126,145</u>	<u>(30,197,709)</u>	<u>10,407,321</u>	<u>(8,114)</u>	<u>336,763</u>	<u>23,637,259</u>	<u>6,668,792</u>	<u>17,970,457</u>
Net Change in Fund Balances	6,772,935	2,220,195	5,123,088	(634,142)	(813,679)	5,099,713	(537,407)	17,230,703
Fund Balances, Beginning of Year	57,395,253	38,218,904	30,174,714	10,223,017	33,999,847	(18,432,585)	29,560,913	181,140,063
Fund Balances, End of Year	<u>\$ 64,168,188</u>	<u>\$ 40,439,099</u>	<u>\$ 35,297,802</u>	<u>\$ 9,588,875</u>	<u>\$ 33,186,168</u>	<u>\$ (13,332,872)</u>	<u>\$ 29,023,506</u>	<u>\$ 198,370,766</u>

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

**CITY OF BISMARCK, NORTH DAKOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Changes in Fund Balances	\$ 17,230,703
Amounts reported for governmental activities in the statement of net position are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense.	34,452,549
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	7,338,958
The issuance of long-term debt (i.e. bonds, leases, SBITAs) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(22,684,090)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, not reported as expenditures in governmental funds.	18,123,863
Internal service funds are used by management to charge the cost of health insurance, liability insurance, unemployment insurance, and revolving funds to the City's other funds. A portion of the change in net position in the internal service funds is reported with governmental activities.	2,712,057
Change in Net Position	\$ 57,174,040

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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES	
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor Funds	Total	Internal Service Funds
ASSETS								
Current Assets								
Cash and Cash Equivalents	\$ 13,149,260	\$ 422,103	\$ 6,659,156	\$ 24,753,744	\$ 23,580,139	\$ 17,784,106	\$ 86,348,508	\$ 10,268,625
Accounts Receivable	7,412,737	177,753	603,672	1,913,944	1,041,458	582,375	11,731,939	308,189
Special Assessments Receivable	-	-	-	2,148,577	2,180,256	1,690,300	6,019,133	-
Interest Receivable	202,284	29,468	53,457	367,490	370,838	271,588	1,295,125	-
Interfund Receivable	-	39,357	-	-	-	-	39,357	-
Leases Receivable	1,917,812	304,407	85,101	10,594	4,426	314,075	2,636,415	-
Inventory	-	-	-	91,578	-	-	91,578	443,014
Prepaid Items	36,853	46,171	17,304	57,763	27,544	21,761	207,396	5,542
Total Current Assets	22,718,946	1,019,259	7,418,690	29,343,690	27,204,661	20,664,205	108,369,451	11,025,370
Noncurrent Assets								
Restricted Cash and Cash Equivalents	-	147,948	-	6,456,201	6,344,381	-	12,948,530	-
Leases Receivable	7,243,401	775,399	860,860	382,093	322,645	2,795,976	12,380,374	-
Capital Assets, Net of Depreciation/Amortization								
Land	8,469,631	912,100	1,031,945	877,279	337,375	6,962,636	18,590,966	-
Construction in Progress	39,741,554	310,800	24,547,116	3,466,032	3,644,393	1,277,570	72,987,465	-
Buildings and Building Improvements	11,332,568	25,105,771	3,381,316	55,485,343	52,927,450	17,223,632	165,456,080	-
Improvements Other Than Buildings	90,540,418	-	9,776,284	102,141,396	57,776,519	53,330,178	313,564,795	-
Machinery and Equipment	2,841,569	1,560,231	4,026,338	5,522,576	5,484,039	2,611,739	22,046,492	702,647
Right-to-Use Lease Assets	7,189	-	-	-	-	-	7,189	-
Subscription-Based IT Arrangements	8,277	-	-	-	-	-	8,277	-
Total Noncurrent Assets	160,184,607	28,812,249	43,623,859	174,330,920	126,836,802	84,201,731	617,990,168	702,647
Total Assets	182,903,553	29,831,508	51,042,549	203,674,610	154,041,463	104,865,936	726,359,619	11,728,017
DEFERRED OUTFLOWS OF RESOURCES								
Asset Retirement Obligation	-	-	-	-	-	-	-	62,438
Pensions	422,169	470,779	300,521	845,430	461,789	566,336	3,067,024	217,696
Loss on Refunding	-	553,621	-	-	-	-	553,621	-
Total Deferred Outflows of Resources	422,169	1,024,400	300,521	845,430	461,789	566,336	3,620,645	280,134
LIABILITIES								
Current Liabilities								
Accounts Payable	3,361,177	53,870	534,902	1,396,352	243,178	204,943	5,794,422	1,285,462
Retainage Payable	2,259,623	-	1,178,418	302,298	313,106	-	4,053,445	-
Salaries Payable	118,806	147,466	64,901	174,002	90,975	117,529	713,679	48,946
Accrued Interest Payable	69	35,448	78,656	124,968	196,031	-	435,172	-
Interfund Payables	-	-	-	-	-	-	-	283,079
Unearned Revenue	-	-	-	-	-	1,032	1,032	-
Customer Deposits	-	-	-	-	-	2,871	2,871	-
Compensated Absences Payable	132,078	119,787	59,067	182,005	115,566	167,224	775,727	-
Claims and Judgments Payable	-	-	-	-	79,702	-	79,702	614,000
Debt Payable	-	1,350,000	1,357,285	2,860,200	2,855,000	-	8,422,485	-
Leases Payable	1,850	-	-	-	-	-	1,850	-
SBITAs Payable	2,023	-	-	-	-	-	2,023	-
Total Current Liabilities	5,875,626	1,706,571	3,273,229	5,039,825	3,893,558	493,599	20,282,408	2,231,487
Noncurrent Liabilities								
Customer Deposits	-	516,338	-	-	-	29,550	545,888	-
Compensated Absences Payable	59,183	91,325	91,481	66,311	1,186	57,020	366,506	-
Debt Payable	-	15,530,000	21,353,162	16,980,424	26,126,132	-	79,989,718	-
Leases Payable	5,493	-	-	-	-	-	5,493	-
SBITAs Payable	4,315	-	-	-	-	-	4,315	-
Asset Retirement Obligation Liability	-	-	-	-	-	-	-	67,500
Net Pension Liability	727,564	768,200	488,720	1,414,988	772,892	926,392	5,098,756	359,912
Closure and Post-Closure Liability	-	-	2,754,059	-	-	-	2,754,059	-
Total Noncurrent Liabilities	796,555	16,905,863	24,687,422	18,461,723	26,900,210	1,012,962	88,764,735	427,412
Total Liabilities	6,672,181	18,612,434	27,960,651	23,501,548	30,793,768	1,506,561	109,047,143	2,658,899
DEFERRED INFLOWS OF RESOURCES								
Pensions	95,590	92,311	48,125	183,766	100,376	97,196	617,364	51,325
Leases	8,861,022	1,010,519	905,045	374,541	311,669	3,014,186	14,476,982	-
Total Deferred Inflows of Resources	8,956,612	1,102,830	953,170	558,307	412,045	3,111,382	15,094,346	51,325
NET POSITION								
Net Investment in Capital Assets	147,495,060	11,003,579	18,414,385	146,343,978	90,743,229	81,405,755	495,405,986	702,647
Restricted for Debt Service	-	112,500	177,858	6,331,233	6,148,350	-	12,769,941	-
Restricted for Heavy Equipment Purchases	-	-	1,215,020	-	-	-	1,215,020	-
Unrestricted	20,201,869	24,565	2,621,986	27,784,974	26,405,860	19,408,574	96,447,828	8,595,280
Total Net Position	\$ 167,696,929	\$ 11,140,644	\$ 22,429,249	\$ 180,460,185	\$ 123,297,439	\$ 100,814,329	605,838,775	\$ 9,297,927

Difference Between Business-Type Adjustments to Statement of Net Position 1,724,813
Total Net Position, Business-Type Activities \$ 607,563,588

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

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL ACTIVITIES	
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor Funds	Total	Internal Service Funds
OPERATING REVENUES								
Event Sales	\$ -	\$ 5,402,205	\$ -	\$ -	\$ -	\$ -	\$ 5,402,205	\$ -
Gas and Oil Sales	-	-	-	-	-	-	-	1,372,681
Parts and Labor Sales	92,146	-	-	131,411	6,818	-	230,375	2,917,806
Water Sales	1,700	-	-	16,912,500	-	-	16,914,200	-
Sanitation Fees	-	-	5,102,679	35,500	13,969,688	7,511,784	26,619,651	-
Landing and Airport Fees	2,670,074	-	-	-	-	-	2,670,074	-
Miscellaneous Sales	32,203	11,459	49,190	54,100	20,766	106,121	273,839	974,505
Leases and Rentals	6,039,229	1,029,630	171,981	843,363	36,237	1,972,947	10,093,387	12,285
Employer Contributions	-	-	-	-	-	-	-	14,384,099
Employee Contributions	-	-	-	-	-	-	-	53,923
Total Operating Revenues	<u>8,835,352</u>	<u>6,443,294</u>	<u>5,323,850</u>	<u>17,976,874</u>	<u>14,033,509</u>	<u>9,590,852</u>	<u>62,203,731</u>	<u>19,715,299</u>
OPERATING EXPENSES								
Cost of Goods Sold	-	2,647,907	-	173,283	-	-	2,821,190	2,897,374
Salaries and Wages	1,670,036	2,214,737	903,856	2,440,426	1,335,007	1,680,110	10,244,172	736,873
Fringe Benefits	837,196	838,583	476,135	1,389,811	678,183	979,210	5,199,118	469,779
Professional Legal and Contracted Services	1,308,579	190,211	234,388	180,555	166,266	637,988	2,717,987	68,434
Building Equipment and Vehicle Services	1,665,333	916,315	1,144,431	3,061,541	1,353,054	1,411,919	9,552,593	335,613
Travel and Training	18,500	17,130	9,479	23,363	17,660	1,774	87,906	8,937
Operating Services	499,108	500,731	515,757	1,057,234	414,418	1,964,355	4,951,603	13,035,392
Operating Supplies	380,488	120,919	282,653	1,414,501	1,027,203	257,022	3,482,786	32,590
Depreciation and Amortization Expense	4,188,476	1,179,866	1,178,766	5,393,492	4,117,822	2,625,658	18,684,080	46,245
Total Operating Expenses	<u>10,567,716</u>	<u>8,626,399</u>	<u>4,745,465</u>	<u>15,134,206</u>	<u>9,109,613</u>	<u>9,558,036</u>	<u>57,741,435</u>	<u>17,631,237</u>
Net Operating Income (Loss)	<u>(1,732,364)</u>	<u>(2,183,105)</u>	<u>578,385</u>	<u>2,842,668</u>	<u>4,923,896</u>	<u>32,816</u>	<u>4,462,296</u>	<u>2,084,062</u>
NONOPERATING REVENUES (EXPENSES)								
Grants	1,803,000	27,676	-	-	-	85,371	1,916,047	-
Taxes	40,648	-	-	-	-	-	40,648	-
Special Assessments	-	-	-	104,127	83,828	65,855	253,810	-
Investment Income	490,430	37,664	175,594	1,114,111	1,026,931	595,034	3,439,764	215,776
Gain (Loss) on Disposal of Capital Assets	32,115	14,440	20,090	760,887	(39,409)	(13,899)	774,224	324,832
Settlement Proceeds	2,249,805	-	-	-	-	-	2,249,805	-
Interest and Fiscal Charges	(376)	(506,479)	(228,924)	(441,185)	(813,408)	-	(1,990,372)	-
Total Nonoperating Revenues (Expenses)	<u>4,615,622</u>	<u>(426,699)</u>	<u>(33,240)</u>	<u>1,537,940</u>	<u>257,942</u>	<u>732,361</u>	<u>6,683,926</u>	<u>540,608</u>
Net Income (Loss) Before Capital Charges, Capital Grants, Capital Contributions, and Transfers	<u>2,883,258</u>	<u>(2,609,804)</u>	<u>545,145</u>	<u>4,380,608</u>	<u>5,181,838</u>	<u>765,177</u>	<u>11,146,222</u>	<u>2,624,670</u>
Capital Charges	-	-	-	711,416	348,126	-	1,059,542	-
Capital Grants	17,442,190	-	-	4,061,947	6,035	-	21,510,172	-
Capital Contributions	177,120	-	-	1,288,366	1,307,539	838,364	3,611,389	2,770
Transfers In	20,014	2,544,845	390,194	1,049,924	1,900,000	-	5,904,977	427,000
Transfers Out	-	-	(434,915)	(446,347)	-	-	(881,262)	-
Change in Net Position	<u>20,522,582</u>	<u>(64,959)</u>	<u>500,424</u>	<u>11,045,914</u>	<u>8,743,538</u>	<u>1,603,541</u>	<u>42,351,040</u>	<u>3,054,440</u>
Net Position, Beginning of Year	<u>147,174,347</u>	<u>11,205,603</u>	<u>21,928,825</u>	<u>169,414,271</u>	<u>114,553,901</u>	<u>99,210,788</u>	<u>605,838,775</u>	<u>6,243,487</u>
Net Position, End of Year	<u>\$ 167,696,929</u>	<u>\$ 11,140,644</u>	<u>\$ 22,429,249</u>	<u>\$ 180,460,185</u>	<u>\$ 123,297,439</u>	<u>\$ 100,814,329</u>	<u>\$ 605,838,775</u>	<u>\$ 9,297,927</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds							<u>718,974</u>	
Changes in Net Position, Business-Type Activities							<u>\$ 43,070,014</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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL	
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor	Internal Service Funds	
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts From Customers and Users	\$ 10,457,297	\$ 4,975,455	\$ 4,090,389	\$ 19,070,660	\$ 13,886,448	\$ 9,576,569	\$ 62,056,818	\$ 5,315,447
Receipts From Employer	-	-	-	-	-	-	-	14,384,099
Payments to Suppliers	(1,989,384)	(4,488,372)	(2,557,109)	(6,379,983)	(3,592,644)	(5,369,212)	(24,376,704)	(17,189,657)
Payments to Employees	(1,601,956)	(2,130,306)	(848,687)	(2,311,847)	(1,293,902)	(1,594,499)	(9,781,197)	(712,783)
Net Cash Provided (Used) by Operating Activities	<u>6,865,957</u>	<u>(1,643,223)</u>	<u>684,593</u>	<u>10,378,830</u>	<u>8,999,902</u>	<u>2,612,858</u>	<u>27,898,917</u>	<u>1,797,106</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Grants Received	1,803,000	27,676	-	-	-	85,371	1,916,047	-
Payments from Other Funds	20,014	2,548,384	390,194	1,049,924	1,900,000	-	5,908,516	710,079
Payments to Other Funds	-	-	(434,915)	(446,347)	-	-	(881,262)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,823,014</u>	<u>2,576,060</u>	<u>(44,721)</u>	<u>603,577</u>	<u>1,900,000</u>	<u>85,371</u>	<u>6,943,301</u>	<u>710,079</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Grants Received	17,442,190	-	-	4,061,947	6,035	-	21,510,172	-
Taxes Received	40,648	-	-	-	-	-	40,648	-
Special Assessments Received	-	-	-	456,263	474,112	331,479	1,261,854	-
Capital Charges Received	-	-	-	711,416	348,126	-	1,059,542	-
Loan Proceeds	-	-	21,545,998	315,436	-	-	21,861,434	-
SBITA Proceeds	8,637	-	-	-	-	-	8,637	-
Debt Principal Paid	-	(1,320,000)	(1,406,316)	(3,197,725)	(2,780,000)	-	(8,704,041)	-
Debt Interest and Fees Paid	-	(458,640)	1,052,148	(495,214)	(835,819)	-	(737,525)	-
Lease Principal Paid	(1,777)	-	-	-	-	-	(1,777)	-
SBITA Principal Paid	(2,299)	-	-	-	-	-	(2,299)	-
Lease Interest Paid	(337)	-	-	-	-	-	(337)	-
Proceeds From Sale of Capital Assets Disposal	32,115	12,700	105,400	760,887	22,700	1,800	935,602	8,000
Proceeds from Insurance Recoveries	2,249,805	1,740	14,432	-	-	-	2,265,977	316,832
Acquisition and Construction of Capital Assets	(24,993,198)	(357,927)	(19,563,406)	(10,061,288)	(5,672,601)	(652,268)	(61,300,688)	(390,707)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,224,216)</u>	<u>(2,122,127)</u>	<u>1,748,256</u>	<u>(7,448,278)</u>	<u>(8,437,447)</u>	<u>(318,989)</u>	<u>(21,802,801)</u>	<u>(65,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment Income	377,190	8,196	140,527	851,952	750,338	429,397	2,557,600	215,776
Net Increase (Decrease) in Cash and Cash Equivalents (Restricted and Unrestricted)	3,841,945	(1,181,094)	2,528,655	4,386,081	3,212,793	2,808,637	15,597,017	2,657,086
Cash and Cash Equivalents (Restricted and Unrestricted), Beginning of Year	9,307,315	1,751,145	4,130,501	26,823,864	26,711,727	14,975,469	83,700,021	7,611,539
Cash and Cash Equivalents (Restricted and Unrestricted), Ending of Year	<u>\$ 13,149,260</u>	<u>\$ 570,051</u>	<u>\$ 6,659,156</u>	<u>\$ 31,209,945</u>	<u>\$ 29,924,520</u>	<u>\$ 17,784,106</u>	<u>\$ 99,297,038</u>	<u>\$ 10,268,625</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, 2023**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						GOVERNMENTAL	
	Airport	Event Center	Solid Waste Disposal	Water	Sanitary Sewer	Nonmajor	Internal Service Funds	
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities								
Net Operating Income (Loss)	\$ (1,732,364)	\$ (2,183,105)	\$ 578,385	\$ 2,842,668	\$ 4,923,896	\$ 32,816	\$ 4,462,296	\$ 2,084,062
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation and Amortization Expense	4,188,476	1,179,866	1,178,766	5,393,492	4,117,822	2,625,658	18,684,080	46,245
Change in Deferred Outflows of Resources from Pension	212,709	135,626	124,921	294,201	189,707	255,538	1,212,702	72,380
Change in Deferred Inflows of Resources from Leases	(675,531)	1,010,519	905,045	(20,910)	62,967	(400,946)	881,144	19,952
Change in Deferred Inflows of Resources from Pension	47,694	45,716	30,578	79,031	40,501	55,516	299,036	-
Change in Net Pension Liability	(221,789)	(132,362)	(116,498)	(282,510)	(197,521)	(253,064)	(1,203,744)	(71,155)
Change in Asset Retirement Obligation Liability	-	-	-	-	-	-	-	1,687
(Increase) Decrease in Accounts Receivable	1,764,500	(97,159)	(287,500)	1,107,261	(139,107)	49,944	2,397,939	(15,753)
(Increase) Decrease in Leases Receivable	532,976	(1,079,806)	(945,961)	11,307	(70,921)	333,355	(1,219,050)	-
(Increase) Decrease in Inventory	-	-	-	31,806	-	-	31,806	(6,986)
(Increase) Decrease in Prepaid Items	(20,503)	(2,426)	211	(10,632)	(1,838)	(3,064)	(38,252)	11,342
Increase (Decrease) in Customer Deposits	-	(284,221)	-	(3,872)	-	3,440	(284,653)	-
Increase (Decrease) in Accounts Payable	2,740,323	(264,669)	73,016	899,131	20,467	(113,880)	3,354,388	(137,391)
Increase (Decrease) in Compensated Absences Payable	21,163	8,100	4,262	12,201	1,375	15,107	62,208	-
Increase (Decrease) in Salaries Payable	8,303	27,351	11,906	25,656	7,043	12,514	92,773	2,913
Increase (Decrease) in Unearned Revenue	-	(6,653)	-	-	-	(76)	(6,729)	-
Increase (Decrease) in Claims and Judgments Payable	-	-	-	-	45,511	-	45,511	(210,190)
Increase (Decrease) in Closure and Post-Closure Liability	-	-	(872,538)	-	-	-	(872,538)	-
Total Adjustments	<u>8,598,321</u>	<u>539,882</u>	<u>106,208</u>	<u>7,536,162</u>	<u>4,076,006</u>	<u>2,580,042</u>	<u>23,436,621</u>	<u>(286,956)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,865,957</u>	<u>\$ (1,643,223)</u>	<u>\$ 684,593</u>	<u>\$ 10,378,830</u>	<u>\$ 8,999,902</u>	<u>\$ 2,612,858</u>	<u>\$ 27,898,917</u>	<u>\$ 1,797,106</u>
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES								
Contributed Capital Assets	\$ 177,120	\$ -	\$ -	\$ 54,325	\$ -	\$ 838,364	\$ 1,069,809	\$ 2,770
Capital Assets Contributed from Developers	-	-	-	1,234,041	1,307,539	-	2,541,580	-

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, 2023**

	Pension Trust Funds	Custodial Funds
ASSETS		
Cash and Cash Equivalents	\$ 307,775	\$ 740,272
Investments, at Fair Value:		
International Equities	84,610,821	-
International Fixed Income	56,873,670	-
Real Estate	33,964,018	-
Mutual Funds	-	78,822
Invested Cash	949,075	-
Invested Securities Lending	1,331,091	-
Accounts Receivable	785	-
Accrued Interest and Dividends	344,004	-
Total Assets	178,381,239	819,094
LIABILITIES		
Accounts Payable	138,980	4,884
Securities Lending Collateral	1,331,091	-
Total Liabilities	1,470,071	4,884
NET POSITION		
Restricted	176,911,168	814,210
Total Net Position	\$ 176,911,168	\$ 814,210

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	<u>Pension Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS		
Employer Contributions	\$ 4,829,220	\$ -
Employee Contributions	2,533,752	-
Total Contributions	<u>7,362,972</u>	<u>-</u>
Investment Income:		
Net increase (Decrease) in Fair Value of Investments	14,528,419	10,017
Interest and Dividend Earnings	2,923,639	-
Securities Lending Income	9,361	-
Total Investment Income	<u>17,461,419</u>	<u>10,017</u>
Investment Expense:		
Investment Activity Expense	(431,402)	-
Securities Lending Expense	(1,873)	-
Net Investment Income	<u>17,028,144</u>	<u>10,017</u>
Revenues		
Police Custody Funds Received	-	102,440
Total Revenues	<u>-</u>	<u>102,440</u>
Total Additions	<u>24,391,116</u>	<u>112,457</u>
DEDUCTIONS		
Benefits Paid to Participants	10,788,381	-
Refunds	445,130	25,284
Administration Expenses	174,635	-
Police Custody Funds Paid	-	139,117
Total Deductions	<u>11,408,146</u>	<u>164,401</u>
Change in Net Position	12,982,970	(51,944)
Net Position, Beginning of Year	163,928,198	866,154
Net Position, End of Year	<u>\$ 176,911,168</u>	<u>\$ 814,210</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

	<u>Page</u>
A. REPORTING ENTITY	35
B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	36
C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION	36
D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR FUND BALANCE	38
1. Cash and Investments	38
2. Inventories and Prepaid Items	38
3. Accounts Receivable/Lease Receivable	38
4. Capital Assets	39
5. Right-to-Use Lease Assets	39
6. Subscription-Based IT Arrangements (SBITAs)	40
7. Deferred Outflows of Resources	40
8. Unearned Revenues	40
9. Long-Term Liabilities	40
10. Leases & SBITAs Payable	41
11. Compensated Absences/Termination Benefits	41
12. Pensions	42
13. Deferred Inflows of Resources	43
14. Net Position and Fund Balance	43

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION IN THE GOVERNMENTAL ACTIVITIES	45
B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND STATEMENT OF ACTIVITIES	45

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION	46
B. FUND BALANCE DEFICIT	47

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS	47
B. INVESTMENTS	48
C. NOTES RECEIVABLE	50
D. LEASES RECEIVABLE	51
E. CAPITAL ASSETS	53
F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS	56
G. LONG-TERM LIABILITIES	57
H. LEASES AND SUBSCRIPTION-BASED IT ARRANGEMENTS PAYABLE	63
I. COMMITMENTS	67
J. TAX ABATEMENTS	67
K. RISK MANAGEMENT	68
L. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY	69
M. CERTAIN ASSET RETIREMENT OBLIGATIONS	70
N. EMPLOYEE RETIREMENT PLANS	70

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

1. Cash and Investments

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

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

2. Inventories and Prepaid Items

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

Proprietary funds record any payments made to vendors for services that will benefit periods beyond December 31, 2023, as prepaid items.

3. Accounts Receivable/Lease Receivable

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At the commencement of a lease, the City measures the lease receivable at the present value of payments expected to be received during the lease term, reduced for any provision for estimated uncollectible amounts. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner. Key estimates and judgments include (1) implicit interest rate, (2) lease term, and (3) lease receipts.

The City determines the discount rate for leases based on the applicable State and Local Government Securities (SLGS) rate and any additional rates necessary to reflect the City's implicit interest rate. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

4. Capital Assets

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

Capital assets of the City, except for land and construction and progress, are depreciated using the straight-line method over the following estimated useful lives:

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

5. Right-to-Use Lease Assets

The City's right-to-use lease assets are initially measured at an amount equal to the initial measurement of the lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease. The amortization period varies from 1 to 29 years.

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Subscription-Based IT Arrangements (SBITAs)

As of January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset - an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, the City recognized a right to use subscription asset of \$1,679,386 and a subscription liability of the same amount as of January 1, 2023. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes E and H.

The City recorded subscription assets as a result of implementing *GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs)*. The subscription-based right-to-use assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any payments made prior to the subscription term, less incentives, and plus ancillary charges necessary to place the subscription into service. The subscription right-to-use assets are amortized on a straight-line basis over the life of the related SBITA.

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

The City uses the interest rate charged by the vendor as the discount rate or implicit interest rate. When the interest rate charged by the vendor is not provided, the City determines its estimated borrowing rate (implicit interest rate) based on the applicable State and Local Government Securities (SLGS) rate. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are comprised of fixed payments and exercised purchase option the City is reasonably certain to exercise.

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

7. Deferred Outflows of Resources

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

8. Unearned Revenues

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

9. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

type activities, or proprietary fund-type statement of net position. Premiums and discounts are deferred and amortized over the life of the debt issuance on a straight-line basis. Long-term debt payable is reported net of the related debt premium or discount.

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

10. Leases & SBITAs Payable

The City has numerous noncancellable leases and subscription-based information technology arrangements (SBITAs). For leases, the City recognizes a lease liability and a right-to-use lease asset in the financial statements. For SBITAs, the City recognizes a SBITA liability and a subscription asset in the financial statements. These liabilities represent the City's obligation to make payments arising from the lease/subscription.

At the commencement of a lease or SBITA, the City measures the liability as the present value of payments expected to be paid during the lease term. Subsequently, the liability is reduced by the principal portion of payments received.

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

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

11. Compensated Absences / Termination Benefits

Annual Leave

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Sick Leave

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

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

12. Pensions

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

13. Deferred Inflows of Resources

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

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

14. Net Position and Fund Balance

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the General Fund, the City will strive to maintain a minimum unrestricted fund balance equal to 40% of the General Fund expenditures. This will assist in maintaining an adequate level of fund balance to provide for large future expenditures, cash flow requirements, and contingencies. If spending in designated circumstances has reduced unrestricted fund balance to a point below the minimum target, the replenishment will be within five years.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the City considers committed balances to have been spent first, then assigned, and, finally, unassigned, as needed, unless the City Commission has provided otherwise in its commitment or assignment actions. As of December 31, 2023, fund balances are composed of the following:

	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Nonmajor Governmental Funds	Governmental Funds
Nonspendable								
Economic Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 584,603	\$ 584,603
Inventory	5,005	-	-	-	-	-	-	5,005
Restricted								
Building Construction	8,045,803	-	-	-	-	-	-	8,045,803
Heavy Equipment	-	-	-	-	-	-	708,530	708,530
Highways and Streets	-	-	-	-	-	-	1,106,883	1,106,883
Opioid Settlement	-	-	-	-	-	-	124,363	124,363
Capital Projects	-	32,840,171	-	-	-	-	-	32,840,171
Bill 1066	-	-	13,463,312	-	-	-	-	13,463,312
Debt Service	-	-	-	9,588,875	33,186,168	-	9,178,841	51,953,884
Committed								
Public Health Programs	-	-	-	-	-	-	819,056	819,056
Transit System	-	-	-	-	-	-	35,529	35,529
Public Library	-	-	-	-	-	-	1,670,042	1,670,042
Drug Enforcement	-	-	-	-	-	-	552,118	552,118
Highways and Streets	-	-	-	-	-	-	4,203,646	4,203,646
Street Light Operations	-	-	-	-	-	-	3,433,858	3,433,858
Economic Development	-	-	-	-	-	-	931,746	931,746
Capital Projects	-	7,598,928	21,834,490	-	-	-	7,078,041	36,511,459
Assigned								
Contingencies	825,000	-	-	-	-	-	-	825,000
Department Equipment	2,255,183	-	-	-	-	-	-	2,255,183
Fire Truck and Equipment	1,423,103	-	-	-	-	-	-	1,423,103
Technology Equipment	113,649	-	-	-	-	-	-	113,649
Computer Expansion	433,092	-	-	-	-	-	-	433,092
Parking Lot	100,453	-	-	-	-	-	-	100,453
27th Payroll Set-Aside	856,291	-	-	-	-	-	-	856,291
Capital Projects	9,239,625	-	-	-	-	-	-	9,239,625
Snow Removal	-	-	-	-	-	-	1,553,905	1,553,905
Asset Retirement Obligation	67,500	-	-	-	-	-	-	67,500
Deferred Sick Leave	822,830	-	-	-	-	-	-	822,830
Economic Development	-	-	-	-	-	-	9,674	9,674
Unassigned	39,980,654	-	-	-	-	(13,332,872)	(2,967,329)	23,680,453
Total Fund Balances	\$64,168,188	\$40,439,099	\$35,297,802	\$9,588,875	\$33,186,168	\$(13,332,872)	\$29,023,506	\$198,370,766

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Debt Payable	\$ (115,250,000)
Debt Premium, Net	(5,540,514)
Accrued Interest Payable	(671,843)
Financing Purchase Obligations	(2,659,647)
Leases	(875,146)
Subscription-Based IT Arrangements (SBITAs)	(1,917,972)
Compensated Absences	<u>(4,035,206)</u>
Net Adjustment to Reduce Fund Balance to Arrive at Net Position	<u>\$ (130,950,328)</u>

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

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

Capital Outlay	\$ 53,904,430
Contributed Capital	72,500
Loss on Disposal of Capital Assets	(26,840)
Capital Outlay Transferred to Business-Type Activities	(892,689)
Depreciation Expense	(19,025,626)
Lease Capital Outlay	339,948
Lease Amortization Expense	(159,360)
SBITA Capital Outlay	578,193
SBITA Amortization Expense	<u>(338,007)</u>
Net Adjustment to Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ 34,452,549</u>

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

Revenues in the statement of activities that do not provide current financial resources:

Change in Deferred Inflows of Resources	\$ 5,546,973
Change in Interest Receivable	<u>1,791,985</u>
Net Adjustment to Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ 7,338,958</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

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

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

Debt Issued:	
Financing Purchase Obligations	\$ (1,488,576)
Lease Proceeds	(339,948)
SBITA Proceeds	(578,193)
Debt Issuance Principal	(19,785,000)
Debt Issuance Premium	<u>(492,373)</u>
Net Adjustment to Increase (Decrease) Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ (22,684,090)</u>

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

Principal Payments	\$ 17,440,000
Finance Purchase Obligations Principal Payments	574,125
Lease Principal Payments	147,941
SBITA Principal Payments	339,607
Changes in Compensated Absences Payable	(212,840)
Change in Accrued Interest Payable	(64,335)
Amortization Expense of Debt Premium (Discount)	582,565
Change in New Pension Liability(Asset) and Related Deferred Outflows (Inflows) of Resources	<u>(683,200)</u>
Net Adjustment to Changes in Fund Balances to Arrive at Change in Net Position	<u>\$ 18,123,863</u>

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. FUND BALANCE DEFICIT

The following individual funds had fund balance deficits as of December 31, 2023, in the fund balance of the following funds:

Fund	Deficit
Street Improvement Construction	\$ (13,332,872)
Sewermain Construction	(1,064,316)
Sidewalk Construction	(1,903,013)

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

IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS

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

Cash and Investments

As of December 31, 2023, the City's cash and investments are as follows:

Petty Cash	\$ 55,102
Deposits	176,436,909
Investments	295,822,168
Total Cash and Investments	\$ 472,314,179

The cash and investments presented in the financial statements as of December 31, 2023, are as follows:

Primary Government	
Unrestricted	\$ 280,510,105
Restricted	12,948,530
Fiduciary Funds	
Pension Trust	178,036,450
Custodial	819,094
Total Cash and Investments	\$ 472,314,179

Custodial Credit Risk

Custodial credit risk is associated with the failure of a depository financial institution to recover its deposits or collateralized securities that are in the possession of outside parties. The City does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the City maintains deposits at financial institutions authorized by the City Commissioners. State statutes also require that the deposits be protected by insurance, collateral, or surety bond. The fair value of the collateral pledged by the financial institution must be equal to or greater than 110% of the deposits not covered by FDIC insurance or surety bonds. The only exception is deposits with the Bank of North Dakota, which is owned and backed by the full faith and credit of the State of North Dakota. As of December 31, 2023, the carrying amount of the City's deposits was \$176,436,907 and the bank balance was \$178,981,898, which was FDIC insured and collateralized.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

B. INVESTMENTS

As of December 31, 2023, the City had the following investments:

Investment Type	Moody's or S&P Rating	Investment Maturities			Fair Value	Percent of Investments	Fair Value Hierarchy
		Less Than One Year	1-5 Years	6-10 Years			
US Government Agency	AA+	\$ 2,030,844	\$ 8,834,450	\$ 1,082,210	\$ 11,947,504	4%	Level 2
US Government Agency	AAA	-	466,600	-	466,600	0%	Level 2
US Government Agency	A+	38,371,132	4,015,234	-	42,386,366	15%	Level 2
US Treasury STRIPS	Not Rated	145,553	4,569,988	289,192	5,004,733	2%	Level 2
US Treasury Notes	Aaa	-	501,190	-	501,190	0%	Level 2
US State and Local Securities	A1	247,753	-	187,816	435,569	0%	Level 2
US State and Local Securities	AA	679,096	2,087,772	328,620	3,095,488	1%	Level 2
US State and Local Securities	AA-	148,532	453,976	-	602,508	0%	Level 2
US State and Local Securities	AA+	1,571,243	1,836,513	-	3,407,756	1%	Level 2
US State and Local Securities	Aa1	192,306	-	-	192,306	0%	Level 2
US State and Local Securities	Aa2	593,517	1,757,600	437,550	2,788,667	1%	Level 2
US State and Local Securities	Aa3	194,346	491,095	-	685,441	0%	Level 2
US State and Local Securities	AAA	-	2,888,079	289,782	3,177,861	1%	Level 2
US State and Local Securities	N/A	498,815	387,927	-	886,742	0%	Level 2
Commercial Paper	A-1+	39,857,104	-	-	39,857,104	14%	Level 2
Money Market Fund	AAAam	1,526,663	-	-	1,526,663	1%	Level 1
Local Government Pool	N/A	178,859,670	-	-	178,859,670	60%	NAV
Total Investments		\$ 264,916,574	\$ 28,290,424	\$ 2,615,170	\$ 295,822,168	100%	

State statutes authorize the City to invest in the following:

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

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

Interest Rate Risk

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

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

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

Credit Risk

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

Concentration of Credit Risk

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

Fair Value Measurement

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

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

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

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

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

Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. The fair value leveling of the City's investment portfolio were as of December 31, 2023.

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

C. NOTES RECEIVABLE

Notes receivable as of December 31, 2023, were:

Project	Interest Rate	Date Range	Balance
HUD HOME Abused Adult Resource Center - Bonnie's House	0%	7/24/2013 - 7/24/2033	\$ 100,563
HUD HOME Missouri Valley Habitat - Home Ownership Project	0%	7/8/2009 - 7/8/2024	5,200
HUD NSP Pride Inc. - 411 Sunset Place Acquisition	0%	3/30/2010 - 3/30/2025	4,320
HUD HOME BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	347,000
HUD NSP BCHA - Dakota Apartments Project	0%	12/20/2011 - 12/20/2031	193,443
HUD HOME Washington Court Project	0%	12/23/2020 - 12/23/2030	769,350
Patterson Place Apartments Loan	0%	11/28/1983 - 12/31/2039	300,000
Laughing Sun Brewing Company, LLC	2%	5/18/2018 - 12/1/2030	103,337
JB Lozensky Properties, LLP	2%	12/31/2018 - 6/1/2036	39,627
North Dakota Safety Council	2%	5/24/2018 - 1/1/2024	3,329
Activities for Learning Inc.	2%	12/23/2019 - 11/23/2038	32,611
CK Properties	2%	5/3/2022 - 7/1/2037	105,699
Total Notes Receivable			<u>\$ 2,004,479</u>

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

The City has entered into eight notes receivable with the Department of Housing and Urban Development (HUD) for the HOME Investment Partnerships Program (HOME) and Neighborhood Stabilization Programs (NSP). The July 24, 2013, HOME loan to Abused Adult Resource Center for Bonnie's Apartments is forgiven after the 20-year period of affordability expires (2033) or if ownership changes before 2033. The July 8, 2009, HOME loan for the Missouri Valley Habitat Home Ownership project for home buyer assistance is forgivable at 10% of the original loan amount (\$52,000) annually beginning on the sixth year of the loan (2015) and 100% forgiven after ownership for 15 years. The March 30, 2010, NSP loan to Pride Inc. is forgivable at 10% of the original loan amount (\$21,600) annually beginning on the sixth year of the loan (2016) and 100% forgiven after ownership for 15 years. The December 20, 2011, NSP and HOME Loans to Burleigh County Housing Authority for the Dakota Apartments Project are forgiven after 20 years (2031) or if ownership changes before 2031. The December 23, 2020, HOME loan to Washington Court LLC is forgiven after 10 years (2030) or if ownership changes before 2030. The November 1, 2020, HOME Loan and the September 21, 2020, NSP Loan to Community Works for the Boulevard Ave Apartments were both reassigned to North Dakota Housing Finance Agency in 2023.

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Notes receivable authorized from the Vision fund to Laughing Sun Brewing Company, LLC, JB Lozensky Properties, LLP, ND Safety Council, Activities for Learning and CK Properties promote economic and job development in the City. The Vision Fund currently has five outstanding loans all accruing interest at 2%, with 1% payable to Lewis and Clark Development Group and 1% payable to the Vision Fund. The Laughing Sun Brewing Company, LLC, loan payments of \$2,320 are required starting June 1, 2026. The JB Lozensky Properties, LLP loan payment is required starting July 1, 2029, in the amount of \$610. The ND Safety Council began making payments March 1, 2021, on their original loan of \$106,014. The principal amount received in 2023 totaled 37,847, thereby reducing the total loan amount to \$3,329 as of December 31, 2023. The Activities for Learning Inc. loan payments are required starting July 1, 2030, in the amount of \$455. In 2022, the City provided a loan to CK Properties on May 3, 2022, in the amount of \$105,699. Payments are required to start April 1, 2030, in the amount of \$2,166.

D. LEASES RECEIVABLE

Governmental Activities

The City entered into a 24-month lease agreement with Burleigh County as the lessor for the use of office space. The City received monthly payments of \$18,710 in 2023. The lease had an interest rate of 4.54% per annum. In 2023, the City recognized lease revenue of \$128,609 and interest revenue of \$4,603. The lease agreement ended on December 31, 2023.

The City entered into a 36-month lease with the Bismarck-Mandan Convention and Visitors Bureau as lessor for the use of a City-owned building. The City received monthly payments of \$3,200 in 2023 and the monthly payments will increase to \$3,400 in 2024. The lease has an interest rate of 4.54% per annum. In 2023, the City recognized lease revenue of \$35,906 and interest revenue of \$2,558. As of December 31, 2023, the City's lease receivable balance was \$39,811 and the deferred inflow of resources balance was \$35,906. The future principal and interest payment in 2024 are \$39,811 and \$841, respectively.

Business-Type Activities

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

As of December 31, 2023, the Airport held six leases for the rentals of buildings or building space. The terms of the leases range from 48 months to 72 months. The Airport will receive varying payments based on the nature of the lease. The interest rates range from 4.25% to 4.40% per annum. In 2023, the Airport recognized lease revenue of \$865,439 and interest revenue of \$146,902. As of December 31, 2023, the Airport's lease receivable balance for building leases was \$3,790,720 and the deferred inflow of resources balance was \$3,655,162.

As of December 31, 2023, the Airport held twenty land leases for buildings constructed by external entities, fuel storage, and cropland. The terms of the leases range from 25 months to 356 months. The Airport will receive varying payments based on the nature of the lease. The interest rates range from 4.16% to 5.30% per annum. In 2023, the Airport recognized lease revenue of \$1,147,903 and interest revenue of \$259,230. As of December 31, 2023, the Airport's lease receivable balance for land leases was \$5,370,493 and the deferred inflow of resources balance was \$5,205,860.

As of December 31, 2023, the Event Center held twenty-two leases for the rental of building space. The terms of the leases range from 15 months to 84 months. The Event Center will receive varying payments based on the nature of the lease. The interest rates range from 4.26% to 5.21% per annum. In 2023, the Event Center recognized lease revenue of \$377,338 and interest revenue of \$54,432. As of December 31, 2023, the Event Center's lease receivable balance for building leases was \$1,079,806 and the deferred inflow of resources balance was \$1,010,519.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

As of December 31, 2023, the Solid Waste Disposal, Water, and Sanitary Sewer funds held three leases with cell phone companies for cell tower placement agreements, one lease for haying land, and another lease for a building rental. The terms of the leases range from 18 months to 289 months. The Solid Waste Disposal, Water, and Sanitary Sewer funds will receive varying payments based on the nature of the lease. The interest rates range from 4.26% to 5.85% per annum. In 2023, the Solid Waste Disposal, Water, and Sanitary Sewer funds recognized lease revenue of \$151,015 and interest revenue of \$72,580. As of December 31, 2023, the lease receivable balance was \$1,665,719 and the deferred inflow of resources balance was \$1,591,255.

The Northern Plains Commerce Center (NPCC) held a 312-month lease with Lafarge North America, Inc. for the lease of land to construct and operate a rail and cement distribution facility. NPCC will receive annual payments of \$67,717. The lease has an interest rate of 4.29% per annum. In 2023, the NPCC recognized lease revenue of \$41,711 and interest revenue of \$43,479. As of December 31, 2023, NPCC's lease receivable balance was \$993,546 and deferred inflow of resources balance was \$1,001,066.

The Bismarck Parking Authority leases its real property for commercial and retail use. In 2023, the Parking Authority held seven leases with various businesses. The terms of the leases range from 13 months to 122 months. The Parking Authority will receive monthly payments ranging from \$817 to \$18,411. The interest rates range from 4.24% to 5.92% per annum. In 2023, the Parking Authority recognized lease revenue of \$354,308 and interest revenue of \$97,206. As of December 31, 2023, the lease receivable balance was \$2,116,505 and the deferred inflow of resources balance was \$2,013,120.

The future principal and interest lease receipts as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,636,415	\$ 595,098	\$ 3,231,513
2025	2,590,142	480,016	3,070,158
2026	2,324,652	368,683	2,693,335
2027	1,608,578	288,540	1,897,118
2028	803,312	239,243	1,042,555
2029 - 2033	2,440,041	818,160	3,258,201
2034 - 2038	1,000,018	470,080	1,470,098
2039 - 2043	950,500	245,761	1,196,261
2044 - 2048	559,370	72,355	631,725
2049 - 2051	103,761	5,561	109,322
Total	<u>\$ 15,016,789</u>	<u>\$ 3,583,497</u>	<u>\$ 18,600,286</u>

Discretely Presented Component Unit

CenCom has a 284-month lease with T-Mobile for the use and operation of antenna facilities. CenCom will receive payments of \$1,155 with a 10% escalation at each renewal term. The payments will remain at \$1,155 until the next renewal in September 2025. The lease has an interest rate of 4.35% per annum. In 2023, CenCom recognized lease revenue of \$10,305 and interest revenue of \$10,343. As of December 31, 2023, the lease receivable balance is \$236,126 and deferred inflow of resources balance is \$223,274.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

The future principal and interest lease receipts as of December 31, 2023, are as follows:

Year Ended December 31,	DISCRETELY PRESENTED COMPONENT UNIT		
	Principal	Interest	Total
2024	\$ 3,631	\$ 10,216	\$ 13,847
2025	4,286	10,021	14,307
2026	5,426	9,801	15,227
2027	5,666	9,559	15,225
2028	5,891	9,334	15,225
2029 - 2033	39,197	41,974	81,171
2034 - 2038	57,752	31,485	89,237
2039 - 2043	81,713	16,383	98,096
2044 - 2045	32,564	1,141	33,705
Total	<u>\$ 236,126</u>	<u>\$ 139,914</u>	<u>\$ 376,040</u>

E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance (*)	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 3,248,836	\$ -	\$ -	\$ 3,248,836
Construction in Progress	17,253,399	14,199,602	(17,198,047)	14,254,954
Total Capital Assets Not Being Depreciated	<u>20,502,235</u>	<u>14,199,602</u>	<u>(17,198,047)</u>	<u>17,503,790</u>
Capital Assets Being Depreciated/Amortized:				
Buildings and Building Improvements	40,015,891	11,608,977	-	51,624,868
Improvements Other Than Buildings	66,938	-	-	66,938
Infrastructure	545,991,078	38,998,000	-	584,989,078
Machinery and Equipment	54,656,616	6,178,356	(3,284,196)	57,550,776
Right-to-Use Lease Assets	918,686	339,948	(201,057)	1,057,577
Subscription-Based IT Arrangements	1,679,386	578,193	-	2,257,579
Total Capital Assets Being Depreciated/Amortized	<u>643,328,595</u>	<u>57,703,474</u>	<u>(3,485,253)</u>	<u>697,546,816</u>
Less Accumulated Depreciation/Amortization:				
Buildings and Building Improvements	(21,987,435)	(1,028,107)	-	(23,015,542)
Improvements Other Than Buildings	(57,353)	(1,259)	-	(58,612)
Infrastructure	(167,156,046)	(14,192,587)	-	(181,348,633)
Machinery and Equipment	(32,522,888)	(3,803,673)	3,257,356	(33,069,205)
Right-to-Use Lease Assets	(163,280)	(159,360)	201,057	(121,583)
Subscription-Based IT Arrangements	-	(338,007)	-	(338,007)
Total Accumulated Depreciation/Amortization	<u>(221,887,002)</u>	<u>(19,522,993)</u>	<u>3,458,413</u>	<u>(237,951,582)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>421,441,593</u>	<u>38,180,481</u>	<u>(26,840)</u>	<u>459,595,234</u>
Governmental Activities Capital Assets, Net	<u>\$ 441,943,828</u>	<u>\$ 52,380,083</u>	<u>\$ (17,224,887)</u>	<u>\$ 477,099,024</u>

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

(*) As a result of the implementation of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, \$1,679,386 of subscription-based IT arrangements have been added to the beginning balance presented above. As the subscription-based IT arrangements are offset by an equal amount of subscription liabilities, the City does not report a restatement of beginning net position.

In 2023, the City contributed \$892,689 of infrastructure from the governmental activities to the business-type activities, which is reported as a transfer on the statement of activities.

	Beginning Balance (*)	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets Not Being Depreciated:				
Land	\$ 18,590,966	\$ -	\$ -	\$ 18,590,966
Construction in Progress	28,122,287	45,191,617	(326,439)	72,987,465
Total Capital Assets Not Being Depreciated	<u>46,713,253</u>	<u>45,191,617</u>	<u>(326,439)</u>	<u>91,578,431</u>
Capital Assets Being Depreciated/Amortized:				
Buildings and Building Improvements	297,511,485	1,076,866	(33,260)	298,555,091
Improvements Other Than Buildings	452,365,366	17,081,374	-	469,446,740
Machinery and Equipment	41,446,685	4,469,516	(938,738)	44,977,463
Right-to-Use Lease Assets	9,586	-	-	9,586
Subscription-Based IT Arrangements	-	8,637	-	8,637
Total Capital Assets Being Depreciated/Amortized	<u>791,333,122</u>	<u>22,636,393</u>	<u>(971,998)</u>	<u>812,997,517</u>
Less Accumulated Depreciation/Amortization:				
Buildings and Building Improvements	(126,691,797)	(6,424,775)	17,561	(133,099,011)
Improvements Other Than Buildings	(145,942,986)	(9,938,959)	-	(155,881,945)
Machinery and Equipment	(21,389,789)	(2,318,069)	776,887	(22,930,971)
Right-to-Use Lease Assets	(480)	(1,917)	-	(2,397)
Subscription-Based IT Arrangements	-	(360)	-	(360)
Total Accumulated Depreciation/Amortization	<u>(294,025,052)</u>	<u>(18,684,080)</u>	<u>794,448</u>	<u>(311,914,684)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>497,308,070</u>	<u>3,952,313</u>	<u>(177,550)</u>	<u>501,082,833</u>
Business-Type Activities Capital Assets, Net	<u>\$ 544,021,323</u>	<u>\$ 49,143,930</u>	<u>\$ (503,989)</u>	<u>\$ 592,661,264</u>
	Beginning Balance	Increases	Decreases	Ending Balance
DISCRETELY PRESENTED COMPONENT UNIT				
Capital Assets Being Depreciated/Amortized:				
Machinery and Equipment	\$ 2,758,173	\$ 47,634	\$ -	\$ 2,805,807
Right-to-Use Lease Assets	8,401,268	-	-	8,401,268
Total Capital Assets Being Depreciated/Amortized	<u>11,159,441</u>	<u>47,634</u>	<u>-</u>	<u>11,207,075</u>
Less Accumulated Depreciation/Amortization:				
Machinery and Equipment	(368,291)	(200,107)	-	(568,398)
Right-to-Use Lease Assets	(441,132)	(442,179)	-	(883,311)
Total Accumulated Depreciation/Amortization	<u>(809,423)</u>	<u>(642,286)</u>	<u>-</u>	<u>(1,451,709)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>10,350,018</u>	<u>(594,652)</u>	<u>-</u>	<u>9,755,366</u>
Component Unit Capital Assets, Net	<u>\$ 10,350,018</u>	<u>\$ (594,652)</u>	<u>\$ -</u>	<u>\$ 9,755,366</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation expense and amortization expense were charged to functions or programs of the primary government as follows:

Governmental Activities:

General Government	\$	1,497,595
Public Safety		1,685,964
Highways and Streets		1,344,971
Health and Welfare		92,203
Culture and Recreation		762,176
Public Works		14,140,084
Total Depreciation Expense/Amortization, Governmental Activities	\$	19,522,993

Business-Type Activities:

Airport	\$	4,188,476
Event Center		1,179,866
Solid Waste Disposal		1,178,766
Water		5,393,492
Sanitary Sewer		4,117,822
Solid Waste Collections		340,227
Storm Water		1,330,898
Northern Plains Commerce Centre		198,032
Parking Authority		756,501
Total Depreciation Expense/Amortization, Business-Type Activities	\$	18,684,080

Leased assets by major class are as follows:

Governmental Activities			Business-Type Activities		
Asset Class	Cost	Accumulated Amortization	Asset Class	Cost	Accumulated Amortization
Building	\$ 468,235	\$ (17,120)	Building	\$ -	\$ -
Equipment	589,342	(104,463)	Equipment	9,586	(2,397)
	\$ 1,057,577	\$ (121,583)		\$ 9,586	\$ (2,397)

Discretely Presented Component Unit

Asset Class	Cost	Accumulated Amortization
Building	\$ 8,394,988	\$ (881,846)
Equipment	6,280	(1,465)
	\$ 8,401,268	\$ (883,311)

The City has recorded ten right-to-use lease assets for buildings and equipment and seven subscription-based IT arrangements. The related leases and subscriptions are discussed further in Note H. Leases & SBITAs Payable. The right-to-use lease assets and the subscription-based IT arrangements are amortized on a straight-line basis over the terms of the related leases.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The interfund receivable and interfund payable balances as of December 31, 2023, were as follows:

Interfund Receivable	Interfund Payable			Total
	Street Improvement Construction Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 17,560	\$ -	\$ 17,560
Sewermain Bonds Fund	-	590,939	-	590,939
Street Improvement Bonds Fund	12,901,315	-	-	12,901,315
Nonmajor Governmental Funds	-	1,858,488	283,079	2,141,567
Event Center Fund	-	39,357	-	39,357
Total	\$ 12,901,315	\$ 2,506,344	\$ 283,079	\$ 15,690,738

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

The interfund transfers during fiscal year ended December 31, 2023, were as follows:

Transfers Out	Transfers In						
	General Fund	Sales Tax	Highway Construction	Sewermain Bonds	Street Improvement Bonds	Street Improvement Construction	Nonmajor Governmental Funds
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,546,665
Sales Tax	9,853,526	-	21,365,466	-	-	-	1,143,381
Highway Construction	-	2,164,664	-	-	-	5,843,557	-
Sewermain Bonds	-	-	-	-	-	-	43,139
Street Improvement Bonds	-	-	-	-	-	265,223	-
Street Improvement Construction	-	-	-	-	601,986	-	-
Nonmajor Governmental Funds	786,158	-	-	35,025	-	661,831	488,742
Solid Waste Disposal	-	-	-	-	-	-	434,915
Water	6,519	-	-	-	-	49,634	-
Total	\$ 10,646,203	\$ 2,164,664	\$ 21,365,466	\$ 35,025	\$ 601,986	\$ 6,820,245	\$ 6,656,842

Transfers Out	Transfers In						Total
	Airport Fund	Event Center Fund	Solid Waste Disposal	Water Fund	Sanitary Sewer	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 427,000	\$ 4,973,665
Sales Tax	-	-	-	-	-	-	32,362,373
Highway Construction	-	-	-	1,049,924	1,900,000	-	10,958,145
Sewermain Bonds	-	-	-	-	-	-	43,139
Street Improvement Bonds	-	-	-	-	-	-	265,223
Street Improvement Construction	-	-	-	-	-	-	601,986
Nonmajor Governmental Funds	20,014	2,544,845	-	-	-	-	4,536,615
Solid Waste Disposal	-	-	-	-	-	-	434,915
Water	-	-	390,194	-	-	-	446,347
Total	\$ 20,014	\$ 2,544,845	\$ 390,194	\$ 1,049,924	\$ 1,900,000	\$ 427,000	\$ 54,622,408

Transfers from the general fund were made to fund certain projects of the special revenue and capital projects funds and to cover operational deficits within certain special revenue funds.

Transfers from the sales tax fund were made for property tax relief in the general fund, funding of the snow removal operations in roads and streets fund and to fund certain approved projects in the capital projects funds.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

Transfers from highway construction fund consisted of allocating Prairie Dog funding to approved enterprise fund projects, reallocating approved funds to other capital projects funds and returning unused sales tax proceeds from previous years.

Transfers between the debt service funds and capital projects funds are a result of residual balances due to refunding bonds being sold and the construction projects being closed out.

Transfers from nonmajor governmental funds were made to the general fund for equipment cost share from grant related capital purchases, contributions for equipment purchases in the event center fund, and debt service related to construction projects.

Transfers from solid waste disposal fund to nonmajor governmental funds were to contribute towards operational maintenance activities in the roads and streets fund due to the wear and tear on the city roadways.

Transfers from the water fund consisted of cost-share of equipment in the general fund, of construction costs for watermain replacements in the street construction fund and of debt service payments for the public works facility expansion paid for by solid waste disposal.

G. LONG-TERM LIABILITIES

Long-term liabilities for the year ended December 31, 2023, were as follows:

	Beginning Balance (*)	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
Special Assessment Bonds	\$ 112,905,000	\$ 19,785,000	\$ 17,440,000	\$ 115,250,000	\$ 17,945,000
Bond Premiums and Discounts, Net	5,630,706	492,373	582,565	5,540,514	-
Financed Purchase Obligations	1,745,196	1,488,576	574,125	2,659,647	900,212
Leases Payable	683,139	339,948	147,941	875,146	93,668
SBITAs Payable	1,679,386	578,193	339,607	1,917,972	379,184
Compensated Absences	3,822,366	3,629,461	3,416,621	4,035,206	3,272,901
Claims and Judgments	632,381	7,694,409	7,857,429	469,361	469,361
Total Governmental Activities	<u>127,098,174</u>	<u>34,007,960</u>	<u>30,358,288</u>	<u>130,747,846</u>	<u>23,060,326</u>
BUSINESS-TYPE ACTIVITIES:					
Lodging Restaurant Tax Refunding Revenue Note, 2022	18,200,000	-	1,320,000	16,880,000	1,350,000
Water Revenue Bonds, Series 2014	6,850,000	-	885,000	5,965,000	910,000
Bond Discount, Net	(56,947)	-	(9,111)	(47,836)	-
Water Revenue Refunding Bonds, Series 2020	3,620,000	-	595,000	3,025,000	615,000
Bond Premium, Net	241,203	-	45,943	195,260	-
Water Treatment Loan, 2009	6,395,000	-	970,000	5,425,000	1,005,000
Water Treatment Loan, 2021	5,487,277	-	317,277	5,170,000	325,000
Water Treatment Loan, 2022	223,212	35,271	220,324	38,159	2,159
Water Treatment Loan, 2023	-	280,165	210,124	70,041	3,041
Wastewater Loan, 2006	6,130,000	-	1,155,000	4,975,000	1,190,000
Wastewater Loan, 2020	4,705,000	-	295,000	4,410,000	300,000
Sanitary Sewer Revenue Bonds, Series 2015	20,970,000	-	1,330,000	19,640,000	1,365,000
Bond Discount, Net	(47,739)	-	(3,871)	(43,868)	-
Utility Revenue Bond, 2021	1,355,746	21,545,998	1,406,316	21,495,427	1,203,008
Financed Purchase Obligations	-	1,215,020	-	1,215,020	154,277
Leases Payable	9,120	-	1,777	7,343	1,850
SBITAs Payable	-	8,637	2,299	6,338	2,023
Landfill Closure and Post-Closure	3,626,597	-	872,538	2,754,059	-
Compensated Absences	1,080,025	893,721	831,513	1,142,233	775,727
Claims and Judgments	226,000	2,483,266	2,484,925	224,341	224,341
Total Business-Type Activities	<u>79,014,494</u>	<u>26,462,078</u>	<u>12,930,054</u>	<u>92,546,517</u>	<u>9,426,426</u>
Total Long-Term Liabilities	<u>\$ 206,112,668</u>	<u>\$ 60,470,038</u>	<u>\$ 43,288,342</u>	<u>\$ 223,294,363</u>	<u>\$ 32,486,752</u>

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

(*) As a result of the implementation of *GASB Statement No. 96, Subscription-Based Information Technology Arrangements*, \$1,679,386 to governmental activities of subscription-based IT arrangements have been added to the beginning balance presented above. As the subscription-based IT arrangements are offset by an equal amount of subscription liabilities, the City does not report a restatement of beginning net position.

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The legal debt margin as of December 31, 2023, was \$245,899,936 with a remaining non-obligated margin of \$245,899,936. The City has not issued any general obligation bonds as of December 31, 2023.

Special Assessment Bonds and Financed Purchase Obligations

Special assessment bonds outstanding and financed purchase obligations as of December 31, 2023, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rates	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Series X Refunding	1/1/2008	5/1/2023	3.5-5.4%	\$ 8,210,000	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -
Series C Refunding	12/14/2011	5/1/2026	2.0-2.8%	9,065,000	1,400,000	-	360,000	1,040,000	350,000
Series F Refunding	12/19/2012	5/1/2027	1.0-1.8%	9,465,000	2,910,000	-	595,000	2,315,000	590,000
Series I Refunding	12/1/2014	5/1/2029	0.1-3.0%	24,725,000	7,245,000	-	1,115,000	6,130,000	1,105,000
Series K Refunding	11/10/2015	5/1/2030	2.0-5.0%	31,905,000	12,705,000	-	1,750,000	10,955,000	1,750,000
Series L Refunding	12/15/2016	5/1/2031	2.0-5.0%	18,365,000	9,270,000	-	1,495,000	7,775,000	1,220,000
Series M Refunding	11/14/2017	5/1/2032	3.0-5.0%	17,790,000	11,065,000	-	1,600,000	9,465,000	1,615,000
Series N Refunding	11/27/2018	5/1/2033	3.0-5.0%	13,815,000	9,070,000	-	1,480,000	7,590,000	1,515,000
Series O Refunding	11/26/2019	5/1/2034	2.0-5.0%	8,235,000	6,200,000	-	860,000	5,340,000	885,000
Series P Refunding	11/24/2020	5/1/2035	1.3-4.0%	20,890,000	14,715,000	-	3,365,000	11,350,000	2,445,000
Series Q Refunding	11/9/2021	5/1/2036	1.0-4.0%	11,465,000	10,750,000	-	1,360,000	9,390,000	1,365,000
Series R Refunding	11/1/2022	5/1/2037	3.2-5.0%	18,210,000	18,210,000	-	1,715,000	16,495,000	1,440,000
Series S Refunding	11/14/2023	5/1/2038	4.0-5.0%	17,935,000	-	17,935,000	-	17,935,000	1,980,000
Total Improvement Special Assessment Bonds				\$ 210,075,000	\$ 103,550,000	\$ 17,935,000	\$ 15,705,000	\$ 105,780,000	\$ 16,260,000
Sidewalk 2012	11/1/2013	5/1/2023	2.0-2.7%	2,145,000	215,000	-	215,000	-	-
Sidewalk 2013	12/1/2014	5/1/2024	2.0-3.0%	1,835,000	370,000	-	185,000	185,000	185,000
Sidewalk 2014	12/1/2015	5/1/2025	2.0-3.0%	1,950,000	580,000	-	200,000	380,000	190,000
Sidewalk 2015	12/15/2016	5/1/2026	2.0-4.0%	1,970,000	810,000	-	205,000	605,000	205,000
Sidewalk 2016	11/14/2017	5/1/2027	2.0-2.5%	1,535,000	815,000	-	155,000	660,000	160,000
Sidewalk 2017	11/27/2018	5/1/2028	3.0-5.0%	1,200,000	800,000	-	125,000	675,000	125,000
Sidewalk 2018	11/26/2019	5/1/2029	2.0-5.0%	1,135,000	865,000	-	115,000	750,000	120,000
Sidewalk 2019	11/24/2020	5/1/2030	1.0-4.0%	1,480,000	1,265,000	-	155,000	1,110,000	155,000
Sidewalk 2020	11/9/2021	5/1/2031	2.0-3.0%	2,170,000	2,065,000	-	225,000	1,840,000	225,000
Sidewalk 2021	11/1/2022	5/1/2032	4.0-5.0%	1,570,000	1,570,000	-	155,000	1,415,000	130,000
Sidewalk 2022	11/14/2023	5/1/2033	4.0-5.0%	1,850,000	-	1,850,000	-	1,850,000	190,000
Total Sidewalk Bonds				\$ 18,840,000	\$ 9,355,000	\$ 1,850,000	\$ 1,735,000	\$ 9,470,000	\$ 1,685,000
Street Sweepers (3)	8/4/2021	8/4/2025	1.35%	668,445	401,019	-	131,884	269,135	133,665
Motor Graders (6)	12/15/2021	12/15/2025	1.31%	1,796,850	1,077,987	-	354,663	723,324	359,309
John Deere Loaders (2)	12/15/2021	12/15/2025	1.31%	443,700	266,190	-	87,578	178,612	88,725
Motor Grader (1), Street Sweepers (2)	4/26/2023	4/26/2030	3.90%	967,980	-	967,980	-	967,980	122,909
Axon Body Cameras	12/31/2023	9/1/2027	4.16%	520,596	-	520,596	-	520,596	195,604
Total Financed Purchase Obligations				\$ 4,397,571	\$ 1,745,196	\$ 1,488,576	\$ 574,125	\$ 2,659,647	\$ 900,212
Total Long-Term Debt, Governmental Activities				\$ 233,312,571	\$ 114,650,196	\$ 21,273,576	\$ 18,014,125	\$ 117,909,647	\$ 18,845,212

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

On November 14, 2023, the City issued 2023 Refunding Improvement Bonds, Series S, in the amount of \$17,935,000. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1st and November 1st. Principal payments are due annually beginning on May 1, 2024, through 2038. Interest accrues at rates ranging from 4% to 5% per annum.

On November 1, 2023, the City issued 2023 Sidewalk, Curb, and Gutter Warrants, Series SCG-2022 in the amount of \$1,850,000. Bond proceeds were used to reimburse the City for certain improvements for sidewalk, curb, and gutter improvements completed in 2022. The annual installment of principal and interest is paid by special assessments levied against the benefiting property owners. Interest payments are due semi-annually on May 1 and November 1. Principal payments are due annually beginning on May 1, 2024, through 2033. Interest accrues at rates ranging from 4% to 5% per annum.

From 2008 to 2023, the City issued multiple Refunding Improvement Bonds, the total remaining is \$115,250,000 as of December 31, 2023. Bond proceeds were used to finance construction and repairs of various streets, sewer mains, water mains, sidewalks, streetlights, and public parking lots. Principal, interest and fiscal charges due in 2023 were \$20,710,998. Special assessment revenues collected in 2023 related to these bonds was \$18,308,029.

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

During 2021, the City entered into a financed purchase obligation to finance the purchase of three street sweepers for roads and streets operations. Principal and interest payments are due annually on August 4, 2021, through 2025. Interest accrues on the outstanding balance at 1.35% per annum. Capital assets of \$668,445 less accumulated depreciation of \$230,773 are reported as of December 31, 2023.

During 2021, the City entered into a financed purchase obligation to finance the purchase of six motor graders for roads and streets operations. The total principal amount financed is \$1,796,850. Principal and interest payments are due annually on December 15, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. Capital assets of \$1,819,540 less accumulated depreciation of \$151,628 are reported as of December 31, 2023.

During 2021, the City entered into a financed purchase obligation to finance the purchase of two front-end loaders for roads and streets operations. The total principal amount financed is \$443,700. Principal and interest payments are due annually on December 15, 2021, through 2025. Interest accrues on the outstanding balance at 1.31% per annum. Capital assets of \$442,000 less accumulated depreciation of \$39,903 are reported as of December 31, 2023.

During 2023, the City entered into a financed purchase obligation to finance the purchase of two sweepers, one motor grader for roads and streets operations. The total principal amount financed is \$967,980. Principal and interest payments are due annually on March 30, 2024, through 2030. Interest accrues on the outstanding balance at 3.9% per annum. Capital assets of \$648,470 less accumulated depreciation of \$32,211 are reported as of December 31, 2023.

During 2023, the City entered into a financed purchased obligation to finance the purchase of a body camera system for police operations. The total principal amount financed is \$520,596. Principal and interest payments are due annually beginning September 1, 2024, through 2027. Interest has been calculated at 4.16% per annum. Capital assets of \$520,596 less accumulated depreciation of \$26,030 are reported as of December 31, 2023.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Governmental debt service requirements to maturity for special assessment bonds and financed purchased obligations are as follows:

Year Ended December 31,	GOVERNMENTAL ACTIVITIES		
	Principal	Interest	Total
2024	\$ 18,845,212	\$ 3,434,670	\$ 22,279,882
2025	16,896,028	2,858,912	19,754,940
2026	14,575,967	2,341,251	16,917,218
2027	13,085,652	1,927,642	15,013,294
2028	11,618,262	1,570,689	13,188,951
2029-2033	32,738,526	3,879,627	36,618,153
2034-2038	10,150,000	793,570	10,943,570
Total	<u>\$ 117,909,647</u>	<u>\$ 16,806,361</u>	<u>\$ 134,716,008</u>

Claims and Judgments

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

Compensated Absences

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

Business-Type Activities Revenue Bonds and Loans

Business-type activities outstanding debt service as of December 31, 2023, are as follows:

Issuance	Issuance Date	Date of Final Payment	Interest Rate	Original Par Value	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Lodging Restaurant Tax Refunding Revenue Note, 2022	4/13/2022	12/1/2034	2.52%	\$ 19,615,000	\$ 18,200,000	\$ -	\$ 1,320,000	\$ 16,880,000	\$ 1,350,000
Water Revenue Bonds, 2014	11/1/2014	4/1/2029	0.05 - 3.0%	13,535,000	6,850,000	-	885,000	5,965,000	910,000
Water Revenue Bonds, 2020	10/22/2020	4/1/2028	2.0 - 4.0%	4,825,000	3,620,000	-	595,000	3,025,000	615,000
Water Treatment Loan, 2009	6/15/2009	9/1/2028	1.5%	16,320,000	6,395,000	-	970,000	5,425,000	1,005,000
Water Treatment Loan, 2021	10/4/2021	9/1/2037	1.5%	5,487,277	5,487,277	-	317,277	5,170,000	325,000
Water Treatment Loan, 2022	6/14/2022	9/1/2038	1.5%	902,483	223,212	35,271	220,324	38,159	2,159
Water Treatment Loan, 2023	9/1/2023	9/1/2043	1.5%	2,000,000	-	280,165	210,124	70,041	3,041
Wastewater Loan, 2006	11/14/2006	9/1/2027	2.5%	18,400,000	6,130,000	-	1,155,000	4,975,000	1,190,000
Wastewater Loan, 2020	7/1/2020	9/1/2036	1.5%	4,705,000	4,705,000	-	295,000	4,410,000	300,000
Wastewater Bonds, 2015	11/1/2015	5/1/2035	2.0-5.0%	29,000,000	20,970,000	-	1,330,000	19,640,000	1,365,000
Utility Revenue Bond, 2021	11/1/2021	5/1/2041	2.0%	26,000,000	1,355,746	21,545,998	1,406,317	21,495,427	1,203,008
Total Revenue Bonds and Loans				<u>\$ 140,789,760</u>	<u>\$ 73,936,235</u>	<u>\$ 21,861,434</u>	<u>\$ 8,704,042</u>	<u>\$ 87,093,627</u>	<u>\$ 8,268,208</u>
Landfill Scraper	4/26/2023	4/26/2030	3.90%	1,215,020	-	1,215,020	-	1,215,020	154,277
Total Long-Term Debt, Business-Type Activities				<u>\$ 142,004,780</u>	<u>\$ 73,936,235</u>	<u>\$ 23,076,454</u>	<u>\$ 8,704,042</u>	<u>\$ 88,308,647</u>	<u>\$ 8,422,485</u>

On April 13, 2022, the City issued Lodging and Restaurant Tax Refunding Revenue Note, Series 2022, in the amount of \$19,615,000. The bond was issued to finance the construction of the City's Event Center Exhibit Hall expansion. The City dedicated the future lodging, liquor, and restaurant tax revenue to meet the annual and future debt service requirements. Interest payments are due semi-annually on June 1st and December 1st. Principal payments on the Lodging and Restaurant Refunding Revenue Note, Series 2022, are due annually beginning on December 1, 2022, through 2034. Interest accrues at 2.52% per annum. This bond contains a provision that if proceeds of the Liquor, Lodging and Restaurant Tax Fund on hand at any time are insufficient to make principal and interest payments, such deficiencies shall be restored out of the next net proceeds from the Liquor, Lodging, and Restaurant Tax Fund hereafter received. The principal and interest payments made in 2023 were \$1,778,640. In 2023, lodging, liquor, and restaurant tax revenue totaled \$4,174,884 which covered the bond's debt service requirement. The Note has first priority lien upon the Liquor, Lodging and Restaurant Tax proceeds.

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

In 2023, the City's revenues for water and sanitary sewer were \$17,976,874 and \$14,033,509, respectively. Water revenues were dedicated for Water Revenue Bonds Series 2014, Water Revenue Refunding Bonds Series 2020, Water Treatment Loan Series 2009, Water Treatment Loan Series 2021, Water Treatment Loan Series 2022, Water Treatment Loan Series 2023, and Utility Revenue Bond Series 2021. Sanitary sewer revenues were dedicated to Wastewater Loan Series 2006, Wastewater Loan Series 2020 and Sanitary Sewer Revenue Bonds Series 2015. If net revenues at any time are insufficient to make principal and interest payments, such deficiencies shall be restored from water and sanitary sewer revenues collected thereafter. The City is required to own and maintain the capital assets resulting from this construction. However, the City may dispose of any water or sanitary sewer property not essential to the operation in order to meet debt service requirements on these bonds. In 2023, principal and interest paid was \$3,556,475 for all the water fund related revenue bonds and loans and \$3,553,122 for wastewater revenue bonds and loans.

On August 23, 2023, the City entered into the Wastewater Treatment Revenue Bond (Loan), Series 2023, to finance the construction of the Hay Creek Lift Station and the Hay Creek Sewer Interceptor. The City dedicated the future sanitary sewer fees and revenue to meet the annual and future debt service requirements. Interest payments are due semi-annually on March 1st and September 1st. Principal payments are due annually based on the amount drawn beginning on March 1, 2024, through 2044. Interest accrues at 2% per annum. The City establishes, imposes, and collects reasonable charges for their services, facilities, products, and by-products of the utility according to schedules sufficient to pay all principal and interest due. As of December 31, 2023, no draws were made on the loan, and, therefore, no liability has been incurred.

In 2020, the City issued Water Revenue Refunding Bonds, Series 2020, in the amount of \$4,825,000. Bond proceeds were used to refund the Water Revenue Bonds, Series 2013, in the amount of \$5,365,000. The City pledged future water revenues to finance the standby power, the water softening expansion project, and the water treatment plant intake project. Interest payments are due semi-annually on April 1st and October 1st. Principal payments are due annually on April 1st through 2028. Interest accrues at rates ranging from 2% to 4% per annum. The City establishes, imposes, and collects reasonable charges for their services, facilities, products and by-products of the utility according to schedules sufficient to pay all principal and interest due.

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

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

In 2020, the City entered into a \$5,000,000 loan from the Drinking Water State Revolving Fund (DWSRF) and a \$5,000,000 loan from the Clean Water State Revolving Fund (CWSRF) through the State of North Dakota. The loan proceeds are used for watermain replacements, lead service line replacements, and improvements to a wastewater treatment facility. In 2021, the City entered into an additional \$1,995,000 loan from the DWSRF. The 2021 DWSRF loan refunded the 2020 DWSRF loan making the total balance \$6,995,000. As of December 31, 2023, the Water Treatment Loan, 2021, was fully drawn at \$6,877,277, of which \$1,390,000 was eligible for loan forgiveness, making the repayment amount \$5,487,277 over the lifetime of the loan. The Wastewater Loan, 2020, is also fully funded at \$5,000,000, of which \$295,000 was eligible for loan forgiveness, making the repayment amount \$4,705,000 over the lifetime of the loan. In 2022, the city entered into an additional \$1,500,000 Water Treatment Loan. As of December 31, 2023, the loan is fully drawn for a total of \$902,483, of which \$864,324 was

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

eligible for loan forgiveness, with a loan balance \$38,159. Interest payments are due semi-annually on March 1st and September 1st. Principal payments are due annually beginning September 1st through 2036 for Wastewater Loan 2020 and through 2037 for Water Treatment Loan 2021 and 2022. Interest accrues at a rate of 1.5% per annum. In 2023, the City entered into another \$2,000,000 from DWSRF. As of December 31, 2023, draws of \$280,165 have been done of which \$210,124 was eligible for loan forgiveness leaving a loan balance to repay of \$70,041. A preliminary debt schedule shows payments due semi-annual on March 1st and September 1st. Principal payments are due September 1st through 2043.

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

In 2021, the City entered into an agreement for \$26,000,000 infrastructure revolving fund loan with the Bank of North Dakota to expand the Public Works building, known as the Utility Revenue Bond, 2021. The City will draw down the proceeds as construction expenses are incurred. Interest accrues as proceeds are drawn by the City. Interest accrues at a fixed rate of 2% per annum and is payable each May 1st and November 1st. As of December 31, 2023, construction expenses of \$21,545,998 were reimbursed using loan proceeds. In the event of default on the loan, any bondholder may enforce the holder's rights against the City and the City Commission to perform their duties and obligations. The bond is payable from net revenues of the City's waste disposal, waste collections, and water utilities. The water utility revenue is stated above. The waste disposal and collection revenue in 2023 was \$12,612,329. In 2023, principal and interest paid on the loan was \$1,560,776.

During 2023, the City entered into a financed purchase obligation to finance the purchase of a scraper for solid waste disposal operations. The total principal amount financed is \$1,215,020. Principal and interest payments are due annually on March 30, 2024, through 2030. Interest accrues on the outstanding balance at 3.9% per annum. Capital assets of \$1,215,020 less accumulated depreciation of \$0 are reported as of December 31, 2023. Annual debt service schedule to maturity for revenue bonds, loans and financed purchase obligations are as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	Principal	Interest	Total
2024	\$ 8,422,485	\$ 1,990,141	\$ 10,412,626
2025	8,645,340	1,779,072	10,424,412
2026	8,878,751	1,558,598	10,437,349
2027	9,137,527	1,336,788	10,474,315
2028	7,807,679	1,119,296	8,926,975
2029-2033	28,115,568	3,513,952	31,629,520
2034-2038	15,149,571	982,471	16,132,042
2039-2043	2,151,726	127,522	2,279,248
Total	\$ 88,308,647	\$ 12,407,840	\$ 100,716,487

CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023

DETAILED NOTES ON ALL FUNDS (Continued)

H. LEASES AND SUBSCRIPTION-BASED IT ARRANGEMENTS PAYABLE

Governmental Activities Leases

The City entered into an 18-month lease agreement as a lessee for the use of a shop condo. In June 2023, a lease modification occurred that increased the right-to-use asset and lease liability by \$5,306. The lease expired September 30, 2023, without renewal. The City made monthly payments of \$1,775 during the lease term. The lease interest accrued at a rate of 4.27% per annum. As of December 31, 2023, the lease ended. The right-to-use asset of \$35,868 was fully amortized. Interest expense for the current year totaled \$113 and amortization expense totaled \$15,493.

The City entered into a 252-month lease agreement as a lessee for the use of the Municipal Court building expiring December 31, 2042. In November 2023, a lease modification occurred that increased the right-to-use asset and lease liability by \$320,631. As of December 31, 2023, the value of the lease liability was \$455,047. The City is required to make monthly principal and interest payments of \$2,938 beginning in 2024. In 2023, the City paid an annual payment of \$10,848. The lease interest accrues at a rate of 4.25% per annum. The carrying value of the right-to-use asset as of December 31, 2023, was \$468,235 with accumulated amortization of \$17,121. Interest expense for the current year totaled \$7,985 and amortization expense totaled \$9,890.

Public Health entered into a 17-month lease agreement as a lessee for the use of building space from the University of Mary. Public Health made monthly payments of \$9,995 during the lease term. The lease interest accrued at a rate of 4.27% per annum. As of December 31, 2023, the lease ended and the right-to-use asset value of \$165,189 was fully amortized. Interest expense for the current year totaled \$389 and amortization expense totaled \$48,585.

The Bismarck Veterans Memorial Public Library entered into a 58-month lease agreement as lessee for the use of eleven copiers and printers expiring October 20, 2026. As of December 31, 2023, the value of the lease liability was \$17,712. The Library is required to make monthly principal and interest payments of \$552. The lease interest accrues at a rate of 4.07% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$29,144 and had accumulated amortization of \$12,134. Interest expense for the current year totaled \$830 and amortization expense totaled \$6,067.

During 2023, the Bismarck Veterans Memorial Public Library entered into a new 60-month lease agreement as lessee for the use of a postage machine expiring October 10, 2028. A lease liability of \$5,654 was recorded at the beginning of the lease term. As of December 31, 2023, the value of the lease liability was \$5,343. The Library is required to make quarterly principal and interest payments of \$311. The lease interest accrues at a rate of 4.16% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$5,654 and had accumulated amortization of \$252. Interest expense for the current year totaled \$49 and amortization expense totaled \$252.

During 2023, the Bismarck Veterans Memorial Public Library entered into a new 60-month lease agreement as lessee for the use of a copier expiring May 16, 2028. A lease liability of \$8,358 was recorded at the beginning of the lease term. As of December 31, 2023, the value of the lease liability was \$7,334. The Library is required to make monthly principal and interest payments of \$152. The lease interest accrues at a rate of 4.16% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$8,358 and had accumulated amortization of \$1,046. Interest expense for the current year totaled \$204 and amortization expense totaled \$1,047.

The City entered into an 84-month lease agreement as lessee for the use of two John Deere 544P loaders expiring October 31, 2029. As of December 31, 2023, the value of the lease liability was \$109,605. The City is required to make annual principal and interest payments of \$24,140. The lease interest accrues at a rate of 3.25% per annum. The carrying value of the right-to-use assets as of the end of the current fiscal year was \$153,614 and had accumulated amortization of \$25,602. Interest expense for the current year totaled \$4,165 and amortization expense totaled \$21,945.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

The City entered into an 84-month lease agreement as lessee for the use of four John Deere 644P loaders expiring October 31, 2029. As of December 31, 2023, the value of the lease liability was \$280,105. The City is required to make annual principal and interest payments of \$61,692. The lease interest accrues at a rate of 3.25% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$392,573 and had accumulated amortization of \$65,429. Interest expense for the current year totaled \$10,645 and amortization expense totaled \$56,082.

The future lease payments for principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	GOVERNMENTAL ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 93,668	\$ 32,760	\$ 126,428
2025	101,100	29,190	130,290
2026	103,581	25,591	129,172
2027	101,603	22,044	123,647
2028	103,732	18,529	122,261
2029 - 2033	108,205	67,697	175,902
2034 - 2038	133,789	42,024	175,813
2039 - 2042	129,468	11,102	140,570
Total	<u>\$ 875,146</u>	<u>\$ 248,937</u>	<u>\$ 1,124,083</u>

Governmental Activities SBITAs

The City entered into a 72-month subscription-based IT arrangement (SBITA) for Microsoft Office and server licensing ending on December 30, 2028. On January 1, 2023, a subscription asset and related liability of \$1,412,782 were recorded. As of December 31, 2023, the value of the SBITA liability was \$1,152,442. The City is required to make annual principal and interest payments of \$260,340. The SBITA interest accrues at a rate of 4.12% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$1,412,782 with accumulated amortization of \$235,570. Interest expense for the current year totaled \$48,252 and amortization expense totaled \$235,570.

The City entered into a 36-month subscription-based IT arrangement (SBITA) for SysAid software ending on September 8, 2024. On January 1, 2023, a subscription asset and related liability of \$13,794 were recorded. The City is required to make annual principal and interest payments of \$14,114. The SBITA interest accrues at a rate of 4.79% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$13,794 with accumulated amortization of \$8,167. Interest expense for the current year totaled \$320 and amortization expense totaled \$8,167. As of December 31, 2023, the SBITA liability is \$0.

The City entered into a 36-month subscription-based IT arrangement (SBITA) for Esri term license software ending on January 24, 2028. On January 1, 2023, a subscription asset and related liability of \$252,810 were recorded. As of December 31, 2023, the value of the SBITA liability was \$198,501. The City is required to make annual principal and interest payments of \$55,000. The SBITA interest accrues at a rate of 4.16% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$252,810 with accumulated amortization of \$49,918. Interest expense for the current year totaled \$8,521 and amortization expense totaled \$49,918.

The City entered into a 36-month subscription-based IT arrangement (SBITA) for EagleView Platform ending on April 3, 2026. On April 4, 2023, a subscription asset and related liability of \$32,158 were recorded. As of December 31, 2023, the value of the SBITA liability was \$20,958. The City is required to make annual principal and interest payments of \$11,200. The SBITA interest accrues at a rate of 4.45% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$32,158 with accumulated amortization of \$7,950. Interest expense for the current year totaled \$703 and amortization expense totaled \$7,950.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

The Police Department entered into a 60-month subscription-based IT arrangement (SBITA) for the use of software for Axon body cameras ending on August 31, 2028. On September 1, 2023, a subscription asset and related liability of \$520,086 were recorded. As of December 31, 2023, the value of the SBITA liability was \$520,086. The Police Department is required to make annual principal and interest payments of \$113,265. The SBITA interest accrues at a rate of 4.16% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$520,086 with accumulated amortization of \$34,672. Interest expense for the current year totaled \$7,210 and amortization expense totaled \$34,672.

The Police Department entered into a 60-month subscription-based IT arrangement (SBITA) for the use of software for Axon interview room cameras ending on August 31, 2028. On September 1, 2023, a subscription asset and related liability of \$25,949 were recorded. As of December 31, 2023, the value of the SBITA liability was \$25,949. The Police Department is required to make annual principal and interest payments that will vary between \$6,877 to \$7,438 a year. The SBITA interest accrues at a rate of 4.16% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$25,949 with accumulated amortization of \$1,730. Interest expense for the current year totaled \$360 and amortization expense totaled \$1,730.

The future SBITA payments for principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	GOVERNMENTAL ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 482,245	\$ 64,265	\$ 546,510
2025	385,961	47,515	433,476
2026	391,544	31,022	422,566
2027	408,337	13,954	422,291
2028	249,885	29	249,914
Total	<u>\$ 1,917,972</u>	<u>\$ 156,785</u>	<u>\$ 2,074,757</u>

Business-Type Activities Leases

The Airport entered into a 60-month lease agreement as lessee for the use of a copier expiring September 30, 2027. As of December 31, 2023, the value of the lease liability was \$7,343. The Airport is required to make monthly principal and interest payments of \$176. The lease interest accrues at an interest rate of 4.06% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$7,189 with accumulated amortization of \$2,396. Interest expense for the current year totaled \$332 and amortization expense totaled \$1,917.

The future lease payments for principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,850	\$ 259	\$ 2,109
2025	1,927	181	2,108
2026	2,007	101	2,108
2027	1,559	21	1,580
Total	<u>\$ 7,343</u>	<u>\$ 562</u>	<u>\$ 7,905</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Business-Type Activities SBITAs

The Airport entered into a 48-month subscription-based IT arrangement (SBITA) for the use of runway sensor software expiring October 31, 2027. On November 1, 2023, a subscription asset and related liability of \$8,637 were recorded. As of December 31, 2023, the value of the lease liability was \$6,338. The Airport is required to make annual principal and interest payments of \$2,299. The SBITA interest accrues at an interest rate of 4.27% per annum. The carrying value of the subscription asset as of the end of the current fiscal year was \$8,277 with accumulated amortization of \$540. Interest expense for the current year totaled \$45 and amortization expense totaled \$360.

The future SBITA payments for principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	BUSINESS-TYPE ACTIVITIES		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,023	\$ 263	\$ 2,286
2025	2,112	173	2,285
2026	2,203	80	2,283
Total	<u>\$ 6,338</u>	<u>\$ 516</u>	<u>\$ 6,854</u>

Discretely Presented Component Unit Leases

CenCom entered into a 226-month lease agreement as lessee for the use of a building used for CenCom operations expiring October 31, 2040. As of December 31, 2023, the lease liability was \$7,513,662. CenCom is required to make monthly principal and interest payments of \$51,920. The lease interest accrues at an interest rate of 4.19% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$8,132,789 with accumulated amortization of \$863,659. Interest expense for the current year totaled \$320,687 and amortization expense totaled \$431,830.

CenCom entered into a 346-month tower lease agreement as lessee for the use of property necessary to operate 911 radio communication services expiring October 31, 2050. As of December 31, 2023, the lease liability was \$259,760. CenCom is required to make monthly principal and interest payments of \$925. The lease interest accrues at an interest rate of 3.96% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$262,199 with accumulated amortization of \$18,187. Interest expense for the current year totaled \$10,302 and amortization expense totaled \$9,093.

CenCom entered into a 60-month lease agreement as lessee for the use of one copier expiring October 31, 2027. As of December 31, 2023, the value of the lease liability was \$4,909. CenCom is required to make monthly principal and interest payments of \$115. The lease interest accrues at an interest rate of 4.06% per annum. The carrying value of the right-to-use asset as of the end of the current fiscal year was \$6,280 and had accumulated amortization of \$1,465. Interest expense for the current year totaled \$221 and amortization expense totaled \$1,256.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

The future lease payments for principal and interest as of December 31, 2023, are as follows:

<u>Year Ended December 31,</u>	DISCRETELY PRESENTED COMPONENT UNIT		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 315,309	\$ 319,131	\$ 634,440
2025	329,967	304,700	634,667
2026	345,476	290,525	636,001
2027	359,995	275,726	635,721
2028	373,433	261,087	634,520
2029 - 2033	2,130,375	1,047,381	3,177,756
2034 - 2038	2,637,428	549,068	3,186,496
2039 - 2043	1,158,038	72,653	1,230,691
2044 - 2048	88,893	17,109	106,002
2049 - 2050	39,417	1,384	40,801
Total	<u>\$ 7,778,331</u>	<u>\$ 3,138,764</u>	<u>\$ 10,917,095</u>

I. COMMITMENTS

As of December 31, 2023, the City had commitments on various construction contracts totaling \$55,502,091.

J. TAX ABATEMENTS

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Taxes abated for the year ending December 31, 2023, were as follows:

Tax Abatement Programs	
Renaissance Zone Exemption - Commercial	\$ 24,672
Renaissance Zone Exemption - Residential	245,922
Remodeling Exemption - Residential	621
Total Tax Abatement	\$ 271,215

K. RISK MANAGEMENT

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

In accordance with NDCC 32-12.1, the City has a liability limitation of \$465,250 per claim with a \$1,625,000 aggregate limit for actions in tort until July 1, 2024, when that amount rises.

As of December 31, 2023, the City-Wide liability claims and any sewer backup claims have been recorded as a liability, as follows:

<u>For year-ended December 31,</u>	<u>City-Wide Liability Claims</u>			
	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2023	\$ 190	\$ 5,719	\$ 5,909	\$ -
2022	\$ -	\$ 440	\$ 250	\$ 190
2021	\$ -	\$ -	\$ -	\$ -

<u>For year-ended December 31,</u>	<u>Sewer Backup Claims</u>			
	Beginning Liability	Claims and Changes in Estimates	Claim Payments	Ending Liability
2023	\$ 34,191	\$ 50,557	\$ 5,046	\$ 79,702
2022	\$ -	\$ 229,133	\$ 194,942	\$ 34,191
2021	\$ -	\$ 72,666	\$ 72,666	\$ -

Employee Insurance

The City has established a medical self-insurance fund. The purpose of medical self-insurance fund is to finance medical claims for employees and covered dependents of the City and the Bismarck Parks and Recreation District, and to minimize the total cost of annual medical insurance premiums. Medical claims exceeding \$125,000 per individual per year is covered by the stop-loss insurance. This medical plan has paid an excess of stop-loss coverage of \$274,038 for 2023. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years. As of December 31, 2023, incurred but not reported (IBNR) liability was estimated by a third-party administrator and reported in the financial statements in the amount of \$614,000. A summary of the IBNR claim reserve liabilities and related claim payments is shown below:

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

<u>For year-ended December 31,</u>	<u>Beginning Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2023	\$ 824,000	\$ 10,058,552	\$ 10,268,552	\$ 614,000
2022	\$ 743,000	\$ 9,408,873	\$ 9,327,873	\$ 824,000
2021	\$ 994,000	\$ 8,286,022	\$ 8,537,022	\$ 743,000

State Fire and Tornado and Bonding Fund

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

Worker's Compensation

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

L. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The City maintains the Bismarck Municipal Solid Waste Facility that acts in the form of a landfill. Federal and state regulations require the City to place a final cover and perform certain maintenance and monitoring functions at the site for 30 years after closure. The City reports a portion of these closure and post-closure care costs as an operating expense annually based on landfill capacity used. As of December 31, 2023, the City reported a \$2,754,059 liability as future landfill closure and post-closure, which represents the cumulative costs with an inflation factor on the use of 100% of the estimated capacity of the Municipal Solid Waste (MSW) landfill, 19.96% of the MSW landfill cell 1, and 69.21% of the Inert Waste as provided by the State of North Dakota Department of Environmental Quality. Actual costs may be higher due to inflation, various economic factors, changes in technology, or changes in regulations. The old Municipal Solid Waste pit has been closed therefore the liability for the closure costs is no longer included in the calculations, just the post-closure costs.

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

M. CERTAIN ASSET RETIREMENT OBLIGATIONS

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

The liability for the asset retirement obligations is based on estimated costs provided by an external consultant which includes the cost to remove, clean, and dispose of the tanks when retired. The estimated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of 38 years. As of December 31, 2023, the asset retirement obligation liability was \$67,500. The City has assigned fund balance in the General Fund to finance the future liability.

Costs included with the cleanup of contaminated soil are not included in the asset retirement obligation liability. As of December 31, 2023, there are no known leaks to the fuel tanks. Therefore, the cleanup of contaminated soil would not be necessary. If a leak did occur, the City would treat and dispose the contaminated soil with minimal additional liability to the City.

N. EMPLOYEE RETIREMENT PLANS

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

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

In addition, the City contributes to the Bismarck Firefighters' Relief Association Pension Plan (the Firefighters' Pension Plan) administered by the Firefighters' Relief Association, which is a separate legal entity and not included in the City's financial statements. The Firefighters' Pension Plan is a single-employer public employee retirement system governed by NDCC 18-05 and 18-07. The Firefighters' Pension Plan is organized, operated, and maintained in accordance with separate articles of incorporation and by-laws. Participating employees contribute to the plan at a minimum of \$261 per bi-weekly payroll or 8% of their covered payroll, whichever is greater. The City contributed \$1,120,536 in 2023. The complete audited financial and pension information can be obtained by contacting:

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

City of Bismarck Employees' Pension Plan

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Plan Membership – Employees begin participation at the first day of employment with a vesting period of five years. As of December 31, 2023, the City Employees’ Pension Plan membership was as follows:

Retirees and Beneficiaries Receiving Benefits	300
Terminated Employees - Vested	90
Active Employees	<u>497</u>
Total Members	<u><u>887</u></u>

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

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

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

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

Contributions

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

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

Net Position – As of December 31, 2023, the net position is \$124,700,636 and the entire amount is restricted for employee pension benefits.

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Actuarially Determined Contributions	\$ 3,871,667
Contributions in Relation to the Actuarially Determined Contribution	<u>3,281,663</u>
Contribution Deficiency (Excess)	<u>\$ 590,004</u>
Covered Payroll	\$ 31,798,209
Contributions as a Percentage of Covered Payroll	10.3%

Investments

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

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

The City Employees’ Pension Plan Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of these assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plan’s asset allocation as of December 31, 2023:

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

Investment Valuation – Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net increase in fair value of investments consists of the realized gains or losses and the unrealized increases or

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

decreases in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases or decreases are computed based on changes in the fair value of investment between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

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

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

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

Actuarial Assumptions

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line Amortization Over Remaining Service Lives Period-Closed
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Schedule of Net Pension Liability

Total Pension Liability	\$ 144,050,754
Plan Fiduciary Net Position	<u>124,700,636</u>
Net Pension Liability	<u>\$ 19,350,118</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.57%
Covered Payroll	\$ 31,798,209
Net Pension Liability as a Percentage of Covered Payroll	60.9%

Schedule of Changes in Total Pension Liability

Service Cost	\$ 3,040,597
Interest	10,124,435
Differences Between Expected and Actual Experience	(1,702,201)
Changes of Assumptions	-
Benefit Payments, including Refunds of Member Contributions	<u>(8,037,727)</u>
Net Change in Total Pension Liability	3,425,104
Total Pension Liability, Beginning of Year	<u>140,625,650</u>
Total Pension Liability, End of Year	<u>\$ 144,050,754</u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - Employer	\$ 3,281,663
Contributions - Employee	1,607,283
Net Investment Income	11,896,710
Benefit Payments, including Refunds of Member Contributions	(8,037,727)
Administrative Expense	<u>(127,900)</u>
Net Change in Fiduciary Net Position	8,620,029
Plan Fiduciary Net Position, Beginning of Year	<u>116,080,607</u>
Plan Fiduciary Net Position, End of Year	<u>\$ 124,700,636</u>

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense	10.4%
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**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

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

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 162,227,651	\$ 144,050,754	\$ 128,876,294
Plan Fiduciary Net Position	124,700,636	124,700,636	124,700,636
Net Pension Liability	<u>\$ 37,527,015</u>	<u>\$ 19,350,118</u>	<u>\$ 4,175,658</u>
City Portion	<u>\$ 32,291,996</u>	<u>\$ 16,650,775</u>	<u>\$ 3,593,151</u>

Proportionate Share of the Net Pension Liability – As of December 31, 2023, the City's proportionate share of the net pension liability for the City Employees' Pension Plan was \$16,650,775. 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 86.05%.

Net Pension Liability	<u>2023</u>
Employer's Proportion of the Net Pension Liability	86.05%
Employer's Proportionate Share of the Net Pension Liability	\$ 19,350,118
Employer's Covered Payroll	\$ 31,798,209
Plan Fiduciary Net Position	\$ 124,700,636
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	60.85%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.57%

Deferred Inflows and Outflows of Resources – As of December 31, 2023, the City Employees' Pension Plan recognized pension expense of \$3,880,744 of total City pension expense of \$3,815,652. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 844,472	\$ 1,528,997
Changes of Assumptions	2,677,990	45,253
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,025,761	-
Changes in Proportionate and Differences Between Employer Contributions and Proportionate Share of Contributions	513,832	437,118
Total	<u>\$ 10,062,055</u>	<u>\$ 2,011,368</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

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

2024	\$ 2,003,319
2025	2,331,191
2026	3,803,610
2027	(138,871)
2028	255,259
Thereafter	<u>(203,821)</u>
Total	<u>\$ 8,050,687</u>

Bismarck Police Employees' Pension Plan

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

Plan Membership - Memberships begin with their hire date before December 31, 2023, and are vested after five years of service. Membership in the Police Employees' Pension Plan on December 31, 2023, is as follows:

Retirees and Beneficiaries Receiving Benefits	94
Terminated Employees - Vested	24
Active Employees	<u>135</u>
Total Members	<u>253</u>

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Fiduciary Fund, and the excess funds in the individual employee accounts continue to be self-directed.

Contributions

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

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

Net Position - The net position as of December 31, 2023, is \$52,210,532, and the entire amount is restricted for employee pension benefits.

Schedule of Contributions

Actuarially Determined Contributions	\$ 1,452,518
Contributions in Relation to the Actuarially Determined Contribution	1,547,557
Contribution Deficiency (Excess)	\$ (95,039)
Covered Payroll	\$ 9,855,236
Contributions as a Percentage of Covered Payroll	15.7%

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

Investments

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

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

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

The following was the plans asset allocation as of December 31, 2023:

Asset Class	Target Allocation
Large Domestic Equity	23%
Small Domestic Equity	4%
Developed International Equity	15%
Emerging International Equity	3%
Private Equity	6%
Domestic Fixed Income	29%
Real Estate	12%
Infrastructure	6%
Timber	2%
	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 increases (decreases) in fair value of investments consists of the realized gains (losses) and the unrealized increases (decreases) in fair value of investments during the year. Realized gains (losses) on sales of investments are computed based on the difference between the sales price and the original cost of the investment. Unrealized increases (decreases) are computed based on changes in the fair value of investment between years. Security transactions are accounted for on a trade date basis. Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

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

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

Actuarial Assumptions

<u>Police Employees' Pension Plan</u>	
Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line Amortization Over Remaining Service Lives Period-Closed
Mortality Rate	Based on PUBS-2010 Public Safety Employees Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

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

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Total Pension Liability	\$ 62,582,471
Plan Fiduciary Net Position	<u>52,210,532</u>
Net Pension Liability (Asset)	<u>\$ 10,371,939</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.4%
Covered Payroll	\$ 9,855,236
Net Pension Liability (Asset) as a Percentage of Covered Payroll	105.2%

Schedule of Changes in Total Pension Liability

Service Cost	\$ 1,187,293
Interest	4,341,222
Differences Between Expected and Actual Experience	(39,785)
Changes of Assumptions	-
Benefit Payments, including Refunds of Member Contributions	<u>(3,195,784)</u>
Net Change in Total Pension Liability	2,292,946
Total Pension Liability, Beginning of Year	<u>60,289,525</u>
Total Pension Liability, End of Year	<u>\$ 62,582,471</u>

Schedule of Changes in Plan Fiduciary Net Position

Contributions - Employer	\$ 1,547,557
Contributions - Employee	926,470
Net Investment Income	5,133,306
Benefit Payments, including Refunds of Member Contributions	(3,195,784)
Administrative Expense	<u>(48,608)</u>
Net Change in Fiduciary Net Position	4,362,941
Plan Fiduciary Net Position, Beginning of Year	<u>47,847,591</u>
Plan Fiduciary Net Position, End of Year	<u>\$ 52,210,532</u>

Schedule of Investment Returns

Annual Money-Weighted Rate of Return, Net of Investment Expense	10.8%
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Sensitivity of the Net Pension Liability to changes in the Discount Rate – The net pension liability of the Police Employees' Pension Plan is calculated at a discount rate of 7.25%. The pension plans sensitivity of the net pension liability used a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current discount rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total Pension Liability	\$ 71,118,458	\$ 62,582,471	\$ 55,539,119
Plan Fiduciary Net Position	<u>52,210,532</u>	<u>52,210,532</u>	<u>52,210,532</u>
Net Pension Liability	<u>\$ 18,907,926</u>	<u>\$ 10,371,939</u>	<u>\$ 3,328,587</u>

**CITY OF BISMARCK, NORTH DAKOTA
NOTES TO THE BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2023**

DETAILED NOTES ON ALL FUNDS (Continued)

Deferred Inflows and Outflows of Resources – As of December 31, 2023, the City recognized pension expense (revenue) of (\$65,092) of the total City pension expense of \$3,815,652. Deferred inflows and outflows of resources related to pensions are as a result of the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,170,393	\$ 406,206
Changes of Assumptions	1,284,772	226,190
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,449,122	-
Total	\$ 4,904,287	\$ 632,396

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

2024	\$ 800,332
2025	1,117,651
2026	1,988,667
2027	37,933
2028	331,465
Thereafter	(4,157)
Total	\$ 4,271,891

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**CITY OF BISMARCK, NORTH DAKOTA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 31,574,265	\$ 31,574,265	\$ 31,018,629	\$ (555,636)
Intergovernmental	7,102,387	7,102,387	8,035,252	932,865
Charges for Services	9,934,236	9,934,236	9,859,008	(75,228)
Licenses and Permits	1,868,275	1,868,275	2,367,124	498,849
Fines and Forfeitures	1,472,800	1,472,800	1,268,651	(204,149)
Leases and Rentals	79,350	79,350	156,063	76,713
Investment Income	642,635	642,635	1,987,213	1,344,578
Donations	-	-	50,000	50,000
Miscellaneous	26,000	26,000	78,205	52,205
Total Revenues	<u>52,699,948</u>	<u>52,699,948</u>	<u>54,820,145</u>	<u>2,120,197</u>
EXPENDITURES				
Current				
General Government	13,882,221	14,423,952	12,252,660	2,171,292
Public Safety	35,255,470	35,459,037	32,947,414	2,511,623
Highways and Streets	3,233,407	3,244,041	2,987,115	256,926
Health and Welfare	3,253,663	3,353,663	3,217,674	135,989
Culture and Recreation	644,020	644,020	595,741	48,279
Capital Outlay	1,195,970	1,525,130	2,755,301	(1,230,171)
Debt Service				
Principal	-	-	409,788	(409,788)
Interest	-	-	7,662	(7,662)
Total Expenditures	<u>57,464,751</u>	<u>58,649,843</u>	<u>55,173,355</u>	<u>3,476,488</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,764,803)</u>	<u>(5,949,895)</u>	<u>(353,210)</u>	<u>5,596,685</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	28,882	28,882
Financing Purchase Proceeds	-	-	520,596	520,596
Lease Proceeds	-	-	325,936	325,936
SBITA Proceeds	-	-	578,193	578,193
Transfers In	9,853,526	9,853,526	10,646,203	792,677
Transfers Out	(5,287,455)	(5,792,505)	(4,973,665)	818,840
Total Other Financing Sources (Uses)	<u>4,566,071</u>	<u>4,061,021</u>	<u>7,126,145</u>	<u>3,065,124</u>
Change in Fund Balance	(198,732)	(1,888,874)	6,772,935	8,661,809
Fund Balance, Beginning of Year	<u>57,395,253</u>	<u>57,395,253</u>	<u>57,395,253</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 57,196,521</u>	<u>\$ 55,506,379</u>	<u>\$ 64,168,188</u>	<u>\$ 8,661,809</u>

**CITY OF BISMARCK, NORTH DAKOTA
SALES TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 33,179,931	\$ 33,179,931	\$ 31,192,129	\$ (1,987,802)
Investment Income	400,000	400,000	1,368,642	968,642
Total Revenues	<u>33,579,931</u>	<u>33,579,931</u>	<u>32,560,771</u>	<u>(1,019,160)</u>
EXPENDITURES				
Current				
General Government	<u>58,127</u>	<u>58,127</u>	<u>142,867</u>	<u>(84,740)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>33,521,804</u>	<u>33,521,804</u>	<u>32,417,904</u>	<u>(1,103,900)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,164,664	2,164,664
Transfers Out	<u>(33,544,773)</u>	<u>(33,594,773)</u>	<u>(32,362,373)</u>	<u>1,232,400</u>
Change in Fund Balance	(22,969)	(72,969)	2,220,195	2,293,164
Fund Balance, Beginning of Year	<u>38,218,904</u>	<u>38,218,904</u>	<u>38,218,904</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 38,195,935</u>	<u>\$ 38,145,935</u>	<u>\$ 40,439,099</u>	<u>\$ 2,293,164</u>

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

CITY OF BISMARCK EMPLOYEES' PENSION PLAN

Proportionate Share of the Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Employer's Proportion of the Net Pension Liability (Asset)	87.64%	87.29%	86.57%	85.48%	85.53%	85.06%	84.50%	84.93%	85.49%	86.57%
Employer's Proportionate Share of the Net Pension Liability (Asset)	847,444	8,022,941	8,478,413	7,555,249	16,095,175	8,455,386	5,433,477	(1,030,073)	20,983,974	16,650,775
Employer's Covered Payroll	21,850,884	23,069,097	23,633,534	23,747,865	23,757,750	24,652,588	24,554,144	24,872,879	24,639,195	31,798,209
Plan Fiduciary Net Position	81,274,325	81,585,449	86,746,756	98,665,938	95,023,653	108,921,100	118,296,160	132,135,296	116,080,607	124,700,636
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	3.88%	34.78%	35.87%	31.81%	67.75%	34.30%	22.13%	-4.14%	85.17%	52.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	98.82%	89.88%	89.88%	91.78%	83.47%	91.64%	94.84%	100.93%	82.55%	86.57%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2023 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contributions	\$ 981,273	\$ 1,082,266	\$ 1,806,842	\$ 2,187,386	\$ 2,467,685	\$ 3,181,564	\$ 2,711,120	\$ 2,333,913	\$ 1,723,710	\$ 3,871,667
Contributions in Relation to the Actuarially Determined Contribution	2,181,183	2,071,677	2,263,240	2,477,572	2,541,349	2,565,468	2,653,396	2,630,901	2,795,011	3,281,663
Contribution Deficiency (Excess)	<u>\$ (1,199,910)</u>	<u>\$ (989,411)</u>	<u>\$ (456,398)</u>	<u>\$ (290,186)</u>	<u>\$ (73,664)</u>	<u>\$ 616,096</u>	<u>\$ 57,724</u>	<u>\$ (296,988)</u>	<u>\$ (1,071,301)</u>	<u>\$ 590,004</u>
Covered Payroll	\$ 21,850,884	\$ 23,069,097	\$ 23,633,534	\$ 23,747,865	\$ 23,757,750	\$ 24,652,588	\$ 24,554,144	\$ 24,872,879	\$ 24,639,195	\$ 31,798,209
Contributions as a Percentage of Covered Payroll	10.0%	9.0%	9.6%	10.4%	10.7%	10.4%	10.8%	10.6%	11.3%	10.3%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2023 information presented has a measurement date of December 31.

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

BISMARCK CITY POLICE PENSION PLAN

Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Pension Liability	\$ 39,959,458	\$ 42,555,764	\$ 44,459,890	\$ 47,688,313	\$ 49,718,945	\$ 50,755,803	\$ 53,476,479	\$ 55,216,260	\$ 60,289,525	\$ 62,582,471
Plan Fiduciary Net Position	34,525,350	33,861,051	35,395,974	40,136,438	38,157,708	43,596,695	47,593,576	53,951,296	47,847,591	52,210,532
Net Pension Liability	<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>	<u>\$ 7,159,108</u>	<u>\$ 5,882,903</u>	<u>\$ 1,264,964</u>	<u>\$ 12,441,934</u>	<u>\$ 10,371,939</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.4%	79.6%	79.6%	84.2%	76.7%	85.9%	89.0%	97.7%	79.4%	83.4%
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417	\$ 9,557,185	\$ 9,855,236
Net Pension Liability as a Percentage of Covered Payroll	87.4%	122.4%	118.6%	95.1%	141.8%	83.5%	64.6%	13.8%	130.2%	105.2%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2023 information presented has a measurement date of December 31.

Schedule of Contributions

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially Determined Contributions	\$ 481,480	\$ 576,620	\$ 837,641	\$ 1,033,660	\$ 1,042,573	\$ 1,339,670	\$ 1,118,814	\$ 887,126	\$ 565,831	\$ 1,452,518
Contributions in Relation to the Actuarially Determined Contribution	941,815	892,803	961,513	1,091,295	1,208,939	1,268,664	1,351,427	1,364,923	1,461,898	1,547,557
Contribution Deficiency (Excess)	<u>\$ (460,335)</u>	<u>\$ (316,183)</u>	<u>\$ (123,872)</u>	<u>\$ (57,635)</u>	<u>\$ (166,366)</u>	<u>\$ 71,006</u>	<u>\$ (232,613)</u>	<u>\$ (477,797)</u>	<u>\$ (896,067)</u>	<u>\$ (95,039)</u>
Covered Payroll	\$ 6,214,690	\$ 7,101,508	\$ 7,643,499	\$ 7,942,900	\$ 8,152,505	\$ 8,570,539	\$ 9,108,027	\$ 9,184,417	\$ 9,557,185	\$ 9,855,236
Contributions as a percentage of covered payroll	15.2%	12.6%	12.6%	13.7%	14.8%	14.8%	14.8%	14.9%	15.3%	15.7%

* Complete data for this schedule is not available prior to 2014. The 2014 through 2023 information presented has a measurement date of December 31.

**CITY OF BISMARCK, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023**

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

I. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

B. EMPLOYEE RETIREMENT PLANS

Actuarial Assumptions – City Pension Plan

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line Amortization Over Remaining Service Lives Period-Closed
Mortality Rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

Actuarial Assumptions – Police Pension Plan

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Straight-Line Amortization Over Remaining Service Lives Period-Closed
Mortality Rate	Based on PUBS-2010 Public Safety Employees Amount Weighted Mortality Projected with Scale MP-2020
Asset Valuation Method	Fair Value
Valuation Method:	
Inflation Rate	3.25%
Investment Rate of Return	7.25%
Projected Salary Increases:	
All active participants	3.25%
Post Retirement Cost of Living Adjustments	None

**COMBINING & INDIVIDUAL
FUND STATEMENTS
& SCHEDULES**



**CITY OF BISMARCK, NORTH DAKOTA
BALANCE SHEET
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and Investments	\$ 23,397,062	\$ 778,357	\$ 3,215,176	\$ 27,390,595
Taxes Receivable	51,319	-	5,721	57,040
Accounts Receivable	2,662,605	-	167,873	2,830,478
Special Assessments Receivable	-	9,189,233	143,716	9,332,949
Interest Receivable	149	-	-	149
Notes Receivable	284,603	-	1,719,876	2,004,479
Leases Receivable	39,811	-	-	39,811
Interfund Receivable	283,079	1,858,488	-	2,141,567
Total Assets	<u>\$ 26,718,628</u>	<u>\$ 11,826,078</u>	<u>\$ 5,252,362</u>	<u>\$ 43,797,068</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 499,056	\$ -	\$ 692,648	\$ 1,191,704
Retainage Payable	17,225	-	386,334	403,559
Interfund Payables	39,357	-	2,466,987	2,506,344
Salaries Payable	463,849	-	-	463,849
Customer Deposits	208,932	-	26,666	235,598
Unearned Revenue	185,935	-	1,419,876	1,605,811
Total Liabilities	<u>1,414,354</u>	<u>-</u>	<u>4,992,511</u>	<u>6,406,865</u>
DEFERRED INFLOWS OF RESOURCES				
Special Assessments	-	8,180,631	107,271	8,287,902
Property Taxes	38,587	-	4,302	42,889
Leases	35,906	-	-	35,906
Total Deferred Inflows of Resources	<u>74,493</u>	<u>8,180,631</u>	<u>111,573</u>	<u>8,366,697</u>
FUND BALANCES				
Nonspendable	284,603	-	300,000	584,603
Restricted	7,473,170	3,645,447	-	11,118,617
Committed	15,918,103	-	2,805,933	18,724,036
Assigned	1,553,905	-	9,674	1,563,579
Unassigned	-	-	(2,967,329)	(2,967,329)
Total Fund Balances	<u>25,229,781</u>	<u>3,645,447</u>	<u>148,278</u>	<u>29,023,506</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,718,628</u>	<u>\$ 11,826,078</u>	<u>\$ 5,252,362</u>	<u>\$ 43,797,068</u>

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SUMMARY OF NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 9,335,713	\$ -	\$ 443,411	\$ 9,779,124
Special Assessments	-	1,844,781	321,938	2,166,719
Intergovernmental	14,232,444	-	703,142	14,935,586
Charges for Services	4,154,216	-	705,269	4,859,485
Licenses and Permits	1,425	-	-	1,425
Fines and Forfeitures	145,994	-	-	145,994
Leases and Rentals	57,689	-	-	57,689
Investment Income	509,756	24,912	90,994	625,662
Donations	178,180	-	-	178,180
Miscellaneous	383,709	-	15,000	398,709
Total Revenues	<u>28,999,126</u>	<u>1,869,693</u>	<u>2,279,754</u>	<u>33,148,573</u>
EXPENDITURES				
Current				
General Government	5,329,099	-	761,264	6,090,363
Public Safety	1,560,069	-	-	1,560,069
Highways and Streets	10,740,191	-	-	10,740,191
Health and Welfare	1,669,256	-	-	1,669,256
Culture and Recreation	2,819,722	-	-	2,819,722
Public Works	-	-	493,489	493,489
Capital Outlay	4,867,092	-	9,225,074	14,092,166
Debt Service				
Principal	651,885	1,902,888	-	2,554,773
Interest	39,250	295,493	-	334,743
Total Expenditures	<u>27,676,564</u>	<u>2,198,381</u>	<u>10,479,827</u>	<u>40,354,772</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,322,562</u>	<u>(328,688)</u>	<u>(8,200,073)</u>	<u>(7,206,199)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	-	-	2,785,000	2,785,000
Premium on Special Assessment Bonds	-	-	73,373	73,373
Proceeds from Sale of Capital Assets	708,200	-	-	708,200
Finance Purchase Proceeds	967,980	-	-	967,980
Lease Proceeds	14,012	-	-	14,012
Transfers In	5,146,668	60,629	1,449,545	6,656,842
Transfers Out	(3,691,713)	-	(844,902)	(4,536,615)
Total Other Financing Sources (Uses)	<u>3,145,147</u>	<u>60,629</u>	<u>3,463,016</u>	<u>6,668,792</u>
Change In Fund Balance	4,467,709	(268,059)	(4,737,057)	(537,407)
Fund Balance, Beginning of Year	<u>20,762,072</u>	<u>3,913,506</u>	<u>4,885,335</u>	<u>29,560,913</u>
Fund Balance, End of Year	<u>\$ 25,229,781</u>	<u>\$ 3,645,447</u>	<u>\$ 148,278</u>	<u>\$ 29,023,506</u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023**

	Public Transit System	Library	Police Asset Forfeiture	Roads and Streets	Street Lights and Traffic Signals	Hotel / Motel Tax	Lodging, Liquor, and Food Tax	Vision	Government Grants and Activities	Total Nonmajor Special Revenue
ASSETS										
Cash and Investments	\$ 42,327	\$ 1,770,629	\$ 556,016	\$ 6,995,290	\$ 3,341,562	\$ -	\$ 9,162,121	\$ 928,557	\$ 600,560	\$ 23,397,062
Taxes Receivable	17,161	34,158	-	-	-	-	-	-	-	51,319
Accounts Receivable	8,700	40,759	-	740,152	226,482	157,429	639,327	3,189	846,567	2,662,605
Interest Receivable	-	-	-	-	-	-	149	-	-	149
Notes Receivable	-	-	-	-	-	-	-	284,603	-	284,603
Leases Receivable	-	-	-	-	-	-	39,811	-	-	39,811
Interfund Receivable	-	-	-	283,079	-	-	-	-	-	283,079
Total Assets	<u>\$ 68,188</u>	<u>\$ 1,845,546</u>	<u>\$ 556,016</u>	<u>\$ 8,018,521</u>	<u>\$ 3,568,044</u>	<u>\$ 157,429</u>	<u>\$ 9,841,408</u>	<u>\$ 1,216,349</u>	<u>\$ 1,447,127</u>	<u>\$ 26,718,628</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts Payable	\$ 19,752	\$ 38,591	\$ 3,898	\$ 41,659	\$ 73,395	\$ 118,072	\$ -	\$ -	\$ 203,689	\$ 499,056
Retainage Payable	-	-	-	-	17,225	-	-	-	-	17,225
Interfund Payables	-	-	-	-	-	39,357	-	-	-	39,357
Salaries Payable	-	111,233	-	194,966	43,566	-	-	-	114,084	463,849
Customer Deposits	-	-	-	208,932	-	-	-	-	-	208,932
Unearned Revenue	-	-	-	-	-	-	-	-	185,935	185,935
Total Liabilities	<u>19,752</u>	<u>149,824</u>	<u>3,898</u>	<u>445,557</u>	<u>134,186</u>	<u>157,429</u>	<u>-</u>	<u>-</u>	<u>503,708</u>	<u>1,414,354</u>
DEFERRED INFLOWS OF RESOURCES										
Property Taxes	12,907	25,680	-	-	-	-	-	-	-	38,587
Leases	-	-	-	-	-	-	35,906	-	-	35,906
Total Deferred Inflow of Resources	<u>12,907</u>	<u>25,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,906</u>	<u>-</u>	<u>-</u>	<u>74,493</u>
FUND BALANCES										
Nonspendable	-	-	-	-	-	-	-	284,603	-	284,603
Restricted	-	-	-	1,815,413	-	-	5,533,394	-	124,363	7,473,170
Committed	35,529	1,670,042	552,118	4,203,646	3,433,858	-	4,272,108	931,746	819,056	15,918,103
Assigned	-	-	-	1,553,905	-	-	-	-	-	1,553,905
Total Fund Balances	<u>35,529</u>	<u>1,670,042</u>	<u>552,118</u>	<u>7,572,964</u>	<u>3,433,858</u>	<u>-</u>	<u>9,805,502</u>	<u>1,216,349</u>	<u>943,419</u>	<u>25,229,781</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 68,188</u>	<u>\$ 1,845,546</u>	<u>\$ 556,016</u>	<u>\$ 8,018,521</u>	<u>\$ 3,568,044</u>	<u>\$ 157,429</u>	<u>\$ 9,841,408</u>	<u>\$ 1,216,349</u>	<u>\$ 1,447,127</u>	<u>\$ 26,718,628</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Public Transit System	Library	Police Asset Forfeiture	Roads and Streets	Street Lights and Traffic Signals	Hotel / Motel Tax	Lodging, Liquor, and Food Tax	Vision	Government Grants and Activities	Total Nonmajor Special Revenue
REVENUES										
Taxes	\$ 1,330,259	\$ 2,655,931	\$ -	\$ -	\$ -	\$ 1,174,639	\$ 4,174,884	\$ -	\$ -	\$ 9,335,713
Intergovernmental	2,455,470	688,652	-	6,519,172	-	-	-	-	4,569,150	14,232,444
Charges for Services	-	99,125	-	130,619	3,188,257	-	-	-	736,215	4,154,216
Licenses and Permits	-	-	-	1,425	-	-	-	-	-	1,425
Fines and Forfeitures	-	7,494	123,932	-	-	-	-	-	14,568	145,994
Leases and Rentals	-	8,889	-	10,083	253	-	38,464	-	-	57,689
Investment Income	3,111	62,225	14,256	74,640	100,872	-	217,401	23,540	13,711	509,756
Donations	-	-	-	-	-	-	-	-	178,180	178,180
Miscellaneous	4,350	499	-	46,925	243,250	-	-	-	88,685	383,709
Total Revenues	<u>3,793,190</u>	<u>3,522,815</u>	<u>138,188</u>	<u>6,782,864</u>	<u>3,532,632</u>	<u>1,174,639</u>	<u>4,430,749</u>	<u>23,540</u>	<u>5,600,509</u>	<u>28,999,126</u>
EXPENDITURES										
Current										
General Government	3,122,368	-	-	-	-	898,781	25,955	200,000	1,081,995	5,329,099
Public Safety	-	-	80,905	-	-	-	-	-	1,479,164	1,560,069
Highways and Streets	-	-	-	8,352,105	2,366,256	-	-	-	21,830	10,740,191
Health and Welfare	-	-	-	-	-	-	-	-	1,669,256	1,669,256
Culture and Recreation	-	2,639,672	-	-	-	-	-	-	180,050	2,819,722
Capital Outlay	678,234	388,521	40,296	2,095,249	1,374,471	-	-	-	290,321	4,867,092
Debt Service										
Principal	-	7,115	-	644,770	-	-	-	-	-	651,885
Interest	-	1,040	-	38,210	-	-	-	-	-	39,250
Total Expenditures	<u>3,800,602</u>	<u>3,036,348</u>	<u>121,201</u>	<u>11,130,334</u>	<u>3,740,727</u>	<u>898,781</u>	<u>25,955</u>	<u>200,000</u>	<u>4,722,616</u>	<u>27,676,564</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,412)</u>	<u>486,467</u>	<u>16,987</u>	<u>(4,347,470)</u>	<u>(208,095)</u>	<u>275,858</u>	<u>4,404,794</u>	<u>(176,460)</u>	<u>877,893</u>	<u>1,322,562</u>
OTHER FINANCING SOURCES (USES)										
Proceeds from Sale of Capital Assets	8,700	-	-	699,500	-	-	-	-	-	708,200
Finance Purchase Proceeds	-	-	-	967,980	-	-	-	-	-	967,980
Lease Proceeds	-	14,012	-	-	-	-	-	-	-	14,012
Transfers In	-	41,000	-	5,015,617	2,600	-	-	-	87,451	5,146,668
Transfers Out	-	(180,578)	-	-	-	(275,858)	(2,289,001)	-	(946,276)	(3,691,713)
Total Other Financing Sources (Uses)	<u>8,700</u>	<u>(125,566)</u>	<u>-</u>	<u>6,683,097</u>	<u>2,600</u>	<u>(275,858)</u>	<u>(2,289,001)</u>	<u>-</u>	<u>(858,825)</u>	<u>3,145,147</u>
Net Change in Fund Balances	1,288	360,901	16,987	2,335,627	(205,495)	-	2,115,793	(176,460)	19,068	4,467,709
Fund Balances, Beginning of Year	34,241	1,309,141	535,131	5,237,337	3,639,353	-	7,689,709	1,392,809	924,351	20,762,072
Fund Balances, End of Year	<u>\$ 35,529</u>	<u>\$ 1,670,042</u>	<u>\$ 552,118</u>	<u>\$ 7,572,964</u>	<u>\$ 3,433,858</u>	<u>\$ -</u>	<u>\$ 9,805,502</u>	<u>\$ 1,216,349</u>	<u>\$ 943,419</u>	<u>\$ 25,229,781</u>

**CITY OF BISMARCK, NORTH DAKOTA
PUBLIC TRANSIT SYSTEM FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,330,075	\$ 1,330,075	\$ 1,330,259	\$ 184
Intergovernmental	2,787,268	2,787,268	2,455,470	(331,798)
Investment Income	500	500	3,111	2,611
Miscellaneous	-	-	4,350	4,350
Total Revenues	<u>4,117,843</u>	<u>4,117,843</u>	<u>3,793,190</u>	<u>(324,653)</u>
EXPENDITURES				
Current				
General Government	4,117,843	4,117,843	3,122,368	995,475
Capital Outlay	-	-	678,234	(678,234)
Total Expenditures	<u>4,117,843</u>	<u>4,117,843</u>	<u>3,800,602</u>	<u>317,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(7,412)</u>	<u>(7,412)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	8,700	8,700
Change in Fund Balance	-	-	1,288	1,288
Fund Balance, Beginning of Year	34,241	34,241	34,241	-
Fund Balance, End of Year	<u>\$ 34,241</u>	<u>\$ 34,241</u>	<u>\$ 35,529</u>	<u>\$ 1,288</u>

**CITY OF BISMARCK, NORTH DAKOTA
LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Taxes	\$ 2,805,111	\$ 2,805,111	\$ 2,655,931	\$ (149,180)
Intergovernmental	688,415	688,415	688,652	237
Charges for Services	89,040	89,040	99,125	10,085
Fines and Forfeitures	12,000	12,000	7,494	(4,506)
Leases and Rentals	7,200	7,200	8,889	1,689
Investment Income	20,827	20,827	62,225	41,398
Miscellaneous	1,409	1,409	499	(910)
Total Revenues	<u>3,624,002</u>	<u>3,624,002</u>	<u>3,522,815</u>	<u>(101,187)</u>
EXPENDITURES				
Current				
Culture and Recreation	3,398,888	3,405,463	2,639,672	765,791
Capital Outlay	580,000	573,425	388,521	184,904
Debt Service				
Principal	-	-	7,115	(7,115)
Interest	-	-	1,040	(1,040)
Total Expenditures	<u>3,978,888</u>	<u>3,978,888</u>	<u>3,036,348</u>	<u>942,540</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(354,886)</u>	<u>(354,886)</u>	<u>486,467</u>	<u>841,353</u>
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	14,012	14,012
Transfers In	-	-	41,000	41,000
Transfers Out	-	-	(180,578)	(180,578)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(125,566)</u>	<u>(125,566)</u>
Change in Fund Balance	<u>(354,886)</u>	<u>(354,886)</u>	<u>360,901</u>	<u>715,787</u>
Fund Balance, Beginning of Year	1,309,141	1,309,141	1,309,141	-
Fund Balance, End of Year	<u>\$ 954,255</u>	<u>\$ 954,255</u>	<u>\$ 1,670,042</u>	<u>\$ 715,787</u>

**CITY OF BISMARCK, NORTH DAKOTA
POLICE ASSET FORFEITURE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
REVENUES				
Fines and Forfeitures	\$ 140,000	\$ 140,000	\$ 123,932	\$ (16,068)
Investment Income	5,000	5,000	14,256	9,256
Miscellaneous	2,500	2,500	-	(2,500)
Total Revenues	<u>147,500</u>	<u>147,500</u>	<u>138,188</u>	<u>(9,312)</u>
EXPENDITURES				
Current				
Public Safety	143,009	131,714	80,905	50,809
Capital Outlay	24,999	40,299	40,296	3
Total Expenditures	<u>168,008</u>	<u>172,013</u>	<u>121,201</u>	<u>50,812</u>
Change in Fund Balance	(20,508)	(24,513)	16,987	41,500
Fund Balance, Beginning of Year	535,131	535,131	535,131	-
Fund Balance, End of Year	<u>\$ 514,623</u>	<u>\$ 510,618</u>	<u>\$ 552,118</u>	<u>\$ 41,500</u>

**CITY OF BISMARCK, NORTH DAKOTA
ROADS AND STREETS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,907,908	\$ 3,907,908	\$ 6,519,172	\$ 2,611,264
Charges for Services	90,450	90,450	130,619	40,169
Licenses and Permits	1,500	1,500	1,425	(75)
Leases and Rentals	51,000	51,000	10,083	(40,917)
Investment Income	27,000	27,000	74,640	47,640
Miscellaneous	25,500	25,500	46,925	21,425
Total Revenues	<u>4,103,358</u>	<u>4,103,358</u>	<u>6,782,864</u>	<u>2,679,506</u>
EXPENDITURES				
Current				
Highways and Streets	8,847,490	9,447,490	8,352,105	1,095,385
Capital Outlay	800,000	1,455,050	2,095,249	(640,199)
Debt Service				
Principal	275,898	675,898	644,770	31,128
Interest	-	-	38,210	(38,210)
Total Expenditures	<u>9,923,388</u>	<u>11,578,438</u>	<u>11,130,334</u>	<u>448,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,820,030)</u>	<u>(7,475,080)</u>	<u>(4,347,470)</u>	<u>3,127,610</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Sales of Capital Assets	7,000	7,000	699,500	692,500
Finance Purchase Proceeds	-	-	967,980	967,980
Transfers In	5,651,236	6,306,286	5,015,617	(1,290,669)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,658,236</u>	<u>6,313,286</u>	<u>6,683,097</u>	<u>369,811</u>
Change in Fund Balance	(161,794)	(1,161,794)	2,335,627	3,497,421
Fund Balance, Beginning of Year	5,237,337	5,237,337	5,237,337	-
Fund Balance, End of Year	<u>\$ 5,075,543</u>	<u>\$ 4,075,543</u>	<u>\$ 7,572,964</u>	<u>\$ 3,497,421</u>

**CITY OF BISMARCK, NORTH DAKOTA
STREET LIGHTS AND TRAFFIC SIGNALS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 3,214,493	\$ 3,214,493	\$ 3,188,257	\$ (26,236)
Leases and Rentals	2,000	2,000	253	(1,747)
Investment Income	5,750	5,750	100,872	95,122
Miscellaneous	91,000	91,000	243,250	152,250
Total Revenues	<u>3,313,243</u>	<u>3,313,243</u>	<u>3,532,632</u>	<u>219,389</u>
EXPENDITURES				
Current				
Highways and Streets	2,276,266	2,543,766	2,366,256	177,510
Capital Outlay	1,350,216	1,555,216	1,374,471	180,745
Total Expenditures	<u>3,626,482</u>	<u>4,098,982</u>	<u>3,740,727</u>	<u>358,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(313,239)</u>	<u>(785,739)</u>	<u>(208,095)</u>	<u>577,644</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,600	2,600
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,600</u>	<u>2,600</u>
Change in Fund Balance	(313,239)	(785,739)	(205,495)	580,244
Fund Balance, Beginning of Year	3,639,353	3,639,353	3,639,353	-
Fund Balance, End of Year	<u>\$ 3,326,114</u>	<u>\$ 2,853,614</u>	<u>\$ 3,433,858</u>	<u>\$ 580,244</u>

**CITY OF BISMARCK, NORTH DAKOTA
HOTEL / MOTEL TAX FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,099,034	\$ 1,199,034	\$ 1,174,639	\$ (24,395)
EXPENDITURES				
Current				
General Government	828,702	928,702	898,781	29,921
Excess (Deficiency) of Revenues Over (Under) Expenditures	270,332	270,332	275,858	5,526
OTHER FINANCING SOURCES (USES)				
Transfers Out	(270,332)	(270,332)	(275,858)	(5,526)
Change in Fund Balance	-	-	-	-
Fund Balance, Beginning of the Year	-	-	-	-
Fund Balance, End of the Year	\$ -	\$ -	\$ -	\$ -

**CITY OF BISMARCK, NORTH DAKOTA
 LODGING, LIQUOR, AND FOOD TAX FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,962,805	\$ 3,962,805	\$ 4,174,884	\$ 212,079
Leases and Rentals	36,000	36,000	38,464	2,464
Investment Income	65,000	65,000	217,401	152,401
Total Revenues	<u>4,063,805</u>	<u>4,063,805</u>	<u>4,430,749</u>	<u>366,944</u>
EXPENDITURES				
Current				
General Government	<u>26,381</u>	<u>26,381</u>	<u>25,955</u>	<u>426</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,037,424</u>	<u>4,037,424</u>	<u>4,404,794</u>	<u>367,370</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(6,275,067)</u>	<u>(6,793,191)</u>	<u>(2,289,001)</u>	<u>4,504,190</u>
Change in Fund Balance	<u>(2,237,643)</u>	<u>(2,755,767)</u>	<u>2,115,793</u>	<u>4,871,560</u>
Fund Balance, Beginning of Year	7,689,709	7,689,709	7,689,709	-
Fund Balance, End of Year	<u>\$ 5,452,066</u>	<u>\$ 4,933,942</u>	<u>\$ 9,805,502</u>	<u>\$ 4,871,560</u>

**CITY OF BISMARCK, NORTH DAKOTA
VISION FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Income	\$ 20,000	\$ 20,000	\$ 23,540	\$ 3,540
EXPENDITURES				
Current				
General Government	250,000	250,000	200,000	50,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(230,000)	(230,000)	(176,460)	53,540
Change in Fund Balance	(230,000)	(230,000)	(176,460)	53,540
Fund Balance, Beginning of Year	1,392,809	1,392,809	1,392,809	-
Fund Balance, End of Year	<u>\$ 1,162,809</u>	<u>\$ 1,162,809</u>	<u>\$ 1,216,349</u>	<u>\$ 53,540</u>

**CITY OF BISMARCK, NORTH DAKOTA
GOVERNMENT GRANTS AND ACTIVITIES FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,850,421	\$ 17,046,922	\$ 4,569,150	\$ (12,477,772)
Charges for Services	743,485	743,485	736,215	(7,270)
Fines and Forfeitures	4,700	4,700	14,568	9,868
Investment Income	2,100	2,100	13,711	11,611
Donations	182,000	182,000	178,180	(3,820)
Miscellaneous	68,979	68,979	88,685	19,706
Total Revenues	<u>17,851,685</u>	<u>18,048,186</u>	<u>5,600,509</u>	<u>(12,447,677)</u>
EXPENDITURES				
Current				
General Government	11,452,719	11,521,220	1,081,995	10,439,225
Public Safety	1,903,301	1,870,901	1,479,164	391,737
Highways and Streets	24,000	32,000	21,830	10,170
Health and Welfare	3,226,975	3,246,975	1,669,256	1,577,719
Culture and Recreation	116,000	215,786	180,050	35,736
Capital Outlay	1,064,000	1,460,114	290,321	1,169,793
Total Expenditures	<u>17,786,995</u>	<u>18,346,996</u>	<u>4,722,616</u>	<u>13,624,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>64,690</u>	<u>(298,810)</u>	<u>877,893</u>	<u>1,176,703</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	87,451	87,451
Transfers Out	(150,000)	(150,000)	(946,276)	(796,276)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(858,825)</u>	<u>(708,825)</u>
Change in Fund Balance	(85,310)	(448,810)	19,068	467,878
Fund Balance, Beginning of Year	924,351	924,351	924,351	-
Fund Balance, End of Year	<u>\$ 839,041</u>	<u>\$ 475,541</u>	<u>\$ 943,419</u>	<u>\$ 467,878</u>

MAJOR DEBT SERVICE FUNDS

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
STREET IMPROVEMENT BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 15,469,500	\$ 15,469,500	\$ 14,532,410	\$ (937,090)
Investment Income	350,000	350,000	175,496	(174,504)
Total Revenues	<u>15,819,500</u>	<u>15,819,500</u>	<u>14,707,906</u>	<u>(1,111,594)</u>
EXPENDITURES				
Current				
Public Works	-	-	34,974	(34,974)
Debt Service				
Principal	13,370,023	11,670,023	13,299,139	(1,629,116)
Interest	8,167,587	9,967,587	2,524,235	7,443,352
Total Expenditures	<u>21,537,610</u>	<u>21,637,610</u>	<u>15,858,348</u>	<u>5,779,262</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,718,110)</u>	<u>(5,818,110)</u>	<u>(1,150,442)</u>	<u>4,667,668</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	6,000,000	6,000,000	-	(6,000,000)
Premium on Special Assessment Bonds	75,000	75,000	-	(75,000)
Transfers In	600,000	600,000	601,986	1,986
Transfers Out	(300,000)	(300,000)	(265,223)	34,777
Total Other Financing Sources (Uses)	<u>6,375,000</u>	<u>6,375,000</u>	<u>336,763</u>	<u>(6,038,237)</u>
Change in Fund Balance	656,890	556,890	(813,679)	(1,370,569)
Fund Balance, Beginning of Year	<u>33,999,847</u>	<u>33,999,847</u>	<u>33,999,847</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 34,656,737</u>	<u>\$ 34,556,737</u>	<u>\$ 33,186,168</u>	<u>\$ (1,370,569)</u>

**CITY OF BISMARCK, NORTH DAKOTA
SEWERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 2,720,500	\$ 2,720,500	\$ 1,930,838	\$ (789,662)
Investment Income	150,000	150,000	210,778	60,778
Total Revenues	<u>2,870,500</u>	<u>2,870,500</u>	<u>2,141,616</u>	<u>(728,884)</u>
EXPENDITURES				
Debt Service				
Principal	2,255,102	2,255,102	2,237,973	17,129
Interest	4,104,797	4,104,797	529,671	3,575,126
Total Expenditures	<u>6,359,899</u>	<u>6,359,899</u>	<u>2,767,644</u>	<u>3,592,255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,489,399)</u>	<u>(3,489,399)</u>	<u>(626,028)</u>	<u>2,863,371</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	3,500,000	3,500,000	-	(3,500,000)
Premium on Special Assessment Bonds	60,000	60,000	-	(60,000)
Transfers In	500,000	500,000	35,025	(464,975)
Transfers Out	-	-	(43,139)	(43,139)
Total Other Financing Sources (Uses)	<u>4,060,000</u>	<u>4,060,000</u>	<u>(8,114)</u>	<u>(4,068,114)</u>
Change in Fund Balance	570,601	570,601	(634,142)	(1,204,743)
Fund Balance, Beginning of Year	<u>10,223,017</u>	<u>10,223,017</u>	<u>10,223,017</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 10,793,618</u>	<u>\$ 10,793,618</u>	<u>\$ 9,588,875</u>	<u>\$ (1,204,743)</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, 2023**

	<u>Watermain Bonds</u>	<u>Sidewalk Bonds</u>	<u>Total Nonmajor Debt Service</u>
ASSETS			
Cash and Investments	\$ 451,065	\$ 327,292	\$ 778,357
Special Assessments Receivable	776,037	8,413,196	9,189,233
Interfund Receivables	-	1,858,488	1,858,488
Total Assets	<u>1,227,102</u>	<u>10,598,976</u>	<u>11,826,078</u>
 DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
 DEFERRED INFLOWS OF RESOURCES			
Special Assessments	<u>736,888</u>	<u>7,443,743</u>	<u>8,180,631</u>
 FUND BALANCES			
Restricted	<u>490,214</u>	<u>3,155,233</u>	<u>3,645,447</u>
 Total Deferred Inflows of Resources and Fund Balances	<u>\$ 1,227,102</u>	<u>\$ 10,598,976</u>	<u>\$ 11,826,078</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Watermain Bonds</u>	<u>Sidewalk Bonds</u>	<u>Total Nonmajor Debt Service</u>
REVENUES			
Special Assessments	\$ 225,782	\$ 1,618,999	\$ 1,844,781
Investment Income	10,939	13,973	24,912
Total Revenues	<u>236,721</u>	<u>1,632,972</u>	<u>1,869,693</u>
EXPENDITURES			
Debt Service			
Principal	167,888	1,735,000	1,902,888
Interest and Fiscal Charges	34,561	260,932	295,493
Total Expenditures	<u>202,449</u>	<u>1,995,932</u>	<u>2,198,381</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,272</u>	<u>(362,960)</u>	<u>(328,688)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>60,629</u>	<u>60,629</u>
Change in Fund Balance	34,272	(302,331)	(268,059)
Fund Balance, Beginning of Year	455,942	3,457,564	3,913,506
Fund Balance, End of Year	<u>\$ 490,214</u>	<u>\$ 3,155,233</u>	<u>\$ 3,645,447</u>

**CITY OF BISMARCK, NORTH DAKOTA
WATERMAIN BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 226,600	\$ 226,600	\$ 225,782	\$ (818)
Investment Income	7,000	7,000	10,939	3,939
Total Revenues	<u>233,600</u>	<u>233,600</u>	<u>236,721</u>	<u>3,121</u>
EXPENDITURES				
Debt Service				
Principal	167,890	167,890	167,888	2
Interest and Fiscal Charges	602,265	602,265	34,561	567,704
Total Expenditures	<u>770,155</u>	<u>770,155</u>	<u>202,449</u>	<u>567,706</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(536,555)</u>	<u>(536,555)</u>	<u>34,272</u>	<u>570,827</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Special Assessment Bonds	460,000	460,000	-	(460,000)
Transfers In	150,000	150,000	-	(150,000)
Total Other Financing Sources (Uses)	<u>610,000</u>	<u>610,000</u>	<u>-</u>	<u>(610,000)</u>
Change in Fund Balance	73,445	73,445	34,272	(39,173)
Fund Balance, Beginning of Year	455,942	455,942	455,942	-
Fund Balance, End of Year	<u>\$ 529,387</u>	<u>\$ 529,387</u>	<u>\$ 490,214</u>	<u>\$ (39,173)</u>

**CITY OF BISMARCK, NORTH DAKOTA
SIDEWALK BONDS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Special Assessments	\$ 2,047,000	\$ 2,047,000	\$ 1,618,999	\$ (428,001)
Investment Income	50,000	50,000	13,973	(36,027)
Total Revenues	<u>2,097,000</u>	<u>2,097,000</u>	<u>1,632,972</u>	<u>(464,028)</u>
EXPENDITURES				
Debt Service				
Principal	1,730,000	1,580,000	1,735,000	(155,000)
Interest and Fiscal Charges	265,922	615,922	260,932	354,990
Total Expenditures	<u>1,995,922</u>	<u>2,195,922</u>	<u>1,995,932</u>	<u>199,990</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>101,078</u>	<u>(98,922)</u>	<u>(362,960)</u>	<u>(264,038)</u>
OTHER FINANCING SOURCES (USES)				
Premium on Special Assessment Bonds	15,000	15,000	-	(15,000)
Transfers In	100,000	100,000	60,629	(39,371)
Transfers Out	(200,000)	(200,000)	-	200,000
Total Other Financing Sources (Uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>60,629</u>	<u>145,629</u>
Change in Fund Balance	16,078	(183,922)	(302,331)	(118,409)
Fund Balance, Beginning of Year	3,457,564	3,457,564	3,457,564	-
Fund Balance, End of Year	<u>\$ 3,473,642</u>	<u>\$ 3,273,642</u>	<u>\$ 3,155,233</u>	<u>\$ (118,409)</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.

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

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

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

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

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

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2023**

	<u>Special Deficiency</u>	<u>Community Development</u>	<u>Building Improvements</u>	<u>Sewermain Construction</u>	<u>Sidewalk Construction</u>	<u>Total Capital Projects</u>
ASSETS						
Cash and Investments	\$ 2,431,037	\$ -	\$ 757,473	\$ -	\$ 26,666	\$ 3,215,176
Taxes Receivable	5,721	-	-	-	-	5,721
Accounts Receivable	-	27,234	140,639	-	-	167,873
Special Assessments Receivable	143,716	-	-	-	-	143,716
Notes Receivable	-	1,719,876	-	-	-	1,719,876
Total Assets	<u>\$ 2,580,474</u>	<u>\$ 1,747,110</u>	<u>\$ 898,112</u>	<u>\$ -</u>	<u>\$ 26,666</u>	<u>\$ 5,252,362</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 4,775	\$ -	\$ 263,724	\$ 424,149	\$ -	\$ 692,648
Retainage Payable	-	-	292,581	49,228	44,525	386,334
Interfund Payables	-	17,560	-	590,939	1,858,488	2,466,987
Customer Deposits	-	-	-	-	26,666	26,666
Unearned Revenue	-	1,419,876	-	-	-	1,419,876
Total Liabilities	<u>4,775</u>	<u>1,437,436</u>	<u>556,305</u>	<u>1,064,316</u>	<u>1,929,679</u>	<u>4,992,511</u>
DEFERRED INFLOWS OF RESOURCES						
Special Assessment Taxes	107,271	-	-	-	-	107,271
Property Taxes	4,302	-	-	-	-	4,302
Total Deferred Inflows of Resources	<u>111,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,573</u>
FUND BALANCES						
Nonspendable	-	300,000	-	-	-	300,000
Committed	2,464,126	-	341,807	-	-	2,805,933
Assigned	-	9,674	-	-	-	9,674
Unassigned	-	-	-	(1,064,316)	(1,903,013)	(2,967,329)
Total Fund Balances	<u>2,464,126</u>	<u>309,674</u>	<u>341,807</u>	<u>(1,064,316)</u>	<u>(1,903,013)</u>	<u>148,278</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,580,474</u>	<u>\$ 1,747,110</u>	<u>\$ 898,112</u>	<u>\$ -</u>	<u>\$ 26,666</u>	<u>\$ 5,252,362</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Special Deficiency</u>	<u>Community Development</u>	<u>Building Improvements</u>	<u>Sewermain Construction</u>	<u>Sidewalk Construction</u>	<u>Total Capital Projects</u>
REVENUES						
Taxes	\$ 443,411	\$ -	\$ -	\$ -	\$ -	\$ 443,411
Special Assessments	75,045	-	-	-	246,893	321,938
Intergovernmental	2,102	560,401	140,639	-	-	703,142
Charges for Services	705,269	-	-	-	-	705,269
Investment Income	48,315	-	42,679	-	-	90,994
Miscellaneous	-	-	15,000	-	-	15,000
Total Revenues	<u>1,274,142</u>	<u>560,401</u>	<u>198,318</u>	<u>-</u>	<u>246,893</u>	<u>2,279,754</u>
EXPENDITURES						
Current						
General Government	761,264	-	-	-	-	761,264
Public Works	-	472,984	-	4,336	16,169	493,489
Capital Outlay	-	-	6,177,154	838,366	2,209,554	9,225,074
Total Expenditures	<u>761,264</u>	<u>472,984</u>	<u>6,177,154</u>	<u>842,702</u>	<u>2,225,723</u>	<u>10,479,827</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>512,878</u>	<u>87,417</u>	<u>(5,978,836)</u>	<u>(842,702)</u>	<u>(1,978,830)</u>	<u>(8,200,073)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Special Assessment Bonds	-	-	-	935,000	1,850,000	2,785,000
Premium on Special Assessment Bonds	-	-	-	23,045	50,328	73,373
Transfers In	-	9,674	1,396,732	43,139	-	1,449,545
Transfers Out	(661,831)	(87,417)	-	(35,025)	(60,629)	(844,902)
Total Other Financing Sources (Uses)	<u>(661,831)</u>	<u>(77,743)</u>	<u>1,396,732</u>	<u>966,159</u>	<u>1,839,699</u>	<u>3,463,016</u>
Net Change in Fund Balances	<u>(148,953)</u>	<u>9,674</u>	<u>(4,582,104)</u>	<u>123,457</u>	<u>(139,131)</u>	<u>(4,737,057)</u>
Fund Balances, Beginning of Year	2,613,079	300,000	4,923,911	(1,187,773)	(1,763,882)	4,885,335
Fund Balances, End of Year	<u>\$ 2,464,126</u>	<u>\$ 309,674</u>	<u>\$ 341,807</u>	<u>\$ (1,064,316)</u>	<u>\$ (1,903,013)</u>	<u>\$ 148,278</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2023

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 8,054,762	\$ 2,080,223	\$ 5,788,358	\$ 1,860,763	\$ 17,784,106
Accounts Receivable	418,958	152,766	-	10,651	582,375
Special Assessments Receivable	-	1,690,300	-	-	1,690,300
Interest Receivable	100,357	26,072	117,283	27,876	271,588
Leases Receivable	-	-	24,240	289,835	314,075
Prepaid Items	5,038	2,931	-	13,792	21,761
Total Current Assets	<u>8,579,115</u>	<u>3,952,292</u>	<u>5,929,881</u>	<u>2,202,917</u>	<u>20,664,205</u>
Noncurrent Assets					
Leases Receivable	-	-	969,306	1,826,670	2,795,976
Capital Assets, Net of Depreciation/Amortization					
Land	603,338	4,972,397	183,749	1,203,152	6,962,636
Construction in Progress	-	1,277,570	-	-	1,277,570
Buildings and Building Improvements	-	-	-	17,223,632	17,223,632
Improvements Other Than Buildings	1,629	48,461,239	4,851,445	15,865	53,330,178
Machinery and Equipment	1,893,524	109,246	-	608,969	2,611,739
Total Noncurrent Assets	<u>2,498,491</u>	<u>54,820,452</u>	<u>6,004,500</u>	<u>20,878,288</u>	<u>84,201,731</u>
Total Assets	<u>11,077,606</u>	<u>58,772,744</u>	<u>11,934,381</u>	<u>23,081,205</u>	<u>104,865,936</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	452,665	113,671	-	-	566,336
LIABILITIES					
Current Liabilities					
Accounts Payable	139,636	23,866	-	41,441	204,943
Salaries Payable	93,679	23,850	-	-	117,529
Unearned Revenue	-	-	-	1,032	1,032
Customer Deposits	-	-	-	2,871	2,871
Compensated Absences Payable	138,956	28,268	-	-	167,224
Total Current Liabilities	<u>372,271</u>	<u>75,984</u>	<u>-</u>	<u>45,344</u>	<u>493,599</u>
Noncurrent Liabilities					
Customer Deposits	-	-	-	29,550	29,550
Compensated Absences Payable	36,971	20,049	-	-	57,020
Net Pension Liability	736,142	190,250	-	-	926,392
Total Noncurrent Liabilities	<u>773,113</u>	<u>210,299</u>	<u>-</u>	<u>29,550</u>	<u>1,012,962</u>
Total Liabilities	<u>1,145,384</u>	<u>286,283</u>	<u>-</u>	<u>74,894</u>	<u>1,506,561</u>
DEFERRED INFLOWS OF RESOURCES					
Pensions	72,488	24,708	-	-	97,196
Leases	-	-	1,001,066	2,013,120	3,014,186
Total Deferred Inflows of Resources	<u>72,488</u>	<u>24,708</u>	<u>1,001,066</u>	<u>2,013,120</u>	<u>3,111,382</u>
NET POSITION					
Net Investment in Capital Assets	2,498,491	54,820,452	5,035,194	19,051,618	81,405,755
Unrestricted	7,813,908	3,754,972	5,898,121	1,941,573	19,408,574
Total Net Position	<u>\$ 10,312,399</u>	<u>\$ 58,575,424</u>	<u>\$ 10,933,315</u>	<u>\$ 20,993,191</u>	<u>\$ 100,814,329</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
OPERATING REVENUES					
Sanitation Fees	\$ 6,026,073	\$ 1,485,711	\$ -	\$ -	\$ 7,511,784
Miscellaneous Sales	88,544	17,552	25	-	106,121
Leases and Rentals	-	-	85,190	1,887,757	1,972,947
Total Operating Revenues	<u>6,114,617</u>	<u>1,503,263</u>	<u>85,215</u>	<u>1,887,757</u>	<u>9,590,852</u>
OPERATING EXPENSES					
Salaries and Wages	1,334,451	345,659	-	-	1,680,110
Fringe Benefits	809,216	169,994	-	-	979,210
Professional Legal and Contracted Services	1,009	174,315	1,227	461,437	637,988
Building Equipment and Vehicle Services	652,643	206,249	46,381	506,646	1,411,919
Travel and Training	174	1,600	-	-	1,774
Operating Services	1,743,284	111,668	17,275	92,128	1,964,355
Operating Supplies	218,365	15,552	-	23,105	257,022
Depreciation Expense	340,227	1,330,898	198,032	756,501	2,625,658
Total Operating Expenses	<u>5,099,369</u>	<u>2,355,935</u>	<u>262,915</u>	<u>1,839,817</u>	<u>9,558,036</u>
Net Operating Income (Loss)	<u>1,015,248</u>	<u>(852,672)</u>	<u>(177,700)</u>	<u>47,940</u>	<u>32,816</u>
NONOPERATING REVENUES (EXPENSES)					
Grants	-	85,371	-	-	85,371
Special Assessments	-	65,855	-	-	65,855
Investment Income	268,710	69,456	202,445	54,423	595,034
Gain (Loss) on Disposal of Assets	1,800	-	-	(15,699)	(13,899)
Total Nonoperating Revenues (Expenses)	<u>270,510</u>	<u>220,682</u>	<u>202,445</u>	<u>38,724</u>	<u>732,361</u>
Net Income (Loss) Before Capital Contributions and Transfers	<u>1,285,758</u>	<u>(631,990)</u>	<u>24,745</u>	<u>86,664</u>	<u>765,177</u>
Capital Contributions	-	838,364	-	-	838,364
Change in Net Position	<u>1,285,758</u>	<u>206,374</u>	<u>24,745</u>	<u>86,664</u>	<u>1,603,541</u>
Net Position, Beginning of Year	<u>9,026,641</u>	<u>58,369,050</u>	<u>10,908,570</u>	<u>20,906,527</u>	<u>99,210,788</u>
Net Position, End of Year	<u>\$ 10,312,399</u>	<u>\$ 58,575,424</u>	<u>\$ 10,933,315</u>	<u>\$ 20,993,191</u>	<u>\$ 100,814,329</u>

**CITY OF BISMARCK , NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Solid Waste Collections	Storm Water	Northern Plains Commerce Centre	Parking Authority	Total Nonmajor Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 6,060,067	\$ 1,596,123	\$ 66,728	\$ 1,853,651	\$ 9,576,569
Payments to Suppliers	(3,416,460)	(725,853)	(112,713)	(1,114,186)	(5,369,212)
Payments to Employees	(1,267,724)	(326,775)	-	-	(1,594,499)
Net Cash Provided (Used) by Operating Activities	<u>1,375,883</u>	<u>543,495</u>	<u>(45,985)</u>	<u>739,465</u>	<u>2,612,858</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants Received	-	85,371	-	-	85,371
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds From Sale of Capital Assets Disposal	1,800	-	-	-	1,800
Special Assessments Received	-	331,479	-	-	331,479
Acquisition and Construction of Capital Assets	(156,972)	(44,937)	-	(450,359)	(652,268)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(155,172)</u>	<u>286,542</u>	<u>-</u>	<u>(450,359)</u>	<u>(318,989)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment Income	192,103	47,543	149,769	39,982	429,397
Net Increase (Decrease) in Cash and Cash Equivalents	1,412,814	962,951	103,784	329,088	2,808,637
Cash and Cash Equivalents, Beginning of Year	6,641,948	1,117,272	5,684,574	1,531,675	14,975,469
Cash and Cash Equivalents, End of Year	<u>\$ 8,054,762</u>	<u>\$ 2,080,223</u>	<u>\$ 5,788,358</u>	<u>\$ 1,860,763</u>	<u>\$ 17,784,106</u>
Provided (Used) by Operating Activities					
Net Operating Income (Loss)	\$ 1,015,248	\$ (852,672)	\$ (177,700)	\$ 47,940	\$ 32,816
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	340,227	1,330,898	198,032	756,501	2,625,658
Change in Deferred Outflows of Resources	215,573	39,965	-	-	255,538
Change in Deferred Inflows of Resources from Pension	44,928	10,588	-	-	55,516
Change in Deferred Inflows of Resources from Leases	-	-	(41,711)	(359,235)	(400,946)
Change in Net Pension Liability	(214,470)	(38,594)	-	-	(253,064)
(Increase) Decrease in Accounts Receivable	(54,550)	92,860	-	11,634	49,944
(Increase) Decrease in Leases Receivable	-	-	23,224	310,131	333,355
(Increase) Decrease in Prepaid Items	(871)	18	-	(2,211)	(3,064)
Increase (Decrease) in Customer Deposits	-	-	-	3,440	3,440
Increase (Decrease) in Accounts Payable	9,102	(46,493)	(47,830)	(28,659)	(113,880)
Increase (Decrease) in Compensated Benefits Payable	10,635	4,472	-	-	15,107
Increase (Decrease) in Salaries Payable	10,061	2,453	-	-	12,514
Increase (Decrease) in Unearned Revenue	-	-	-	(76)	(76)
Total Adjustments	<u>360,635</u>	<u>1,396,167</u>	<u>131,715</u>	<u>691,525</u>	<u>2,580,042</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,375,883</u>	<u>\$ 543,495</u>	<u>\$ (45,985)</u>	<u>\$ 739,465</u>	<u>\$ 2,612,858</u>
NONCASH INVESTING, CAPITAL, AND FINANCE ACTIVITIES					
Capital Contributions	\$ -	\$ 838,364	\$ -	\$ -	\$ 838,364

NONMAJOR INTERNAL SERVICE FUNDS

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

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

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

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

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

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

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2023

	<u>Fleet Services</u>	<u>Liability Insurance</u>	<u>Workforce Safety Insurance</u>	<u>Employee Insurance</u>	<u>Revolving</u>	<u>Total Internal Service</u>
ASSETS						
Current Assets						
Cash and Cash Equivalents	\$ -	\$ 584,360	\$ 629,578	\$ 8,401,702	\$ 652,985	\$ 10,268,625
Accounts Receivable	2,537	26	-	-	305,626	308,189
Inventory	443,014	-	-	-	-	443,014
Prepaid Items	5,542	-	-	-	-	5,542
Total Current Assets	<u>451,093</u>	<u>584,386</u>	<u>629,578</u>	<u>8,401,702</u>	<u>958,611</u>	<u>11,025,370</u>
Noncurrent Assets, Net of Depreciation/Amortization						
Machinery and Equipment	702,647	-	-	-	-	702,647
Total Assets	<u>1,153,740</u>	<u>584,386</u>	<u>629,578</u>	<u>8,401,702</u>	<u>958,611</u>	<u>11,728,017</u>
DEFERRED OUTFLOWS OF RESOURCES						
Asset Retirement Obligation	62,438	-	-	-	-	62,438
Pensions	217,696	-	-	-	-	217,696
Total Deferred Outflows of Resources	<u>280,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,134</u>
LIABILITIES						
Current Liabilities						
Accounts Payable	167,587	-	25,622	465,754	626,499	1,285,462
Interfund Payables	283,079	-	-	-	-	283,079
Salaries Payable	48,288	-	-	-	658	48,946
Claims and Judgments Payable	-	-	-	614,000	-	614,000
Total Current Liabilities	<u>498,954</u>	<u>-</u>	<u>25,622</u>	<u>1,079,754</u>	<u>627,157</u>	<u>2,231,487</u>
Noncurrent Liabilities						
Asset Retirement Obligation Liability	67,500	-	-	-	-	67,500
Net Pension Liability	359,912	-	-	-	-	359,912
Total Noncurrent Liabilities	<u>427,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,412</u>
Total Liabilities	<u>926,366</u>	<u>-</u>	<u>25,622</u>	<u>1,079,754</u>	<u>627,157</u>	<u>2,658,899</u>
DEFERRED INFLOWS OF RESOURCES						
Pensions	51,325	-	-	-	-	51,325
NET POSITION						
Net Investment in Capital Assets	702,647	-	-	-	-	702,647
Unrestricted	(246,464)	584,386	603,956	7,321,948	331,454	8,595,280
Total Net Position	<u>\$ 456,183</u>	<u>\$ 584,386</u>	<u>\$ 603,956</u>	<u>\$ 7,321,948</u>	<u>\$ 331,454</u>	<u>\$ 9,297,927</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Fleet Services	Liability Insurance	Workforce Safety Insurance	Employee Insurance	Revolving	Total Internal Service
OPERATING REVENUES						
Gas and Oil Sales	\$ 1,372,681	\$ -	\$ -	\$ -	\$ -	\$ 1,372,681
Parts and Labor Sales	2,917,806	-	-	-	-	2,917,806
Miscellaneous	24,574	-	-	949,931	-	974,505
Leases and Rentals	12,285	-	-	-	-	12,285
Employer Contributions	-	-	-	14,384,099	-	14,384,099
Employee Contributions	-	-	-	53,923	-	53,923
Total Operating Revenues	<u>4,327,346</u>	<u>-</u>	<u>-</u>	<u>15,387,953</u>	<u>-</u>	<u>19,715,299</u>
OPERATING EXPENSES						
Cost of Goods Sold	2,897,374	-	-	-	-	2,897,374
Salaries and Wages	736,873	-	-	-	-	736,873
Fringe Benefits	381,930	-	75,131	12,718	-	469,779
Professional Legal and Contracted Services	986	480	115	66,853	-	68,434
Building Equipment and Vehicle Services	251,689	-	-	-	83,924	335,613
Travel and Training	8,937	-	-	-	-	8,937
Operating Services	141,769	391,124	13,855	12,488,644	-	13,035,392
Operating Supplies	31,265	-	-	1,325	-	32,590
Depreciation Expense	46,245	-	-	-	-	46,245
Total Operating Expenses	<u>4,497,068</u>	<u>391,604</u>	<u>89,101</u>	<u>12,569,540</u>	<u>83,924</u>	<u>17,631,237</u>
Net Operating Income (Loss)	<u>(169,722)</u>	<u>(391,604)</u>	<u>(89,101)</u>	<u>2,818,413</u>	<u>(83,924)</u>	<u>2,084,062</u>
NONOPERATING REVENUES (EXPENSES)						
Investment Income	1,559	16,157	15,518	182,542	-	215,776
Gain (Loss) on Disposal of Capital Assets	21,152	-	-	-	303,680	324,832
Total Nonoperating Revenues (Expenses)	<u>22,711</u>	<u>16,157</u>	<u>15,518</u>	<u>182,542</u>	<u>303,680</u>	<u>540,608</u>
Net Income (Loss) Before Transfers	<u>(147,011)</u>	<u>(375,447)</u>	<u>(73,583)</u>	<u>3,000,955</u>	<u>219,756</u>	<u>2,624,670</u>
Capital Contributions	2,770	-	-	-	-	2,770
Transfers In	-	427,000	-	-	-	427,000
Change in Net Position	<u>(144,241)</u>	<u>51,553</u>	<u>(73,583)</u>	<u>3,000,955</u>	<u>219,756</u>	<u>3,054,440</u>
Net Position, Beginning of Year	<u>600,424</u>	<u>532,833</u>	<u>677,539</u>	<u>4,320,993</u>	<u>111,698</u>	<u>6,243,487</u>
Net Position, End of Year	<u>\$ 456,183</u>	<u>\$ 584,386</u>	<u>\$ 603,956</u>	<u>\$ 7,321,948</u>	<u>\$ 331,454</u>	<u>\$ 9,297,927</u>

**CITY OF BISMARCK , NORTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Fleet Services</u>	<u>Liability Insurance</u>	<u>Workforce Safety</u>	<u>Employee Insurance</u>	<u>Revolving</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers and Users	\$ 4,328,942	\$ 470	\$ -	\$ 1,003,854	\$ (17,819)	\$ 5,315,447
Receipts from Employer	-	-	-	14,384,099	-	14,384,099
Payments to Suppliers	(3,762,224)	(391,794)	(71,908)	(12,790,424)	(173,307)	(17,189,657)
Payments to Employees	(712,711)	-	-	-	(72)	(712,783)
Net Cash Provided (Used) by Operating Activities	<u>(145,993)</u>	<u>(391,324)</u>	<u>(71,908)</u>	<u>2,597,529</u>	<u>(191,198)</u>	<u>1,797,106</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments from Other Funds	283,079	427,000	-	-	-	710,079
Net Cash Provided (Used) by Noncapital Financing Activities	<u>283,079</u>	<u>427,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>710,079</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds From Sale of Capital Assets Disposal	8,000	-	-	-	-	8,000
Proceeds from Insurance Recoveries	13,152	-	-	-	303,680	316,832
Acquisition/Construction of Capital Assets	(390,707)	-	-	-	-	(390,707)
Net Cash Provided (used) by Capital and Related Financing Activities	<u>(369,555)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,680</u>	<u>(65,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment Income	1,559	16,157	15,518	182,542	-	215,776
Net Increase (Decrease) in Cash and Cash Equivalents	(230,910)	51,833	(56,390)	2,780,071	112,482	2,657,086
Cash and Cash Equivalents, Beginning of Year	230,910	532,527	685,968	5,621,631	540,503	7,611,539
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 584,360</u>	<u>\$ 629,578</u>	<u>\$ 8,401,702</u>	<u>\$ 652,985</u>	<u>\$ 10,268,625</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Net Operating Income (Loss)	\$ (169,722)	\$ (391,604)	\$ (89,101)	\$ 2,818,413	\$ (83,924)	\$ 2,084,062
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	46,245	-	-	-	-	46,245
Change in Deferred Outflows of Resources from Pensions	72,380	-	-	-	-	72,380
Change in Deferred Inflows of Resources from Pensions	19,952	-	-	-	-	19,952
Change in Net Pension Liability/Asset	(71,155)	-	-	-	-	(71,155)
Change in Asset Retirement Obligation	1,687	-	-	-	-	1,687
(Increase) Decrease in Accounts Receivable	1,596	470	-	-	(17,819)	(15,753)
(Increase) Decrease in Inventory	(6,986)	-	-	-	-	(6,986)
(Increase) Decrease in Prepaid Items	86	-	-	8,911	2,345	11,342
Increase (Decrease) in Accounts Payable	(43,061)	-	17,193	(19,795)	(91,728)	(137,391)
Increase (Decrease) in Salaries Payable	2,985	-	-	-	(72)	2,913
Increase (Decrease) in Claims and Judgments Payable	-	(190)	-	(210,000)	-	(210,190)
Total Adjustments	<u>23,729</u>	<u>280</u>	<u>17,193</u>	<u>(220,884)</u>	<u>(107,274)</u>	<u>(286,956)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (145,993)</u>	<u>\$ (391,324)</u>	<u>\$ (71,908)</u>	<u>\$ 2,597,529</u>	<u>\$ (191,198)</u>	<u>\$ 1,797,106</u>
NONCASH INVESTING, CAPITAL, AND RELATED FINANCING ACTIVITIES:						
Contributed Capital Assets	\$ 2,770	\$ -	\$ -	\$ -	\$ -	\$ 2,770

**CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023**

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ASSETS						
Cash and Cash Equivalents	\$ 170,449	\$ 137,326	\$ 307,775	\$ -	\$ 740,272	\$ 740,272
Investments, at Fair Value:						
International Equities	57,750,896	26,859,925	84,610,821	-	-	-
International Fixed Income	41,867,027	15,006,643	56,873,670	-	-	-
Real Estate	24,028,219	9,935,799	33,964,018	-	-	-
Mutual Funds	-	-	-	78,822	-	78,822
Invested Cash	731,402	217,673	949,075	-	-	-
Invested Securities Lending	923,189	407,902	1,331,091	-	-	-
Accounts Receivable	785	-	785	-	-	-
Accrued Interest and Dividends	249,930	94,074	344,004	-	-	-
Total Assets	<u>125,721,897</u>	<u>52,659,342</u>	<u>178,381,239</u>	<u>78,822</u>	<u>740,272</u>	<u>819,094</u>
LIABILITIES						
Accounts Payable	98,072	40,908	138,980	-	4,884	4,884
Securities Lending Collateral	923,189	407,902	1,331,091	-	-	-
Total Liabilities	<u>1,021,261</u>	<u>448,810</u>	<u>1,470,071</u>	<u>-</u>	<u>4,884</u>	<u>4,884</u>
NET POSITION						
Restricted	124,700,636	52,210,532	176,911,168	78,822	735,388	814,210
Total Net Position	<u>\$ 124,700,636</u>	<u>\$ 52,210,532</u>	<u>\$ 176,911,168</u>	<u>\$ 78,822</u>	<u>\$ 735,388</u>	<u>\$ 814,210</u>

CITY OF BISMARCK, NORTH DAKOTA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023

	PENSION TRUST			CUSTODIAL		
	City Pension	Police Pension	Total	Employee Excess Retirement	Police Custodial Fund	Total
ADDITIONS						
Employer Contributions	\$ 3,281,663	\$ 1,547,557	\$ 4,829,220	\$ -	\$ -	\$ -
Employee Contributions	1,607,282	926,470	2,533,752	-	-	-
Total Contributions	<u>4,888,945</u>	<u>2,474,027</u>	<u>7,362,972</u>	-	-	-
Investment Income (Loss):						
Net increase (Decrease) in						
Fair Value of Investments	10,086,464	4,441,955	14,528,419	10,017	-	10,017
Interest and Dividend Earnings	2,106,967	816,672	2,923,639	-	-	-
Securities Lending Income	6,572	2,789	9,361	-	-	-
Total Investment Income (Loss)	<u>12,200,003</u>	<u>5,261,416</u>	<u>17,461,419</u>	<u>10,017</u>	<u>-</u>	<u>10,017</u>
Investment Expense:						
Investment Activity Expense	(303,292)	(128,110)	(431,402)	-	-	-
Securities Lending Expense	(1,315)	(558)	(1,873)	-	-	-
Net Investment Income	<u>11,895,396</u>	<u>5,132,748</u>	<u>17,028,144</u>	<u>10,017</u>	<u>-</u>	<u>10,017</u>
Revenues						
Police Custody Funds Received	-	-	-	-	102,440	102,440
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,440</u>	<u>102,440</u>
Total Additions	<u>16,784,341</u>	<u>7,606,775</u>	<u>24,391,116</u>	<u>10,017</u>	<u>102,440</u>	<u>112,457</u>
DEDUCTIONS						
Benefits Paid to Participants	7,798,329	2,990,052	10,788,381	-	-	-
Refunds	239,398	205,732	445,130	25,284	-	25,284
Administration Expenses	126,585	48,050	174,635	-	-	-
Police Custody Funds Paid	-	-	-	-	139,117	139,117
Total Deductions	<u>8,164,312</u>	<u>3,243,834</u>	<u>11,408,146</u>	<u>25,284</u>	<u>139,117</u>	<u>164,401</u>
Change in Net Position	8,620,029	4,362,941	12,982,970	(15,267)	(36,677)	(51,944)
Net Position, Beginning of Year	116,080,607	47,847,591	163,928,198	94,089	772,065	866,154
Net Position, End of Year	<u>\$ 124,700,636</u>	<u>\$ 52,210,532</u>	<u>\$ 176,911,168</u>	<u>\$ 78,822</u>	<u>\$ 735,388</u>	<u>\$ 814,210</u>

**CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF NET POSITION
COMPONENT UNIT
DECEMBER 31, 2023**

	<u>Central Dakota Communications Center</u>
ASSETS	
Current Assets	
Accounts Receivable	\$ 1,072,697
Interest Receivable	844
Leases Receivable	3,631
Total Current Assets	1,077,172
Noncurrent Assets	
Leases Receivable	232,495
Capital Assets, Net of Depreciation/Amortization	
Machinery and Equipment	2,237,409
Right-To-Use Lease Assets	7,517,957
Total Noncurrent Assets	9,987,861
Total Assets	11,065,033
LIABILITIES	
Current Liabilities	
Accounts Payable	21,443
Due to Other Entities	1,051,254
Accrued Interest Payable	26,738
Leases Payable	315,309
Total Current Liabilities	1,414,744
Noncurrent Liabilities	
Leases Payable	7,463,022
Total Liabilities	8,877,766
DEFERRED INFLOWS OF RESOURCES	
Leases	223,274
NET POSITION	
Net Investment in Capital Assets	1,977,035
Unrestricted	(13,042)
Total Net Position	\$ 1,963,993

CITY OF BISMARCK, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
COMPONENT UNIT
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Central Dakota Communications Center</u>
OPERATING REVENUES	
Charges for Services	\$ 2,016,147
Intergovernmental	2,039,398
Leases and Rentals	20,648
Miscellaneous	9,410
Total Operating Revenues	4,085,603
OPERATING EXPENSES	
Professional Legal and Contracted Services	2,497,701
Building Equipment and Vehicle Services	145,727
Travel and Training	17,506
Operating Services	702,627
Operating Supplies	32,095
Depreciation Expense	642,286
Total Operating Expenses	4,037,942
Net Operating Income (Loss)	47,661
NONOPERATING REVENUES (EXPENSES)	
Interest and Fiscal Charges	(331,210)
Change in Net Position	(283,549)
Net Position, Beginning of Year	2,247,542
Net Position, End of Year	\$ 1,963,993

STATISTICAL SECTION



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	118
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
Revenue Capacity	123
These schedules contain information to help the reader assess the city's most significant local revenue source, the property tax.	
Debt Capacity	128
These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.	
Demographic and Economic Information	132
These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	
Operating Information	135
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the city provides and the activities it performs.	

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

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020 *</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Governmental Activities										
Net Investment in Capital Assets	\$ 192,652,784	\$ 197,951,649	\$ 218,218,040	\$ 225,240,744	\$ 230,739,569	\$ 238,971,819	\$ 258,881,437	\$ 278,950,023	\$ 315,866,703	\$ 348,132,922
Restricted	20,182,943	25,205,341	31,075,288	49,167,595	55,329,012	78,260,446	76,962,378	119,505,242	91,855,188	108,242,946
Unrestricted	148,773,677	171,295,399	181,422,256	170,563,328	166,262,629	145,803,806	154,297,592	128,668,327	167,203,128	175,723,191
Total Governmental Activities Net Position	<u>\$ 361,609,404</u>	<u>\$ 394,452,389</u>	<u>\$ 430,715,584</u>	<u>\$ 444,971,667</u>	<u>\$ 452,331,210</u>	<u>\$ 463,036,071</u>	<u>\$ 490,141,407</u>	<u>\$ 527,123,592</u>	<u>\$ 574,925,019</u>	<u>\$ 632,099,059</u>
Business-type Activities										
Net Investment in Capital Assets	\$ 319,745,687	\$ 319,247,440	\$ 341,955,183	\$ 374,421,127	\$ 401,875,951	\$ 409,059,784	\$ 426,085,338	\$ 440,243,714	\$ 461,645,551	\$ 495,405,986
Restricted	9,941,852	36,089,113	12,175,717	11,138,729	11,195,951	12,408,591	13,492,002	12,342,474	14,294,810	12,769,941
Unrestricted	59,056,335	38,560,107	51,133,751	42,895,634	43,933,922	51,736,219	52,070,299	77,097,423	88,553,212	99,387,661
Total Business-type Activities Net Position	<u>\$ 388,743,874</u>	<u>\$ 393,896,660</u>	<u>\$ 405,264,651</u>	<u>\$ 428,455,490</u>	<u>\$ 457,005,824</u>	<u>\$ 473,204,594</u>	<u>\$ 491,647,639</u>	<u>\$ 529,683,611</u>	<u>\$ 564,493,573</u>	<u>\$ 607,563,588</u>
Primary Government										
Net Investment in Capital Assets	\$ 512,398,471	\$ 517,199,089	\$ 560,173,223	\$ 599,661,871	\$ 632,615,520	\$ 648,031,603	\$ 684,966,775	\$ 719,193,737	\$ 777,512,254	\$ 843,538,908
Restricted	30,124,795	61,294,454	43,251,005	60,306,324	66,524,963	90,669,037	90,454,380	131,847,716	106,149,998	121,012,887
Unrestricted	207,830,012	209,855,506	232,556,007	213,458,962	210,196,551	197,540,025	206,367,891	205,765,750	255,756,340	275,110,852
Total Primary Government Net Position	<u>\$ 750,353,278</u>	<u>\$ 788,349,049</u>	<u>\$ 835,980,235</u>	<u>\$ 873,427,157</u>	<u>\$ 909,337,034</u>	<u>\$ 936,240,665</u>	<u>\$ 981,789,046</u>	<u>\$ 1,056,807,203</u>	<u>\$ 1,139,418,592</u>	<u>\$ 1,239,662,647</u>
Component Unit										
Net Investment in Capital Assets							\$ 2,388,151	\$ 2,532,919	\$ 2,247,542	\$ 1,977,035
Unrestricted										\$ (13,042)
Total Primary Government Net Position	<u>\$ -</u>	<u>\$ 2,388,151</u>	<u>\$ 2,532,919</u>	<u>\$ 2,247,542</u>	<u>\$ 1,963,993</u>					

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

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
General Government	\$ 17,017,718	\$ 18,265,605	\$ 16,888,611	\$ 16,268,593	\$ 18,290,495	\$ 16,227,336	\$ 20,219,261	\$ 19,001,461	\$ 20,791,192	\$ 20,704,945
Public Safety	20,852,897	24,641,875	26,286,801	27,502,752	29,185,109	29,579,689	30,415,140	30,725,138	34,973,641	36,282,115
Highways and Streets	8,727,481	10,413,928	10,407,454	10,946,367	11,430,676	11,597,897	10,975,903	10,782,345	14,260,875	15,429,235
Health and Welfare	2,782,462	3,201,291	3,201,853	3,329,632	3,486,093	3,506,605	3,606,230	4,006,766	4,825,140	5,106,925
Culture and Recreation	2,757,172	2,953,530	3,182,488	3,336,676	3,524,975	3,610,946	3,398,425	3,627,670	4,027,559	4,235,992
Interest and Fiscal Charges	2,063,752	2,400,187	3,041,297	5,144,125	3,849,896	3,835,971	4,314,667	2,659,445	2,507,919	2,878,081
Public Works	9,243,920	9,972,223	11,551,442	13,945,500	14,626,171	12,980,551	16,422,484	13,436,853	16,766,244	16,560,851
Total Governmental Activities Expenses	63,445,402	71,848,639	74,559,946	80,473,645	84,393,415	81,338,995	89,352,110	84,239,678	98,152,570	101,198,144
Business-type Activities										
Airport	8,361,929	8,679,828	7,588,752	7,399,832	7,735,107	8,008,830	8,548,410	9,198,785	10,417,823	10,568,092
Event Center	9,594,634	11,436,810	11,043,455	10,718,816	11,108,512	9,947,984	6,096,566	7,561,220	8,870,482	9,132,878
Water	10,581,458	11,722,982	11,896,989	12,867,647	13,347,820	12,825,126	13,571,779	14,347,047	15,490,859	15,575,391
Sanitary Sewer	6,401,858	7,014,055	7,691,135	8,772,088	8,601,984	8,776,175	8,601,524	8,756,497	9,619,713	9,923,021
Solid Waste Disposal	2,694,350	2,453,612	4,340,662	2,997,121	2,600,476	3,068,343	2,820,233	3,399,701	3,204,427	4,974,389
Solid Waste Collections	3,118,929	4,065,304	3,872,531	4,018,808	4,275,343	4,185,101	4,057,608	4,417,323	4,791,389	5,099,369
Storm Water	2,167,522	1,993,037	2,697,316	3,076,950	4,239,065	2,313,297	5,509,598	2,438,293	3,523,528	2,355,935
Northern Plains Commerce Centre	-	-	-	-	-	286,817	285,811	298,481	267,383	262,915
Commercial Property	385,053	441,991	293,168	399,710	376,854	26,593	-	-	-	-
Parking Authority	1,114,692	1,608,473	1,639,973	1,596,137	1,575,237	1,615,739	1,641,385	1,697,382	1,764,888	1,839,817
Total Business-type Activities Expenses	44,420,425	49,416,092	51,063,981	51,847,109	53,860,398	51,054,005	51,132,914	52,114,729	57,950,492	59,731,807
Total Primary Government Expenses	\$ 107,865,827	\$ 121,264,731	\$ 125,623,927	\$ 132,320,754	\$ 138,253,813	\$ 132,393,000	\$ 140,485,024	\$ 136,354,407	\$ 156,103,062	\$ 160,929,951
Component Unit										
Central Dakota Communications Center	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,234,117	\$ 4,168,181	\$ 4,285,287	\$ 4,369,152
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 4,803,514	\$ 4,903,933	\$ 4,141,666	\$ 4,282,664	\$ 4,155,262	\$ 4,105,318	\$ 3,844,027	\$ 6,657,778	\$ 6,985,058	\$ 7,352,658
Public Safety	1,165,470	1,122,078	1,382,234	1,471,580	1,636,966	2,034,483	3,170,759	4,121,687	4,276,820	4,614,224
Highways and Streets	6,219,938	6,310,840	6,306,131	5,306,563	5,496,307	4,435,164	4,710,938	6,139,203	6,599,763	7,052,303
Health and Welfare	446,889	446,618	474,109	575,029	607,188	608,216	514,777	782,942	955,738	1,157,055
Culture and Recreation	121,094	131,868	135,435	131,136	130,571	123,921	67,127	138,773	119,923	176,323
Public Works	-	-	-	-	20,000	26,152	-	-	-	348,793
Operating Grants and Contributions	12,042,851	11,067,383	13,162,314	11,751,542	12,039,864	10,372,987	25,630,321	12,287,333	22,837,303	15,366,176
Capital Grants and Contributions	39,286,234	39,485,749	36,180,257	25,081,772	20,673,170	15,830,239	22,330,509	25,871,531	34,198,440	40,597,241
Total Governmental Activities Program Revenue	64,085,990	63,468,469	61,782,146	48,600,286	44,759,328	37,536,480	60,268,458	55,999,247	75,973,045	76,664,773
Business-type Activities										
Charges for Services										
Airport	5,688,130	6,004,126	5,880,634	6,581,900	6,988,947	7,625,965	5,028,751	5,833,766	6,779,575	8,835,352
Event Center	6,178,766	7,106,440	6,817,419	6,904,800	7,293,652	7,447,339	2,945,849	4,776,014	6,318,106	6,443,294
Water	12,320,934	14,179,792	13,918,492	16,101,327	16,504,992	13,963,761	18,822,596	22,718,986	18,685,085	17,976,874
Sanitary Sewer	6,719,385	7,224,309	8,917,828	10,209,905	10,963,919	11,695,570	12,020,917	13,650,274	14,103,551	14,033,509
Solid Waste Disposal	4,201,932	4,307,855	4,355,606	4,375,408	3,902,953	4,213,453	3,995,766	4,227,045	4,228,744	5,323,850
Solid Waste Collections	3,250,198	3,899,855	4,003,128	4,609,120	4,768,732	4,978,616	5,119,114	5,436,452	5,739,918	6,114,617

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Storm Water	1,242,126	1,352,712	1,390,903	1,825,511	2,305,184	1,484,594	1,455,797	1,512,307	1,536,060	1,503,263
Northern Plains Commerce Centre	-	-	-	-	-	67,717	67,717	67,717	86,079	85,215
Commercial Property	235,951	255,917	180,632	104,430	102,109	11,058	-	-	-	-
Parking Authority	1,230,561	1,561,998	1,460,754	1,550,277	1,510,575	1,659,091	1,592,410	1,740,102	1,883,856	1,887,757
Operating Grants and Contributions	1,212,522	227,245	40,360	6,666	11,319	38,307	3,015,545	7,835,779	5,557,720	1,916,047
Capital Grants and Contributions	13,475,408	9,924,565	6,748,212	17,502,063	24,121,524	13,085,359	9,548,744	18,463,512	22,333,719	26,434,913
Total Business-type Activities Program Revenue	55,755,913	56,044,814	53,713,968	69,771,407	78,473,906	66,270,830	63,613,206	86,261,954	87,252,413	90,554,691
Total Primary Government Program Revenues	\$ 119,841,903	\$ 119,513,283	\$ 115,496,114	\$ 118,371,693	\$ 123,233,234	\$ 103,807,310	\$ 123,881,664	\$ 142,261,201	\$ 163,225,458	\$ 167,219,464
Component Unit										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,207,013	\$ 3,828,235	\$ 3,966,110	\$ 4,085,603
Capital Grants and Contributions	-	-	-	-	-	-	2,415,255	291,700	33,800	-
Total Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,622,268	\$ 4,119,935	\$ 3,999,910	\$ 4,085,603
Net (Expense)/Revenue										
Government Activities	640,588	(8,380,170)	(12,777,800)	(31,873,359)	(39,634,087)	(43,802,515)	(29,083,652)	(28,240,431)	(22,179,525)	(24,533,370)
Business-type Activities	11,335,488	6,628,722	2,649,987	17,924,298	24,613,508	15,216,825	12,480,292	34,147,225	29,301,921	30,822,884
Total Primary Government Net Expense	\$ 11,976,076	\$ (1,751,448)	\$ (10,127,813)	\$ (13,949,061)	\$ (15,020,579)	\$ (28,585,690)	\$ (16,603,360)	\$ 5,906,794	\$ 7,122,396	\$ 6,289,514
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (48,246)	\$ (285,377)	\$ (283,549)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 18,398,151	\$ 19,270,501	\$ 20,253,570	\$ 21,250,283	\$ 20,628,624	\$ 21,198,684	\$ 22,387,939	\$ 26,793,510	\$ 31,520,584	\$ 34,614,680
Sales Tax	17,238,016	17,436,203	16,747,940	15,849,579	15,543,636	21,833,317	23,411,959	28,739,637	29,929,510	31,192,129
Occupancy Tax	1,219,152	1,188,853	1,086,064	1,014,964	965,445	1,031,410	619,471	966,856	1,090,781	1,174,639
Lodging, Liquor, and Food Tax	2,809,757	2,910,312	2,848,332	2,877,076	2,919,682	3,036,341	2,553,256	3,436,681	3,752,153	4,094,829
Car Rental Tax	72,999	71,808	73,046	78,262	66,121	81,482	39,722	71,203	72,109	80,054
State Aid	5,539,292	5,069,954	3,902,315	3,888,355	4,498,092	4,784,709	4,202,218	5,080,152	5,309,646	5,947,512
Franchise Taxes	1,427,837	1,123,478	1,243,287	1,218,141	1,158,319	1,093,964	1,040,153	1,027,705	978,463	924,506
Other Taxes	1,239,000	1,333,130	1,247,280	1,225,954	1,706,736	1,329,301	1,360,245	1,438,979	1,073,363	1,272,976
Investment Income (Loss)	837,497	675,796	690,481	2,954,251	2,342,382	4,277,125	4,040,976	1,132,031	(456,178)	7,023,614
Gain (Loss) on Disposal of Capital Assets	(416,026)	-	178,109	121,371	352,053	(30,697)	673,970	238,565	1,157,268	1,298,876
Transfers	(26,321,428)	1,959,501	(3,580,283)	(4,348,794)	(3,187,460)	(4,128,260)	(4,954,022)	(3,702,703)	(4,446,747)	(5,916,404)
Total Governmental Activities	22,044,247	51,039,536	44,690,141	46,129,442	46,993,630	54,507,376	55,375,887	65,222,616	69,980,952	81,707,411
Business-type Activities										
Other Taxes	43,158	39,923	40,714	33,643	36,465	45,071	44,737	32,615	44,691	40,648
Investment Income (Loss)	543,817	419,227	375,048	576,858	535,407	1,660,326	1,172,657	90,651	(644,160)	3,266,049
Gain (Loss) on Disposal of Capital Assets	1,859,230	487,056	1,445,890	307,246	177,494	(4,851,712)	(208,663)	62,778	1,660,764	3,024,029
Transfers	26,321,428	(2,153,088)	3,580,283	4,348,794	3,187,460	4,128,260	4,954,022	3,702,703	4,446,747	5,916,404
Total Business-type Activities	28,767,633	(1,206,882)	5,441,935	5,266,541	3,936,826	981,945	5,962,753	3,888,747	5,508,042	12,247,130
Total Primary Government	\$ 50,811,880	\$ 49,832,654	\$ 50,132,076	\$ 51,395,983	\$ 50,930,456	\$ 55,489,321	\$ 61,338,640	\$ 69,111,363	\$ 75,488,994	\$ 93,954,541
Component Unit										
Gain (Loss) on Disposal of Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,887	\$ -	\$ -
Change in Net Position										
Governmental Activities	\$ 22,684,835	\$ 42,659,366	\$ 31,912,341	\$ 14,256,083	\$ 7,359,543	\$ 10,704,861	\$ 26,292,235	\$ 36,982,185	\$ 47,801,427	\$ 57,174,040
Business-type Activities	40,103,121	5,421,840	8,091,922	23,190,839	28,550,334	16,198,770	18,443,045	38,035,972	34,809,963	43,070,014
Total Primary Government	\$ 62,787,956	\$ 48,081,206	\$ 40,004,263	\$ 37,446,922	\$ 35,909,877	\$ 26,903,631	\$ 44,735,280	\$ 75,018,157	\$ 82,611,390	\$ 100,244,054
Component Unit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,388,151	\$ (45,359)	\$ (285,377)	\$ (283,549)

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 200,000	\$ 230,000	\$ 230,000	\$ 230,000	\$ 150,000	\$ -	\$ 38,799	\$ 1,394	\$ 12,899	\$ 5,005
Restricted	423,884	2,414,706	2,741,315	2,553,106	3,128,667	4,718,231	6,049,590	7,809,563	8,021,055	8,045,803
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	4,928,903	4,236,860	4,555,285	3,622,460	4,316,068	4,765,734	17,300,470	17,052,824	14,177,069	16,136,726
Unassigned	30,743,043	31,714,584	32,800,155	34,269,492	36,360,862	35,556,939	32,885,439	31,815,152	35,184,230	39,980,654
Total General Fund	<u>\$ 36,295,830</u>	<u>\$ 38,596,150</u>	<u>\$ 40,326,755</u>	<u>\$ 40,675,058</u>	<u>\$ 43,955,597</u>	<u>\$ 45,040,904</u>	<u>\$ 56,274,298</u>	<u>\$ 56,678,933</u>	<u>\$ 57,395,253</u>	<u>\$ 64,168,188</u>
All Other Governmental Funds										
Nonspendable	\$ 2,112,390	\$ -	\$ 1,880,000	\$ -	\$ -	\$ 1,234,481	\$ 281,589	\$ 254,111	\$ 322,450	\$ 584,603
Restricted	31,603,572	10,503,322	40,936,613	46,614,489	52,200,345	73,542,216	70,912,788	111,695,679	83,834,133	100,197,143
Committed	40,212,743	76,137,429	55,295,682	56,097,547	46,702,145	37,392,272	46,139,992	39,071,435	60,672,467	48,157,454
Assigned	-	-	-	-	-	-	300,000	300,000	300,000	1,563,579
Unassigned	(28,128,497)	(21,204,601)	(22,506,461)	(19,880,207)	(9,312,024)	(11,662,049)	(14,459,526)	(19,884,116)	(21,384,240)	(16,300,201)
Total All Other Governmental Funds	<u>\$ 45,800,208</u>	<u>\$ 65,436,150</u>	<u>\$ 75,605,834</u>	<u>\$ 82,831,829</u>	<u>\$ 89,590,466</u>	<u>\$ 100,506,920</u>	<u>\$ 103,174,843</u>	<u>\$ 131,437,109</u>	<u>\$ 123,744,810</u>	<u>\$ 134,202,578</u>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Taxes	\$ 40,918,256	\$ 42,010,581	\$ 44,000,157	\$ 42,252,472	\$ 41,694,759	\$ 48,233,253	\$ 50,133,918	\$ 61,012,397	\$ 67,306,942	\$ 71,989,882
Special Assessments Revenue	17,717,047	18,539,363	21,449,838	21,849,733	22,334,763	22,518,068	24,658,117	32,245,964	20,426,651	20,243,864
Intergovernmental	20,549,194	17,854,293	18,299,828	17,743,566	18,335,857	17,179,104	33,268,246	26,508,133	38,977,130	35,539,074
Charges for Services	8,373,154	8,660,788	8,631,635	7,795,507	7,919,450	7,189,971	10,223,888	12,767,497	13,722,638	16,274,075
Licenses and Permits	2,478,578	2,333,947	2,023,147	1,861,177	1,897,424	2,020,572	1,966,452	2,165,128	2,286,499	2,368,549
Fines and Forfeitures	1,382,099	1,193,693	1,263,594	1,510,695	1,557,451	1,569,334	1,240,338	1,303,518	1,438,635	1,414,645
Leases and Rentals	404,790	427,935	410,379	402,562	390,677	373,034	275,422	191,649	296,022	213,752
Investment Income (Loss)	1,099,991	1,142,573	1,087,639	1,406,656	1,896,794	2,995,049	2,716,408	1,994,236	(942,570)	5,058,853
Donations	-	-	-	-	-	-	-	-	376,392	228,180
Miscellaneous	418,866	398,792	543,337	263,390	448,997	315,837	702,460	619,516	552,268	498,767
Total Revenues	93,341,975	92,561,965	97,709,554	95,085,758	96,476,172	102,394,222	125,185,249	138,808,038	144,440,607	153,829,641
EXPENDITURES										
Current										
General Government	15,750,318	15,715,568	15,192,348	14,432,957	15,767,436	14,299,862	18,349,413	18,431,424	18,952,679	18,485,890
Public Safety	19,993,552	21,529,929	23,883,543	25,619,157	25,730,050	27,472,723	29,583,737	31,303,222	32,841,121	34,507,483
Highways and Streets	8,656,321	9,131,659	10,243,511	10,734,028	9,974,139	10,738,028	10,296,279	10,544,660	12,789,408	13,727,306
Health and Welfare	2,786,465	2,904,894	3,167,152	3,247,464	3,191,344	3,379,797	3,545,887	4,309,470	4,480,645	4,886,930
Culture and Recreation	2,184,841	2,230,807	2,600,315	2,740,879	2,748,969	2,906,938	2,782,831	3,050,141	3,257,286	3,415,463
Public Works	1,975,649	1,703,421	2,931,214	3,788,925	3,502,262	1,306,187	4,560,864	849,944	3,718,575	2,510,739
Capital Outlay	58,509,103	44,750,179	33,359,349	31,585,615	20,099,187	19,721,519	35,814,373	35,874,729	61,783,680	55,137,600
Debt Service										
Principal	10,660,000	11,730,000	14,415,000	15,755,000	16,170,001	16,455,001	16,710,000	17,347,148	17,382,198	18,501,673
Interest	2,108,120	2,315,618	3,248,717	3,412,221	3,778,000	3,752,817	3,599,805	3,188,859	3,016,163	3,396,311
Total Expenditures	122,624,369	112,012,075	109,041,149	111,316,246	100,961,388	100,032,872	125,243,189	124,899,597	158,221,755	154,569,395
Excess of Revenues Over (Under) Expenditures	(29,282,394)	(19,450,110)	(11,331,595)	(16,230,488)	(4,485,216)	2,361,350	(57,940)	13,908,441	(13,781,148)	(739,754)
OTHER FINANCING SOURCES (USES)										
Issuance of Special Assessment Bonds	26,560,000	33,855,000	20,335,000	19,325,000	15,015,000	9,370,000	22,370,000	13,635,000	19,780,000	19,785,000
Premium on Special Assessment Bonds	18,507	1,889,225	762,423	1,983,299	428,935	458,847	1,264,501	619,358	639,074	492,373
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	2,133,163	-	548,248	737,082
Discount on Special Assessment Debt	(261,951)	-	-	-	-	-	-	-	-	-
Financing Purchase Proceed	-	-	-	-	-	-	-	-	-	1,488,576
Leases Proceeds	-	-	-	-	-	-	-	2,908,995	918,686	339,948
SBITAs Proceeds	-	-	-	-	-	-	-	-	-	578,193
Payment to Escrow Agent on Refunded Bonds	-	(7,405,000)	-	-	-	-	(11,000,473)	-	-	-
Transfers In	26,863,375	49,932,949	33,181,033	34,653,793	32,490,879	39,723,665	40,614,916	48,536,601	67,496,174	48,290,431
Transfers Out	(28,710,635)	(43,395,802)	(33,590,238)	(32,157,306)	(33,410,422)	(39,912,101)	(42,235,951)	(50,941,494)	(71,196,938)	(53,741,146)
Refunding Bonds Issued	-	6,510,000	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	24,469,296	41,386,372	20,688,218	23,804,786	14,524,392	9,640,411	13,146,156	14,758,460	18,185,244	17,970,457
Net Change in Fund Balances	\$ (4,813,098)	\$ 21,936,262	\$ 9,356,623	\$ 7,574,298	\$ 10,039,176	\$ 12,001,761	\$ 13,088,216	\$ 28,666,901	\$ 4,404,096	\$ 17,230,703
Debt Service as a Percentage of Noncapital Expenditures	19.9%	20.9%	23.3%	24.0%	24.7%	25.2%	22.7%	23.1%	21.2%	22.0%

Source: Fiscal Services

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

Fiscal Year	Property Taxes	Sales Tax	Occupancy Tax	Lodging, Liquor, & Food Tax	Car Rental Tax	State Aid Distribution	Franchise Tax	Other Taxes	Total
2014	\$ 18,398,151	\$ 17,238,016	\$ 1,219,152	\$ 2,809,757	\$ 72,999	\$ 5,539,292	\$ 1,427,837	\$ 1,239,000	\$ 47,944,204
2015	19,270,501	17,436,203	1,188,853	2,910,312	71,808	5,069,954	1,123,478	1,333,130	48,404,239
2016	20,253,570	16,747,940	1,086,064	2,848,332	73,046	3,902,315	1,243,287	1,247,280	47,401,834
2017	21,250,283	15,849,579	1,014,964	2,877,076	78,262	3,888,355	1,218,141	1,225,954	47,402,614
2018	20,628,624	15,543,636	965,445	2,919,682	66,121	4,498,092	1,158,319	1,706,736	47,486,655
2019	21,198,684	21,833,317	1,031,410	3,036,341	81,482	4,784,709	1,093,964	1,329,301	54,389,208
2020	22,387,939	23,411,959	619,471	2,553,256	39,722	4,202,218	1,040,153	1,404,982	55,659,700
2021	26,793,510	28,739,637	966,856	3,436,681	71,203	5,080,152	1,027,705	1,438,979	67,554,723
2022	31,520,584	29,929,510	1,090,781	3,752,153	72,109	5,309,646	978,463	1,073,363	73,726,609
2023	34,614,680	31,192,129	1,174,639	4,094,829	80,054	5,947,512	924,506	1,272,976	79,301,325

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
2013	\$ 917,646,830	\$ 1,760,180,545	\$ 361,800	\$ 44,303,550	\$ 2,722,492,725	\$ 5,444,985,449	50%	\$ 254,647,467	69.35%
2014	1,041,981,000	2,012,744,111	401,100	50,630,280	3,105,756,491	6,211,512,982	50%	290,448,208	63.10%
2015	1,177,555,620	2,232,032,489	371,000	54,422,280	3,464,381,389	6,928,762,778	50%	324,136,621	59.07%
2016	1,308,377,570	2,389,363,545	428,050	50,439,270	3,748,608,435	7,497,216,869	50%	350,957,710	57.01%
2017	1,505,305,200	2,454,101,322	475,150	52,943,010	4,012,824,682	8,025,649,364	50%	376,741,455	57.01%
2018	1,545,115,150	2,509,157,700	389,950	58,884,700	4,113,547,500	8,227,095,000	50%	386,263,173	56.88%
2019	1,578,354,350	2,556,190,778	411,050	62,073,470	4,197,029,648	8,394,059,296	50%	394,141,057	58.88%
2020	1,614,437,480	2,635,647,022	413,350	67,707,260	4,318,205,112	8,636,410,224	50%	410,774,405	68.70%
2021	1,739,463,700	3,117,471,350	413,650	60,650,028	4,917,998,728	9,835,997,456	50%	415,417,808	77.75%
2022	1,928,105,750	3,361,207,350	373,850	62,179,107	5,351,866,057	10,703,732,114	50%	454,803,538	77.88%

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	
2013	69.35	69.35	50.28	101.68	38.50	1.00	260.81
2014	63.10	63.10	48.63	103.60	37.30	1.00	253.63
2015	59.07	59.07	47.03	100.42	36.08	1.00	243.60
2016	57.01	57.01	45.77	100.47	34.68	1.00	238.93
2017	57.01	57.01	36.66	103.92	34.31	1.00	232.90
2018	56.88	56.88	31.66	103.91	34.23	1.00	227.68
2019	58.88	58.88	35.30	107.19	34.22	1.00	236.59
2020	68.70	68.70	34.36	107.19	33.69	1.00	244.94
2021	77.75	77.75	34.40	107.19	33.80	1.00	254.14
2022	77.88	77.88	34.26	107.19	33.82	1.00	254.15

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

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

Source: Burleigh County Levies

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

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Kirkwood Mall Acquisition LLC	\$ 56,049,300	1	1.06 %	\$ 26,428,100	1	0.96 %
Waterford on West Century LLC	45,170,700	2	0.85	11,117,150	3	0.40
Lasalle Shopping Center LLC	35,815,900	3	0.68	-		
1605 Plains Realty LLC	32,233,000	4	0.61	9,512,700	4	0.34
EVI Coulee Ridge 1 LLC	31,483,200	5	0.59	11,872,600	2	0.43
Medcenter One Inc % Sanford Bismarck	30,790,500	6	0.58	9,238,750	5	0.33
Clark Equipment Company	30,249,000	7	0.57	-		
Clark Equipment Co. A Corp	28,344,900	8	0.54	-		
REI Holdings LLC	27,230,400	9	0.51	-		
EVI Bismarck Village LLC	25,737,200	10	0.49	-		
First International Bank & Trust	24,801,300	11	0.47	-		
CMGL 11 LLC	21,856,600	12	0.41	-		
Inreit Properties (Edgewood)	-			-		
* Mid Dakota Clinic	-			8,947,700	6	0.32
Wal-Mart Property North	-			8,913,350	7	0.32
Wal-Mart Property South	-			8,517,950	8	0.31
* TNP SRT Portfolio LLC (Pinehurst Square)	-			7,420,100	10	0.27
Regency Midwest Ventures LTD	-			7,452,500	9	0.27
Menards	-			6,902,450	11	0.25
* Gateway Fashion Mall	-			-		
Pine Properties LLC	-			6,566,300	12	0.24
Totals	<u>\$ 389,762,000</u>		<u>7.36 %</u>	<u>\$ 122,889,650</u>		<u>4.44 %</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
2014	\$ 17,659,802	\$ 16,786,435	95.05%	\$ 101,201	\$ 16,887,636	95.63%
2015	18,327,284	17,501,225	95.49%	86,534	17,587,759	95.96%
2016	19,146,750	18,371,529	95.95%	116,676	18,488,205	96.56%
2017	20,008,099	19,260,495	96.26%	115,708	19,376,203	96.84%
2018	21,478,030	20,279,319	94.42%	135,005	20,414,324	95.05%
2019	21,970,650	20,778,395	94.57%	185,269	20,963,664	95.42%
2020	23,207,026	22,024,806	94.91%	254,806	22,279,612	96.00%
2021	28,220,202	26,564,243	94.13%	228,204	26,792,447	94.94%
2022	32,744,746	30,601,756	93.46%	177,505	30,779,261	94.00%
2023	35,873,956	33,545,429	93.51%	216,585	33,762,014	94.11%

¹ Previous fiscal year tax levy.

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	Special Assessment Bonds	Financed Purchase Obligations	Leases Payable ²	SBITAs Payable ²	Revenue Bonds	Financed Purchase Obligations	Leases Payable ²	SBITAs Payable ³			
2014	\$ 95,600,000	\$ -	\$ -	\$ -	\$ 80,777,434	\$ -	\$ -	\$ -	\$ 176,377,434	5.84%	\$ 2,571
2015	116,830,000	-	-	-	105,495,000	-	-	-	222,325,000	6.56%	3,142
2016	125,651,063	-	-	-	100,011,979	-	-	-	225,663,042	6.66%	3,094
2017	130,958,280	-	-	-	94,017,648	-	-	-	224,975,928	7.03%	3,091
2018	129,861,275	-	-	-	87,903,317	-	-	-	217,764,592	6.60%	2,931
2019	122,832,538	-	-	-	81,643,984	-	-	-	204,476,522	5.85%	2,626
2020	118,285,170	-	-	-	78,597,556	-	-	-	196,882,726	5.39%	2,678
2021	115,270,105	2,311,847	-	-	78,803,374	-	-	-	196,385,326	5.31%	2,636
2022	118,535,706	1,745,196	683,139	1,679,386	74,072,752	-	9,120	-	196,725,299	4.55%	2,622
2023	120,790,514	2,659,647	875,146	1,917,972	87,197,183	1,215,020	7,343	6,338	214,662,825	4.94%	2,827

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 132 for personal income and population data.

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

³ GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs), was implemented in 2023 resulting in SBITAs payable.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 155,287,825	\$ 173,219,069	\$ 187,430,422	\$ 200,641,234	\$ 205,677,375	\$ 209,851,482	\$ 215,910,256	\$ 245,899,936	\$ 245,899,936	\$ 267,593,303
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 155,287,825</u>	<u>\$ 173,219,069</u>	<u>\$ 187,430,422</u>	<u>\$ 200,641,234</u>	<u>\$ 205,677,375</u>	<u>\$ 209,851,482</u>	<u>\$ 215,910,256</u>	<u>\$ 245,899,936</u>	<u>\$ 245,899,936</u>	<u>\$ 267,593,303</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2023

Total Assessed Value	\$ 5,351,866,057
Debt Limit (5% of Total Assessed Value)	267,593,303
Debt Applicable to Limit:	
General Obligation Bonds	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-
Total Net Debt Applicable to Limit	<u>-</u>
Legal Debt Margin	<u>\$ 267,593,303</u>

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

Sources:
Burleigh County Auditor/Treasurer Office
Fiscal Services

**CITY OF BISMARCK, NORTH DAKOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023**

<u>Governmental Unit</u>	<u>2023 Taxable Value</u>	<u>Net Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Total Direct and Overlapping Debt</u>
City of Bismarck	\$ 502,656,749	\$ 120,790,514	100.00%	\$ 120,790,514
Bismarck Public School	629,690,677	135,645,275	79.83%	108,285,623
Bismarck Park District	502,656,749	32,162,996	100.00%	32,162,996
Burleigh County	667,772,123	50,027,679	75.27%	37,655,834
Total Overlapping Debt	<u>\$ 1,800,119,549</u>	<u>\$ 217,835,950</u>		<u>\$ 178,104,454</u>
Total Direct and Overlapping Debt		<u><u>\$ 338,626,464</u></u>		<u><u>\$ 298,894,968</u></u>

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

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

Sources:
Bismarck Public School as of June 30, 2023
Bismarck Park District
Burleigh County Levies, 2023
Burleigh County Auditor, 2022 Audit Report

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

Fiscal Year	Water Revenue Bonds						Sanitary Sewer Bonds					
	Water Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Sanitary Sewer Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2014	\$12,869,433	\$ 6,195,938	\$ 6,673,495	\$ 1,685,000	\$ 818,438	266.57%	\$ 6,719,390	\$ 3,588,061	\$ 3,131,329	\$ 885,000	\$ 377,750	247.98%
2015	14,557,406	6,658,423	7,898,983	2,215,000	1,063,525	240.93%	7,224,308	3,851,519	3,372,789	910,000	355,625	266.49%
2016	14,483,419	6,476,574	8,006,845	2,765,000	1,018,350	211.63%	8,917,827	3,624,122	5,293,705	1,535,000	1,304,875	186.41%
2017	16,662,851	7,103,387	9,559,464	2,815,000	956,170	253.49%	10,209,905	4,714,551	5,495,354	2,155,000	1,236,750	162.02%
2018	16,504,992	7,604,585	8,900,407	2,870,000	880,017	237.34%	10,963,919	4,448,093	6,515,826	2,200,000	1,152,750	194.34%
2019	13,963,761	7,246,562	6,717,199	2,940,000	808,059	179.22%	11,695,571	3,997,660	7,697,911	2,250,000	1,067,125	232.07%
2020	18,822,596	8,039,985	10,782,611	7,515,000	432,151	135.68%	12,020,917	3,824,382	8,196,535	3,165,000	745,000	209.63%
2021	22,568,341	8,939,712	13,628,629	3,135,000	628,205	362.15%	13,576,512	3,966,339	9,610,173	2,360,000	890,679	295.64%
2022	18,589,660	9,878,661	8,710,999	3,022,000	526,263	245.50%	14,055,940	4,771,944	9,283,996	2,710,527	574,499	282.62%
2023	17,976,874	9,740,714	8,236,160	3,197,725	412,778	228.12%	14,033,509	4,991,791	9,041,718	2,780,000	774,825	254.35%

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	
2014	\$11,690,035	\$ 10,660,000	\$ 2,108,120	91.56%	\$ 2,809,757	\$ 830,000	\$ 1,184,291	139.49%
2015	15,506,201	19,135,000	2,315,618	72.29%	2,910,312	1,000,000	990,206	146.23%
2016	15,657,902	13,175,000	3,208,493	95.57%	2,848,332	1,015,000	960,206	144.20%
2017	17,236,969	15,755,000	3,356,638	90.19%	2,877,076	1,030,000	929,756	146.81%
2018	18,394,111	16,170,000	3,740,823	92.38%	2,919,682	1,050,000	898,856	149.82%
2019	18,499,295	16,455,000	3,444,384	92.96%	3,036,341	1,075,000	867,356	156.32%
2020	18,656,859	27,630,000	3,599,804	59.74%	2,553,256	1,105,000	835,106	131.60%
2021	18,213,912	16,750,000	3,188,859	91.35%	3,436,681	1,135,000	801,956	177.43%
2022	17,363,652	16,580,000	2,977,116	88.78%	3,752,153	1,415,000	366,948	210.56%
2023	19,333,489	17,440,000	3,349,399	93.00%	4,094,829	1,320,000	458,640	230.22%

**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
2014	68,601	\$ 3,019,653,476	\$ 73,371	38.0	12,020	2.5%
2015	70,766	3,387,188,980	80,166	38.0	12,380	2.3
2016	72,926	3,387,893,453	78,906	38.0	12,683	2.5
2017	72,793	3,200,488,435	75,384	38.0	12,861	2.6
2018	74,294	3,301,033,103	77,952	38.0	13,007	2.4
2019	77,880	3,497,297,521	82,701	37.5	13,331	2.4
2020	79,658	3,653,485,099	84,007	37.5	13,276	3.4
2021	74,505	3,699,523,016	86,377	37.5	13,476	2.5
2022	75,028	4,327,719,605	100,942	37.5	13,638	2.0
2023	75,928	4,349,038,763	101,749	37.4	13,716	1.4

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	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
State of ND	4,248	1	10.59 %	4,600	1	13.02 %
Bismarck Public Schools	3,393	2	8.46	1,970	4	5.58
Sanford Health	3,070	3	7.65	3,110	2	8.80
Bobcat/Doosan Company	1,300	4	3.24			
CHI St. Alexius	1,263	5	3.15	2,305	3	6.52
Bismarck State College	935	6	2.33	779	8	2.21
North Walmart and South Walmart	727	7	1.81	660	9	1.87
City of Bismarck	678	8	1.69	588	10	1.66
MDU Resources Group Inc	576	9	1.44	780	7	2.21
Missouri Slope Lutheran Care Center	561	10	1.40	576	12	1.63
Basin Electric Power Cooperative	504	11	1.26			
University of Mary	531	12	1.32	505	15	1.43
Housing Industry Training (HIT)	517	13	1.29	586	11	1.66
Menards	216	14	0.54			
Aetna*				880	6	2.49
Mid Dakota Clinic				537	14	1.52
Family Fare fka Dan's Super Markets				575	13	1.63
US Government Offices				1,200	5	3.40
Total	18,519		46.17	19,651		55.63

Sources:

City of Bismarck 2023 Budget

<https://www.ndlmi.com/vosnet/gsipub/documentView.aspx?enc=1cNw1PnL0ext2Wy4Z56Riw==>

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	85	86	86	87	93	92	92	92	102	104
Public Safety										
Central Dakota Communications Center	26	27	30	31	31	31	33	33	34	34
Police										
Officers	112	113	116	128	128	129	129	129	133	136
Civilians	28	30	30	30	30	30	30	30	30	30
Fire										
Firefighters and Officers	80	83	83	82	83	83	86	86	88	89
Civilians	6	2	2	2	2	2	2	2	2	2
Highways and Streets										
Engineering	28	29	29	29	29	29	29	29	29	30
Maintenance	59	63	64	63	64	64	63	63	55	57
Health and Welfare	25	29	29	29	29	28	29	31	32	33
Culture and Recreation	19	22	24	25	25	25	25	25	25	25
Airport	21	21	21	22	23	23	23	23	23	24
Solid Waste	38	38	38	38	36	37	37	38	38	39
Water and Sewer	61	64	64	64	65	65	65	65	66	66
Total	588	607	616	631	638	637	643	646	657	669

Source: City of Bismarck Annual Budgets

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

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Number of Building Permits Issued	1,951	1,756	1,648	1,410	1,248	940	1,268	1,110	947	1,013
Number of Building Inspections Done	8,926	5,581	5,690	6,321	4,979	4,687	4,265	4,820	4,514	3,691
Number of Plumbing Permits Issued	920	696	644	548	389	353	506	578	539	439
Number of Plumbing Inspections Done	2,006	2,170	1,946	1,748	1,748	1,129	1,606	1,719	1,598	1,319
Number of Mechanical/HVAC Permits Issued	1,692	1,454	1,649	1,653	1,577	1,376	52	1,859	1,781	1,731
Number of Mechanical/HVAC Inspections Done	2,296	2,924	3,254	2,805	2,708	2,139	2,009	2,436	2,122	1,908
Number of Electrical Permits Issued	1,248	-	1,395	1,071	927	837	1,085	1,048	1,005	900
Number of Electrical Inspections Done	3,141	-	3,462	3,505	2,483	2,275	2,455	2,571	2,396	1,978
Number of Septic Permits Issued	101	102	52	47	46	33	52	46	30	36
Number of Septic Inspections Done	121	200	129	108	92	60	108	107	63	61
Public Safety										
Police										
Physical Arrests	4,672	4,750	4,958	5,757	5,728	5,367	4,340	5,486	3,964	4,623
Traffic Citations	15,623	14,831	16,062	17,733	19,279	15,935	14,716	13,081	9,914	15,412
Parking Citations	15,188	11,845	11,342	10,903	10,064	9,557	6,748	7,928	8,605	9,469
Number of Accidents	3,824	3,723	3,789	3,680	3,535	3,821	2,703	3,087	3,271	3,072
Number of 911 Emergency Dispatches	3,907	5,704	5,258	4,981	5,000	4,425	5,557	5,841	5,273	18,895
Fire										
Number of 911 Emergency Dispatches	3,475	3,799	4,289	4,364	4,448	4,580	4,876	5,671	6,361	6,606
Number of Fire Inspections Conducted	3,236	3,256	4,069	4,058	3,291	1,885	3,485	3,505	4,213	3,135
Highways and Streets										
Engineering										
Number of Excavation Permits	739	706	647	535	411	419	495	478	497	325
Number of Improvement Projects	57	65	37	28	38	41	37	50	41	34
Forestry										
Number of Street Trees Planted	235	889	806	667	713	648	1,094	636	920	1,032
Number of Street Trees Trimmed	2,910	1,904	1,675	4,450	2,720	2,040	2,545	2,366	2,529	2,527
Number of Street Trees Removed	162	408	321	439	182	241	220	311	221	302
Roads and Streets										
Potholes Repaired	5,634	108,628	103,677	63,953	20,122	28,147	17,185	16,512	24,878	25,639
Street Striping (Miles)	211	157	145	156	126	147	162	156	153	145
Snow removal (Hours)	7,695	12,877	19,060	12,848	12,096	21,122	2,023	3,918	3,612	30,026
Sand Ice Removal (Tons)	4,730	2,329	4,573	5,493	4,998	3,136	3,007	2,013	4,003	6,523
Salt Ice Removal (Tons)	1,658	1,278	1,153	1,690	1,350	1,793	1,347	931	1,170	1,562
Loads of Snow Hauled	1,579	1,417	84,747	21,881	2,386	6,150	2,866	467	3,112	10,247
Health and Welfare										
Number of COVID Tests	-	-	-	-	-	-	25,660	2,145	N/A	N/A
Number of Home Visits	4,302	4,033	4,426	4,382	4,473	4,310	4,531	4,969	4,810	5,716
Number of Immunizations	8,833	9,719	7,059	6,881	6,195	6,057	4,893	27,025	8,952	7,190
Number of Office Visits	3,081	3,292	3,217	4,142	4,557	3,874	2,631	2,150	3,642	2,586
Number of Environmental Health Inspections	2,091	1,718	1,821	1,606	1,548	1,379	1,291	1,726	1,786	1,864

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Culture and Recreation										
Auditorium Events	174	153	138	150	162	154	82	142	167	186
Auditorium Admissions	51,820	55,051	41,373	48,480	52,118	42,083	10,494	37,080	46,654	46,125
Community Center Events	430	498	531	464	451	477	295	525	608	587
Community Center Admissions	353,218	420,403	411,619	345,787	343,557	332,978	158,765	255,743	296,190	295,829
Function										
Airport										
Gallons Fuel Dispensed (Fuel Permit Holders)	4,550,313	4,895,740	4,864,385	4,452,075	4,874,780	5,211,979	3,378,620	4,299,202	4,411,314	4,424,428
Number of Passengers-enplaning	245,205	259,734	271,022	272,739	282,363	309,337	150,161	213,668	241,927	256,761
Number of Passengers-deplaning	245,062	261,459	272,251	271,274	281,487	308,279	151,099	214,279	239,779	258,079
Pounds of Freight-enplaning	12,856	19,591	26,288	31,696	35,339	33,609	10,361	4,152	1,331	800
Pounds of Freight-deplaning	8,149	10,667	33,840	31,715	22,545	28,482	12,490	5,133	40	1,297
Pounds of Air Cargo Freight-enplaning	1,399,845	1,976,260	1,469,145	614,248	858,106	976,856	767,535	703,285	695,437	779,272
Pounds of Air Cargo Freight-deplaning	5,193,061	5,926,322	5,699,311	2,860,020	3,036,927	3,793,861	3,270,020	3,370,899	2,888,046	2,657,287
Solid Waste										
Refuse Collected (Tons/Year)	25,033	26,789	26,199	26,195	26,338	27,271	26,927	26,740	28,056	28,460
Garbage Accepted for Disposal (Tons/Year)	106,758	108,919	111,131	118,430	107,636	119,037	109,397	105,740	110,208	129,417
Acres Used at Landfill	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5	6.5
Water										
Number of Service Connections	20,350	20,978	21,237	21,691	22,024	22,205	22,538	22,685	22,861	23,377
Average Daily Consumption (Thousand of Gallons)	9,390	8,582	9,850	10,800	10,120	7,997	10,100	11,100	9,670	9,362
Wastewater										
Average Daily Sewage Treatment (Thousand of Gallons)	6,620	6,410	6,370	6,430	6,330	6,980	6,400	6,030	6,770	7,260

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	21	21	21	35	34	34	33	38	42	45
Fire Stations	5	5	5	5	5	5	5	5	5	5
Highways and Streets										
Paved Streets (Miles)	339	345	349	365	367	367	369	374	377	391
Streetlights	8,522	8,596	8,872	9,068	9,113	9,189	9,293	9,414	9,468	9,697
Traffic Signals	108	110	110	110	110	107	110	110	109	109
Culture and Recreation										
Community Centers	3	3	3	3	3	3	3	3	3	3
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1
Waste Collection										
Collection Trucks	21	21	21	21	22	19	18	18	18	18
Water										
Watermains (Miles)	354	365	371	371	373	376	378	378	391	373
Fire Hydrants	3,430	3,625	3,675	3,720	4,500	4,600	4,653	4,653	3,966	3,974
Maximum Daily Water Treatment Capacity (Thousand of Gallons)	30,000	30,000	30,000	29,000	29,000	29,500	28,500	28,500	28,500	28,500
Sewer										
Sanitary Sewers (Miles)	305	307	310	313	307	307	327	333	347	351
Storm Sewers (Miles)	149	149	152	153	153	156	157	160	163	165
Maximum Daily Wastewater Treatment Capacity (Thousand of Gallons)	7,500	7,500	7,500	7,500	7,500	9,330	9,300	9,300	12,400	12,400
Parking Lots										
Number of Parking Lots	5	5	5	5	5	5	5	5	5	5

Note: Parking lots only include Parking Authority lots.

Source:

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