

# **CITY OF FARGO, NORTH DAKOTA**

## **Comprehensive Annual Financial Report**



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**FOR THE YEAR ENDED DECEMBER 31, 2009**



**CITY OF FARGO  
NORTH DAKOTA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2009**

**PREPARED BY:  
FINANCE DEPARTMENT**

**CITY OF FARGO, NORTH DAKOTA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
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**June 17, 2010**

To the Honorable Mayor, Members of the City Commission, and the Citizens of the City of Fargo, North Dakota:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Fargo for the fiscal year ending December 31, 2009. This report satisfies audit and financial reporting requirements pursuant to North Dakota Century Code 54-10-14 and the Single Audit Act of 1996.

This report has been prepared by the City's Finance Department in accordance with generally accepted accounting principles. The Finance Department is responsible for the accuracy, clarity, and presentation of the financial statements. We believe that this report fairly and accurately presents the financial position of the City and the results of operation of the various funds for the period covered, and that all disclosures necessary for such presentation have been included.

Eide Bailly LLP has issued an unqualified "clean" opinion on the City of Fargo's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

It is management's responsibility to develop a system of internal controls to safeguard the assets of the City. In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable basis rather than absolute assurance that the financial statements will be free from material misstatement. We assert that this financial report is complete and reliable in all material respects.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. Management's Discussion and Analysis is included in this report on page 3. This letter of transmittal has been designed to complement the MD&A and should be read in conjunction with it. The MD&A contains a more detailed analysis of changes in financial condition.

### **CITY OF FARGO PROFILE**

The City of Fargo was incorporated in 1875 and is located in the eastern border of North Dakota at the intersection of Interstate Highways I-29 and I-94. This regional economic center continues to expand with a trend of consistent growth over the past several years. The current population is estimated at 100,000. Health care, education and retail have a strong presence that expands the local economy into a broader regional economic center. The City is empowered to levy taxes on real property located within its boundaries and continues to expand its size with many annexations being completed in the past few years. This trend is predicted for the next several years as our population and economy expands.

The City of Fargo operates under a Home Rule Charter, established in 1986, with a Mayor-Commission form of government. Policy making and legislative authority is vested in a five member Commission. The City Commission is responsible for policy and ordinance adoption, approving budgets, committees, and serving needs of the community. All Department Heads serve on the Cabinet which is used as a forum to





communicate City and Community issues. The City Administrator is the liaison to the City Commission and is responsible for overseeing the day to day operations of the City and its eight Departments.

The Mayor and City Commissioners are elected at large and serve four year terms. Dennis Walaker is currently serving his first term as Mayor of the City of Fargo. The next municipal election will be held in June, 2010 at which time the citizen will elect two Commissioners.

The City of Fargo provides a full range of governmental services including public safety, construction and maintenance of infrastructure, public utilities including water, wastewater, solid waste and urban forestry, health and social services, public transportation, recreation and culture, and general support services necessary to serve the citizens of Fargo.

The City is required to adopt an annual operating budget by October 7 of each year. All Departments submit their requests to the Mayor during the budget development process which begins each June. Currently, the Mayor utilizes a budget team approach to discuss budget strategy with the City Administrator and the Director of Finance; however, the Mayor is responsible for the final decisions relating to the preliminary budget presentation. The City Commission is responsible for adoption of the final budget. Budget control is maintained at the fund, function (e.g. Public Safety) and Department (e.g., Police). Department Heads may make transfers of appropriations within a department. Supplemental budget appropriations require approval by the City Commission.

## **ECONOMIC CONDITION**

Statewide economic conditions have been very favorable in North Dakota resulting primarily from the impact of oil discovery and related extraction in the Bakken oil formation in the Western and West Central portions of the State. The economic conditions have slowed since the robust growth experienced in 2008, however, the State of North Dakota has a uniquely positive economy as compared to other State economies.

Fargo's sales tax collection declined slightly as compared to 2008, consistent with a pattern that has been experienced on a State-wide basis.

Fargo is the largest City of the State and continues to prosper. During 2009 the City continued with a pattern of construction activity albeit less than past years the City ended the year with a good performance in this area. Property values remain strong with the absence of falling market prices as compared to other communities across the county.

A more comprehensive review of these statistics is contained in the statistical section of this report which begins on page 115.

## **MAJOR INITIATIVES FOR THE YEAR**

### **Spring Flood Event of the Red River Basin**

The Red River of the North basin flooded to record levels in March and April 2009. This event was marked as the largest flooding event in recent history. The river crested at 40.8 feet on March 28, 2009. Resources deployed to fight this flood included the City of Fargo, the State of North Dakota, the National Guard, and many other State and Federal agencies. Part of the event included the evacuation of the medically fragile population of the City and voluntary evacuations in several neighborhoods.

The flood battle was won by strategic placement of temporary levees all along the river corridor. This work occurred in a very short time period while the City of Fargo was essentially shut down for a period of days during the height of the flooding event. Volunteers filled and placed over three million sandbags in about one week time frame. The City used the FargoDome as a primary indoor sandbag production facility that



operated 24/7 for several days. The City of Fargo reports no loss of life and minor property damage from direct flooding.

The City of Fargo incurred \$8.7 million in flood fighting costs during this event. Eligible costs will be funded at 90% Federal share, 7% State share and 3% local share. Donated volunteer labor costs documented for citizen sandbagging efforts is expected to fully fund the local share, leaving a nominal impact on local funds. A majority of the FEMA project worksheets have been submitted for reimbursement and approximately 80% has been recovered in the cost recovery process.

The Army Corp of Engineers released preferred flood control options which meet Federal cost benefit ratios in early fall and they were evaluated by the local Fargo-Moorhead Area Flood Control Task Force. The preferred alternative for a five hundred year protection level is designed as a major diversion channel on either the Minnesota or North Dakota side of the Red River. A local decision on which preferred option has been made and will be included in future Federal appropriation requests which will fund 65% of the base National Economic Development Plan (NED) option. A diversion channel project of this magnitude would have the impact of lowering the river peak flows through the FM area significantly, which would eliminate or significantly reduce the need for placement of temporary levees. Once approved this project would take about eight to ten years to construct.

### **Proactive Flood Property Restoration and Buyout Programs Implemented**

There was significant damage to private property as a result of constructing temporary earthen and sandbag levees because of the equipment and enormous amount of materials delivered to neighborhoods. The City implemented a flood private property restoration program that included participation by homeowner's insurers and City funds for payment of homeowners deductibles. We were pleased that a majority of insurers paid significant claims to restore landscaping and other damages related to the placement of temporary levees and other flood fighting efforts. Significant efforts in the restoration took place over the summer and fall and most of the community was essentially fully restored by late fall.

In conjunction with the restoration program the City also began an aggressive property acquisition for homes in the lowest elevations. During the year there were twenty one homeowners who agreed to buyouts of their homes. Only four homeowners declined to sell their property. The City of Fargo issued \$27.5 million of sales tax revenue bonds to be used for property buyouts and continuation of raising levees in the lowest neighborhoods. A total of \$ 7 million was spent on property acquisitions during the year. More flood control projects are planned for 2010 and beyond as we wait for a final decision on the long term diversion option discussed above.

### **City Infrastructure Projects Increased During 2009**

There were several major City infrastructure projects in progress or nearing completion during 2009. They include major work on expansion of the wastewater collection system, and the completion of a water tower, and several road projects. These projects are part of the City's long term infrastructure plan and are described in more detail in the Management Discussion and Analysis in the following pages.

### **Sales Tax Authorized for Future Flood Control Capital Projects**

Voters approved a ½ cent sales tax for funding of future flood control projects. This tax was widely supported by voters with a 92% support level. It will run from 1/1/2010 through 12/31/2029 and will be used to fund the local share of flood control projects. It should produce an estimated \$200-250 million of resources over the life of the tax authorization.



## **AWARDS AND ACKNOWLEDGEMENTS**

### **Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fargo for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This will be the tenth consecutive award received since submission to this voluntary quality review program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

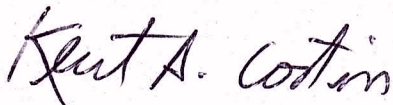
The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of our entire staff. We successfully completed the CAFR within the GFOA program requirements this year while continuing to deal with a significant flood cost recovery effort during the year.

The staff members who were responsible for the achievement of this goal include:

Jenica Flanagan, Senior Accountant  
Jason Galonski, Financial Analyst  
Jamie Meidinger, Accountant  
Sheree Calkins, Accountant  
Shawn Bullinger, Engineering Technician

Finally, I would like to express my appreciation to the members of the City Commission, the Mayor, City Administrator, Cabinet members and City staff for operating the City in a professional and progressive manner.

Respectfully submitted,



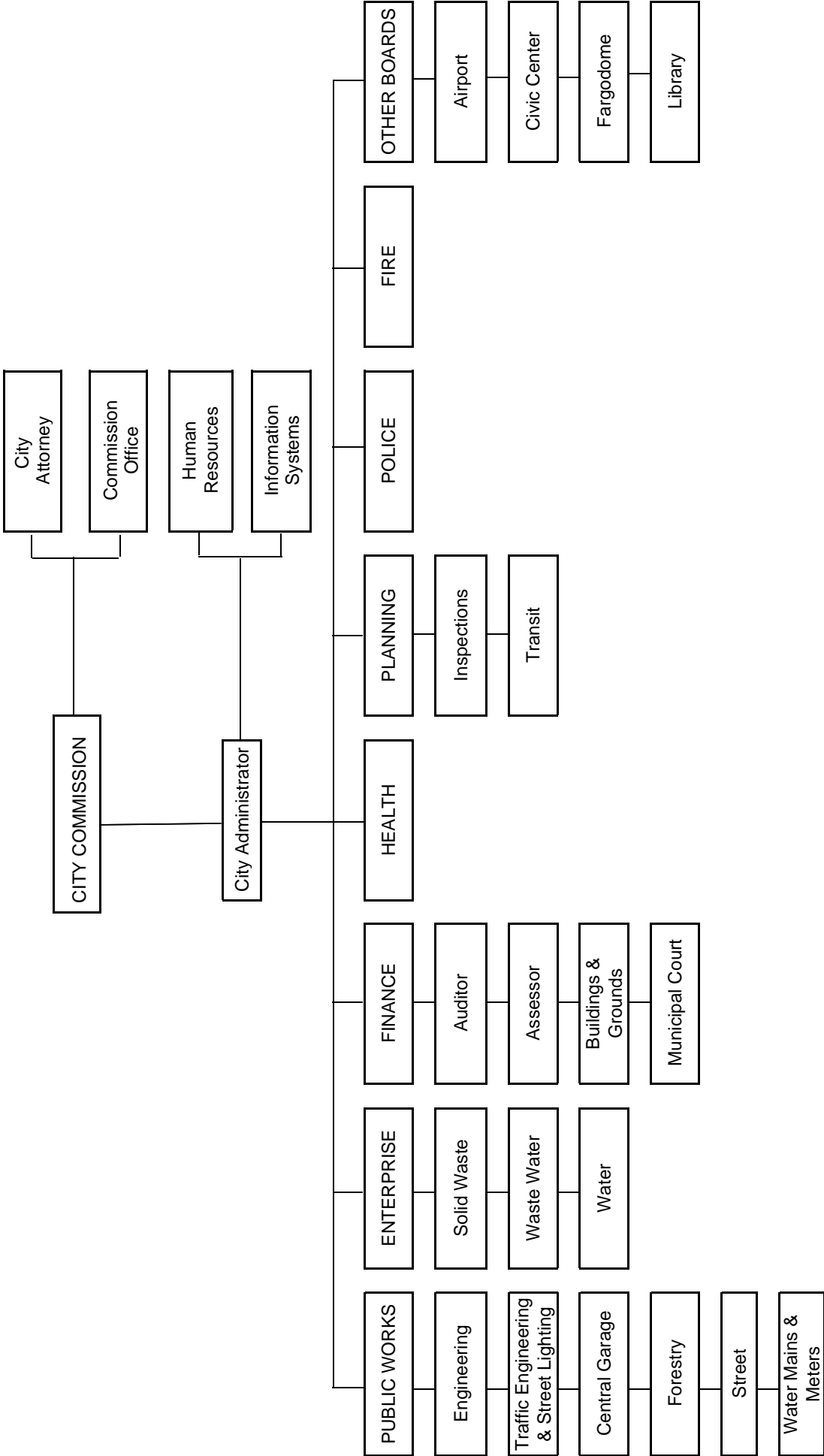
Kent A. Costin  
Director of Finance



**CITY OF FARGO, NORTH DAKOTA  
LISTING OF CITY OFFICIALS  
AS OF DECEMBER 31, 2009**

<b>NAME</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Dennis Walaker	Mayor	June 2010
Tim Mahoney	Deputy Mayor	June 2010
Brad Wimmer	Commissioner	June 2010
Dave Piepkorn	Commissioner	June 2012
Michael Williams	Commissioner	June 2012
Pat Zavoral	City Administrator	
Kent Costin	Finance Director	
Steven Sprague	City Auditor	
Sharon Odegaard	City Commission Executive Assistant	

CITY OF FARGO, NORTH DAKOTA  
ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fargo  
North Dakota

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

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



A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director





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## INDEPENDENT AUDITOR'S REPORT

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The Honorable Mayor and  
Members of City Commission  
City of Fargo  
Fargo, North Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Fargo, North Dakota as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Fargo, North Dakota's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2010, on our considerations of the City of Fargo, North Dakota's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Fargo, North Dakota's financial statements as a whole. The introductory section, combining and individual nonmajor fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Eide Bailly LLP

Fargo, North Dakota  
June 17, 2010



## **City of Fargo, North Dakota**

### **Management's Discussion and Analysis**

As management of the City of Fargo, we offer readers of the City of Fargo's financial statements this narrative overview and analysis of the financial activities of the City of Fargo for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages III - VI of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **FINANCIAL HIGHLIGHTS**

The assets of the City of Fargo exceeded its liabilities at the close of the most recent fiscal year by \$705,040 (net assets).

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$44,020 an increase of \$26,274 in comparison with the prior year. The increase in fund balance is explained in subsequent sections of this analysis.

The City's unreserved General Fund fund balance of 26% of the total General Fund expenditures exceeds our management goal of maintaining a 25% fund balance. This was achieved based upon financial performance slightly better than anticipated during the 2009 budget process.

Property values remain strong in spite of a slowing national economy. Valuations have not increased as much as in the recent past, however, they have not fallen as reported in other communities in other markets. Building permits continued at a solid pace in spite of a difficult national economy. An increase was noted in the value of residential permits however a sizeable decline is noted in the commercial sector due to difficult economic conditions.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Fargo that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Fargo include general government, public safety, public works, public health and welfare, recreation & culture, urban redevelopment, public transportation, and general support. The business-type activities of the City of Fargo include a Municipal Airport, Water, Wastewater, Storm Sewer, Solid Waste collection and landfill, Southeast Cass Sewer, Urban Forestry, Vector Control, and the FargoDome, a multi-use facility.

The government-wide financial statements can be found on pages 14 and 15 of this report.

### **Fund financial statements**

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

### **Governmental funds**

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

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

The City of Fargo maintains thirty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are all considered as major funds. Data from the other thirty-one governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

### **Proprietary funds**

The City of Fargo maintains nine different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Fargo uses enterprise funds to account for its Municipal Airport, Water, Wastewater, Storm Sewer, Vector Control, Solid Waste, Southeast Cass Sewer, Forestry and FargoDome activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Fargo's various functions. The City of Fargo uses two internal service funds to account for its risk self insurance pools. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal Airport, Water, Wastewater, Storm Sewer, Solid Waste, and FargoDome activities which are considered to be major funds of the City of Fargo. Data from the other three enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in this report. Both internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 - 27 of this report.

## Fiduciary funds

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

The basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

## Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 - 70 of this report.

## Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Fargo's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 58 - 69 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 71 - 107 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Fargo, assets exceeded liabilities by \$705,040 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net assets (82%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City of Fargo uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Fargo's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

<b>City of Fargo's Net Assets</b> <b>(In Thousands)</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 290,700	\$ 235,827	\$ 69,176	\$ 67,807	\$ 359,876	\$ 303,634
Capital assets	263,401	239,890	497,580	459,632	760,981	699,522
Total assets	554,101	475,717	566,756	527,439	1,120,857	1,003,156
Long-term liabilities outstanding	314,865	240,020	57,913	61,382	372,778	301,402
Other liabilities	31,587	23,475	11,452	14,034	43,039	37,509
Total liabilities	346,452	263,495	69,365	75,416	415,817	338,911
Net assets:						
Invested in capital assets, net of related debt as restated	133,055	136,830	447,424	405,649	580,479	542,479
Restricted	88,187	99,853	29,311	27,579	117,498	127,432
Unrestricted	(13,593)	(24,461)	20,656	18,795	7,063	(5,666)
Total net assets	\$ 207,649	\$ 212,222	\$ 497,391	\$ 452,023	\$ 705,040	\$ 664,245



A portion of the City of Fargo's net assets (17%) represents resources that are subject to external restrictions on how they may be used.

The City's net assets increased by \$40,795 during the current fiscal year.

<b>City of Fargo's Changes in Net Assets</b>						
<b>(In Thousands)</b>						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 23,512	\$ 23,755	\$ 51,779	\$ 50,875	\$ 75,291	\$ 74,630
Operating grants and contributions	19,366	8,737	-	-	19,366	8,737
Capital grants and contributions	65,837	51,554	9,096	26,965	74,933	78,519
General Revenues:						
Taxes	56,417	36,809	580	10,920	56,997	47,729
Unrestricted intergovernmental	3,297	3,404	-	-	3,297	3,404
Unrestricted investment earnings	3,440	4,890	3,601	(3,064)	7,041	1,826
Miscellaneous	(86)	287	1,173	1,041	1,087	1,328
Total revenues	171,783	129,436	66,229	86,737	238,012	216,173
Expenses:						
General government	16,061	12,629	-	-	16,061	12,629
Public safety	31,299	27,259	-	-	31,299	27,259
Public works	61,561	66,435	-	-	61,561	66,435
Public health & welfare	8,620	7,802	-	-	8,620	7,802
Recreation & culture	7,291	5,878	-	-	7,291	5,878
Urban redevelopment	5,270	4,901	-	-	5,270	4,901
Transportation	8,241	6,713	-	-	8,241	6,713
General support	1,279	1,252	-	-	1,279	1,252
Interest and fiscal charges	10,971	10,079	-	-	10,971	10,079
Municipal airport authority	-	-	6,381	6,340	6,381	6,340
Water system	-	-	13,173	12,740	13,173	12,740
Sewage disposal system	-	-	7,282	6,811	7,282	6,811
Storm sewer	-	-	3,574	3,318	3,574	3,318
Solid waste	-	-	7,524	7,739	7,524	7,739
Fargodome	-	-	6,872	6,782	6,872	6,782
Southeast Cass	-	-	66	67	66	67
Vector Control	-	-	390	589	390	589
Forestry	-	-	1,362	1,271	1,362	1,271
Total expenses	150,593	142,948	46,624	45,657	197,217	188,605
Change in net assets before transfers	21,190	(13,512)	19,605	41,080	40,795	27,568
Transfers	(25,763)	13,721	25,763	(13,721)	-	-
Change in net assets	(4,573)	209	45,368	27,359	40,795	27,568
Net assets - Beginning	212,222	212,013	452,023	424,664	664,245	636,677
Net assets - Ending	\$ 207,649	\$ 212,222	\$ 497,391	\$ 452,023	\$ 705,040	\$ 664,245

## Governmental activities

The governmental activities' net assets decreased by \$4,573 during the current fiscal year.

Taxes increased by \$21.2 million during the year primarily resulting from an increase in the sales tax collection rate by ½ cent for infrastructure. This tax change was needed to fund the City's utility master infrastructure plan.

There was no change in the City's portion of the ad valorem tax mill levy, however, the consolidated mill levy for Fargo citizens declined significantly due to an increase in State-wide funding for education. Fargo Board of Education's tax mill levy dropped by 75 mills this year.

Intergovernmental revenues increased by \$18.6 million. The largest increase is directly related to Federal and State financial assistance for the record flood event during the spring of 2009. Disaster assistance exceeded \$11.4 from this historic event. The City was awarded a \$3 million COPS Technology grant from the Department of Justice for a multi-agency consolidation of public safety software. Much of the work for this multi-year project was incurred during this year which also contributed to the spike in intergovernmental revenues.

Investment income declined by 22% due to a rapidly falling interest rate environment realized during the year.

Public works expenditures represent the largest single functional category of the City's overall budget. A significant number and amount of projects were initiated or continued during this fiscal year. The largest project is a major sewer collection system that runs north and south on the City's west side. This \$63 million project is approximately 55% complete at year end and is scheduled to be completed in 2010. This improvement provides major wastewater collection capacity expansion for various areas of the City. For the year a total of \$36 million was expended under State Revolving Loan Fund (SRF) projects.

### **Business type activities.**

Business-type activities increased the City of Fargo's net assets by \$45,368 reflecting most of the growth in the government's net assets. Overall enterprise fund revenue increased by 2% while expenditures increased by 3.6%. Investment earnings increased by \$6.7 million during the year as a result of improved portfolio performance in the FargoDome's capital escrow permanent fund during the year. A more comprehensive review of individual fund performance is highlighted in the proprietary funds section below.

## **Financial Analysis of the Government's Funds**

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

### **Governmental funds.**

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

As of the end of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$44,020, an increase of \$26,274 in comparison with the prior year. Fund balance has been reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$372), 2) from advances to capital projects (\$1,358), 3) inventory of supplies & materials (\$720), 4) prepaid expenditures (\$312), 5) debt retirement (\$57,548), 6) property held for resale (\$330), and 7) capital improvements (\$197).

The General Fund is the chief operating fund of the City of Fargo. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$17,564 while total fund balance reached \$20,328. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 26% percent of total general fund expenditures, while total fund balance represents 30% percent of that same amount. Managements fund balance goal of 25% has been achieved for this fiscal year. This fund balance level represents an increase of \$ 2,778 during the year. About half of this surplus can be attributed to fiscal constraint in the timing of capital outlay projects funded out of the General Fund which will be carried forward into the 2010 budget.

Overall General Fund revenues increased by 8.3%. Large increases in revenues has been realized in the intergovernmental revenue category which increased by 14%. The North Dakota economy has been very strong and various State revenues are shared with political subdivisions. The City has been very successful in solicitation of Federal grant awards which contributed to this increase in resources.

Charges for services revenues increased by 8% as a result of aggressively programming capital projects included in the City's utility master infrastructure and flood control plan.

Total General Fund expenditures increased by 8.2%. There are several key factors in assessing the growth in expenditures this year. The costs associated with grant funded public safety costs as well as the incremental costs of adding firefighters to man a newly constructed fire station in the southwestern part of the City increased our public safety costs more than a normal budget year, as well as increased funding of capital outlay projects and the opening of a new Fargo Public Library.

The debt service fund has a total fund balance of \$57,548, all of which is reserved for the payment of future debt service. The net increase in fund balance during the current year was \$13,262. The City issued Refunding Improvement Refunding Bonds in 2009 for interest savings as described in more detail in the debt administration section below.

The infrastructure capital projects fund has a fund deficit of (\$37,455). This will be recovered by future bonds sales and other revenues and transfers. Work in progress is bonded as completed and certified during the special assessment process. The City will be issuing refunding improvement bonds in spring 2010 to reimburse the capital project fund for projects completed. A total of approximately \$25 million is expected to be sold which will provide additional liquidity during the 2010 construction season.

Capital project expenditures increased by 43% in 2009. A major component of this increase is directly related to the cost to fight and restore community assets after the historic flood event in 2009. The City incurred \$11 million in flood fighting and restoration costs and spent another \$8.3 million on home buyouts during the year. As mentioned in the transmittal letter of this report most of the flood fighting and restoration costs will be recovered by Federal and State financial assistance.

### **Proprietary funds**

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

Unrestricted net assets of the proprietary funds at the end of the year amounted to \$20,656. All individual proprietary funds reported increases in net assets, except for Southeast Cass Sewer.

Operating revenues of this fund group increased by 2%, while the operating expenses increased by 3.6%.

There are no significant changes in our proprietary funds revenues or expenditures with the exception of the sunset of a sales tax authorization for the FargoDome which expired on December 31, 2008. This will not be renewed as the City has accumulated sufficient assets over the life of the past sales tax authorization to provide for the ongoing maintenance and operations for many years into the future.

Significant increases in contributed capital are noted (\$30.1 million) in the Wastewater Fund for major facility expansion projects worked on during the year as part of the City's utility fund infrastructure master plan.

### **General Fund Budgetary Highlights**

Significant variances between original and final budget are noted as follows:

Intergovernmental revenues were increased for major Federal and State grant awards approved or carried forward from the prior year. Notable grant programs authorized during the year or continued include SAFER grants for firefighters, Homeland Security capital grants and state highway distribution funds. Intergovernmental revenue budgets were increased by \$6.6 million during the year.

Overall General Fund revenues exceeded final budget by \$995, or 1.6% which is considered a normal budgeting pattern. Some revenues lines were reduced at mid-year in anticipation of declining economic activity.

Significant variances between final budget and actual are as follows:

Public safety expenditures contributed a positive variance of \$1.3 million due largely to the timing of grant programs and personnel savings associated with military and other employee absences. Capital outlay expenditures lagged budget by \$754 largely resulting from a decision to move a scheduled phone system replacement into 2010.

Overall General Fund expenditures were incurred at 97% of final budget which is also considered a normal budget variance for the City.

## Capital Asset and Debt Administration

**Capital Assets.** The City of Fargo's investment in capital assets for its governmental and business type activities as of December 31, 2009 amounts to \$760,981 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

A new Downtown public library was completed and opened in April, 2009. This was the final phase of the library system expansion that included two new buildings and a branch facility.

Work continues on various phases of the City's utility master plan for infrastructure. Several capacity expansion projects were in progress including a water tower, a major sanitary sewer collection system along 45<sup>th</sup> Street and water distribution lines that feed a secondary water storage reservoir. Approximately \$30 million was spent during the year on these projects which were funded by the State SRF program.

<b>City of Fargo's Capital Assets</b> (net of depreciaton) (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 12,212	\$ 4,409	\$ 39,995	\$ 38,531	\$ 52,207	\$ 42,940
Construction in progress	13,891	13,809	18,323	19,217	32,214	33,026
Intangible	-	-	500	500	500	500
Buildings	35,925	33,349	131,103	115,381	167,028	148,730
Improvements other than buildings	425	385	8,574	7,234	8,999	7,619
Machinery and equipment	13,862	11,135	20,775	15,325	34,637	26,460
Infrastructure	187,086	176,803	278,310	263,444	465,396	440,247
Total	\$ 263,401	\$ 239,890	\$ 497,580	\$ 459,632	\$ 760,981	\$ 699,522

Additional information on the City of Fargo's capital assets can be found in Note 4. C. on pages 44 and 45 of this report.

<b>City of Fargo's Outstanding Debt</b> General Obligation and Revenue Bonds (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Special assessment bonds	\$ 219,829	\$ 201,651	\$ -	\$ -	\$ 219,829	\$ 201,651
Gross revenue bonds	6,625	7,034	37,610	40,880	44,235	47,914
General obligation bonds	2,875	-	-	-	2,875	-
Sales tax bonds	42,850	20,050	-	1,810	42,850	21,860
Notes payable	39,886	8,594	13,753	15,253	53,639	23,847
Total	\$ 312,065	\$ 237,329	\$ 51,363	\$ 57,943	\$ 363,428	\$ 295,272

## **Long Term Debt.**

At the end of the current fiscal year, the City of Fargo had total bonded debt and notes outstanding of \$363,428. Of this amount, \$219,829 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City of Fargo's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The City of Fargo's total outstanding debt increased by \$68.2 million during the current fiscal year. This increase can be associated with the need to finance flood control projects, ongoing capital project funding, and expansion of the City's utility infrastructure.

During the current fiscal year, the City sold bond issues as detailed below:

Refunding Improvement Refunding Bonds, Series 2009 A (\$13,190) were issued to refinance certain maturities of Series 2001 A and 2001 Series B bond issues. The net interest savings on this refinancing was \$1,291,161 NPV.

Fire Station Development Bonds, Series 2009 B (\$2,875) were issued to fund the capital and equipment costs related to the construction of a new fire station in southwest Fargo. They will be repaid over a twenty year amortization.

Refunding Improvement Bonds, Series 2009 C were issued (\$37,680) to reimburse the capital project fund for completed projects. They will be repaid over a twenty five year period commensurate with special assessments levied for repayment of this debt.

Sales Tax Revenue Bonds Series 2009 D were issued (\$27,535) to fund flood control projects including an aggressive flood buyout plan. They will be repaid over a five year period in anticipation of the need to fund a long term flood control diversion project in the near term future with the existing twenty year sales tax authorization that begins on 1/1/2010.

Tax Increment Financing Notes in the amount of \$732 were issued for two development projects funded with tax increment financing assistance awards for housing developments in North Fargo.

The City of Fargo maintained an "AA" rating from Standard & Poor's and an "Aa2" rating from Moody's for general obligation debt.

Additional information on the City of Fargo's long-term debt can be found in Note 4. G. on pages 51 - 55 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

North Dakota's statewide economy has been very strong as compared to other states across the nation. Sales tax collections have fallen slightly following robust double digit growth in 2008. An increase in oil extraction efforts is evident across western and west central portions of the State due to the discovery of the Bakken Formation, a large oil reserve.

Fargo's economy had done remarkably well in light of the national trends. As a regional hub there is strong employment in health care, education, and retail sectors. Sanford Health a South Dakota based health care provider merged with Meritcare, the City's largest employer. Wal-Mart opened a new retail supercenter along 52<sup>nd</sup> Avenue South in the fall of the year. Our real estate units have maintained their market values during this past year and the assessment rolls for 2010 payable 2011 have grown by 2.8%, reflective of continued construction in the area, especially in the residential permits. This is remarkable in light of a declining national economy. Unemployment rates increased slightly from 2.7% to 4.2% but remain at levels similar to statewide totals of 4.3% and much lower than national average of 9.3%. North Dakota unemployment levels have consistently been lower than national averages.

The City approved a General Fund budget for 2010 that increased by 3.7%. This budget was constrained during the budget approval process due to concerns about the future in light of overall economic conditions and a decline in commercial development. Budget growth in 2010 is much lower than in past budgets. There were no cost of living salary adjustments for employees due largely to concern about the certainty of projected revenues.

There was no rate increases proposed in the 2010 budget for major utility funds, however, the City did authorize the creation of a Street Lighting Utility Fund to account for expenditures previously accounted for as a General Fund Division within Public Works. This strategy was deployed to help offset increasing



energy and maintenance costs of the City's street lighting network of over 11,000 fixtures and allow this business function to become self sustaining and funded directly by utility revenues.

A one half cent voter approved sales tax authorization for flood control projects began on January 1, 2010. This authorization runs for a twenty year period and will be used to construct major flood control facilities including a proposed flood diversion channel, and other local flood levy elevation increases within the community. The flood diversion project is a very large scale river diversion channel which is being proposed by the Army Corp of Engineers. A final decision is pending on the final approval of this project. We anticipate that the decisions on final scope and location will be made in 2010. If approved, the actual construction will take from eight to ten years.

### **Requests for information**

This financial report is designed to provide a general overview of the City of Fargo's finances for all those with an interest in the government'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, 200 3<sup>rd</sup> Street North, City of Fargo, ND, 58102 or visit the City's web site at [www.cityoffargo.com](http://www.cityoffargo.com). The entire report is presented in the Auditor's Office section.



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**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2009**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 125,256	\$ 3,121,944	\$ 3,247,200
Investments	2,753,500	752,839	3,506,339
Equity in pooled investments	42,876,347	29,482,141	72,358,488
Receivables (net of allowance for uncollectibles):			
Interest	226,113	34,433	260,546
Taxes	507,763	18,006	525,769
Accounts	3,876,578	4,017,444	7,894,022
Sales tax	4,902,772	-	4,902,772
Special assessments	216,469,631	9,114	216,478,745
Intergovernmental	9,899,991	204,016	10,104,007
Contract	104,376	-	104,376
Loans	5,142,828	-	5,142,828
Internal balances	(1,192,407)	1,192,407	-
Inventory	720,498	270,542	991,040
Inventory of carbon credits	-	7,005	7,005
Prepaid expenses	481,614	402,333	883,947
Property held for resale	329,909	-	329,909
Restricted assets:			
Equity in pooled investments	-	6,189,980	6,189,980
Investments	-	22,943,690	22,943,690
Interest receivable	-	3,955	3,955
Prepaid expenses	-	172,965	172,965
Unamortized debt costs	2,957,161	353,402	3,310,563
Net pension obligation asset	518,565	-	518,565
Capital assets (net of accumulated depreciation):			
Land	12,211,780	39,995,254	52,207,034
Construction in progress	13,891,313	18,322,939	32,214,252
Intangible	-	500,000	500,000
Buildings	35,924,688	131,102,357	167,027,045
Improvements other than buildings	424,592	8,574,225	8,998,817
Machinery and equipment	13,862,527	20,775,232	34,637,759
Infrastructure	187,085,788	278,309,587	465,395,375
Total capital assets	<u>263,400,688</u>	<u>497,579,594</u>	<u>760,980,282</u>
Total assets	<u>554,101,183</u>	<u>566,755,810</u>	<u>1,120,856,993</u>
<b>LIABILITIES</b>			
Vouchers payable	12,886,254	1,123,685	14,009,939
Retainage payable	3,011,891	82,970	3,094,861
Accrued payroll	748,520	163,185	911,705
Accrued interest payable	2,441,408	314,568	2,755,976
Special assessments payable	342,009	-	342,009
Unearned revenue	2,932,282	2,259,644	5,191,926
Deposits	180,677	7,980	188,657
Claim reserves	561,154	-	561,154
Net pension obligation liability	3,201,297	-	3,201,297
Other postemployment benefits liability	2,849,508	-	2,849,508
Liabilities payable from restricted assets	-	6,271,059	6,271,059
Unamortized premium on refunding	2,432,326	1,229,088	3,661,414
Noncurrent liabilities:			
Due within one year	25,295,398	1,597,997	26,893,395
Due in more than one year	289,569,072	56,315,215	345,884,287
Total liabilities	<u>346,451,796</u>	<u>69,365,391</u>	<u>415,817,187</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	133,054,594	447,423,939	580,478,533
Restricted for:			
Debt service	84,271,098	1,478,499	85,749,597
Specific projects and programs	3,488,497	-	3,488,497
Capital improvements	427,777	27,832,091	28,259,868
Unrestricted	(13,592,579)	20,655,890	7,063,311
Total net assets	<u>\$ 207,649,387</u>	<u>\$ 497,390,419</u>	<u>\$ 705,039,806</u>

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

**CITY OF FARGO, NORTH DAKOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 16,061,513	\$ 2,406,704	\$ 221,417	\$ -	\$ (13,433,392)	\$ -	\$ (13,433,392)
Public safety	31,299,101	4,285,553	810,395	2,721,720	(23,481,433)	-	(23,481,433)
Public works	61,560,495	8,418,374	9,512,169	60,171,130	16,541,178	-	16,541,178
Public health & welfare	8,619,558	2,439,988	2,996,806	-	(3,182,764)	-	(3,182,764)
Recreation & culture	7,290,768	676,537	69,262	167,768	(6,377,201)	-	(6,377,201)
Urban redevelopment	5,270,433	2,409,435	2,943,837	72,500	155,339	-	155,339
Transportation	8,240,985	2,875,615	2,812,253	2,703,586	150,469	-	150,469
General support	1,279,040	-	-	-	(1,279,040)	-	(1,279,040)
Interest and fiscal charges	10,970,999	-	-	-	(10,970,999)	-	(10,970,999)
<b>Total governmental activities</b>	<b>150,592,892</b>	<b>23,512,206</b>	<b>19,366,139</b>	<b>65,836,704</b>	<b>(41,877,843)</b>	<b>-</b>	<b>(41,877,843)</b>
<b>Business-type activities:</b>							
Municipal airport authority	6,380,673	5,822,644	-	552,686	-	(5,343)	(5,343)
Water	13,172,848	17,695,424	-	171,875	-	4,694,451	4,694,451
Wastewater	7,282,660	10,340,200	-	8,368,051	-	11,425,591	11,425,591
Storm sewer	3,573,700	1,546,291	-	-	-	(2,027,409)	(2,027,409)
Solid waste	7,524,388	9,881,695	-	2,600	-	2,359,907	2,359,907
Fargodome	6,872,075	4,756,694	-	-	-	(2,115,381)	(2,115,381)
Southeast Cass	66,047	64,174	-	-	-	(1,873)	(1,873)
Vector control	389,667	630,597	-	-	-	240,930	240,930
Forestry	1,361,803	1,041,108	-	-	-	(320,695)	(320,695)
<b>Total business-type activities</b>	<b>46,623,861</b>	<b>51,778,827</b>	<b>-</b>	<b>9,095,212</b>	<b>-</b>	<b>14,250,178</b>	<b>14,250,178</b>
<b>Total</b>	<b>\$ 197,216,753</b>	<b>\$ 75,291,033</b>	<b>\$ 19,366,139</b>	<b>\$ 74,931,916</b>	<b>(41,877,843)</b>	<b>14,250,178</b>	<b>(27,627,665)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					18,312,912	579,513	18,892,425
Sales taxes					29,243,136	-	29,243,136
Gross business receipts taxes					4,134,001	-	4,134,001
Other taxes					4,727,168	-	4,727,168
Unrestricted intergovernmental					3,296,682	-	3,296,682
Unrestricted investment earnings					3,440,226	3,601,388	7,041,614
Miscellaneous revenue (expense)					(85,941)	1,172,864	1,086,923
Transfers					(25,763,467)	25,763,467	-
<b>Total general revenues and transfers</b>					<b>37,304,717</b>	<b>31,117,232</b>	<b>68,421,949</b>
Change in net assets					(4,573,126)	45,367,410	40,794,284
Net assets - beginning					212,222,513	452,023,009	664,245,522
Net assets - ending					<b>\$ 207,649,387</b>	<b>\$ 497,390,419</b>	<b>\$ 705,039,806</b>

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



**CITY OF FARGO, NORTH DAKOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2009**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 43,755	\$ -	\$ 51,501	\$ -	\$ 95,256
Investments	-	2,753,500	-	-	2,753,500
Equity in pooled investments	17,066,021	14,100,622	-	5,239,000	36,405,643
Receivables (net of allowance for uncollectibles):					
Interest	163,441	50,399	53	4,733	218,626
Taxes	481,326	-	-	26,437	507,763
Accounts	2,973,054	-	228,889	540,011	3,741,954
Sales tax	-	4,902,772	-	-	4,902,772
Special assessments	3,000	215,940,614	291,485	234,532	216,469,631
Contracts	-	104,376	-	-	104,376
Intergovernmental	1,958,236	-	7,725,746	216,009	9,899,991
Due from other funds	-	29,858,022	-	243,880	30,101,902
Loans	-	-	-	5,142,828	5,142,828
Advances to other funds	1,358,444	-	-	-	1,358,444
Inventory	720,498	-	-	-	720,498
Prepaid items	312,342	-	-	6,751	319,093
Property held for resale	-	-	-	329,909	329,909
<b>Total assets</b>	<b>\$ 25,080,117</b>	<b>\$ 267,710,305</b>	<b>\$ 8,297,674</b>	<b>\$ 11,984,090</b>	<b>\$ 313,072,186</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Vouchers payable	\$ 2,116,359	\$ 57,138	\$ 8,733,278	\$ 568,509	\$ 11,475,284
Contract retainage payable	-	-	3,011,891	-	3,011,891
Advances from other funds	-	-	-	1,936,674	1,936,674
Due to other funds	-	-	29,858,022	243,880	30,101,902
Accrued payroll	744,097	-	-	4,423	748,520
Special assessments payable	-	52,580	79,573	209,856	342,009
Deferred revenues	1,710,879	210,052,379	4,070,038	5,421,882	221,255,178
Deposits	180,677	-	-	-	180,677
<b>Total liabilities</b>	<b>4,752,012</b>	<b>210,162,097</b>	<b>45,752,802</b>	<b>8,385,224</b>	<b>269,052,135</b>
<b>Fund balances</b>					
Reserved for encumbrances	372,729	-	-	-	372,729
Reserved for advances	1,358,444	-	-	-	1,358,444
Reserved for inventory	720,498	-	-	-	720,498
Reserved for prepaid items	312,342	-	19,650	1,070	333,062
Reserved for debt retirement	-	57,548,208	-	-	57,548,208
Reserved for property held for resale	-	-	-	329,909	329,909
Reserved for capital improvements	-	-	47,699	149,417	197,116
Unreserved-designated for capital needs, reported in:					
Special revenue funds	-	-	-	279,854	279,854
Unreserved-undesignated reported in:					
General fund	17,564,092	-	-	-	17,564,092
Special revenue funds	-	-	-	2,838,616	2,838,616
Capital projects funds	-	-	(37,522,477)	-	(37,522,477)
<b>Total fund balance (deficit)</b>	<b>20,328,105</b>	<b>57,548,208</b>	<b>(37,455,128)</b>	<b>3,598,866</b>	<b>44,020,051</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,080,117</b>	<b>\$ 267,710,305</b>	<b>\$ 8,297,674</b>	<b>\$ 11,984,090</b>	<b>\$ 313,072,186</b>

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

**CITY OF FARGO, NORTH DAKOTA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**December 31, 2009**

Amounts reported for governmental activities in the statement of net assets (page 14)  
are different because:

Total fund balance - governmental funds (page 16)	\$ 44,020,051
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements	263,400,688
Other assets are not available to pay for current period expenditures and , therefore, are either not recognized as a receivable or are deferred in the funds	218,446,994
Internal service funds are used by management to charge the costs of liability and health insurance to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets	4,094,937
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds	<u>(322,313,283)</u>
Net assets of governmental activities (page 14)	<u><u>\$ 207,649,387</u></u>

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

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2009**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 21,557,459	\$ 30,729,111	\$ -	\$ 4,041,207	\$ 56,327,777
Special assessments	-	20,503,315	32,704	226,505	20,762,524
Licenses and permits	2,756,808	-	-	567	2,757,375
Intergovernmental revenues	20,078,881	-	19,858,265	2,985,594	42,922,740
Charges for services	14,141,833	-	-	1,277,894	15,419,727
Fines and forfeits	2,091,836	-	-	143,008	2,234,844
Investment income	2,476,500	883,018	5,678	258,520	3,623,716
Miscellaneous revenues	490,693	89,775	524,003	2,420,727	3,525,198
Total revenues	<u>63,594,010</u>	<u>52,205,219</u>	<u>20,420,650</u>	<u>11,354,022</u>	<u>147,573,901</u>
<b>EXPENDITURES</b>					
Current:					
General government	10,711,475	-	952,962	44,624	11,709,061
Public safety	26,628,563	-	596,916	1,717,503	28,942,982
Public works	9,121,960	474,822	43,413,306	301,372	53,311,460
Public health & welfare	8,431,212	-	116,952	9,333	8,557,497
Recreation and culture	3,256,318	313,220	1,260,682	1,849,515	6,679,735
Urban redevelopment	-	52,580	5,153	5,163,485	5,221,218
Public transportation	5,036,377	-	221,498	1,207,543	6,465,418
General support	1,278,791	-	-	-	1,278,791
Capital outlay	1,925,061	-	67,747,299	1,910,626	71,582,986
Debt service:					
Principal	-	19,957,601	-	1,929,105	21,886,706
Interest and fiscal charges	-	11,645,199	-	78,972	11,724,171
Total expenditures	<u>66,389,757</u>	<u>32,443,422</u>	<u>114,314,768</u>	<u>14,212,078</u>	<u>227,360,025</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,795,747)</u>	<u>19,761,797</u>	<u>(93,894,118)</u>	<u>(2,858,056)</u>	<u>(79,786,124)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	8,681,873	945,318	13,771,724	2,197,649	25,596,564
Transfers out	(3,108,403)	(8,402,458)	(2,926,489)	(3,283,317)	(17,720,667)
Loans issued	-	731,614	30,660,379	1,996,000	33,387,993
Bonds issued	-	3,519,432	64,570,568	-	68,090,000
Bond premium	-	1,616,054	-	-	1,616,054
Other financing sources - proceeds of refunding bond	-	13,190,000	-	-	13,190,000
Other financing uses - payment to bond escrow agent	-	(4,910,000)	-	-	(4,910,000)
Other financing uses - debt service - principal	-	(13,190,000)	-	-	(13,190,000)
Total other financing sources (uses)	<u>5,573,470</u>	<u>(6,500,040)</u>	<u>106,076,182</u>	<u>910,332</u>	<u>106,059,944</u>
Net change in fund balances	2,777,723	13,261,757	12,182,064	(1,947,724)	26,273,820
Fund balance (deficit) - beginning of year	17,550,382	44,286,451	(49,637,192)	5,546,590	17,746,231
Fund balance (deficit) - end of year	<u>\$ 20,328,105</u>	<u>\$ 57,548,208</u>	<u>\$ (37,455,128)</u>	<u>\$ 3,598,866</u>	<u>\$ 44,020,051</u>

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

**CITY OF FARGO, NORTH DAKOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2009**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$ 26,273,820
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.	23,897,206
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(387,008)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	24,564,827
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(75,317,726)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,992,417)
Internal service funds are used by management to charge the costs of health and liability insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities.	388,172
Change in net assets of governmental activities (page 15)	<u><u>\$ (4,573,126)</u></u>

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

**CITY OF FARGO, NORTH DAKOTA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 22,454,590	\$ 21,658,590	\$ 21,557,459	\$ (101,131)
Licenses & permits	2,746,000	2,496,000	2,756,808	260,808
Intergovernmental revenues	13,035,379	19,714,080	20,078,881	364,801
Charges for services	13,531,298	14,473,645	14,141,833	(331,812)
Fines and forfeits	2,321,000	1,996,000	2,091,836	95,836
Investment income	1,900,000	2,042,500	2,476,500	434,000
Miscellaneous revenues	218,574	218,574	490,693	272,119
Total revenues	56,206,841	62,599,389	63,594,010	994,621
EXPENDITURES				
Current:				
General government	10,665,704	11,402,177	10,711,475	690,702
Public safety	25,773,164	27,919,021	26,628,563	1,290,458
Public works	7,562,123	9,086,107	9,121,960	(35,853)
Public health & welfare	8,056,994	8,251,505	8,431,212	(179,707)
Recreation & culture	3,393,616	3,416,206	3,256,318	159,888
Public Transportation	5,458,619	4,785,485	5,036,377	(250,892)
General support	1,506,306	1,149,831	1,278,791	(128,960)
Capital outlay	3,035,000	2,679,411	1,925,061	754,350
Total expenditures	65,451,526	68,689,743	66,389,757	2,299,986
Excess (deficiency) of revenues over (under) expenditures	(9,244,685)	(6,090,354)	(2,795,747)	3,294,607
OTHER FINANCING SOURCES (USES)				
Transfers in	10,255,110	9,407,610	8,681,873	(725,737)
Transfers out	(952,745)	(2,931,745)	(3,108,403)	(176,658)
Total other financing sources (uses)	9,302,365	6,475,865	5,573,470	(902,395)
Net change in fund balances	57,680	385,511	2,777,723	2,392,212
Fund balance - beginning of year	17,550,382	17,550,382	17,550,382	-
Fund balance - end of year	\$ 17,608,062	\$ 17,935,893	\$ 20,328,105	\$ 2,392,212

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





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**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2009**

	Business Type Activities-Proprietary Funds								Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total	
ASSETS									
Current assets									
Cash	\$ -	\$ 100	\$ 50	\$ -	\$ 300	\$ 3,121,444	\$ 50	\$ 3,121,944	\$ 30,000
Equity in pooled investments	10,162,092	7,450,634	4,118,515	-	-	1,265,319	314,522	23,311,082	6,470,704
Receivables (net of allowance for uncollectibles):									
Interest	14,236	11,197	7,133	-	-	1,498	369	-	7,487
Special assessments	-	-	-	-	-	-	9,114	34,433	-
Taxes	18,006	-	-	-	-	-	-	9,114	-
Accounts	415,594	1,333,384	929,283	136,974	758,667	270,521	173,021	18,006	-
Intergovernmental	61,416	140,000	-	-	2,600	-	-	4,017,444	134,624
Due from other funds	-	2,444,277	-	-	-	-	-	204,016	-
Advances to other funds	-	-	-	-	-	-	-	2,444,277	-
Inventory	-	-	-	-	578,230	-	-	578,230	-
Inventory of carbon credits	-	227,522	-	-	-	43,020	-	270,542	-
Inventory of carbon credits	-	-	-	-	7,005	-	-	7,005	-
Prepaid expenses	11,537	37,283	18,824	4,578	42,847	281,097	6,167	402,333	-
Restricted equity in pooled investments	1,147,751	3,519,550	1,503,758	-	-	-	-	162,521	-
Total current assets	11,830,632	15,163,947	6,577,563	141,552	1,389,649	4,982,899	503,243	6,171,059	6,805,336
Noncurrent assets									
Investments	-	752,839	-	-	-	-	-	752,839	-
Restricted assets									
Equity in pooled investments	818,043	26,839	456,697	-	-	4,888,401	-	6,189,980	-
Investments	-	-	-	-	-	22,943,690	-	22,943,690	-
Interest receivable	-	3,955	-	-	-	-	-	3,955	-
Prepaid expenses	21,893	151,072	-	-	-	-	-	172,965	-
Unamortized debt costs	174,831	131,375	-	-	47,196	-	-	353,402	-
Capital assets									
Land	7,639,714	4,338,577	580,331	24,000,199	3,436,433	-	-	39,995,254	-
Construction in progress	182,368	2,516,989	14,548,990	150,324	924,268	-	-	18,322,939	-
Intangible	-	500,000	-	-	-	-	-	500,000	-
Buildings	25,493,235	64,180,689	29,697,127	-	5,667,980	57,916,209	-	182,955,240	-
Improvements other than buildings	724,483	1,059,702	1,760,746	1,422,050	6,052,673	2,125,831	-	13,145,485	-
Machinery and equipment	7,012,531	3,986,306	10,360,629	2,606,900	13,055,126	16,079,190	1,027,860	54,128,542	-
Infrastructure	68,481,163	93,047,503	86,779,759	132,376,313	6,158	-	-	380,690,896	-
Less accumulated depreciation	(35,622,460)	(35,004,789)	(38,103,545)	(38,582,008)	(8,980,876)	(35,072,595)	(792,489)	(192,158,762)	-
Total capital assets (net of accumulated depreciation)	73,911,034	134,624,977	105,624,037	121,973,778	20,161,762	41,048,635	235,371	497,579,594	-
Total noncurrent assets	74,925,801	135,691,057	106,080,734	121,973,778	20,208,958	68,880,726	235,371	527,996,425	-
Total assets	\$ 86,756,433	\$ 150,855,004	\$ 112,658,297	\$ 122,115,330	\$ 21,598,607	\$ 73,863,625	\$ 738,614	\$ 568,585,910	\$ 6,805,336

Continued

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

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**December 31, 2009**

Business Type Activities-Proprietary Funds										Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total		
LIABILITIES										
Current liabilities										
Vouchers payable	\$ 155,904	\$ 394,164	\$ 102,207	\$ 19,069	\$ 106,267	\$ 340,048	\$ 6,026	\$ 1,123,685	\$ 1,410,970	
Retainage payable	40,683	-	-	-	42,287	-	-	82,970	-	
Interest payable	-	2,608	51,086	78,227	149,666	32,963	18	314,568	-	
Due to other funds	-	-	-	890,488	1,538,201	-	15,588	2,444,277	-	
Accrued payroll	12,057	27,964	14,868	3,643	37,414	59,545	7,694	163,185	-	
Current portion of special assessments	-	5,356	39,175	41,459	136,991	22,130	-	245,111	-	
Current portion of capital lease	-	-	-	-	411,738	-	-	411,738	-	
Current portion of contract payable	-	-	319,027	-	-	-	-	319,027	-	
Accrued vacation payable	67,070	168,588	104,670	26,353	225,999	-	29,441	622,121	-	
Deferred revenue	-	-	-	-	-	2,259,644	-	2,259,644	124,098	
Deposits	-	-	-	-	-	7,980	-	7,980	-	
IBNR claim reserve	-	-	-	-	-	-	-	-	561,154	
Current liabilities payable from restricted assets:										
Current portion of long-term debt	1,010,000	2,830,000	1,405,000	-	100,000	-	-	5,345,000	-	
Accrued interest and other	137,751	689,550	98,758	-	-	-	-	926,059	-	
Total current liabilities	1,423,465	4,118,230	2,134,791	1,059,239	2,748,563	2,722,310	58,767	14,265,365	2,096,222	
Noncurrent liabilities										
Landfill closure accruals	-	-	-	-	2,935,979	-	-	2,935,979	-	
Unamortized premium on refunding	54,453	1,174,635	-	-	-	-	-	1,229,088	-	
Long-term debt, net of current portion:										
Special assessments payable	-	41,418	886,311	1,324,504	2,012,169	491,838	-	4,756,240	-	
Capital lease	-	-	-	-	1,382,759	-	-	1,382,759	-	
Contract Payable	-	-	1,222,470	-	-	-	-	1,222,470	-	
Revenue bonds, net of deferred amount of refunding	9,530,000	23,185,000	-	-	1,100,000	-	-	33,815,000	-	
Notes payable	-	1,110,429	11,092,338	-	-	-	-	12,202,767	-	
Total noncurrent liabilities	9,584,453	25,511,482	13,201,119	1,324,504	7,430,907	491,838	-	57,544,303	-	
Total liabilities	11,007,918	29,629,712	15,335,910	2,383,743	10,179,470	3,214,148	58,767	71,809,668	2,096,222	
NET ASSETS										
Invested in capital assets, net of related debt	65,533,552	111,285,565	94,161,668	120,607,815	15,065,301	40,534,667	235,371	447,423,939	-	
Restricted for:										
Debt service	839,936	181,866	456,697	-	-	-	-	1,478,499	-	
Capital improvements	-	-	-	-	-	27,832,091	-	27,832,091	-	
Unrestricted	9,375,027	9,757,861	2,704,022	(876,228)	(3,646,164)	2,282,719	444,476	20,041,713	4,709,114	
Total net assets	\$ 75,748,515	\$ 121,225,292	\$ 97,322,387	\$ 119,731,587	\$ 11,419,137	\$ 70,649,477	\$ 679,847	496,776,242	\$ 4,709,114	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds										
Net assets of business-type activities								614,177		
								\$ 497,390,419		

Concluded

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

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2009**

	Business Type Activities-Proprietary Funds							Other Proprietary Funds	Total	Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	Fargo/Dome				
<b>OPERATING REVENUES</b>										
Charges for services	\$ 5,822,644	\$ 17,695,424	\$ 10,340,200	\$ 1,546,291	\$ 9,881,695	\$ 4,756,694	\$ 1,735,879	\$ 51,778,827	\$ 6,779,085	
<b>OPERATING EXPENSES</b>										
Personnel services	977,280	2,532,877	1,352,371	312,719	3,306,108	2,206,954	782,640	11,470,949	-	-
Claims and benefits	-	-	-	-	-	-	-	-	6,830,220	-
Other services	1,703,634	2,597,644	1,411,475	112,609	1,572,970	2,215,617	732,212	10,346,161	1,051,832	-
Materials and supplies	469,838	3,331,624	1,236,337	175,980	1,104,041	-	224,978	6,542,798	-	-
Depreciation	2,727,508	3,014,062	2,803,581	2,856,501	1,422,093	2,370,074	81,778	15,275,597	-	-
Total operating expenses	5,878,260	11,476,207	6,803,764	3,457,809	7,405,212	6,792,645	1,821,608	43,635,505	7,882,052	-
Operating income (loss)	(55,616)	6,219,217	3,536,436	(1,911,518)	2,476,483	(2,035,951)	(85,729)	8,143,322	(1,102,967)	-
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Gain (loss) on disposal of assets	2,618	10,266	(23,506)	-	70,694	750	-	60,822	-	-
Investment income (expense)	81,922	81,532	37,648	(1,956)	(2,992)	3,403,234	2,000	3,601,388	31,516	-
Interest expense and bond fees	(479,308)	(1,402,379)	(491,792)	(115,766)	(145,625)	(33,318)	-	(2,668,188)	-	-
Amortization expense	(27,321)	(320,179)	-	-	(3,933)	(46,112)	-	(397,545)	-	-
General property tax revenue	579,513	-	-	-	-	-	-	579,513	-	-
Miscellaneous revenue (expense)	-	146,829	-	-	-	-	-	146,829	-	-
Sale of byproducts	-	-	768,286	-	196,927	-	-	965,213	-	-
Total nonoperating revenues (expenses)	157,424	(1,483,931)	290,636	(117,722)	115,071	3,324,554	2,000	2,288,032	31,516	-
Income (loss) before contributions and transfers	101,808	4,735,286	3,827,072	(2,029,240)	2,591,554	1,288,603	(83,729)	10,431,354	(1,071,451)	-
Capital contributions	552,686	3,760,217	33,896,123	5,996,164	51,886	-	14,500	44,271,576	-	-
Transfers in:										
General	-	110,800	-	-	-	-	-	110,800	437,000	-
Special revenue	-	-	-	-	-	-	-	-	1,100,000	-
Capital projects	-	-	-	2,890,489	-	-	-	2,890,489	-	-
Enterprise	-	1,600,000	-	-	-	-	480,012	2,080,012	-	-
Transfers out:										
General	(50,000)	(2,983,910)	(1,430,000)	(290,000)	(2,024,271)	(50,000)	(206,200)	(7,034,381)	-	-
Special revenue	-	(12,000)	(12,000)	-	(12,000)	-	(4,000)	(40,000)	-	-
Capital projects	-	(2,024,475)	(1,162,828)	(2,118,860)	-	(33,642)	-	(5,339,805)	-	-
Enterprise	-	-	(1,700,000)	-	(380,012)	-	-	(2,080,012)	-	-
Change in net assets	604,494	5,185,918	33,418,367	4,448,553	227,157	1,204,961	200,583	45,290,033	485,549	-
Total net assets - beginning	75,144,021	116,039,374	63,904,020	115,283,034	11,191,980	69,444,516	479,264	451,486,209	4,243,565	-
Total net assets - ending	\$ 75,748,515	\$ 121,225,292	\$ 97,322,387	\$ 119,731,587	\$ 11,419,137	\$ 70,649,477	\$ 679,847	\$ 496,776,242	\$ 4,709,114	-

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



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**CITY OF FARGO, NORTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Business-type activities - Enterprise Funds							Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	Fargo/Dome	Other Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers and users	\$ 5,794,594	\$ 17,164,808	\$ 9,994,988	\$ 1,494,192	\$ 9,775,628	\$ 4,000,911	\$ 1,670,587	\$ 49,895,708
Payments to suppliers	(2,223,273)	(5,907,588)	(2,716,400)	(275,682)	(3,322,696)	(2,186,380)	(960,620)	(17,592,641)
Payments to employees	(832,687)	(2,070,539)	(1,111,401)	(365,978)	(2,698,306)	(2,197,508)	(640,602)	(9,917,021)
Payments of benefits on behalf of employees	(177,871)	(535,974)	(284,743)	52,692	(687,939)	-	(151,370)	(1,785,378)
Net cash provided (used) by operating activities	2,560,763	8,650,707	5,882,444	905,224	3,066,685	(382,977)	(82,005)	20,600,841
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers to other funds	(50,000)	(5,020,385)	(4,304,828)	(2,408,860)	(2,416,283)	(83,642)	(210,200)	(14,494,198)
Transfers from other funds	-	1,710,800	-	2,890,489	-	-	480,012	5,081,301
Property taxes	573,738	-	-	-	-	-	-	573,738
Payments received on advances to other funds	-	-	-	-	46,200	-	-	46,200
Payments received on interfund borrowing	-	9,090,689	4,223,962	-	920,785	-	157,181	14,392,617
Payments made for interfund borrowing	-	(2,444,277)	-	(1,253,466)	1,538,201	-	8,373	(2,151,169)
Net cash provided (used) by noncapital financing activities	523,738	3,336,827	(80,866)	(771,837)	88,903	(83,642)	435,366	3,448,489
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Proceeds from sale of assets	2,618	13,700	-	-	275,500	750	-	292,568
Proceeds from byproduct sales	-	-	768,286	-	316,029	-	-	1,084,315
Sales tax restricted for capital-related debt	-	-	-	-	-	1,923,864	-	1,923,864
Acquisition of capital assets	(2,527,776)	(527,109)	(451,189)	-	(2,972,851)	(488,832)	(47,850)	(7,025,607)
Debt service - principal	(975,000)	(2,336,303)	(1,537,829)	(33,487)	(667,131)	(1,820,364)	-	(7,370,114)
Debt service - interest & fees	(490,746)	(1,461,216)	(501,339)	(96,989)	(107,963)	(70,104)	-	(2,730,357)
Intergovernmental capital grants	497,930	31,875	-	-	-	-	-	529,805
Net cash provided (used) by capital and related financing activities	(3,492,974)	(4,279,053)	(1,722,071)	(132,476)	(3,156,416)	(464,686)	(47,850)	(13,295,526)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Investment income (expense)	78,512	75,364	35,838	(911)	3,172	51,144	1,648	244,767
Investments redeemed	12,447,775	3,202,209	1,958,568	-	188	10,753,990	7,086	28,369,816
Investments (purchased)	(12,117,814)	(10,986,054)	(6,073,913)	-	(2,532)	(10,554,432)	(314,245)	(40,048,990)
Net cash provided (used) by investing activities	408,473	(7,708,481)	(4,079,507)	(911)	828	250,702	(305,511)	(11,434,407)
Net change in cash and cash equivalents	-	-	-	-	-	(680,603)	-	(680,603)
Cash and cash equivalents, January 1	-	100	50	-	300	3,802,047	50	3,802,547
Cash and cash equivalents, December 31	-	100	50	-	300	3,121,444	50	3,121,944
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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**CITY OF FARGO, NORTH DAKOTA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**December 31, 2009**

	Pension Trust	Agency
ASSETS		
Cash	\$ 517,090	\$ 178,696
Equity in pooled investments	513,204	43,019
Receivables:		
Accounts receivable	59,617	-
Special assessments	-	974,215
Interest	594	-
Total receivables	60,211	974,215
Investments, at fair value:		
Domestic equities	9,728,092	-
International equities	3,612,141	-
Domestic fixed income	7,834,435	-
International fixed income	1,337,831	-
Real estate	1,240,710	-
Alternative investments	4,292,987	-
Corporate stocks	3,292,178	-
Mutual funds	24,029,002	-
Cash savings value of life insurance	479,229	-
Total investments	55,846,605	-
Invested securities lending collateral	196,306	-
Total assets	\$ 57,133,416	\$ 1,195,930
LIABILITIES		
Vouchers and benefits payable	\$ 26,392	\$ -
Securities lending collateral	196,306	-
Interest payable	24,890	-
Due to other governments	-	974,215
Deposits	-	221,715
Total liabilities	247,588	1,195,930
NET ASSETS		
Held in trust for pension benefits	\$ 56,885,828	\$ -

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

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2009**

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 2,415,424
Employee	1,216,390
Total contributions	<u>3,631,814</u>
Investment income	
Net depreciation in fair value of investments	10,071,950
Less investment expense	<u>(353,878)</u>
Net investment income	<u>9,718,072</u>
Total additions	<u>13,349,886</u>
DEDUCTIONS	
Pension benefit payments	4,010,256
Member contribution refunds	98,606
Administrative expenses	<u>82,764</u>
Total deductions	<u>4,191,626</u>
Change in net assets	9,158,260
Total net assets - beginning	<u>47,727,568</u>
Total net assets - ending	<u><u>\$ 56,885,828</u></u>

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



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

**INDEX**

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A.        Reporting entity
- B.        Government-wide and fund financial statements
- C.        Measurement focus, basis of accounting and financial statement presentation
- D.        Assets, liabilities and net assets or equity
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**NOTE 2            RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A.        Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets
- B.        Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

**NOTE 3            STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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- C.        Deficit fund balance/net assets
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- B.        Receivables
- C.        Capital assets
- D.        Commitments
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- A.        Risk management
- B.        Pension plans
- C.        Other postemployment benefits liability
- D.        Joint powers agreement
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**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Fargo operates under a "mayor-commission" form of government under the Home Rule Charter. The accounting policies of the City, as reflected in the accompanying financial statements, conform to generally accepted accounting principles for local government units.

The following is a summary of the City's significant accounting policies:

**A. REPORTING ENTITY**

The City is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Additionally, the City is not included in any other governmental reporting entity.

Component units are legally separate organizations for which elected officials of the primary government are financially accountable. The City is financially accountable if it appoints a voting majority of the organization's governing body and is either:

1. able to impose its will on that organization or
2. there is potential for the organization to provide specific financial benefits to, or impose financial burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the City.

**Component Unit** - The City of Fargo Building Authority, a non-profit corporation, was formed for the purpose of providing funds to finance improvements on City property and for leasing property from the City. The directors of the Authority are made up of the City's Board of Commissioners, as well as the City Administrator and City Finance Director. The activity of the Authority is being reported as a blended component unit within the activities of the primary government. There are no separately issued statements for this component unit.

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

The goal of government-wide financial statements is to present a broad overview of a government's finances. The basic statements that form the government-wide financial statements are the statement of net assets and the statement of activities. These two statements report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include 1) charges for services and 2) operating or capital grants and contributions that are restricted to a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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

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

The government-wide, proprietary fund, and fiduciary pension trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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. Although agency funds have no measurement focus, they also use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, special assessments, intergovernmental revenue, permits, charges for services, pledges and investment income associated with the current fiscal period are the major revenues that are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are collected in 60 days. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

**Debt Service Fund** – The debt service fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest

**Capital Projects Fund** – The capital projects fund is used to account for financial resources used in the construction of major capital facilities which includes infrastructure such as streets, sidewalks, street lighting, paving, sanitary storm sewers, water mains, sewer lines and other projects. Two capital project funds reported as non-major in the prior year have been included as major for the current year as directed by management. These capital project funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed directly by proprietary funds.

The City reports the following major proprietary funds:

**Airport** – This fund accounts for the operations and construction activities of the Hector International Airport.

**Water** – This fund accounts for the activities (revenues, operating and capital expenses) of the City's water system. The City receives user fee revenues derived from sale of water and other related services to the general public.

**Wastewater** – This fund accounts for the activities (revenues, operating and capital expenses) of the City's wastewater (sewer) disposal system. The City receives user fee revenues derived from providing sanitary sewer services to the public.



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

**Storm Sewer** – This fund accounts for the activities (revenues, operating and capital expenses) of the City's storm sewer system. The City receives user fee revenues derived from providing storm sewer services to the public.

**Solid Waste** – This fund accounts for the activities (revenues, operating and capital expenses) of the City's garbage utility. The City receives user fee revenues derived from providing garbage services to the public and operating a regional landfill.

**FargoDome** – This fund accounts for the operation of the FargoDome which is a multi-purpose regional event center that was constructed in 1989 and is used for conventions, sporting events, trade shows, concerts and other programs. The FargoDome has a maximum seating capacity of 28,000 and is currently operated under a management contract with Global Spectrum, Inc.

In addition, the City reports for the following fund types:

**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 of the City or to other governmental units on a cost reimbursement basis. The City has two internal service funds, the Liability Self Insurance fund and the Health Self Insurance fund.

**Pension Trust Funds** – Pension trust funds are used to account for the activities of the City Employees' Pension Plan and the Police Pension Plan, which accumulates resources for pension benefit payments.

**Agency Funds** – Agency funds are used to account for assets held by the City as agent for other individuals, organizations, or governmental units. The City has three agency funds, the Performance Deposits fund, the Park District Special Assessments fund, and the Red River Regional Dispatch Center fund.

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

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

Amounts reported as program revenues include the following: amounts received from those who purchase, use or directly benefit from a program; amounts received from parties outside the City that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

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

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

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

**D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY**

**1. Equity in Pooled Investments, Cash and Investments**

The City maintains an investment pool that is used by all funds. Each fund's portion of the pool is displayed on the statements as "Equity in Pooled Investments." Interest income on such investments is allocated to certain funds on the basis of the participating funds balance in the cash and investments pool. In addition, investments are separately held by various funds.

Investments are reported at fair value. Cash and cash equivalents, for the purposes of GASB Statement No. 9 include cash, demand deposits, and certificates of deposit with a maturity of less than three months at the time of purchase.

**2. Receivables and Payables**

All outstanding balances between funds are reported as "due to/from other funds" (current portion) or "advances to/from other funds" (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

The city is permitted under provisions of the Home Rule Charter to levy taxes as needed for general governmental services and payment of principal and interest on long-term debt. The current Home Rule Charter maximum mill levy is sixty-four mills. Total mills levied for 2009 were fifty-eight and one-quarter.

All real estate is assessed on current value as of February 1 of each year. Property taxes are attached as an enforceable lien on the real estate and become due on January 1 of the year following the assessment date. A 5% reduction of taxes is allowed if taxes are paid in full by February 15. To avoid being delinquent, one-half of taxes due must be paid by March 1 and the remaining balance paid by October 15.

Taxes are collected by the County and remitted monthly to the City no later than the 10<sup>th</sup> working day following the month of collection.

**3. Inventories and Prepaid Items**

Depending upon the nature of the item, inventories for both governmental and business-type funds are valued at the lower of cost or market using either first-in-first-out or weighted average. The cost of inventory is recognized as an expense in both the fund and the government-wide financial statements when used (consumption method). Reported inventories of governmental funds are equally offset by a fund balance reservation to indicate that portion of fund balance not available for future appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Byproduct revenues are reported in the enterprise fund that generates the byproduct. Presently, the Solid Waste utility operates two alternative energy projects that generate byproducts revenue derived from the City landfill. Methane gas is produced naturally by the landfill and is captured and sold to a business customer. During 2007, the City of Fargo applied for Clean Renewable Energy Bonds (CREB) from the IRS and was awarded funding to expand this facility. The methane gas capture expansion project was completed which included converting methane gas into electricity that is sold to a local electricity cooperative. Methane gas is also transported in a pipeline to a business near the landfill site.

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

The aggressive efforts to curb methane release also produce carbon credits that can be traded as a commodity on the carbon credit exchange. Carbon credits have been valued at year end and are recorded as an asset (inventory of carbon credits) and revenue of the Solid Waste Utility.

#### **4. Restricted Assets**

Certain proceeds of the city's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Resources have been set aside for capital repair and upkeep of the FargoDome, as directed by Section 3-1509 of the Municipal Code.

#### **5. Capital Assets**

Capital assets, which include property, plant, equipment, intangible, 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 equal to or greater than \$5,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The intangible asset is water rights purchased from Cass Rural Water Users. The asset is considered to have an indefinite useful life as there are no legal, contractual, regulatory, technological, or other factors that limit the useful life of the asset and therefore the asset is not amortized.

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

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

<u>Asset</u>	<u>Years</u>
Buildings	10 – 50
Improvements other than buildings	10 – 20
Infrastructure	20 – 100
Vehicles	3 – 10
Equipment	5 – 10
Office equipment	5 – 10
Computer equipment	3 – 5

#### **6. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees vest in sick leave accumulated in excess of 960 hours, which is paid out at 44.4% of their normal pay in December of every year. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts (other than the vested amounts paid out annually) when employees separate from service. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. In the governmental funds, a liability would be reported only if they have matured, for example, as a result of employee retirements or resignations. The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when employees terminate their service with the City or with the use of annual leave throughout the year.

#### **7. Long-term Obligations**

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds are reported as debt service expenditures.

## **8. Fund Balance**

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

**Reserved** - indicates the portion of fund balance which has been legally segregated for specific purposes.

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

## **E. ISSUED BUT NOT-EFFECTIVE ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued statements not yet implemented by the City.

GASB Statement No. 51, Accounting and Financial Reporting for Intangible Assets, will be effective for the City beginning with its year ending December 31, 2010. This Statement provides guidance regarding how to identify, account for and report intangible assets. The new standard characterizes an intangible asset as an asset that lacks physical substance, is nonfinancial in nature and has an initial useful life extending beyond a single reporting period. The requirements for GASB 51 are effective for financial statements for periods beginning after June 15, 2009, and, for the most part, require retroactive application. Management has not yet determined the effect this statement will have on its financial statements.

GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments will be effective for periods beginning after June 15, 2009. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. By entering into these arrangements, governments receive and make payments based on market prices without actually entering into the related financial or commodity transaction. A key provision of this Statement is the derivative instruments covered in its scope, with the exception of synthetic guaranteed investment contracts (SGIC's) that are fully benefit-responsive, are reported at fair value. The provision of this Statement will be effective beginning with the year ending December 31, 2010. Management has not yet determined the effect this statement will have on its financial statements.

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions will be effective for the City for periods beginning after June 15, 2010. This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. Management has not yet determined the effect this statement will have on its financial statements.

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

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

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

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government – wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$322,313,283 difference are as follows:

Bonds payable	\$ 272,178,513
Notes payable	39,886,147
Compensated absences payable	2,623,578
Capital leases	176,232
December 31, 2009 long-term debt outstanding	<u>\$ 314,864,470</u>
Accrued interest payable	2,441,408
Bond premium	2,432,326
Other postemployment benefits liability	2,849,508
Bond costs	(2,957,161)
Net pension obligation asset	(518,565)
Net pension obligation liability	<u>3,201,297</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ 322,313,283</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$23,897,206 difference are as follows:

Capital Outlay	\$ 71,582,986
Plus: assets transferred in from enterprise funds	91,205
Plus: prior year construction in progress added as asset in current year	4,315,548
Less: assets contributed to enterprise funds	<u>(35,176,364)</u>
Capital asset increases per footnote 4.C	<u>\$ 40,813,375</u>
Less: assets transferred in from enterprise funds	(91,205)
Less: prior year construction in progress added as asset in current year	(4,315,548)
Depreciation expense	<u>(12,509,416)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 23,897,206</u></u>

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

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differences in the treatment of long-term debt and related items.” The details of this \$75,317,726 difference are as follows:

Bonded debt issued	\$ (81,280,000)
Premium on bonded debt issued	(1,616,054)
Bond proceeds used for refunding	13,190,000
Bonded debt payments to escrow	4,910,000
Bonded debt principal payments	19,736,305
Capital lease payment	54,104
Unamortized debt costs	979,615
Loan proceeds	(33,387,993)
Loan payments	2,096,297
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (75,317,726)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$3,992,417 are as follows:

Compensated absences	\$ (162,717)
Accrued interest	(352,466)
Amortization of bond costs and discounts	(174,132)
Amortization of bond premium	300,155
Net pension obligation adjustment	(2,593,749)
Other post employment benefits liability adjustment	(1,309,508)
Claims and judgments liability adjustment	300,000
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (3,992,417)</u>

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

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the governmental funds classified as the general fund, special revenue funds, and the debt service fund. No budgets are prepared for capital projects funds.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. According to City charter, the Mayor submits a proposed budget each August to the City Commission. At that time, the City Commission makes any changes they deem necessary to this proposed budget.
2. The preliminary budget must be adopted by September 10.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through the passage of a budget ordinance no later than October 7.
5. Budgets are adopted for the general, special revenue, and debt service.

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6. The legal level of budgetary control is at the fund level. The Finance Director may approve transfers of budgeted amounts between departments within a given fund. Any transfers of budgeted amounts and any revisions that alter the total expenditures of any fund must be approved by the City Commission.
7. Formal budgetary integration is employed as a management control device during the period for the general fund, special revenue funds and the debt service fund at the fund level. Any expenditures in excess of current year's budget must be approved by the Finance Committee and the City Commission. Supplemental appropriations granted for the 2009 year include \$1,775,768 for the General Fund.
8. Appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of all funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Authority to complete year-end encumbrances for the general fund may be granted by amending the subsequent years budget. General Fund Budget revisions approved for open encumbrances totaled \$372,729 for the year ended December 31, 2009.

**B. EXCESS OF EXPENDITURES OVER BUDGET**

Expenditures exceeded budget in the following funds by the following amounts:

<b>Special Revenue Funds</b>		
City Share of Specials	\$	96,372
Emergency 911		58,382
Convention and Visitors Bureau		319,130
Court Forfeits		7,080
Winter Lights Maintenance		1,803
Community Development		18,516
HUD Home Participating Jurisdiction		379,736
HUD Home Program		77,486
NRI Loan Program		261,078
City Vehicle Reserve		196,694
Other Projects		10,870
<b>Debt Service Fund</b>	\$	321,898

No remedial action is anticipated or required by the City regarding these excess expenditures.

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**C. DEFICIT FUND BALANCE/NET ASSETS**

<b>Governmental Funds</b>		
<b>Special Revenue Funds</b>		
Regional Training Center	\$ 128,046	This deficit will be eliminated by future intergovernmental revenues.
Parking Surplus Fund	7,257	This deficit will be eliminated by transfers from operating divisions.
Winter Lights Maintenance	5,953	This deficit will be eliminated by future special assessments.
City Vehicle Reserve	195,845	This deficit will be eliminated by transfers from operating divisions.
Baseball Stadium	1,763,630	This deficit is due to a capital projects fund being closed out and set up as special revenue fund. The deficit will be recovered by future suite lease fees over the next several years.
<b>Capital Projects Funds</b>		
Capital Projects Fund	\$ 37,455,128	This deficit will be eliminated by future bond financing and transfers from other funds.

**D. NET ASSETS RESTRICTED BY ENABLING LEGISLATION**

The government-wide statement of net assets reports \$117,501,409 of restricted net assets, of which \$51,051,076 is restricted by enabling legislation.

**4. DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

Deposits - In accordance with North Dakota Century Code, the City maintains deposits at those depository banks and brokerages authorized by the City Commission, all of which are covered by Federal Depository Insurance or Securities Investor Protection. Century Code requires that all City deposits be protected by insurance, collateral or surety bond. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of December 31, 2009, the carrying amount of the City's deposits was \$84,060,366 and the bank balance was \$85,860,933. As noted above, the bank balance is covered by Federal Depository Insurance or Securities Investor Protection.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Beyond what is stated in the Century Code, the City does not have a formal policy to further limit exposure to custodial credit risk. As of December 31, 2009, the City's deposits were either fully insured or properly collateralized, and have no custodial credit risk.

Investments - The City is authorized by North Dakota Century Code to invest in: a) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress, b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c) Certificates of deposit fully insured by the federal deposit insurance corporation or the state, d) Obligations of the state.

Under the Home Rule Charter, City Ordinance also allows contracts for interest rate swaps or exchanges as investments for, and Pension funds may purchase any investments authorized by the Pension Boards.



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The North Dakota Retirement and Investment Office (NDRIO) manages the FargoDome capital escrow investments and a portion of the City Employees Pension Fund, which the City reports as an external investment pool. The investment pool is not registered with the SEC and is regulated by the North Dakota Century Code. The fair market value of the investment pool is the same as the value of the pooled investment shares. More information on the NDRIO can be found in their financial reports at <http://www.state.nd.us/rio/SIB/Publications/default.htm>.

As of December 31, 2009, the City has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)				
		Not Applicable	< 1	1 - 5	> 5 - 10	> 10
U.S. Instrumentalities	\$ 1,321,832	\$ -	\$ 252,852	\$ 1,026,483	\$ 42,497	\$ -
U.S. Agencies	5,860	-	-	-	-	5,860
Local Government Bond	752,838	-	86,175	366,791	299,872	-
Corporate Stocks	3,292,178	3,292,178	-	-	-	-
Alternative Investments	2,918,478	2,918,478	-	-	-	-
Bond Mutual Funds	9,138,515	-	-	2,603,020	6,535,495	-
External Investment Pool *	48,680,834	28,307,595	-	-	20,373,239	-
Mutual Funds	14,890,487	14,890,487	-	-	-	-
Cash Value Life Insurance	479,229	479,229	-	-	-	-
	<u>\$ 81,480,251</u>	<u>\$ 49,887,967</u>	<u>\$ 339,027</u>	<u>\$ 3,996,294</u>	<u>\$ 27,251,103</u>	<u>\$ 5,860</u>

\* - The weighted average maturity of the portion of the external investment pool subject to maturity is 6.57 years.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The investments in U.S. Agencies are mortgage-backed securities. Due to interest rate changes, how quickly homeowners pay off their mortgages can fluctuate, resulting in varying repayment streams and uncertain final maturities.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Although the City does not have a formal policy to limit exposure to credit risk, North Dakota Century Code limits the types of investments which are authorized (see Investments, above). As of December 31, 2009, \$1,327,693 of the City's investments in U.S. Instrumentalities were rated AAA by Standard and Poor's. The City's investments in the local government bond, external investment pool, and bond mutual funds are not rated.

#### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy to limit exposure to investment custodial 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 places no limit on the amount which may be invested with a single issuer. There is no investment in any one issuer that is in excess of 5% of total investments at year-end. On a fund level the Water Enterprise Fund's investment in the City of Fargo Housing Revenue Bonds represents 100% of its non-pooled investments.

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City has investments in foreign currency in the external investment pool with the State Investment Board. Although the State Investment Board does not have a formal

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investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. As of June 30, 2009, the City has the following foreign currency risk exposure on investments.

Currency	All values in \$000			
	Short term	Debt	Equity	Total
Australian dollar	\$ (4)	\$ 62	\$ 31	\$ 89
Brazilian real	(8)	33	47	72
British pound sterling	14	39	157	210
Canadian dollar	2	20	17	39
Danish krone	(4)	-	9	5
Euro	(53)	5	264	216
Hong Kong dollar	(11)	-	23	12
Hungarian forint	(2)	2	-	-
Iceland krona	-	2	-	2
Indonesian rupiah	-	15	-	15
Japanese yen	(75)	1	163	89
Malaysian ringgit	-	32	-	32
Mexican peso	-	27	-	27
New Zealand dollar	5	26	-	31
Norwegian krone	4	1	7	12
Polish zloty	(1)	27	-	26
Singapore dollar	(2)	-	5	3
South African rand	-	17	-	17
South Korean won	19	-	-	19
Swedish krona	(4)	15	10	21
Swiss franc	(36)	-	63	27
Turkish lira	6	-	-	6
International comingled funds	-	654	1,972	2,626
	<u>\$ (150)</u>	<u>\$ 978</u>	<u>\$ 2,768</u>	<u>\$ 3,596</u>

**B. RECEIVABLES**

Loans receivable as of December 31, 2009 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	2 - 3%	12/01/10 to 08/02/21	\$ 268,710
Neighborhood Revitalization Initiative (NRI)	2 - 4%	07/01/13 to 08/01/21	1,564,056
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	29,000
HUD HOME	0 – 3%	04/01/10 to 02/01/17	3,281,062
Total loans receivable			\$ 5,142,828

The NRI loans and HUD HOME (Home Investment Partnership Program) loans are made to encourage investment in housing as a way to stabilize and strengthen Fargo's neighborhoods. Loans are made for renovation of homes already owned, for assistance with buying and renovating a home, and for assistance with low-income housing and other housing-related issues. The HOME loans are funded by the Department of Housing and Urban Development, while the NRI loans are funded by the City and a Fannie Mae letter of credit.

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Of the above loans, \$2,735,930 is considered in non-repayment status. These loans are forgiven upon certain criteria being met, usually relating to maintaining ownership for a certain number of years. However, if the given criteria is not met, payment is required.

**C. CAPITAL ASSETS**

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,409,308	\$ 7,802,472	\$ -	\$ 12,211,780
Construction in progress	13,809,073	4,397,788	4,315,548	13,891,313
Total capital assets, not being depreciated	18,218,381	12,200,260	4,315,548	26,103,093
Capital assets, being depreciated:				
Buildings	53,943,688	4,789,338	420,973	58,312,053
Improvements other than buildings	550,770	70,399	-	621,169
Machinery and equipment	30,410,430	5,831,142	1,558,158	34,683,414
Infrastructure	276,255,191	17,922,236	2,003,749	292,173,678
Total capital assets being depreciated	361,160,079	28,613,115	3,982,880	385,790,314
Less accumulated depreciation for:				
Buildings	20,594,900	2,083,702	291,237	22,387,365
Improvements other than buildings	165,296	31,281	-	196,577
Machinery and equipment	19,275,731	3,037,727	1,492,571	20,820,887
Infrastructure	99,452,043	7,444,761	1,808,914	105,087,890
Total accumulated depreciation	139,487,970	12,597,471	3,592,722	148,492,719
Total capital assets, being depreciated, net	221,672,109	16,015,644	390,158	237,297,595
Governmental activities capital assets, net	\$ 239,890,490	\$ 28,215,904	\$ 4,705,706	\$ 263,400,688

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

Governmental activities:	
General government	\$ 466,509
Public safety	1,274,369
Public works	8,269,812
Public health & welfare	69,191
Recreation & culture	617,551
Urban redevelopment	41,738
Transportation	1,770,246
Total depreciation expense - governmental activities	<u>\$ 12,509,416</u>
Accumulated Depreciation recorded through asset transfers from Business-type Activities	<u>88,055</u>
Total Additions to Accumulated Depreciation - governmental activities	<u>\$ 12,597,471</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 38,531,218	\$ 1,464,036	\$ -	\$ 39,995,254
Construction in progress	19,216,514	16,137,504	17,031,079	18,322,939
Water rights	500,000	-	-	500,000
Total capital assets, not being depreciated	58,247,732	17,601,540	17,031,079	58,818,193
Capital assets, being depreciated				
Buildings	163,278,627	19,696,613	20,000	182,955,240
Improvements other than buildings	11,260,780	1,884,705	-	13,145,485
Machinery and equipment	46,483,972	8,961,431	1,316,861	54,128,542
Infrastructure	358,612,858	22,418,498	340,460	380,690,896
Total capital assets being depreciated	579,636,237	52,961,247	1,677,321	630,920,163
Less accumulated depreciation for:				
Buildings	47,897,689	3,975,194	20,000	51,852,883
Improvements other than buildings	4,026,352	544,908	-	4,571,260
Machinery and equipment	31,158,612	3,214,859	1,020,161	33,353,310
Infrastructure	95,169,346	7,540,636	328,673	102,381,309
Total accumulated depreciation	178,251,999	15,275,597	1,368,834	192,158,762
Total capital assets, being depreciated, net	401,384,238	37,685,650	308,487	438,761,401
Business-type activities capital assets, net	\$ 459,631,970	\$ 55,287,190	\$ 17,339,566	\$ 497,579,594

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

Business-type activities:	
Airport	\$ 2,727,508
Water	3,014,062
Wastewater	2,803,581
Storm sewer	2,856,501
Vector control	24,723
Solid waste	1,422,093
Forestry	57,055
Fargodome	2,370,074
Total depreciation expense - business-type activities	<u>\$ 15,275,597</u>

**D. COMMITMENTS**

**Construction**

As of December 31, 2009, the City had commitments on various construction contracts totaling approximately \$21,722,780.

**Municipal Landfill Closure and Post-Closure Care Costs**

The City of Fargo operates a municipal solid waste landfill to service the waste disposal needs of the community. The Environmental Protection Agency and the State of North Dakota regulations and guidelines (NDCC 23-29.04) impact the operation of the landfill.

The landfill site design has a total of 17 cells on approximately 116 acres of land. The City has constructed 13 cells to date, which vary in surface area from 4 to 6 acres. The cell depths range up to 30', varying based on their footprint location. Final elevations of cells range from 40' to 80'. The

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cells have been designed with a leachate collection system and each cell is constructed with a composite liner system consisting of a compacted clay subgrade overlain by a 60-mil high-density polyethylene synthetic liner. Once cells have been filled to capacity, final closure can be performed, which involves placement of 18" of intermediate clay cover, 6" of compacted clay, 18" of clay cover soils (plant root zone), and 6" of topsoil.

Cells 1 through 12 and 17 are presently constructed and partially filled. Based upon design capacity, the landfill is 54.03% full, and based upon present utilization rates; the remaining capacity of the landfill is estimated at 11.65 years. The estimated liability for landfill closure and post closure care is \$2,935,979 as of December 31, 2009. This represents a decrease of \$542,934 from the prior year liability. The liability for the City has decreased based on a new permitted final cover design. This new design contributes a reduction of approximately \$12,778 per acre. The city also performed final closure on approximately 8 acres of the landfill which also reduces the total acres open. The City will recognize the remaining estimated cost of closure and post closure care of \$1,838,996 as the remaining estimated capacity is filled. The estimated total current cost of landfill closure and post closure care is based upon the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2009. However, actual costs may be higher due to inflation, changes in technology, or landfill regulations.

The City is meeting closure and post closure obligations by applying a financial test as specified in North Dakota Administrative Code sections 33-20-14-02 through 33-20-14-07. Because the City is able to meet the financial test, the restriction of cash in a landfill assurance fund is not required.

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

Interfund receivables/payables are used when a fund has a cash deficit, as well as for other amounts owed between funds. The composition of interfund balances as of December 31, 2009, is as follows:

	Receivable	Payable
Debt service	\$ 29,858,022	\$ -
Capital projects	-	29,858,022
Nonmajor governmental	243,880	-
Nonmajor governmental	-	243,880
Water	2,444,277	-
Solid waste	-	1,538,201
Storm sewer	-	890,488
Nonmajor enterprise	-	15,588
Interfund totals	<u>\$ 32,546,179</u>	<u>\$ 32,546,179</u>

At December 31, 2009, the inter-fund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2009
General fund	\$ 2,298,802	\$ 1,114,105	\$ 1,184,697
Solid waste fund	1,200,000	621,770	578,230
Subtotal baseball advances	<u>\$ 3,498,802</u>	<u>\$ 1,735,875</u>	<u>\$ 1,762,927</u>
General fund - shooting range advance	<u>\$ 225,000</u>	<u>\$ 51,253</u>	<u>\$ 173,747</u>
Total advances	<u><u>\$ 3,723,802</u></u>	<u><u>\$ 1,787,128</u></u>	<u><u>\$ 1,936,674</u></u>

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Baseball stadium advances will be repaid by future lease revenues generated by the Stadium lease contract with Fargo Baseball, LLC. The terms of the lease agreement provide for collection of lease revenues for private suites and individual seat license fees.

Shooting range advance will be repaid by future intergovernmental grants over the next five years.

**Interfund Transfers:**

	Transfer in:								
	Major funds					Nonmajor funds		Internal	Total
	General	Debt Service	Capital Projects	Water	Storm Sewer	Governmental	Enterprise	Service	
Transfer out:									
Major funds:									
General	\$ -	\$ 516,000	\$ 401,730	\$ 110,800	\$ -	\$ 1,642,873	\$ -	\$ 437,000	\$ 3,108,403
Debt service	847,500	-	7,420,038	-	-	134,920	-	-	8,402,458
Capital projects	-	36,000	-	-	2,890,489	-	-	-	2,926,489
Airport	50,000	-	-	-	-	-	-	-	50,000
Water	2,983,910	-	2,024,475	-	-	12,000	-	-	5,020,385
Wastewater	1,430,000	-	1,162,828	1,600,000	-	12,000	100,000	-	4,304,828
Storm sewer	290,000	-	2,118,860	-	-	-	-	-	2,408,860
Solid waste	2,024,271	-	-	-	-	12,000	380,012	-	2,416,283
Fargodome	50,000	-	33,642	-	-	-	-	-	83,642
Nonmajor funds:									
Governmental	799,992	393,318	610,151	-	-	379,856	-	1,100,000	3,283,317
Enterprise	206,200	-	-	-	-	4,000	-	-	210,200
Total	\$ 8,681,873	\$ 945,318	\$ 13,771,724	\$ 1,710,800	\$ 2,890,489	\$ 2,197,649	\$ 480,012	\$ 1,537,000	\$ 32,214,865

Transfers are made for funding various projects, meeting debt service requirements, and for capital infrastructure. Interest earned on Debt fund residuals and reported as revenue in the Debt fund is periodically transferred to the General Fund.

**F. LEASES**

**Operating Leases**

The City leases building and office facilities under noncancellable operating leases. Total costs for such leases were \$202,483 for the year ended December 31, 2009. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2010	\$ 185,263
2011	17,220
	<u>\$ 202,483</u>

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**Capital Leases**

The City is obligated to the following capital lease agreements:

	Remaining Balance
<b>BUSINESS-TYPE</b>	
<b>SOLID WASTE ENTERPRISE FUND</b>	
John Deere Wheel Loader	\$ 43,082
CAT Track Loader	135,523
Intl 4300 Kann Recycle Body	75,706
Kann Trough Loader	117,398
CAT D7 Dozer	313,560
CAT D6 Dozer	282,775
Wheel Loaders (2)	220,060
Peterbilt 320 Chassis (2)	305,200
Peterbilt 320 Chassis (2)	301,193
	<hr/>
Total Business-Type	\$ 1,794,497
	<hr/>
<b>GOVERNMENTAL</b>	
John Deere Graders	\$ 176,232
	<hr/>

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 381,350	\$ 2,866,404
Less: Accumulated depreciation	(171,608)	(339,621)
	<hr/>	<hr/>
Total	\$ 209,742	\$ 2,526,783
	<hr/>	<hr/>

Future Minimum Payments under the above capital lease agreements at December 31, 2009 are shown below:

	Governmental Activities	Business-type Activities
2010	\$ 63,710	\$ 494,317
2011	63,710	449,031
2012	63,710	473,654
2013	-	379,336
2014	-	227,500
	<hr/>	<hr/>
Total minimum lease payments	191,130	2,023,838
Less: amount representing interest	(14,898)	(229,341)
	<hr/>	<hr/>
Present value of minimum lease payments	\$ 176,232	\$ 1,794,497
	<hr/>	<hr/>

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**Site and Facility Lease**

*Site Lease*

The City of Fargo executed a long-term lease agreement with North Dakota State University (NDSU) for the FargoDome site. NDSU is leasing the FargoDome site to the City, and is in turn leasing 40 days use of the facility from the City. The site lease agreement, which runs from January 1990 to December 2089, requires payments of base rent of \$1 per year.

*Facility Lease*

NDSU paid annual lease rental fees of \$193,400 for 1999 – 2003. During 2002 this lease was renegotiated, and NDSU paid annual lease rental fees of \$120,000 for 2003 – 2006. The lease payments terms changed on July 1, 2007 as the 2006 lease expired June 30, 2007 with the terms of NDSU having a maximum of forty days per lease year to rent the FargoDome. Annual rental fees under the new terms are \$147,000. The terms of the 2007 lease are set to expire on June 30, 2012 with the terms of NDSU having a maximum of fifty days per lease year to rent the FargoDome. The lease payment terms changed July 2008 and again in July 2009 with the rate based off the prior year annual payment, adjusted for the Midwest Urban Consumer Price Index.

*Locker Room Rental Agreement*

During 2005, an additional lease agreement was entered into with the NDSU Development Foundation. The agreement is for use of approximately 23,461 square feet of its upstairs mezzanine level and lower level locker rooms. The agreement provides for annual rent of \$57,500 due August 1 of each year. In addition to the rent, North Dakota State University will pay annual fixed expenses of \$3,000 for the generator and building depreciation, as well as the variable costs associated with electrical usage and generator operating costs. The lease expires in 2016, however it will automatically renew for up to two additional periods of 10 years each unless North Dakota State University gives the FargoDome six months in advance of the end of any 10-year term their intent to not renew the lease. The annual rent will be increased 5% every ten years during the term of the lease. They also share a percentage of the concession and novelty sales proceeds for NDSU events.

The asset leased to NDSU is as follows:

	Business-type Activity
Asset:	
Fargodome	\$ 57,916,209
Less: Accumulated depreciation	(21,236,395)
Total	<u>\$ 36,679,814</u>

The future minimum lease payments for these leases are as follows:

2010	\$ 204,500
2011	204,500
2012	204,500
2013	204,500
Thereafter	172,500
	<u>\$ 990,500</u>



**CITY OF FARGO, NORTH DAKOTA  
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**Baseball Stadium Lease**

The City of Fargo constructed a baseball stadium in 1996, and as lessor, has leased the stadium to Fargo Baseball, LLC and North Dakota State University under separate lease agreements.

The Fargo Baseball, LLC, as lessee, has leased the stadium for exclusive lease from May 29<sup>th</sup> of each year through the end of each baseball season. The lessee will pay the City funds raised from private suite and VIP seat licenses. A 15% commission from these revenue sources will be paid to the lessee by the City according to the lease agreement. The lessee retains the exclusive rights to the concession operations during the lease period. The lessee has responsibility for normal maintenance of the stadium and the lessor has responsibility for major structural improvements, maintenance and insurance.

North Dakota State University, as another lessee, has leased the stadium for an exclusive period from March 21<sup>st</sup> to May 29<sup>th</sup> of each season. NDSU has exclusive rights to the parking fees and concessions operations. The lease agreement expires in 2089, and is conditioned on the use of the premises as a stadium for professional baseball. After the City has been repaid all the money it advanced for initial construction of the stadium, or twenty years after the beginning date of the lease, whichever occurs first, the lease will automatically terminate if the premises are not used by a professional baseball team for 24 consecutive months, or have not been used for some other mutually agreeable purpose. Upon termination of the lease, the stadium and all fixtures will belong to NDSU with no further compensation due to the City. Because future payments are not known, a schedule of future minimum lease payments is not presented.

The leased asset is as follows:

	<u>Governmental Activity</u>
Asset:	
Baseball stadium	\$ 5,136,513
Less: Accumulated depreciation	(1,371,959)
Total	<u>\$ 3,764,554</u>

**CITY OF FARGO, NORTH DAKOTA  
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**Lease of Rights to Sewer System**

The City of Fargo completed installation of a sewer line to a point of connection with the corporate city limits of the City of Oxbow, and as lessor, has leased the rights of the sewer system to the City of Oxbow.

The City of Oxbow, as lessee, has leased the sewer system until 2027 with the lease agreement expiring at this time.

The future minimum lease payments for this lease are as follows:

2010	\$ 45,684
2011	45,684
2013	45,684
2014	45,684
2015	45,684
Thereafter	525,366
	<u>\$ 753,786</u>

**G. LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2009

	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009	Due within one year
<b>GOVERNMENTAL ACTIVITIES</b>					
Improvement bonds	\$ 201,651,051	\$ 50,870,000	\$ 32,692,490	\$ 219,828,561	\$ 10,410,280
Gross revenue bonds	7,033,767	-	408,815	6,624,952	424,179
General obligation bonds	-	2,875,000	-	2,875,000	145,000
Sales tax revenue bonds	20,050,000	27,535,000	4,735,000	42,850,000	10,275,000
Notes payable	8,594,451	33,387,993	2,096,297	39,886,147	1,361,000
Capital leases	230,336	-	54,104	176,232	56,361
Accumulated unpaid vacation	2,460,861	2,623,578	2,460,861	2,623,578	2,623,578
<b>TOTAL</b>	<u>\$ 240,020,466</u>	<u>\$ 117,291,571</u>	<u>\$ 42,447,567</u>	<u>\$ 314,864,470</u>	<u>\$ 25,295,398</u>
	Balance 1/1/2009	Additions	Deletions	Balance 12/31/2009	Due within one year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Revenue bonds	\$ 42,690,000	\$ -	\$ 5,080,000	\$ 37,610,000	\$ 3,795,000
Notes payable	15,252,767	-	1,500,000	13,752,767	1,550,000
Capital leases	331,954	1,917,867	455,324	1,794,497	411,738
Special assessments	4,206,574	974,766	179,989	5,001,351	245,111
Contract payable	1,696,296	-	154,799	1,541,497	319,027
Landfill closure/postclosure	3,478,913	-	542,934	2,935,979	-
Accumulated unpaid vacation	590,558	622,121	590,558	622,121	622,121
<b>TOTAL</b>	<u>\$ 68,247,062</u>	<u>\$ 3,514,754</u>	<u>\$ 8,503,604</u>	<u>\$ 63,258,212</u>	<u>\$ 6,942,997</u>

The General Fund has typically been used in prior years to liquidate the bulk of the liability for accumulated unpaid vacation. Smaller amounts have typically been liquidated by Community Development, HUD HOME, HUD HOME Participating Jurisdiction, and Parking Authority Special Revenue Funds.

**CITY OF FARGO, NORTH DAKOTA  
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**BONDS PAYABLE**

A summary of bonds payable is shown below. A detailed listing of the individual bond issues is continued at the end of Note G.

	Original Interest Rates	Original Issue Amounts	Balance Remaining
<b>GOVERNMENTAL ACTIVITIES</b>			
Improvement bonds			
(Special assessment debt)	2.00 - 6.00 %	\$ 250,017,800	\$ 219,828,561
Gross revenue bonds	2.50 - 6.625%	8,920,000	6,624,952
General obligation bonds	2.00 - 4.00%	2,875,000	2,875,000
Sales tax revenue bonds	2.00 - 6.00%	63,055,000	42,850,000
<b>TOTAL</b>		<u><u>\$ 324,867,800</u></u>	<u><u>\$ 272,178,513</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water revenue bond	5.25%	\$ 28,065,000	\$ 25,870,000
Clean renewable energy bond	0.50%	1,500,000	1,200,000
Airport revenue bonds (2 issues)	2.00 - 4.25%	14,225,000	10,540,000
<b>TOTAL</b>		<u><u>\$ 43,790,000</u></u>	<u><u>\$ 37,610,000</u></u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

Special assessment bonds are paid directly from debt service sinking funds. Special assessments are certified annually in amounts sufficient to pay the debt service requirement. Whenever all special assessments appropriated and collected for a special improvement district are insufficient to pay principal and interest then due on the special improvement bonds issued against such improvement district, the City of Fargo is to levy a tax upon all the taxable property in the City for the payment of such deficiency.

The City of Fargo is subject to the North Dakota Century Code, which limits the amount of general obligation indebtedness (exclusive of revenue-producing utility debt, special assessment debt, tax increment debt, and Housing Authority debt) that the City may have outstanding to 5% of assessed valuation. On December 31, 2009, the statutory limit for the City was \$166,260,174 providing a debt margin of \$157,587,890. This calculation can be found on page 139 of the statistical section.

**CURRENT AND ADVANCE REFUNDING OF DEBT**

On April 30, 2009, the City issued \$13,190,000 of Series 2009A refunding improvement bonds for a current refunding of \$7,905,000 of Series 2001 and \$5,285,000 Series 2001B refunding improvement bonds. The refunding was undertaken to reduce total debt service payments by \$1,539,731 and resulted in an economic gain of \$1,291,161.

On May 1, 2009, the City called the remaining maturities of the Series 1999A improvement bonds in the amount of \$8,150,000, which were prepaid with funds held by the escrow agent that were generated from the Series 2006C refunding improvement bonds and \$3,240,000 of debt service funds. The 2006C refunding improvement bonds were issued and the refunding of debt was undertaken to reduce total debt service payments by \$1,609,710 and resulted in an economic gain of \$581,049.

**CITY OF FARGO, NORTH DAKOTA  
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**PREVIOUS YEARS DEFEASANCE OF DEBT**

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the City's financial statements. As of December 31, 2009, \$90,865,000 of bonds outstanding are considered to be defeased.

**CONTRACT PAYABLE**

The City has agreed to sell treated wastewater to Cass Rural Water Users District, and Cass Rural Water Users District has, in turn, agreed to sell treated wastewater to the Tharaldson Ethanol Plant, LLC for use at its ethanol plant. On July 9, 2007, the LLC, CRWU, and the City entered into a Memorandum of Understanding under which the parties each agreed to perform certain obligations, including the financing, construction, and maintenance of the infrastructure necessary for delivery of treated wastewater and for the return of plant wastewater to and from the ethanol plant. Cass Rural Water Users District financed the project through issuance of bonds, which are payable by both the LLC and the City for its corresponding obligations under the Memorandum of Understanding. Per the agreement, the City's obligation for this contract is \$1,696,296 which will be repaid to the CRWU over a five year period. As of December 31, 2009, the balance of this contract payable is \$1,541,497.

**NOTES PAYABLE**

The City has obtained financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance expansion of the wastewater treatment facility, a portion of the new water treatment plant, sewer hook-up for Reile's Acres and Oxbow, and a storm sewer system. The City obtained additional financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance the following projects; 45<sup>th</sup> street corridor interceptor project, north side sewer service facility project, transmission lines south side system project, and a water tower project.

In September 2002 the City of Fargo established a Fannie Mae General Obligation Loan Product \$2.7 million revolving line of credit. That line was renewed and increased to \$4 million in September 2005. In July 2006, the City Commission approved a request to increase the line of credit from \$4 million to \$7 million. The purpose of this line of credit is to provide construction and/or bridge financing for City-initiated housing projects and redevelopment of deteriorated areas. This line of credit has a five-year maximum repayment term, and is backed with a pledge of the City's general obligation authority. The funds are available at a rate of 85 basis points over the 1 month LIBOR rate, and will be adjusted quarterly over the term of the loan.

The City has issued three three tax increment revenue notes subject to development agreements for housing redevelopment projects. The notes are payable from the future taxes generated by the redevelopment projects and will be paid to the developer annually as property taxes are collected from the tax increment project.

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Details relative to the outstanding notes payable are shown below:

TYPE AND ISSUE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/09
<b>GOVERNMENTAL ACTIVITIES</b>				
SRLF Storm Sewer Project	9/1/2020	2.50%	\$ 1,816,295	\$ 1,110,000
SRLF Water Tower	9/1/2027	2.50%	2,500,000	2,276,356
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,640,000	1,402,656
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	27,433,550
SRLF Transmission Lines South Side System	9/1/2029	2.82%	29,240,000	5,348,150
TIF Revenue Notes	5/1/2034	6.00%	1,015,930	1,044,435
Fannie Mae Notes	Variable	Variable	2,700,000	1,271,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 102,637,225</b>	<b>\$ 39,886,147</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
SRLF Sewer Plan Expansion Phase I	10/1/2013	3.00%	\$ 3,561,559	\$ 890,000
SRLF Sewer Plan Expansion Phase II	10/1/2014	2.50%	7,770,000	2,230,000
SRLF Sewer Plan Expansion Phase III	9/1/2017	2.50%	2,850,429	1,255,429
SRLF Sewer Plan Expansion Phase IV	9/1/2018	2.50%	1,482,337	757,338
SRLF Sewer Plan Expansion Phase VI	9/1/2019	2.50%	10,266,793	6,260,000
SRLF Reile's Acres Sewer Project	9/1/2019	2.50%	210,000	110,000
SRLF Oxbow Sewer Extension	9/1/2025	2.50%	2,470,739	2,250,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>			<b>\$ 28,611,857</b>	<b>\$ 13,752,767</b>
<b>TOTAL NOTES PAYABLE</b>			<b>\$ 131,249,082</b>	<b>\$ 53,638,914</b>

The annual requirements to amortize long-term debt for the next five years (excluding accumulated unpaid vacation pay, capital leases, and contract payable) as of December 31, 2009, are shown in the following table:

**CITY OF FARGO, NORTH DAKOTA  
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**GOVERNMENTAL ACTIVITIES**

	Special Assessment Bonds		Gross Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 10,410,280	\$ 9,167,699	\$ 424,179	\$ 307,116	145,000	87,563
2011	10,848,281	8,730,314	444,750	289,622	105,000	81,275
2012	10,965,000	8,348,908	460,536	270,912	110,000	79,125
2013	11,080,000	7,958,236	481,543	251,230	115,000	76,875
2014	10,825,000	7,560,470	502,782	230,267	115,000	74,431
2015-2019	46,140,000	32,068,761	2,683,690	783,544	625,000	326,363
2020-2024	44,435,000	22,648,123	1,627,472	137,689	745,000	225,431
2025-2029	50,770,000	11,459,230	-	-	915,000	84,788
2030-2034	24,355,000	2,366,571	-	-	-	-
	<u>\$ 219,828,561</u>	<u>\$ 110,308,312</u>	<u>\$ 6,624,952</u>	<u>\$ 2,270,380</u>	<u>\$ 2,875,000</u>	<u>\$ 1,035,850</u>

	Sales Tax Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2010	\$ 10,275,000	\$ 1,146,948	\$ 1,361,000	\$ 685,676
2011	10,530,000	1,093,503	1,644,446	948,474
2012	10,800,000	672,462	1,686,342	909,327
2013	5,580,000	239,062	1,729,078	864,217
2014	5,665,000	127,462	1,775,444	820,476
2015-2019	-	-	9,563,151	3,438,078
2020-2024	-	-	11,053,898	2,154,385
2025-2029	-	-	10,736,787	815,096
2030-2034	-	-	336,001	-
	<u>\$ 42,850,000</u>	<u>\$ 3,279,437</u>	<u>\$ 39,886,147</u>	<u>\$ 10,635,729</u>

**BUSINESS-TYPE ACTIVITIES**

	Revenue Bonds		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 3,795,000	\$ 1,711,148	\$ 1,550,000	\$ 348,269	\$ 245,111	\$ 282,957
2011	3,970,000	1,529,775	1,590,000	308,444	208,960	271,291
2012	4,155,000	1,339,565	1,625,000	267,594	211,869	259,225
2013	4,350,000	1,140,089	1,661,000	225,844	216,952	246,930
2014	4,555,000	930,072	1,476,000	183,169	223,399	234,366
2015-2019	16,585,000	1,459,250	4,940,767	473,066	1,111,214	976,827
2020-2024	200,000	2,550	755,000	76,625	971,163	679,749
2025-2029	-	-	155,000	3,875	1,205,268	376,111
2030-2034	-	-	-	-	607,415	82,076
	<u>\$ 37,610,000</u>	<u>\$ 8,112,449</u>	<u>\$ 13,752,767</u>	<u>\$ 1,886,886</u>	<u>\$ 5,001,351</u>	<u>\$ 3,409,532</u>

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TYPE AND ISSUE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/09
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>SPECIAL ASSESSMENT BONDS</b>					
1998 Series C	12/1/1998	5/1/2016	3.80-4.80	\$ 3,675,000	\$ 1,335,000
2002 Series A	6/1/2002	5/1/2027	3.00-5.125	11,190,000	9,140,000
2003 Series A	3/1/2003	5/1/2028	2.375-4.70	15,250,000	12,675,000
2003 Series C	3/1/2003	5/1/2014	2.00-4.00	3,500,000	1,565,000
2003 Series D	9/1/2003	5/1/2028	3.00-5.00	12,525,000	10,555,000
2004 Series B	4/1/2004	6/1/2015	2.25-3.375	9,300,000	5,625,000
2004 Series C	5/1/2004	5/1/2029	3.00-4.75	22,280,000	19,500,000
2004 Series E	11/1/2004	5/1/2029	3.00-4.50	23,185,000	19,260,000
2005 Series A	12/15/2005	5/1/1930	4.00-4.70	21,310,000	18,815,000
2005 Series B	12/15/2005	5/1/2018	4.00-4.25	10,675,000	8,320,000
2006 Series B	12/15/2006	5/1/2031	3.75-4.375	19,810,000	18,020,000
2006 Series C	12/15/2006	5/1/2018	3.75	6,465,000	6,290,000
2007 Series B	12/15/2007	5/1/2032	4.00-4.70	13,045,000	12,265,000
2008 Series E	12/19/2008	5/1/2033	4.00-6.00	26,285,000	25,495,000
2009 Series A	4/30/2009	5/1/2019	2.50-4.00	13,190,000	13,190,000
2009 Series C	10/15/2009	5/1/2034	2.00-4.125	37,680,000	37,680,000
				<u>\$ 249,365,000</u>	<u>\$ 219,730,000</u>
<b>SIDEWALK CONSTRUCTION</b>					
2000	9/19/2000	1/1/2010	5.89	319,990	31,999
2001	6/15/2001	1/1/2011	5.48	332,810	66,562
				<u>\$ 652,800</u>	<u>\$ 98,561</u>
<b>GENERAL OBLIGATION BONDS</b>					
2009 Series B	10/15/2009	5/1/2029	2.00-4.00	<u>\$ 2,875,000</u>	<u>\$ 2,875,000</u>
<b>GROSS REVENUE DEBT</b>					
2001 Parking Revenue	5/15/2001	11/1/2021	4.00-6.625	\$ 1,290,000	\$ 940,000
2002 Lease Revenue	5/1/2002	5/1/2022	3.50-5.10	4,930,000	3,665,000
2002 Housing Revenue	4/15/2002	4/15/2017	2.50	1,300,000	752,838
2007 Lease Revenue	6/1/2007	6/1/2022	4.67	1,400,000	1,267,114
				<u>\$ 8,920,000</u>	<u>\$ 6,624,952</u>
<b>SALES TAX INFRASTRUCTURE BONDS</b>					
1999	11/15/1999	7/1/2012	5.00-6.00	\$ 15,260,000	\$ 4,710,000
2005	7/18/2005	7/1/2012	5.00	20,260,000	10,605,000
2009 Series D	10/15/2009	11/1/2014	2.00-3.00	27,535,000	27,535,000
				<u>\$ 63,055,000</u>	<u>\$ 42,850,000</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>				<u><u>\$ 324,867,800</u></u>	<u><u>\$ 272,178,513</u></u>

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TYPE AND ISSUE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/09
<b>BUSINESS-TYPE ACTIVITIES</b>					
<b>WATER FUND</b>					
Revenue Bonds of 2007	10/11/2007	1/1/2017	5.25	\$ 28,065,000	\$ 25,870,000
<b>AIRPORT FUND</b>					
Revenue Bonds of 2004	10/1/2004	9/1/2014	2.00-3.55	\$ 6,470,000	\$ 3,465,000
Revenue Bonds of 2007	2/15/2007	9/1/2018	2.25-4.00	7,755,000	7,075,000
				<u>\$ 14,225,000</u>	<u>\$ 10,540,000</u>
<b>SOLID WASTE FUND</b>					
Clean Renewable Energy Bond	11/5/2007	12/15/2021	0.50	\$ 1,500,000	\$ 1,200,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>				<u>\$ 43,790,000</u>	<u>\$ 37,610,000</u>
<b>TOTAL BONDED INDEBTEDNESS</b>				<u>\$ 368,657,800</u>	<u>\$ 309,788,513</u>

#### **H. DEFERRED REVENUE**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. A large portion of the amount deferred relates to special assessments receivable which will be used to pay off refunding improvement and sidewalk bonds. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue in the governmental funds were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable	\$ 383,183	\$ -	\$ 383,183
Special assessments receivable	210,429,885	-	210,429,885
Interest receivable	128,634	-	128,634
Grant resources held and grant items receivable	1,648,953	7,576	1,656,529
Loans/contracts/accounts receivable	<u>5,732,241</u>	<u>2,924,706</u>	<u>8,656,947</u>
Total deferred/unearned revenue for governmental funds	218,322,896	<u>\$ 2,932,282</u>	<u>\$ 221,255,178</u>
Internal Service fund - deferred revenue	<u>124,098</u>		
Total per reconciliation of the governmental funds balance sheet to the statement of net assets	<u>\$ 218,446,994</u>		

#### **I. INDUSTRIAL REVENUE BONDS**

From time to time, the City has approved issuance of Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009, the number of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is unknown. Neither the State of



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North Dakota nor the City of Fargo have a central repository. The only requirement for this type of issue is to request the amount needed for City approval, most times this amount is in excess of the actual amount issued. When completely paid or called they must notify the City of this event.

**5. OTHER NOTES**

**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions, errors and omissions; job related illness or injuries to employees; acts of God, and losses resulting from providing accident, health, dental and medical benefits to employees and retirees and their dependents or beneficiaries.

The City maintains two self-insurance internal service funds that are used to administer the risks of losses associated with the various exposures.

**HEALTH SELF INSURANCE**

The City maintains a self-insured health plan which offers medical benefits to employees and retirees. Benefits associated with this plan are funded by employer, employee and retiree contributions. Retirees and COBRA employees pay their own premiums; the City does not fund a benefit for this group. An outside third party administrator is used for claims processing, employee education and assistance with plan design. Stop loss insurance is purchased to limit catastrophic losses. The stop loss deductible is currently \$140,000 specific per participant with an aggregate specific deductible of \$140,000 and a plan reimbursement maximum of \$860,000. There have been no significant reductions to insurance coverage in the past year. There have been no insurance settlements in excess of the City's stop loss insurance in the past three years.

An incurred but not reported (IBNR) liability accrual is estimated by the third party administrator and is recorded in the financial statements. The estimated IBNR amount is \$511,154 as of December 31, 2009. A summary of the claim reserve liabilities and related claim payments is shown below:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2009	\$ 558,000	\$ 5,082,834	\$ 5,129,680	511,154
2008	858,000	4,627,957	4,927,957	558,000
2007	275,000	3,939,073	3,356,073	858,000

**LIABILITY SELF INSURANCE**

The City is fully insured for automobile liability insurance through the North Dakota State Insurance Reserve Fund. The City maintains a self-insured liability plan to account for general liabilities incurred by the City. The City retains the risk for this category up to the statutory limits established by the North Dakota State Century Code Section 32.12.1-3. Under these provisions the City retains the first \$250,000 claim per person and \$500,000 maximum exposure. The City Attorney's Office and third party claims administrator is responsible for the settlement and final determination for the payment of claims. The City implemented an actuarial approach to projecting claims for budget purposes effective 1/1/2000. All operating units of the City are charged a standard self-insured risk amount based upon their own loss development factors. This will provide adequate resources to cover anticipated losses for general liabilities. There have been no significant reductions to insurance coverage in the past year. There have been no insurance settlements in excess of the City's vehicle coverage in the past three years.

A claims reserve for general liability has been calculated by our legal counsel in the amount of \$50,000. Effective, October 29, 2009 the City Commission approved the City's general liability

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coverage to be placed with the North Dakota Insurance Reserve Fund. Management believes the City's overall long term risk profile and related cost of risk will be mitigated by switching to this program. With the switch to NDIRF the City's general liability self insurance reserve fund will eventually be discontinued upon settlement of the outstanding claims. A summary of claim reserve liabilities and related claim payments is shown below:

	Beginning Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2009	\$ 341,312	\$ 1,747,386	\$ 2,038,698	50,000
2008	305,375	267,186	231,249	341,312
2007	382,918	373,544	451,087	305,375

### **INSURED RISKS**

The City purchases commercial insurance for the risk of damage to or destruction of buildings and equipment. Present coverage is provided by the State Fire and Tornado Fund as our primary property insurance carrier. Other commercial insurance is also purchased for boiler, specialty equipment floaters, aircraft liability coverage and flood coverage for certain locations required by FEMA. A schedule of insurance in force is included in the supplementary information portions of this report. There have been no significant reductions to insurance coverage in the past year. There have been no insurance settlements in excess of the City's coverage in the past three years.

### **B. PENSION PLANS**

The City of Fargo contributes to four separate pension plans which cover substantially all full-time employees. They are the North Dakota Public Employee Retirement System, Employees' Pension Plan, Police Pension Plan, and the Fargo Firefighters' Relief Association Retirement Plan. All of these plans are defined benefit pension systems. The Fargo Firefighters' Relief Association Retirement Plan and the North Dakota Public Employee Retirement System are separate legal entities and are not administered by the City. The plans have not been included in the reporting entity and are not shown in the accompanying financial statements.

#### **Summary of Significant Accounting Policies**

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

Method Used to Value Investments - Investments are reported at fair value. Certificates of deposit are reported at cost, which approximates fair value. Securities traded on national or international exchange are valued at the last reported sales price at current exchange rates. Life insurance is reported at cash savings value.

#### **Plan Description, Contribution and Reserves Information**

##### **Employees' Pension Plan**

Plan Description. The City of Fargo Employees' Pension plan is a cost-sharing multiple employer public employee retirement system. The plan is integrated with social security and therefore, is considered a supplemental plan. All full-time City employees not covered by another plan are eligible for participation in the Employees' Pension Plan. As of January 1, 2008 all newly hired employees will become North Dakota Public Employee Retirement System (NDPERS) members. Voluntary enrollment in the NDPERS plan was offered to all members currently participating in the City Employee Pension Plan.

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Membership in the plan on January 1, 2010 (date of most recent actuarial study) is as follows:

Retirees and beneficiaries	180
Terminated vested and deferred beneficiaries	15
Active plan members	466

Number of participating employers: 2

Employees may be eligible for early, normal or disability retirement. The plan permits early retirement at age 55. Normal retirement age for full benefits is age 62 or when an employee's age plus their years of service as a full time city employee reaches a sum of 90.

Employee death benefits of \$20,000 are paid to a designated beneficiary for a participant who dies prior to retirement. If a participant dies after retirement, the designated beneficiary will receive a \$3,000 death benefit.

All participants are eligible for a full refund of their contributions plus interest at 5%. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin between ages 55-62 or a lump sum payment. Lump sum settlements are allowable up to age 55. Lump sum payments are computed as the greater of the actuarial value of plan assets or the "cash balance" in their plan account. The cash balance consists of the employee contributions, plus one-half of the employer's contribution since January 1, 1990, plus interest at 5%.

The City makes a matching contribution of \$25 per month to a deferred compensation plan on behalf of pension plan members who also contribute a minimum of \$25 per month to the deferred compensation plan.

Benefit provisions are established under the authority of the City Commission.

Contributions. Participating employees contribute to the plan at a rate of 4.5% of salary and the employers contribute at a rate of 6.0% of regular salary for all employees. The contribution rates are established by local ordinance, and the employers contribution rate is set by the City Commission. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

Reserves. The net assets at December 31, 2009 are \$25,543,875 and the entire amount is reserved for employee pension benefits.

The Employees' Pension Plan is included in the City of Fargo financial statements. It does not issue a stand-alone report, nor is it included in the report of any other entity.

**North Dakota Public Employee Retirement System Pension Plan**

Plan Description. As of January 1, 2008, all newly hired full-time and certain part-time employees (with the exception of Police and Fire department employees) of the City of Fargo are covered by defined benefit plans administered by the North Dakota Public Employee Retirement System (NDPERS). Voluntary enrollment in the NDPERS plan was offered to all members currently participating in the City Employee Pension Plan. The System administers PERS, which is a cost-sharing multiple-employer retirement plan. The PERS was established July 1, 1966 as a defined contribution plan and was changed to a defined benefit plan by the 1977 North Dakota Legislature. The PERS is administered in accordance with Chapter 54-52 of the North Dakota Century Code.

NDPERS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute. Plan participants are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). The annual pension benefit is equal to 2% of their average monthly salary, using the highest 36 months out of the

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last 120 months of service, for each year of service. The Plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, level social security, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Contributions. North Dakota Chapter 54-52 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. PERS members were required to contribute 4% of their regular compensation in 2009. The City of Fargo's required contribution increased from 5.12% to 5.26% of covered compensation in July 2009.

The City's contribution to the Public Employees Retirement System for the years ending December 31, 2009 and 2008 was \$784,259 and \$669,513, respectively. The City's contribution was equal to the contractually required contribution for the year as set by state statute, or 100% of the required contributions for each year.

NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained on the internet at [www.nd.gov/ndpers](http://www.nd.gov/ndpers), or by writing to NDPERS at PO Box 1657, Bismarck, ND 58502.

**Police Pension Plan**

Plan Description. The Police Pension Plan is a single employer public employee retirement system. The plan is not integrated with Social Security and has elected to make contributions on a pre-tax basis as of January 1, 1986.

All full-time employees of the Police department, except the Chief of Police, are required to enroll in the plan.

Membership on January 1, 2010, (date of most recent actuarial study) in the plan is as follows:

Retirees and beneficiaries currently receiving pension payments	94
Fully vested members contributing	64
Non vested members contributing	89
Terminated vested employees	6

Number of participating employers: 1

Plan participants are eligible for normal retirement benefits after age 50 with 10 years of service under 2.65% per year of service formula, plus \$8.33 per year of service, maximum \$250. This is applicable to all new members who participate on or after August 1, 1990. Members who first participated prior to August 1, 1990, can elect this retirement age formula or remain under the Rule of 88, 60% formula.

The Plan purchases life insurance for active employees, the proceeds of which are paid to a designated beneficiary in the amount of \$65,000. The designated beneficiary will also receive the participant's employee contribution plus interest earned on contributions at 6% per annum. Interest is accrued on contributions starting January 1, 1970. Non-active participants death benefit is \$40,000 for retirements after September 1985, and \$25,000 for retirements between July 25, 1983 and September 30, 1985.

Participants are fully vested in plan benefits after 10 years of service. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin at the

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early retirement date, or may elect a refund of all employee contributions plus interest at 6% per annum, in lieu of a deferred vested benefit.

Benefit provisions are established under the authority of the City Commission.

Contributions. Employees contribute at a rate of 8.0% of salary. The City contributes at a rate of 13.65% of salary for members employed prior to April 1, 1986, and a rate of 12.20% of salary for members employed after April 1, 1986. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

Reserves. The net assets at December 31, 2009 are \$31,341,953 and the entire amount is reserved for employee pension benefits.

The Police Pension Plan is included in the City of Fargo financial statements. It does not issue a stand-alone report, nor is it included in the report of any other entity.

**Fargo Firefighters' Relief Association Retirement Plan**

Plan Description. The Fargo Firefighters' Relief Association Retirement Plan is a single employer public employee retirement system governed by Section 18-11 of the North Dakota State Century Code. The Association is organized, operated, and maintained in accordance with its own articles of incorporation and by-laws. The plan is not integrated with social security and has elected to make employee contributions on a pre-tax basis as of January 1, 1996.

All full time firefighters are eligible members, however participation is voluntary.

Membership on July 1, 2008, (date of most recent actuarial study) in the plan is as follows:

Active plan members	96
Retirees, disabilitants, and beneficiaries	79

Number of participating employers: 1

Plan participants are eligible for normal retirement at age 55 with 10 years of eligible service. Effective August 1, 2001, the benefit formula was improved to provide 2.50% of earnings times years of service. The result is taken times the salary of a first class firefighter to determine the monthly pension benefit amount. A monthly disability service pension benefit is also provided under an alternative formula along with family death benefits.

In lieu of any other benefits from the plan, a member may request a lump sum payment of employee contributions without interest.

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

Contributions. Participating employees contribute to the plan at a rate of 8.4% of salary and the City contributes at a rate of 13.65% for pre-1986 employees and 12.20% for post 1986 employees covered by Medicare. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

The City is legally obligated to contribute to the plan based upon a certain formula established by State law. The City has chosen to fund this obligation by paying the same percentage of pay as other defined benefit plans.

The Fargo Firefighters' Relief Association Retirement Plan is not included in the City of Fargo financial statements, nor is it included in the report of any other entity. The Firefighters' Relief Association issues a stand-alone, publicly available financial report. This report can be obtained by contacting: City of Fargo Fire Department Headquarters, 627 N.P. Avenue, Fargo, ND 58102, Attention: Secretary/Treasurer of the Fargo Firefighters Pension Association.

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**SCHEDULES OF FUNDING PROGRESS (GASB's 25 & 27)**

<b>EMPLOYEES' PENSION PLAN</b>						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/1/1997	\$ 16,580,254	\$ 19,809,285	\$ 3,229,031	83.7%	\$ 10,716,136	30.1%
1/1/1999	20,627,311	22,786,324	2,159,013	90.5%	12,173,649	17.7%
1/1/2001	22,431,456	27,817,109	5,385,653	80.6%	13,704,295	39.3%
1/1/2003	19,948,931	32,403,936	12,455,005	61.6%	15,508,120	80.3%
1/1/2005	25,817,436	35,828,009	10,010,573	72.1%	18,727,768	53.5%
1/1/2007	30,259,793	40,993,634	10,733,841	73.8%	20,329,420	52.8%
1/1/2009	22,218,940	43,169,721	20,950,781	51.5%	22,146,947	94.6%
1/1/2010	25,543,875	44,753,634	19,209,759	57.1%	23,560,008	81.5%

Prior to the actuarial valuation dated 04/01/97, the Employees' Pension Plan used the aggregate actuarial cost method which does not identify or separately amortize unfunded liabilities. Therefore, no prior years are presented in the above Schedule of Funding Progress.

For the Employees' Pension Plan, contributions for the years ended December 31, 2009, 2008 and 2007 were \$1,518,491, \$1,317,858, and \$2,223,206, respectively, which were 51%, 50%, and 84%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2009, 2008, and 2007 were \$2,879,527, \$2,633,461, and \$2,651,712, respectively. The percentage funded was 51%, 50%, and 84% for the years 2009, 2008, and 2007, respectively. The Net Pension Obligation (NPO) at the end of 2009, 2008, and 2007 was positive (a liability).

<b>Annual Pension Cost Components</b>					
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
1999	\$ 874,579	\$ (85,606)	\$ (130,366)	\$ (95,167)	\$ (1,236,583)
2000	874,579	(92,744)	(141,235)	(315,683)	(1,552,266)
2001	1,337,830	(116,420)	(177,866)	10,588	(1,541,678)
2002	1,337,830	(115,626)	(176,652)	(99,902)	(1,641,580)
2003	2,262,592	(123,119)	(193,229)	737,961	(903,619)
2004	2,262,592	(67,771)	(106,364)	416,768	(486,851)
2005	2,349,879	(36,514)	(57,165)	345,429	(141,422)
2006	2,349,879	(10,607)	(16,606)	237,575	96,153
2007	2,655,808	7,211	11,307	428,506	524,659
2008	2,655,808	39,349	61,696	1,315,603	1,840,261
2009	2,970,801	138,020	229,294	1,361,036	3,201,297

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**POLICE PENSION PLAN**

The Police Pension Plan uses the aggregate actuarial cost method which does not identify or separately amortize unfunded liabilities. The Schedule of Funding Progress is shown below in accordance with Government Accounting Standards Board Statement No. 50 as noted below.

For the Police Pension Plan, employer contributions for the years ended December 31, 2009, 2008 and 2007 were \$1,427,831, \$973,471, and \$918,620, respectively, which were 60%, 84%, and 82%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2009, 2008 and 2007 was \$2,404,781, \$1,172,365, and \$1,135,884, respectively. The percentage funded was 59%, 83%, and 81% for the years 2009, 2008, and 2007, respectively. The Net Pension Obligation (NPO) at the end of each year was negative (an asset).

Annual Pension Cost Components					
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
1999	\$ 589,656	\$ (6,012)	\$ (6,893)	\$ (9,388)	\$ (89,549)
2000	347,853	(6,716)	(7,700)	(292,210)	(381,759)
2001	419,300	(28,632)	(32,825)	(251,327)	(633,086)
2002	415,746	(47,481)	(54,436)	(269,343)	(902,429)
2003	592,591	(67,682)	(77,595)	(78,300)	(980,729)
2004	612,665	(73,555)	(84,328)	(147,422)	(1,128,151)
2005	717,971	(84,611)	(97,004)	(109,167)	(1,237,318)
2006	715,001	(92,799)	(106,390)	(182,607)	(1,419,925)
2007	1,120,286	(106,494)	(122,092)	217,264	(1,202,661)
2008	1,159,155	(90,200)	(103,410)	198,894	(1,003,767)
2009	2,393,756	(75,283)	(86,308)	976,950	(26,817)

Government Accounting Standards Board Statement No. 50 (GASB 50 – Pension Disclosures) requires a supplemental disclosure for plans that use the Aggregate funding method as this method does not directly produce an accrued liability. The purpose of this disclosure under the Entry Age Normal (EAN) funding method is to provide information that serves as a surrogate for the funding progress of the plan. We have not shown any prior years EAN information in this Funded Status and Funding Progress footnote below, since disclosure using EAN as a surrogate was not required before this time.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2008	\$ 35,941,865	\$ 42,089,277	\$ 6,147,412	85.4%	\$ 7,750,892	79.3%
1/1/2010	31,341,953	48,435,926	17,093,973	64.7%	8,646,552	197.7%

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**FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/1997 (1)	\$ 9,628,455	\$ 12,720,395	\$ 3,091,940	75.7%	\$ 2,799,480	110.4%
1/1/1998 (2)	11,188,822	13,977,102	2,788,280	80.1%	3,012,024	92.6%
1/1/1999 (2)	12,981,409	15,936,307	2,954,898	81.5%	3,093,696	95.5%
5/1/2000 (2)	13,981,204	16,705,751	2,724,547	83.7%	3,217,444	84.7%
5/1/00 (2)	14,455,282	16,947,114	2,491,832	85.3%	3,209,112	77.6%
6/1/02 (2)	15,468,405	20,753,134	5,284,729	74.5%	3,467,994	152.4%
6/1/04 (2)	15,770,496	22,296,992	6,526,496	70.7%	4,103,457	159.0%
7/1/2006	16,372,163	23,556,227	7,184,064	69.5%	4,359,485	164.8%
7/1/2008	18,415,293	27,376,868	8,961,575	67.3%	5,244,943	170.9%

- (1) Revised to reflect audited financial statements.  
(2) Revised plan provisions and/or changed actuarial assumptions.

For the Fargo Firefighters' Relief Association Retirement Plan, employer contributions for the years ended June 30, 2009, 2008 and 2007 were \$673,107, \$629,889, and \$600,811, respectively, which were 91%, 85%, and 99%, respectively, of the required contributions for each year. The annual pension cost for the years ended June 30, 2009, 2008, and 2007 were \$729,976, \$727,698, and \$591,936, respectively. The percentage funded was 92%, 87%, and 101%, for the years 2009, 2008, and 2007, respectively. The Net Pension Obligation (NPO) at the end of each year was negative (an asset).

Annual Pension Cost Components					
Year Ended	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
12/31/1997	\$ 244,384	\$ -	\$ -	\$ (124,248)	\$ (124,248)
12/31/1998	224,361	(9,629)	(6,012)	(167,831)	(292,079)
12/31/1999	286,651	(22,636)	(14,305)	(121,610)	(413,689)
5/31/2000*	115,478	(13,359)	(8,551)	(58,622)	(472,311)
5/31/2001	280,982	(36,604)	(22,810)	(147,700)	(620,011)
5/31/2002	312,340	(48,051)	(30,368)	(132,604)	(752,615)
5/31/2003	312,340	(58,328)	(37,412)	(103,950)	(856,565)
5/31/2004	609,144	(66,384)	(43,247)	(137,104)	(719,461)
5/31/2005	609,144	(55,758)	(36,925)	61,687	(657,774)
6/30/2006	607,443	(50,978)	(34,347)	20,222	(637,552)
6/30/2007	607,443	(49,410)	(33,903)	(8,875)	(646,427)
6/30/2008	742,754	(50,098)	(35,042)	97,810	(548,617)
6/30/2009	742,754	(42,518)	(29,740)	56,869	(491,748)

\* Prorated for short (five month) plan year



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SCHEDULES OF EMPLOYER CONTRIBUTIONS (GASB 25)						
Year Ended	CITY EMPLOYEES' PENSION		POLICE PENSION		FIREFIGHTERS' RELIEF ASSOCIATION	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2001	\$ 1,337,830	104%	\$ 419,300	161%	\$ 280,982	148%
2002	1,337,830	112%	415,746	166%	312,340	136%
2003	2,262,592	70%	592,591	115%	312,340	126%
2004	2,262,592	83%	612,665	126%	609,144	74%
2005	2,349,879	86%	717,971	117%	609,144	87%
2006	2,349,879	90%	715,001	127%	607,443	94%
2007	2,655,808	84%	1,120,286	82%	607,443	99%
2008	2,655,808	50%	1,159,155	84%	742,754	85%
2009	2,970,801	51%	2,393,756	60%	742,754	85%

**SIGNIFICANT ACTUARIAL ASSUMPTIONS**

The information presented in the above schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	City Employees' 1/1/2010	Police 1/1/2010	Firefighters' 7/1/2008
Valuation Date	Entry Age Normal Method		
Actuarial Cost Method	Unit Credit Method	Aggregate Method	Entry Age Normal Method
Amortization Method	Level Percent	N/A*	Level Percent
Amortization Period	Closed	N/A*	Closed
Remaining Amortization Period	9,6,11,8,15,10,12,19,14,15	N/A*	28
	Market Value plus		
Asset Valuation Method	contributions receivable less benefits payable	Market Value	Five Year Smoothed Market Value
Assumed rate of return on investments	7.5%	7.5%	7.75%
Inflation Rate	3.0%	3.0%	4.0%
Projected salary increases	4.0%	4.0%	3.0%
Mortality table	1983 GAM	RP 2000 Blue Collar	1983 GAM

\* The aggregate actuarial cost method does not identify or separately amortize unfunded liabilities.

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

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

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
<b>ASSETS</b>			
Cash	\$ 413,853	\$ 103,237	\$ 517,090
Equity in pooled investments	7,528	505,676	513,204
Receivables:			
Employer	10,826	32,969	43,795
Employee	7,928	7,894	15,822
Interest	-	594	594
Total receivables	18,754	41,457	60,211
Investments, at fair value:			
Domestic equities	9,728,092	-	9,728,092
International equities	3,612,141	-	3,612,141
Domestic fixed income	7,834,435	-	7,834,435
International fixed income	1,337,831	-	1,337,831
Real estate	1,240,710	-	1,240,710
Alternative investments	1,374,509	2,918,478	4,292,987
Corporate stocks	27,304	3,264,874	3,292,178
Mutual funds	-	24,029,002	24,029,002
Cash savings value of life insurance	-	479,229	479,229
Total investments	25,155,022	30,691,583	55,846,605
Invested securities lending collateral	196,306	-	196,306
Total assets	<u>\$ 25,791,463</u>	<u>\$ 31,341,953</u>	<u>\$ 57,133,416</u>
<b>LIABILITIES</b>			
Vouchers and benefits payable	\$ 26,392	\$ -	\$ 26,392
Securities lending collateral	196,306	-	196,306
Interest Payable	24,890	-	24,890
Total liabilities	<u>\$ 247,588</u>	<u>\$ -</u>	<u>\$ 247,588</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits	<u>\$ 25,543,875</u>	<u>\$ 31,341,953</u>	<u>\$ 56,885,828</u>

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

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

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ADDITIONS			
Contributions			
Employer	\$ 987,592	\$ 1,427,832	\$ 2,415,424
Employee	530,899	685,491	1,216,390
Total contributions	<u>1,518,491</u>	<u>2,113,323</u>	<u>3,631,814</u>
Investment income			
Net depreciation in fair value			
of investments, and interest and dividends	3,824,442	6,247,508	10,071,950
Less investment expense	(90,394)	(263,484)	(353,878)
Net investment income (loss)	<u>3,734,048</u>	<u>5,984,024</u>	<u>9,718,072</u>
Total additions (deductions)	<u>5,252,539</u>	<u>8,097,347</u>	<u>13,349,886</u>
DEDUCTIONS			
Pension benefit payments	1,807,588	2,202,668	4,010,256
Member contribution refunds	79,376	19,230	98,606
Administrative expenses	40,639	42,125	82,764
Total deductions	<u>1,927,603</u>	<u>2,264,023</u>	<u>4,191,626</u>
Change in net assets	3,324,936	5,833,324	9,158,260
Net assets - beginning of year	<u>22,218,939</u>	<u>25,508,629</u>	<u>47,727,568</u>
Net assets - end of year	<u>\$ 25,543,875</u>	<u>\$ 31,341,953</u>	<u>\$ 56,885,828</u>

**Related Party Investments**

During 2009 and as of December 31, 2009 the pension plans (City Employees', Police or Firefighters Relief Association) held no securities issued by the City of Fargo or other related parties.

**C. OTHER POSTEMPLOYMENT BENEFITS LIABILITY**

*Plan Descriptions.* The City of Fargo provides healthcare benefits to participating retirees, spouses, and survivors. There are three classes of participants for plan purposes – municipal employees, police, and fire. The City pays a portion of the coverage while the retirees and disabled participants pay a contribution for their coverage.

*Funding Policy and Annual OPEB Cost.* The city's annual other postemployment benefit (OPEB) cost (expense) for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost for 2009 and the related information for each plan are as follows:

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

	Municipal Retiree Medical Benefits	Police Retiree Medical Benefits	Fire Retiree Medical Benefits	Total
Contribution Rates: City	Actuarially determined 3.0%	Actuarially determined 3.0%	Actuarially determined 3.0%	
Net OPEB obligation - beginning of year	\$ 686,000	\$ 533,000	\$ 321,000	\$ 1,540,000
ARC	739,869	572,704	421,075	1,733,648
Interest on NOO	20,580	15,990	9,630	46,200
ARC Adjustment	(35,000)	(27,193)	(16,377)	(78,570)
Annual OPEB Cost	725,449	561,501	414,328	1,701,278
Contributions	210,913	100,399	80,458	391,770
Net OPEB obligation - end of year	<u>\$ 1,200,536</u>	<u>\$ 994,102</u>	<u>\$ 654,870</u>	<u>\$ 2,849,508</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 for each of the plans were as follows:

Municipal Retiree Medical Benefits				
Fiscal Year Ended	Annual OPEB Cost	Annual Plan Sponsor Contribution *	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	686,000	-	0.00%	686,000
12/31/2008	-	-	0.00%	686,000
12/31/2009	725,449	210,913	29.07%	1,200,536
* Contribution is a reduction of the implicit subsidy				
Police Retiree Medical Benefits				
Fiscal Year Ended	Annual OPEB Cost	Annual Plan Sponsor Contribution *	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	533,000	-	0.00%	533,000
12/31/2008	-	-	0.00%	533,000
12/31/2009	561,501	100,399	17.88%	994,102
* Contribution is a reduction of the implicit subsidy				
Fire Retiree Medical Benefits				
Fiscal Year Ended	Annual OPEB Cost	Annual Plan Sponsor Contribution *	Percentage of OPEB Cost Contributed	Net OPEB Obligation
12/31/2007	321,000	-	0.00%	321,000
12/31/2008	-	-	0.00%	321,000
12/31/2009	414,328	80,458	19.42%	654,870
* Contribution is a reduction of the implicit subsidy				

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

*Funded Status and Funding Progress.* The funded status of the plans as of December 31, 2009, was as follows:

	Municipal Retiree Medical Benefits	Police Retiree Medical Benefits	Fire Retiree Medical Benefits	Total
Actuarial accrued liability (a)	\$ 9,607,305	\$ 5,942,058	\$ 4,183,798	\$ 19,733,161
Actuarial value of plan assets (b)	-	-	-	-
Unfunded actuarial accrued liability (a) - (b)	\$ 9,607,305	\$ 5,942,058	\$ 4,183,798	\$ 19,733,161
Funded ratio (b) / (a)	0%	0%	0%	0%
Covered payroll (c)	\$ 9,580,196	\$ 8,667,572	\$ 6,186,210	\$ 24,433,978
Unfunded actuarial accrued liability as a percentage of covered payroll ((a)-(b))/(c)	100.28%	68.56%	67.63%	80.76%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

*Actuarial Methods and Assumptions.* Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

	Municipal Retiree Medical Benefits	Police Retiree Medical Benefits	Fire Retiree Medical Benefits
Actuarial valuation date	12/31/2009	12/31/2009	12/31/2009
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level -dollar method	Level -dollar method	Level -dollar method
Remaining amortization period	30 years	30 years	30 years
Actuarial assumptions:			
Projected salary increases	4%	4%	4%
Health Trend Rates			
2010	9.00%	9.00%	9.00%
2011	8.00%	8.00%	8.00%
2012	7.00%	7.00%	7.00%
2013	6.00%	6.00%	6.00%
2014 & later	5.00%	5.00%	5.00%

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

**D. JOINT POWERS AGREEMENT**

**Regional Dispatch Center**

In December of 2002, the City of Fargo, ND, City of Moorhead, MN, Clay County of MN and Cass County of ND entered into a joint powers agreement to establish a framework that allows for the joint operation of dispatch functions by the named entities. Additionally, the City of West Fargo, ND entered into the joint powers agreement in 2008. By combining the communications and dispatch of these agencies, duplication of equipment and staff time is reduced or eliminated. The goal was to reduce the financial burden to the respective governments' taxpayers through the sharing of one communication center, as well as to improve communications services. For the past two years, budgeted contributions from the participating entities have been adequate to fund the operations of the center.

Each governmental entity will contribute to the joint operations in the following percentages:

City of Fargo – 50%  
City of Moorhead – 20%  
Cass County – 10%  
Clay County – 11%  
City of West Fargo – 9%

The joint powers agreement will be in effect until terminated by action of all of its members during the first five years. Thereafter, any governmental entity may elect to withdraw from participation upon giving a 6-month written notice. Additional financial information may be obtained by contacting: Attn: Director, Red River Regional Dispatch Center, 915 9<sup>th</sup> Ave. N., Moorhead, MN 56560.

**E. CONTINGENCIES**

**Grants**

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

**F. SUBSEQUENT EVENTS**

On May 3, 2010, the Board of City Commissioners voted to approve resolutions relating to the issuance of taxable Refunding Improvement Bonds (Build America Bonds – Direct Pay) Series 2010B and Refunding Improvement Bonds, Series 2010C. The 2010B is a new money issue whose proceeds will be used for infrastructure projects. The 2010C issue is a refinancing issue recommended by the Finance Committee for interest rate savings.



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## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific financial resources (other than special assessments, major capital projects, or expendable trusts) which require separate accounting because of legal, regulatory, or administrative action.

The City of Fargo utilizes thirty special revenue funds which have been established for accountability of various City Programs.

The following funds have been segregated for legal compliance purposes:

City Share of Special Assessments - This fund is used to account for the portion of special improvement district projects that are not assessed back to the benefiting property owners, and to pay for the special assessments levied against City and HRA owned properties.

Noxious Weeds - This fund is used to account for the City's weed eradication programs.

Emergency 911 - This fund is used to account for the revenues and expenditures associated with the Emergency 911 communications system. Resources are derived from a special user fee that is added on local phone and cellular service charges and the City's share of the Red River Regional Dispatch Center.

Outdoor Warning System - This fund is used to account for the acquisition and maintenance of the City's emergency siren system.

Convention & Visitors Bureau - This fund is used to account for the 3% hotel and motel excise tax that is assessed to promote tourism and conventions. The City has contracted with the Convention and Visitors Bureau to provide this service.

Convention & Visitors Bureau Surplus - This surplus fund was created by the revenue bond covenants from the bonds sold to construct the Convention and Visitors Bureau facility. Excess funds collected over and above the bonded debt service requirements are deposited into this fund and can be expended by the Bureau.

Regional Training Center - This fund is used to account for the operations of the Regional Law Enforcement Training Center. This facility operates on annual contributions from West Fargo, Cass County, and the City of Fargo.

FTA Transit Capital Escrow - This fund is used to account for the rental revenues that are derived from the Greyhound portion of the Ground Transportation Center (GTC). The Ground Transportation Center was financed by an Urban Mass Transportation Capital Assistance grant which required that all revenues generated from this facility be held separately, and used exclusively for transit purposes.

Southeast Cass Capital - This fund was established in 1990 to set aside financial resources for the repair of the Southeast Cass Sewer District 89-1.

Court Forfeits - Assets that are forfeited by criminal defendants as ordered by the courts are placed in this fund and are used for local law enforcement.

Drain Maintenance - This fund is used to account for the resources that have been dedicated for the maintenance and repair of ditches No. 3, 10, and 40.

Broadway Mall Maintenance - This fund is used to account for maintenance of the downtown Broadway Mall area.

Skyway Maintenance - This fund is used to account for maintenance of the Fargo skyway system.



Winter Lights Maintenance - This fund is used to account for the acquisition and maintenance of the City's Downtown seasonal decoration program.

Parking Authority - This fund is used to account for the operations and maintenance of the City owned parking facilities. The City owns and operates eleven parking facilities in the Downtown area.

Parking Repair and Replacement - This fund is used to account for any major repair or replacement of parking facilities. This fund is required by bond covenants.

Parking Surplus Fund - This fund is used to account for parking net revenues in excess of that required for operations, maintenance, and debt service. This fund is required by bond covenants.

The following funds have been segregated for grant accountability purposes:

Community Development - This fund is used to account for the programs which are currently participating in the Community Development Block Grant program and the Rental Rehabilitation program. Resources are provided by annual entitlements from Federal Department of Housing and Urban Development.

Housing and Urban Development (HUD) Home Participating Jurisdiction – This fund is used to account for the HOME program which provides resources for housing rehabilitation in the Community. Resources are provided by annual entitlements received directly from the Federal Department of Housing and Urban Development.

Housing and Urban Development (HUD) Home Program - This fund is used to account for the HOME program which provides resources for housing rehabilitation in the Community. Resources are provided by annual entitlements from the Federal Department of Housing and Urban Development.

Neighborhood Stabilization - This fund is used to account for the programs which are currently participating in the Neighborhood Stabilization program. Resources are provided by annual entitlements from Federal Department of Housing and Urban Development. Funding for this grant ends March 31, 2013.

The following funds have been segregated for management control purposes:

NRI Loan Program - This fund is used to account for revolving loan activity relating to the City's Neighborhood Revitalization Initiative.

Island Park Maintenance Escrow - This fund is used to accumulate resources to be used for future maintenance of the Island Park parking ramp.

Revenue Stabilization Fund - This fund was established by the City Commission to be used for revenue stabilization as contained in the City's revenue stabilization fund balance policy.

City Building Repair Escrow - This fund is used to accumulate resources for the ongoing maintenance costs associated with City buildings.

City Vehicle Reserve - This fund is a revolving fund established to set aside financial resources to fund the ongoing purchase and replacement of City vehicles.

Computer Replacement - Financial resources are being set aside for future computer capital purchases and other technologies which will increase overall productivity within City departments.

Civic Center Capital Reserve - Financial resources are being set aside for future capital purchases.

Other Projects - This fund is used to account for various special revenue activities that are not material to warrant separate funds.

Baseball Stadium - This fund is used to account for the operations of the baseball stadium.

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2009**

Special Revenue							
	City Share of Specials	Noxious Weeds	Emergency 911	Outdoor Warning System	Convention & Visitors Bureau	Convention & Visitors Bureau Surplus	Regional Training Center
ASSETS							
Equity in pooled investments	\$ 69,160	\$ 72,855	\$ -	\$ 26,214	\$ 2,747	\$ -	\$ 47,347
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	-	-	-
Taxes	25,543	894	-	-	-	-	-
Accounts	-	-	253,275	-	122,178	-	1,950
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	243,880	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	1,184	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 338,583</u>	<u>\$ 73,749</u>	<u>\$ 253,275</u>	<u>\$ 26,214</u>	<u>\$ 126,109</u>	<u>\$ -</u>	<u>\$ 49,297</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ -	\$ -	\$ 105,882	\$ -	\$ 104,961	\$ -	\$ 3,596
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	173,747
Due to other funds	-	-	24,053	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	167,249	-	-	-	403	-	-
Deferred revenue	19,261	672	-	-	-	-	-
Total liabilities	<u>186,510</u>	<u>672</u>	<u>129,935</u>	<u>-</u>	<u>105,364</u>	<u>-</u>	<u>177,343</u>
Fund balances							
Restricted - property held for resale	-	-	-	-	-	-	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	-	1,184	-	-
Unreserved - designated for capital needs	-	-	123,340	-	-	-	-
Unreserved - undesignated	152,073	73,077	-	26,214	19,561	-	(128,046)
Total fund balances	<u>152,073</u>	<u>73,077</u>	<u>123,340</u>	<u>26,214</u>	<u>20,745</u>	<u>-</u>	<u>(128,046)</u>
Total liabilities and fund balances	<u>\$ 338,583</u>	<u>\$ 73,749</u>	<u>\$ 253,275</u>	<u>\$ 26,214</u>	<u>\$ 126,109</u>	<u>\$ -</u>	<u>\$ 49,297</u>

CITY OF FARGO, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2009

	Special Revenue						
	FTA Transit Capital Escrow	SE Cass Capital Reserve	Court Forfeits	Drain Maintenance	Broadway Mall Maintenance	Skyway Maintenance	Winter Lights Maintenance
<b>ASSETS</b>							
Equity in pooled investments	\$ -	\$ 31,485	\$ 219,145	\$ 101,164	\$ 34,261	\$ 3,032	\$ -
Receivables (net of allowance for uncollectibles):							
Interest	(14)	37	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Accounts	24,000	-	-	-	-	-	-
Special assessments	-	-	-	-	42,567	82,864	92,781
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 23,986</u>	<u>\$ 31,522</u>	<u>\$ 219,145</u>	<u>\$ 101,164</u>	<u>\$ 76,828</u>	<u>\$ 85,896</u>	<u>\$ 92,781</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Vouchers payable	\$ 901	\$ -	\$ -	\$ -	\$ 2,629	\$ 5,430	\$ 12,372
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	11,898	-	-	-	-	-	110
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	31,960	52,862	86,252
Total liabilities	<u>12,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,589</u>	<u>58,292</u>	<u>98,734</u>
<b>Fund balances</b>							
Restricted - property held for resale	-	-	-	-	-	-	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	-	-	-	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	11,187	31,522	219,145	101,164	42,239	27,604	(5,953)
Total fund balances	<u>11,187</u>	<u>31,522</u>	<u>219,145</u>	<u>101,164</u>	<u>42,239</u>	<u>27,604</u>	<u>(5,953)</u>
Total liabilities and fund balances	<u>\$ 23,986</u>	<u>\$ 31,522</u>	<u>\$ 219,145</u>	<u>\$ 101,164</u>	<u>\$ 76,828</u>	<u>\$ 85,896</u>	<u>\$ 92,781</u>

CITY OF FARGO, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2009

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
<b>ASSETS</b>							
Equity in pooled investments	\$ 217,006	\$ 149,242	\$ 162,759	\$ -	\$ 19,964	\$ 65,224	\$ 244,438
Receivables (net of allowance for uncollectibles):							
Interest	-	175	191	-	-	-	287
Taxes	-	-	-	-	-	-	-
Accounts	121,392	-	-	222	-	-	-
Special assessments	16,320	-	-	-	-	-	-
Intergovernmental	8,540	-	-	86,610	56,913	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	3,445	-	-	2,122	-	-	-
Loans	-	-	-	268,710	1,479,933	1,801,129	1,593,056
Property held for resale	-	-	-	47,000	-	-	22,537
Total assets	<u>\$ 366,703</u>	<u>\$ 149,417</u>	<u>\$ 162,950</u>	<u>\$ 404,664</u>	<u>\$ 1,556,810</u>	<u>\$ 1,866,353</u>	<u>\$ 1,860,318</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Vouchers payable	\$ 17,277	\$ -	\$ 170,207	\$ 31,219	\$ 21,988	\$ -	\$ 39
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	44,835	-	-	-
Accrued payroll	970	-	-	1,652	856	-	184
Special assessments payable	34,698	-	-	-	-	-	14
Deferred revenue	54,896	-	-	268,710	1,479,949	1,801,129	1,593,060
Total liabilities	<u>107,841</u>	<u>-</u>	<u>170,207</u>	<u>346,416</u>	<u>1,502,793</u>	<u>1,801,129</u>	<u>1,593,297</u>
<b>Fund balances</b>							
Restricted - property held for resale	-	-	-	47,000	-	-	22,537
Reserved - capital improvements	-	112,664	-	-	-	-	-
Reserved - prepaids	3,445	-	-	2,122	-	-	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	255,417	36,753	(7,257)	9,126	54,017	65,224	244,484
Total fund balances	<u>258,862</u>	<u>149,417</u>	<u>(7,257)</u>	<u>58,248</u>	<u>54,017</u>	<u>65,224</u>	<u>267,021</u>
Total liabilities and fund balances	<u>\$ 366,703</u>	<u>\$ 149,417</u>	<u>\$ 162,950</u>	<u>\$ 404,664</u>	<u>\$ 1,556,810</u>	<u>\$ 1,866,353</u>	<u>\$ 1,860,318</u>

CITY OF FARGO, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2009

	Island Park Maintenance Escrow	Revenue Stabilization	City Building Repair Escrow	City Vehicle Reserve	Computer Replacement	Civic Center Reserve	Other Projects
<b>ASSETS</b>							
Equity in pooled investments	\$ 89,270	\$ 3,473,481	\$ 51,211	\$ -	\$ 25,500	\$ 102,187	\$ 31,308
Receivables (net of allowance for uncollectibles):							
Interest	105	4,077	-	(125)	-	-	-
Taxes	-	-	-	-	-	-	-
Accounts	-	-	14,332	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 89,375</u>	<u>\$ 3,477,558</u>	<u>\$ 65,543</u>	<u>\$ (125)</u>	<u>\$ 25,500</u>	<u>\$ 102,187</u>	<u>\$ 31,308</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Vouchers payable	\$ -	\$ -	\$ -	\$ 89,469	\$ -	\$ -	\$ 210
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	106,251	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,720</u>	<u>-</u>	<u>-</u>	<u>210</u>
<b>Fund balances</b>							
Restricted - property held for resale	-	-	-	-	-	-	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	-	-	-	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	89,375	3,477,558	65,543	(195,845)	25,500	102,187	31,098
Total fund balances	<u>89,375</u>	<u>3,477,558</u>	<u>65,543</u>	<u>(195,845)</u>	<u>25,500</u>	<u>102,187</u>	<u>31,098</u>
Total liabilities and fund balances	<u>\$ 89,375</u>	<u>\$ 3,477,558</u>	<u>\$ 65,543</u>	<u>\$ (125)</u>	<u>\$ 25,500</u>	<u>\$ 102,187</u>	<u>\$ 31,308</u>

CITY OF FARGO, NORTH DAKOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
December 31, 2009

	Special Revenue			
	Neighborhood Stabilization	Library Start-Up	Baseball Stadium	Total
<b>ASSETS</b>				
Equity in pooled investments	\$ -	\$ -	\$ -	\$ 5,239,000
Receivables (net of allowance for uncollectibles):				
Interest	-	-	-	4,733
Taxes	-	-	-	26,437
Accounts	35	-	2,627	540,011
Special assessments	-	-	-	234,532
Intergovernmental	63,946	-	-	216,009
Due from other funds	-	-	-	243,880
Restricted cash	-	-	-	-
Prepaid expenditures	-	-	-	6,751
Loans	-	-	-	5,142,828
Property held for resale	260,372	-	-	329,909
Total assets	<u>\$ 324,353</u>	<u>\$ -</u>	<u>\$ 2,627</u>	<u>\$ 11,984,090</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Vouchers payable	\$ 1,715	\$ -	\$ 614	\$ 568,509
Contract retainage payable	-	-	-	-
Advances from other funds	-	-	1,762,927	1,936,674
Due to other funds	55,222	-	1,511	243,880
Accrued payroll	761	-	-	4,423
Special assessments payable	6,287	-	1,205	209,856
Deferred revenue	33,131	-	-	5,421,882
Total liabilities	<u>97,116</u>	<u>-</u>	<u>1,766,257</u>	<u>8,385,224</u>
<b>Fund balances</b>				
Restricted - property held for resale	260,372	-	-	329,909
Reserved - capital improvements	-	-	-	112,664
Reserved - prepaids	-	-	-	6,751
Unreserved - designated for capital needs	-	-	-	123,340
Unreserved - undesignated	(33,135)	-	(1,763,630)	3,026,202
Total fund balances	<u>227,237</u>	<u>-</u>	<u>(1,763,630)</u>	<u>3,598,866</u>
Total liabilities and fund balances	<u>\$ 324,353</u>	<u>\$ -</u>	<u>\$ 2,627</u>	<u>\$ 11,984,090</u>

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2009**

	Special Revenue						
	City Share of Specials	Noxious Weed	Emergency 911	Outdoor Warning System	Convention & Visitors Bureau	Convention & Visitors Bureau Surplus	Regional Training Center
REVENUES							
Taxes	\$ 815,554	\$ 28,814	\$ 1,520,900	\$ -	\$ 1,675,939	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	567
Intergovernmental revenues	-	-	-	-	-	-	60,948
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	2	-
Miscellaneous revenues	-	-	-	-	4,462	-	9,594
Total revenues	815,554	28,814	1,520,900	-	1,680,401	2	71,109
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	1,521,382	3,917	-	-	67,042
Public works	301,372	-	-	-	-	-	-
Public health & welfare	-	9,333	-	-	-	-	-
Recreation & culture	-	-	-	-	1,669,130	-	-
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-
Capital outlay	-	26,323	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	301,372	35,656	1,521,382	3,917	1,669,130	-	67,042
Excess (deficiency) of revenues over (under) expenditures	514,182	(6,842)	(482)	(3,917)	11,271	2	4,067
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	-	20,000	-	-	72,873
Special revenue funds	-	-	-	-	240	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
General fund	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	(240)	-
Debt service	-	-	-	-	-	-	-
Capital projects	(510,151)	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	(510,151)	-	-	20,000	240	(240)	72,873
Net change in fund balances	4,031	(6,842)	(482)	16,083	11,511	(238)	76,940
Fund balance (deficit) - beginning of year	148,042	79,919	123,822	10,131	9,234	238	(204,986)
Fund balance (deficit) - end of year	\$ 152,073	\$ 73,077	\$ 123,340	\$ 26,214	\$ 20,745	\$ -	\$ (128,046)

CITY OF FARGO, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
For the Year Ended December 31, 2009

	Special Revenue						
	FTA Transit Capital Escrow	SE Cass Capital Reserve	Court Forfeits	Drain Maintenance	Broadway Mall Maintenance	Skyway Maintenance	Winter Lights Maintenance
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	54,312	136,962	22,657
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Charges for services	52,392	-	-	-	-	-	-
Fines and forfeits	-	-	143,008	-	-	-	-
Investment income	283	178	398	-	-	-	-
Miscellaneous revenues	-	-	20,452	-	-	-	-
Total revenues	52,675	178	163,858	-	54,312	136,962	22,657
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	122,080	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	35,488	75,441	24,803
Public transportation	6,920	-	-	-	-	-	-
General support	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	6,920	-	122,080	-	35,488	75,441	24,803
Excess (deficiency) of revenues over (under) expenditures	45,755	178	41,778	-	18,824	61,521	(2,146)
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
General fund	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	(100,000)	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	(100,000)	-	-	-	-	-	-
Net change in fund balances	(54,245)	178	41,778	-	18,824	61,521	(2,146)
Fund balance (deficit) - beginning of year	65,432	31,344	177,367	101,164	23,415	(33,917)	(3,807)
Fund balance (deficit) - end of year	\$ 11,187	\$ 31,522	\$ 219,145	\$ 101,164	\$ 42,239	\$ 27,604	\$ (5,953)



**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**For the Year Ended December 31, 2009**

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	12,574	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	8,540	-	-	677,123	896,103	-	-
Charges for services	932,498	-	-	-	-	-	16,085
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	754	1,412	446	1,827	-	227,506
Miscellaneous revenues	25,566	-	-	18,327	51,307	122,156	2,030,214
Total revenues	979,178	754	1,412	695,896	949,237	122,156	2,273,805
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	1	574,352	697,952	974,172	107,486	2,270,714
General support	626,269	-	-	-	-	-	-
Capital outlay	-	-	60,400	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	1,875,000
Interest and fiscal charges	-	-	-	-	-	-	69,367
Total expenditures	626,269	1	634,752	697,952	974,172	107,486	4,215,081
Excess (deficiency) of revenues over (under) expenditures	352,909	753	(633,340)	(2,056)	(24,935)	14,670	(1,941,276)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in							
General fund	10,000	-	-	-	-	-	-
Special revenue funds	-	36,000	343,616	-	-	-	-
Debt service	103,418	-	-	-	-	-	31,502
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
General fund	-	-	-	-	-	-	-
Special revenue funds	(379,616)	-	-	-	-	-	-
Debt service	(288,322)	-	-	-	-	-	(104,996)
Capital projects	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	1,996,000
Total other financing sources (uses)	(654,520)	36,000	343,616	-	-	-	1,922,506
Net change in fund balances	(201,611)	36,753	(289,724)	(2,056)	(24,935)	14,670	(18,770)
Fund balance (deficit) - beginning of year	460,473	112,664	282,467	60,304	78,952	50,554	285,791
Fund balance (deficit) - end of year	\$ 258,862	\$ 149,417	\$ (7,257)	\$ 58,248	\$ 54,017	\$ 65,224	\$ 267,021

CITY OF FARGO, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
For the Year Ended December 31, 2009

	Special Revenue						
	Island Park Maintenance Escrow	Revenue Stabilization	City Building Repair Escrow	City Vehicle Reserve	Computer Replacement	Civic Center Capital Reserve	Other Projects
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	5,400
Charges for services	-	-	85,992	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	509	25,283	-	(265)	-	-	187
Miscellaneous revenues	-	-	-	117,670	-	-	17,854
Total revenues	509	25,283	85,992	117,405	-	-	23,441
EXPENDITURES							
Current:							
General government	-	-	30,124	-	14,500	-	-
Public safety	-	-	-	-	-	-	3,082
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	7,788
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	1	-	-	-	-	-	-
General support	-	-	-	-	-	-	-
Capital outlay	-	-	37,209	1,786,694	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	54,105	-	-	-
Interest and fiscal charges	-	-	-	9,605	-	-	-
Total expenditures	1	-	67,333	1,850,404	14,500	-	10,870
Excess (deficiency) of revenues over (under) expenditures	508	25,283	18,659	(1,732,999)	(14,500)	-	12,571
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	-	1,520,000	-	20,000	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	40,000	-	-
Transfers out							
General fund	-	(795,992)	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Internal Service	-	(1,100,000)	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,895,992)	-	1,520,000	40,000	20,000	-
Net change in fund balances	508	(1,874,709)	18,659	(212,999)	25,500	20,000	12,571
Fund balance (deficit) - beginning of year	88,867	5,352,267	46,884	17,154	-	82,187	18,527
Fund balance (deficit) - end of year	\$ 89,375	\$ 3,477,558	\$ 65,543	\$ (195,845)	\$ 25,500	\$ 102,187	\$ 31,098

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**For the Year Ended December 31, 2009**

	Neighborhood Stabilization	Library	Start-Up	Baseball Stadium	Total
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	-	\$ 4,041,207
Special assessments	-	-	-	-	226,505
Licenses and permits	-	-	-	-	567
Intergovernmental revenues	1,337,480	-	-	-	2,985,594
Charges for services	-	-	190,927	-	1,277,894
Fines and forfeits	-	-	-	-	143,008
Investment income	-	-	-	-	258,520
Miscellaneous revenues	2,918	-	207	-	2,420,727
Total revenues	<u>1,340,398</u>		<u>207</u>	<u>190,927</u>	<u>11,354,022</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	44,624
Public safety	-	-	-	-	1,717,503
Public works	-	-	-	-	301,372
Public health & welfare	-	-	-	-	9,333
Recreation & culture	-	-	-	36,865	1,849,515
Urban redevelopment	1,113,161	-	-	-	5,163,485
Public transportation	-	-	-	-	1,207,543
General support	-	-	-	-	-
Capital outlay	-	-	-	-	1,910,626
Intergovernmental	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	1,929,105
Interest and fiscal charges	-	-	-	-	78,972
Total expenditures	<u>1,113,161</u>		<u>-</u>	<u>36,865</u>	<u>14,212,078</u>
Excess (deficiency) of revenues over (under) expenditures	<u>227,237</u>		<u>207</u>	<u>154,062</u>	<u>(2,858,056)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General fund	-	-	-	-	1,642,873
Special revenue funds	-	-	-	-	379,856
Debt service	-	-	-	-	134,920
Enterprise funds	-	-	-	-	40,000
Transfers out					
General fund	-	-	-	-	(799,992)
Special revenue funds	-	-	-	-	(379,856)
Debt service	-	-	-	-	(393,318)
Capital projects	-	-	-	-	(610,151)
Enterprise funds	-	-	-	-	-
Internal Service	-	-	-	-	(1,100,000)
Bonds issued	-	-	-	-	-
Loans issued	-	-	-	-	1,996,000
Total other financing sources (uses)	<u>-</u>		<u>-</u>	<u>-</u>	<u>910,332</u>
Net change in fund balances	<u>227,237</u>		<u>207</u>	<u>154,062</u>	<u>(1,947,724)</u>
Fund balance (deficit) - beginning of year	-		(207)	(1,917,692)	5,546,590
Fund balance (deficit) - end of year	<u>\$ 227,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,763,630)</u>	<u>\$ 3,598,866</u>

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	City Share of Specials				Noxious Weeds				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts		
	Original	Final			Original	Final			
REVENUES									
Taxes	\$ 814,000	\$ 814,000	\$ 815,554	\$ 1,554	\$ 28,000	\$ 28,000	\$ 28,814	\$ 814	
Special assessments	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-
Total revenues	814,000	814,000	815,554	1,554	28,000	28,000	28,814	814	
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	205,000	205,000	301,372	(96,372)	-	-	-	-	-
Public health and welfare	-	-	-	-	50,000	23,677	9,333	14,344	
Recreation and culture	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	26,323	26,323	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	205,000	205,000	301,372	(96,372)	50,000	50,000	35,656	14,344	
Excess (deficiency) of revenues over (under) expenditures	609,000	609,000	514,182	(94,818)	(22,000)	(22,000)	(6,842)	15,158	
OTHER FINANCING SOURCES (USES)									
Transfers in:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Transfers out:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	(595,000)	(595,000)	(510,151)	84,849	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(595,000)	(595,000)	(510,151)	84,849	-	-	-	-	-
Net change in fund balances	14,000	14,000	4,031	(9,969)	(22,000)	(22,000)	(6,842)	15,158	
Fund balance (deficit) - beginning of year	148,042	148,042	148,042	-	79,919	79,919	79,919	-	
Fund balance (deficit) - end of year	\$ 162,042	\$ 162,042	\$ 152,073	\$ (9,969)	\$ 57,919	\$ 57,919	\$ 73,077	\$ 15,158	

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Emergency 911				Outdoor Warning System			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ 1,441,000	\$ 1,441,000	\$ 1,520,900	\$ 79,900	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	10,000	10,000	-	(10,000)	-	-	-	-
Total revenues	1,451,000	1,451,000	1,520,900	69,900	-	-	-	-
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	1,463,000	1,463,000	1,521,382	(58,382)	75,160	125,160	3,917	121,243
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,463,000	1,463,000	1,521,382	(58,382)	75,160	125,160	3,917	121,243
Excess (deficiency) of revenues over (under) expenditures	(12,000)	(12,000)	(482)	11,518	(75,160)	(125,160)	(3,917)	121,243
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	20,000	20,000	20,000	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	20,000	20,000	20,000	-
Net change in fund balances	(12,000)	(12,000)	(482)	11,518	(55,160)	(105,160)	16,083	121,243
Fund balance (deficit) - beginning of year	123,822	123,822	123,822	-	10,131	10,131	10,131	-
Fund balance (deficit) - end of year	\$ 111,822	\$ 111,822	\$ 123,340	\$ 11,518	\$ (45,029)	\$ (95,029)	\$ 26,214	\$ 121,243

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Convention & Visitors Bureau			Convention & Visitors Bureau Surplus			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	
	Original	Final		Original	Final		
REVENUES							
Taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,675,939	\$ 325,939	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	2	2
Miscellaneous revenue	-	-	4,462	4,462	-	-	-
Total revenues	1,350,000	1,350,000	1,680,401	330,401	-	2	2
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Recreation and culture	1,350,000	1,350,000	1,669,130	(319,130)	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-
Total expenditures	1,350,000	1,350,000	1,669,130	(319,130)	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	11,271	11,271	-	2	2
OTHER FINANCING SOURCES (USES)							
Transfers in:							
General fund	-	-	-	-	-	-	-
Special revenue	-	-	240	240	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-
Transfers out:							
General fund	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	(240)	(240)
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	240	240	-	(240)	(240)
Net change in fund balances	-	-	11,511	11,511	-	(238)	(238)
Fund balance (deficit) - beginning of year	9,234	9,234	9,234	-	238	238	-
Fund balance (deficit) - end of year	\$ 9,234	\$ 9,234	\$ 20,745	\$ 11,511	\$ 238	\$ -	\$ (238)

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Regional Training Center				FTA Transit Capital Escrow			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	567	567	-	-	-	-
Charges for services	57,105	57,105	60,948	3,843	-	-	-	-
Fines and forfeits	-	-	-	-	57,000	57,000	52,392	(4,608)
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	6,000	6,000	283	(5,717)
Total revenues	3,000	3,000	9,594	6,594	-	-	-	-
	60,105	60,105	71,109	11,004	63,000	63,000	52,675	(10,325)
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	67,400	67,400	67,042	358	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	10,000	10,000	6,920	3,080
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	67,400	67,400	67,042	358	10,000	10,000	6,920	3,080
Excess (deficiency) of revenues over (under) expenditures	(7,295)	(7,295)	4,067	11,362	53,000	53,000	45,755	(7,245)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	59,495	59,495	72,873	13,378	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	(110,000)	(110,000)	(100,000)	10,000
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	59,495	59,495	72,873	13,378	-	-	-	-
					(110,000)	(110,000)	(100,000)	10,000
Net change in fund balances	52,200	52,200	76,940	24,740	(57,000)	(57,000)	(54,245)	2,755
Fund balance (deficit) - beginning of year	(204,986)	(204,986)	(204,986)	-	65,432	65,432	65,432	-
Fund balance (deficit) - end of year	\$ (152,786)	\$ (152,786)	\$ (128,046)	\$ 24,740	\$ 8,432	\$ 8,432	\$ 11,187	\$ 2,755

CITY OF FARGO, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2009

	SE Cass Capital Reserve			Court Forfeits			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts	
	Original	Final		Original	Final		
REVENUES							
Taxes	\$	-	\$	-	\$	-	\$
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	178	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-
Total revenues	1,100	1,100	178	115,000	115,000	20,452	48,858
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	115,000	115,000	122,080	(7,080)
Public works	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-
Total expenditures	-	-	-	115,000	115,000	122,080	(7,080)
Excess (deficiency) of revenues over (under) expenditures	1,100	1,100	178	-	-	41,778	41,778
OTHER FINANCING SOURCES (USES)							
Transfers in:							
General fund	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-
Transfers out:							
General fund	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances	1,100	1,100	178	-	-	41,778	41,778
Fund balance (deficit) - beginning of year	31,344	31,344	31,344	177,367	177,367	177,367	-
Fund balance (deficit) - end of year	\$ 32,444	\$ 32,444	\$ 31,522	\$ 177,367	\$ 177,367	\$ 219,145	\$ 41,778



CITY OF FARGO, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2009

	Drain Maintenance				Broadway Mall Maintenance				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	
	Original	Final			Original	Final			
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	50,000	50,000	54,312	4,312	4,312
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	50,000	50,000	54,312	4,312	4,312
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	45,000	45,000	35,488	9,512	9,512
Urban redevelopment	-	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	45,000	45,000	35,488	9,512	9,512
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	5,000	5,000	18,824	13,824	13,824
OTHER FINANCING SOURCES (USES)									
Transfers in:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Transfers out:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	5,000	5,000	18,824	13,824	13,824
Fund balance (deficit) - beginning of year	101,164	101,164	101,164	101,164	23,415	23,415	23,415	23,415	-
Fund balance (deficit) - end of year	\$ 101,164	\$ 101,164	\$ 101,164	\$ 101,164	\$ 28,415	\$ 28,415	\$ 42,239	\$ 42,239	\$ 13,824

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Skyway Maintenance				Winter Lights Maintenance				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts		
	Original	Final			Original	Final			
REVENUES									
Taxes	\$	-	\$	-	\$	-	\$	-	\$
Special assessments	120,000	120,000	136,962	16,962	30,000	30,000	22,657	(7,343)	
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-	-
Total revenues	120,000	120,000	136,962	16,962	30,000	30,000	22,657	(7,343)	
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-	-
Recreation and culture	113,000	113,000	75,441	37,559	23,000	23,000	24,803	(1,803)	
Urban redevelopment	-	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	113,000	113,000	75,441	37,559	23,000	23,000	24,803	(1,803)	
Excess (deficiency) of revenues over (under) expenditures	7,000	7,000	61,521	54,521	7,000	7,000	(2,146)	(9,146)	
OTHER FINANCING SOURCES (USES)									
Transfers in:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Transfers out:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	7,000	7,000	61,521	54,521	7,000	7,000	(2,146)	(9,146)	
Fund balance (deficit) - beginning of year	\$	(33,917)	\$	(33,917)	\$	(3,807)	\$	(3,807)	\$
Fund balance (deficit) - end of year	(26,917)	(26,917)	27,604	54,521	3,193	3,193	(5,953)	(9,146)	

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Parking Authority			Parking Repair and Replacement		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	12,574	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	8,540	-	-	-	-
Charges for services	979,800	979,800	(47,302)	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	5,000	5,000	754 (4,246)
Miscellaneous revenue	125,000	35,000	(9,434)	-	-	-
Total revenues	1,104,800	1,023,340	(44,162)	5,000	5,000	754 (4,246)
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Public transportation	805,705	815,463	189,194	12,500	12,500	1 12,499
General support	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	805,705	815,463	189,194	12,500	12,500	1 12,499
Excess (deficiency) of revenues over (under) expenditures	299,095	207,877	145,032	(7,500)	(7,500)	753 8,253
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
General fund	10,000	10,000	-	-	-	-
Special revenue	44,414	-	-	36,000	36,000	-
Debt service	100,000	100,000	3,418	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Transfers out:						
General fund	-	-	-	-	-	-
Special revenue	(170,477)	(470,477)	(379,616)	-	-	-
Debt service	(112,000)	(288,392)	70	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	(128,063)	(648,869)	94,349	36,000	36,000	-
Net change in fund balances	171,032	(440,992)	239,381	28,500	28,500	36,753 8,253
Fund balance (deficit) - beginning of year	460,473	460,473	-	112,664	112,664	-
Fund balance (deficit) - end of year	\$ 631,505	\$ 19,481	\$ 258,862	\$ 141,164	\$ 141,164	\$ 8,253

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Parking Surplus Fund			Community Development		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	Original	Final	Actual Amounts
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	770,000	770,000	677,123 (92,877)
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenue	17,000	17,000	1,412 (15,588)	1,000	1,000	446 (554)
Total revenues	17,000	17,000	1,412 (15,588)	26,000	26,000	18,327 (7,673)
				797,000	797,000	695,896 (101,104)
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Public transportation	-	-	-	678,000	679,436	697,952 (18,516)
General support	-	574,352	574,352	-	-	-
Capital outlay	-	60,400	60,400	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	-	634,752	634,752	-	-	-
Excess (deficiency) of revenues over (under) expenditures	17,000	(617,752)	(633,340)	678,000	117,564	(2,056) (18,516)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
General fund	-	-	-	-	-	-
Special revenue	134,477	434,477	343,616 (90,861)	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Transfers out:						
General fund	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	134,477	434,477	343,616 (90,861)	-	-	-
Net change in fund balances	151,477	(183,275)	(289,724)	119,000	117,564	(2,056) (119,620)
Fund balance (deficit) - beginning of year	282,467	282,467	282,467	60,304	60,304	60,304
Fund balance (deficit) - end of year	\$ 433,944	\$ 99,192	\$ (7,257)	\$ 179,304	\$ 177,868	\$ 58,248

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	HUD Home Participating Jurisdiction				HUD Home Program			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	600,000	600,000	896,103	-	35,000	35,000	-	(35,000)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	2,000	2,000	1,827	-	-	-	-	-
Miscellaneous revenue	21,000	21,000	51,307	30,307	213,000	213,000	122,156	(90,844)
Total revenues	623,000	623,000	949,237	326,237	248,000	248,000	122,156	(125,844)
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	593,000	594,436	974,172	(379,736)	30,000	30,000	107,486	(77,486)
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	593,000	594,436	974,172	(379,736)	30,000	30,000	107,486	(77,486)
Excess (deficiency) of revenues over (under) expenditures	30,000	28,564	(24,935)	(53,499)	218,000	218,000	14,670	(203,330)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	30,000	28,564	(24,935)	(53,499)	218,000	218,000	14,670	(203,330)
Fund balance (deficit) - beginning of year	78,952	78,952	78,952	-	50,554	50,554	50,554	-
Fund balance (deficit) - end of year	\$ 108,952	\$ 107,516	\$ 54,017	\$ (53,499)	\$ 268,554	\$ 268,554	\$ 65,224	\$ (203,330)

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	NRI Loan Program				Island Park Maintenance Escrow			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	15,000	15,000	16,085	1,085	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	12,000	12,000	227,506	215,506	2,600	2,600	509	(2,091)
Miscellaneous revenue	103,500	1,903,500	2,030,214	126,714	-	-	-	-
Total revenues	130,500	1,930,500	2,273,805	343,305	2,600	2,600	509	(2,091)
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	33,003	2,079,003	2,270,714	(191,711)	-	-	-	-
Public transportation	-	-	-	-	-	-	1	(1)
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	1,875,000	1,875,000	-	-	-	-	-
Interest & fiscal charges	-	-	69,367	(69,367)	-	-	-	-
Total expenditures	33,003	3,954,003	4,215,081	(261,078)	-	-	1	(1)
Excess (deficiency) of revenues over (under) expenditures	97,497	(2,023,503)	(1,941,276)	82,227	2,600	2,600	508	(2,092)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	18,000	18,000	31,502	13,502	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	(104,997)	(104,997)	(104,996)	1	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	2,046,000	1,996,000	(50,000)	-	-	-	-
Total other financing sources (uses)	(86,997)	1,959,003	1,922,506	(36,497)	-	-	-	-
Net change in fund balances	10,500	(64,500)	(18,770)	45,730	2,600	2,600	508	(2,092)
Fund balance (deficit) - beginning of year	285,791	285,791	285,791	-	88,867	88,867	88,867	-
Fund balance (deficit) - end of year	\$ 296,291	\$ 221,291	\$ 267,021	\$ 45,730	\$ 91,467	\$ 91,467	\$ 89,375	\$ (2,092)

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Revenue Stabilization				City Building Repair Escrow			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	86,000	86,000	85,992	(8)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	25,000	-	25,283	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	150,000	25,000	25,283	283	86,000	86,000	85,992	(8)
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	86,000	48,791	30,124	18,667
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	37,209	37,209	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	86,000	86,000	67,333	18,667
Excess (deficiency) of revenues over (under) expenditures	150,000	25,000	25,283	283	-	-	18,659	18,659
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	(800,000)	(800,000)	(799,992)	8	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	(1,100,000)	(1,100,000)	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(800,000)	(1,900,000)	(1,899,992)	8	-	-	-	-
Net change in fund balances	(650,000)	(1,875,000)	(1,874,709)	291	-	-	18,659	18,659
Fund balance (deficit) - beginning of year	5,352,267	5,352,267	5,352,267	-	46,884	46,884	46,884	-
Fund balance (deficit) - end of year	\$ 4,702,267	\$ 3,477,267	\$ 3,477,558	\$ 291	\$ 46,884	\$ 46,884	\$ 65,543	\$ 18,659

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	City Vehicle Reserve				Computer Replacement			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	(265)	(265)	-	-	-	-
Miscellaneous revenue	50,000	50,000	117,670	67,670	-	-	-	-
Total revenues	50,000	50,000	117,405	67,405	-	-	-	-
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	5,000	55,000	14,500	40,500
Public safety	-	-	-	-	-	-	-	-
Public works	1,589,000	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	1,589,000	1,786,694	(197,694)	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	64,710	64,710	54,105	10,605	-	-	-	-
Interest & fiscal charges	-	-	9,605	(9,605)	-	-	-	-
Total expenditures	1,653,710	1,653,710	1,850,404	(196,694)	5,000	55,000	14,500	40,500
Excess (deficiency) of revenues over (under) expenditures	(1,603,710)	(1,603,710)	(1,732,999)	(129,289)	(5,000)	(55,000)	(14,500)	40,500
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	1,490,000	1,520,000	1,520,000	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	40,000	40,000	40,000	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,490,000	1,520,000	1,520,000	-	40,000	40,000	40,000	-
Net change in fund balances	(113,710)	(83,710)	(212,999)	(129,289)	35,000	(15,000)	25,500	40,500
Fund balance (deficit) - beginning of year	17,154	17,154	17,154	-	-	-	-	-
Fund balance (deficit) - end of year	\$ (96,556)	\$ (66,556)	\$ (195,845)	\$ (129,289)	\$ 35,000	\$ (15,000)	\$ 25,500	\$ 40,500



**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Civic Center Capital Reserve				Other Projects			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	5,400	5,400
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	187	187
Total revenues	-	-	-	-	-	-	17,854	17,854
	-	-	-	-	-	-	23,441	23,441
<b>EXPENDITURES</b>								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	3,082	(3,082)
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	70,000	70,000	-	-	-	-	7,788	(7,788)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	70,000	70,000	-	-	-	-	10,870	(10,870)
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(70,000)	-	-	-	-	12,571	12,571
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	20,000	20,000	20,000	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,000	20,000	20,000	-	-	-	-	-
Net change in fund balances	(50,000)	(50,000)	20,000	-	-	-	12,571	12,571
Fund balance (deficit) - beginning of year	82,187	82,187	82,187	-	18,527	18,527	18,527	-
Fund balance (deficit) - end of year	\$ 32,187	\$ 32,187	\$ 102,187	\$ 70,000	\$ 18,527	\$ 18,527	\$ 31,098	\$ 12,571

CITY OF FARGO, NORTH DAKOTA  
NONMAJOR SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended December 31, 2009

	Neighborhood Stabilization				Library Start-Up				Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts		
	Original	Final			Original	Final			
REVENUES									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$	\$
Special assessments	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	1,334,832	1,337,480	2,648	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	2,918	2,918	-	-	-	207	207
Total revenues	-	1,334,832	1,340,398	5,566	-	-	-	207	207
EXPENDITURES									
Current:									
General government	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-	-
Urban redevelopment	-	1,334,832	1,113,161	221,671	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	-	1,334,832	1,113,161	221,671	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	227,237	227,237	-	-	207	207	207
OTHER FINANCING SOURCES (USES)									
Transfers in:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Transfers out:									
General fund	-	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	227,237	227,237	-	-	207	207	207
Fund balance (deficit) - beginning of year	-	-	-	-	(207)	(207)	(207)	(207)	-
Fund balance (deficit) - end of year	\$	\$	\$	\$	\$	\$	\$	\$	\$

**CITY OF FARGO, NORTH DAKOTA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Baseball Stadium			Totals		
	Budgeted Amounts		Variance with	Budgeted Amounts		Variance with
	Original	Final	Final Budget Positive (Negative)	Original	Final	Final Budget Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ 3,633,000	\$ 3,633,000	\$ 408,207
Special assessments	-	-	-	200,000	200,000	26,505
Licenses and permits	-	-	-	-	-	567
Intergovernmental revenues	-	-	-	1,462,105	2,805,477	180,117
Charges for services	207,000	207,000	(16,073)	1,344,800	1,277,894	(66,906)
Fines and forfeits	-	-	-	115,000	143,008	28,008
Investment income	-	-	-	196,700	71,700	186,820
Miscellaneous revenue	-	-	-	551,500	2,261,500	159,227
Total revenues	207,000	207,000	(16,073)	7,503,105	10,431,477	922,545
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	91,000	103,791	59,167
Public safety	-	-	-	1,720,560	1,770,560	53,057
Public works	-	-	-	1,794,000	205,000	(96,372)
Public health and welfare	-	-	-	50,000	23,677	14,344
Recreation and culture	-	-	-	1,652,950	1,652,950	(196,565)
Urban redevelopment	51,950	51,950	15,085	1,334,003	4,717,707	(445,778)
Public transportation	-	-	-	828,205	1,412,315	204,772
General support	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,712,932	(197,694)
Intergovernmental	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	64,710	1,939,710	10,605
Interest & fiscal charges	-	-	-	-	-	(78,972)
Total expenditures	51,950	51,950	15,085	7,535,428	13,538,642	(673,436)
Excess (deficiency) of revenues over (under) expenditures	155,050	155,050	(988)	(32,323)	(3,107,165)	249,109
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in:						
General fund	-	-	-	1,599,495	1,629,495	13,378
Special revenue	-	-	-	214,891	470,477	(90,621)
Debt service	-	-	-	118,000	118,000	16,920
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	40,000	40,000	-
Transfers out:						
General fund	(86,300)	-	-	(886,300)	(800,000)	8
Special revenue	-	-	-	(170,477)	(470,477)	90,621
Debt service	-	-	-	(216,997)	(393,318)	71
Capital projects	-	-	-	(705,000)	(705,000)	94,849
Enterprise	(46,200)	-	-	(46,200)	-	-
Internal Service	-	-	-	-	(1,100,000)	-
Loans issued	-	-	-	-	2,046,000	(50,000)
Total other financing sources (uses)	(132,500)	-	-	(52,588)	835,106	75,226
Net change in fund balances	22,550	155,050	(988)	(84,911)	(2,272,059)	324,335
Fund balance (deficit) - beginning of year	(1,917,692)	(1,917,692)	-	5,546,590	5,546,590	-
Fund balance (deficit) - end of year	\$ (1,895,142)	\$ (1,762,642)	\$ (988)	\$ 5,461,679	\$ 3,274,531	\$ 324,335

**CITY OF FARGO, NORTH DAKOTA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2009**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 12,755,696	\$ 33,368,400	\$ 30,729,111	\$ (2,639,289)
Special assessments	16,706,000	19,519,555	20,503,315	983,760
Investment income	1,347,150	798,385	883,018	84,633
Miscellaneous revenues	-	-	89,775	89,775
Total revenues	<u>30,808,846</u>	<u>53,686,340</u>	<u>52,205,219</u>	<u>(1,481,121)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	474,822	474,822	-
Recreation & culture	-	313,220	313,220	-
Urban redevelopment	52,580	52,580	52,580	-
Debt Service	35,064,574	31,280,902	31,602,800	(321,898)
Total expenditures	<u>35,117,154</u>	<u>32,121,524</u>	<u>32,443,422</u>	<u>(321,898)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,308,308)</u>	<u>21,564,816</u>	<u>19,761,797</u>	<u>(1,803,019)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	732,997	909,389	945,318	35,929
Transfers out	(7,220,320)	(7,249,320)	(8,402,458)	(1,153,138)
Loans issued	-	731,614	731,614	-
Bonds issued	-	3,519,432	3,519,432	-
Bond premium	-	1,616,054	1,616,054	-
Other financing sources - proceeds of refunding bond	-	13,190,000	13,190,000	-
Other financing uses - payment to bond escrow agent	-	(4,910,000)	(4,910,000)	-
Other financing uses - debt service - principal	-	(13,190,000)	(13,190,000)	-
Total other financing sources (uses)	<u>(6,487,323)</u>	<u>(5,382,831)</u>	<u>(6,500,040)</u>	<u>(1,117,209)</u>
Net change in fund balances	(10,795,631)	16,181,985	13,261,757	(2,920,228)
Fund balance - beginning of year	<u>44,286,451</u>	<u>44,286,451</u>	<u>44,286,451</u>	<u>-</u>
Fund balance - end of year	<u>\$ 33,490,820</u>	<u>\$ 60,468,436</u>	<u>\$ 57,548,208</u>	<u>\$ (1,785,432)</u>

## NONMAJOR ENTERPRISE FUNDS

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The enterprise funds account for the operations that are financed and operated in a manner similar to private business enterprises where the intent of the City is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the City has decided that periodic determination of the revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or for other purposes.

The City operates three nonmajor enterprise funds which are listed below.

Southeast Cass Sewer District - To account for user fee revenues derived from providing sanitary sewer services to the Southeast Cass Sanitary Sewer District, and the expenses and maintenance for this function.

Vector Control – To account for vector control operations involving mosquito control for the City of Fargo.

Forestry - To account for user fee revenues and donations from the Park Board derived from planting and maintaining trees on boulevards and in parks, and all expenses for the operation and maintenance of this function.

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING STATEMENT OF NET ASSETS**  
**NON MAJOR PROPRIETARY FUNDS**  
**December 31, 2009**

	Southeast Cass Sewer	Vector Control	Forestry	Total
<b>ASSETS</b>				
Current assets				
Cash	\$ -	\$ -	\$ 50	\$ 50
Equity in pooled investments	-	283,502	31,020	314,522
Receivables (net of allowance for uncollectibles):				
Interest	-	333	36	369
Special assessments	-	-	9,114	9,114
Accounts	20,629	20,200	132,192	173,021
Prepaid expenses	-	1,549	4,618	6,167
Total current assets	<u>20,629</u>	<u>305,584</u>	<u>177,030</u>	<u>503,243</u>
Noncurrent assets				
Capital assets				
Machinery and equipment	-	136,885	890,975	1,027,860
Less accumulated depreciation	-	(79,655)	(712,834)	(792,489)
Total noncurrent assets	<u>-</u>	<u>57,230</u>	<u>178,141</u>	<u>235,371</u>
Total assets	<u>20,629</u>	<u>362,814</u>	<u>355,171</u>	<u>738,614</u>
<b>LIABILITIES</b>				
Current liabilities				
Vouchers payable	926	-	5,100	6,026
Interest payable	18	-	-	18
Due to other funds	15,588	-	-	15,588
Accrued payroll	205	-	7,489	7,694
Accrued vacation payable	-	-	29,441	29,441
Total current liabilities	<u>16,737</u>	<u>-</u>	<u>42,030</u>	<u>58,767</u>
<b>NET ASSETS</b>				
Invested in capital assets	-	57,230	178,141	235,371
Unrestricted	3,892	305,584	135,000	444,476
Total net assets	<u>\$ 3,892</u>	<u>\$ 362,814</u>	<u>\$ 313,141</u>	<u>\$ 679,847</u>

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**NON MAJOR PROPRIETARY FUNDS**  
**For the Year Ended December 31, 2009**

	Southeast Cass Sewer	Vector Control	Forestry	Total
OPERATING REVENUES				
Charges for services	\$ 64,174	\$ 630,597	\$ 1,041,108	\$ 1,735,879
OPERATING EXPENSES				
Personnel services	19,337	-	763,303	782,640
Other services	1,416	343,053	387,743	732,212
Materials and supplies	45,294	21,766	157,918	224,978
Depreciation	-	24,723	57,055	81,778
Total operating expenses	66,047	389,542	1,366,019	1,821,608
Operating income (loss)	(1,873)	241,055	(324,911)	(85,729)
NONOPERATING REVENUES (EXPENSES)				
Investment income (expense)	(22)	1,532	490	2,000
Total nonoperating revenues	(22)	1,532	490	2,000
Income (loss) before contributions and transfers	(1,895)	242,587	(324,421)	(83,729)
Capital Contributions	-	-	14,500	14,500
Transfers in:				
Enterprise	-	-	480,012	480,012
Transfers out:				
General	-	(119,200)	(87,000)	(206,200)
Special revenue	-	-	(4,000)	(4,000)
Change in net assets	(1,895)	123,387	79,091	200,583
Total net assets - beginning	5,787	239,427	234,050	479,264
Total net assets - ending	\$ 3,892	\$ 362,814	\$ 313,141	\$ 679,847

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2009**

	Southeast Cass Sewer	Vector Control	Forestry	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users	\$ 57,778	\$ 610,397	\$ 1,002,412	\$ 1,670,587
Payments to employees	(15,489)	-	(625,113)	(640,602)
Payments of benefits on behalf of employees	(3,814)	-	(147,556)	(151,370)
Payments to suppliers	(46,844)	(366,368)	(547,408)	(960,620)
Net cash provided (used) by operating activities	(8,369)	244,029	(317,665)	(82,005)
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	-	(119,200)	(91,000)	(210,200)
Transfers from other funds	-	-	480,012	480,012
Payments received on interfund borrowing	-	157,181	-	157,181
Payments made for interfund borrowing	8,373	-	-	8,373
Net cash provided (used) by noncapital financing activities	8,373	37,981	389,012	435,366
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	-	(47,850)	(47,850)
Net cash provided (used) by capital and related financing activities	-	-	(47,850)	(47,850)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	10	1,202	436	1,648
Investments redeemed	-	29	7,057	7,086
Investments (purchased)	(14)	(283,241)	(30,990)	(314,245)
Net cash provided (used) by investing activities	(4)	(282,010)	(23,497)	(305,511)
Net change in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, January 1	-	-	50	50
Cash and cash equivalents, December 31	\$ -	\$ -	\$ 50	\$ 50
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (1,873)	\$ 241,055	\$ (324,911)	\$ (85,729)
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>				
Depreciation	-	24,723	57,055	81,778
<b>Change in assets and liabilities</b>				
Accounts receivable	(6,396)	(20,200)	(33,283)	(59,879)
Special assessment receivable	-	-	(5,413)	(5,413)
Prepaid expenses	-	(1,549)	(4,618)	(6,167)
Accounts payable	(134)	-	2,871	2,737
Vacation payable	-	-	(739)	(739)
Payroll payable	34	-	(8,627)	(8,593)
Total adjustments	(6,496)	2,974	7,246	3,724
Net cash provided (used) by operating activities	\$ (8,369)	\$ 244,029	\$ (317,665)	\$ (82,005)
<b>Noncash transactions affecting financial position:</b>				
Change in fair value of investments	\$ (14)	\$ 261	\$ 30	\$ 277



## INTERNAL SERVICE FUNDS

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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 of the City, or to other governmental units, on a cost reimbursement basis.

Liability Self Insurance Fund - is used to account for all costs, reimbursements and funding for general liability and certain property damage claims.

Health Self Insurance Fund - is used to provide health insurance coverage to City Employees. Resources are provided by City and employee contributions and used to fund claims for allowable medical expenses, provide stop-loss insurance coverage, and administration.

**CITY OF FARGO, NORTH DAKOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**December 31, 2009**

	Liability Self Insurance	Health Self Insurance	Total
<b>ASSETS</b>			
Current assets			
Cash	\$ 30,000	\$ -	\$ 30,000
Equity in pooled investments	1,117,391	5,353,313	6,470,704
Interest receivable	1,203	6,284	7,487
Accounts receivable	-	134,624	134,624
Prepaid expenses	162,521	-	162,521
Total assets	<u>1,311,115</u>	<u>5,494,221</u>	<u>6,805,336</u>
<b>LIABILITIES</b>			
Current liabilities			
Vouchers payable	1,408,470	2,500	1,410,970
Deferred revenues	-	124,098	124,098
IBNR claim reserve	50,000	511,154	561,154
Total liabilities	<u>1,458,470</u>	<u>637,752</u>	<u>2,096,222</u>
<b>NET ASSETS</b>			
Unrestricted	(147,355)	4,856,469	4,709,114
Total net assets	<u>\$ (147,355)</u>	<u>\$ 4,856,469</u>	<u>\$ 4,709,114</u>

**CITY OF FARGO, NORTH DAKOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**  
**For the Year Ended December 31, 2009**

	Liability Self Insurance	Health Self Insurance	Total
OPERATING REVENUES			
Charges for services	\$ 753,695	\$ 6,025,390	\$ 6,779,085
OPERATING EXPENSES			
Administration	118,961	222,072	341,033
Insurance premiums	436,820	273,979	710,799
Claim settlements	2,038,698	5,129,680	7,168,378
Claim reserve adjustment	(291,312)	(46,846)	(338,158)
Total operating expenses	2,303,167	5,578,885	7,882,052
Operating income (loss)	(1,549,472)	446,505	(1,102,967)
NONOPERATING REVENUES (EXPENSES)			
Investment income (expense)	1,236	30,280	31,516
Total nonoperating revenues (expenses)	1,236	30,280	31,516
Income (loss) before contributions and transfers	(1,548,236)	476,785	(1,071,451)
Transfer in:			
General	437,000	-	437,000
Special revenue	1,100,000	-	1,100,000
Change in net assets	(11,236)	476,785	465,549
Total net assets - beginning	(136,119)	4,379,684	4,243,565
Total net assets - ending	\$ (147,355)	\$ 4,856,469	\$ 4,709,114

**CITY OF FARGO, NORTH DAKOTA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2009**

	Liability Self Insurance	Health Self Insurance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 766,317	\$ 6,078,476	\$ 6,844,793
Payments of benefits on behalf of employees	(1,198,277)	(5,129,680)	(6,327,957)
Payments to suppliers	(51,636)	(488,663)	(540,299)
Net cash provided (used) by operating activities	(483,596)	460,133	(23,463)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers to other funds	-	-	-
Transfers from other funds	1,537,000	-	1,537,000
Net cash provided (used) by noncapital financing activities	1,537,000	-	1,537,000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income (expense)	(721)	27,592	26,871
Investments redeemed	50,941	4,861,023	4,911,964
Investments (purchased)	(1,116,551)	(5,348,748)	(6,465,299)
Net cash provided (used) by investing activities	(1,066,331)	(460,133)	(1,526,464)
Net change in cash and cash equivalents	(12,927)	-	(12,927)
Cash and cash equivalents, January 1	42,927	-	42,927
Cash and cash equivalents, December 31	\$ 30,000	\$ -	\$ 30,000
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (1,549,472)	\$ 446,505	\$ (1,102,967)
Adjustments to reconcile operating income to net cash provided by operating activities			
Claims reserve adjustment	(291,312)	(46,846)	(338,158)
Change in assets and liabilities			
Accounts receivable	12,622	41,103	53,725
Prepaid expenses	(51,636)	5,000	(46,636)
Accounts payable	1,396,202	2,388	1,398,590
Deferred revenues	-	11,983	11,983
Total adjustments	1,065,876	13,628	1,079,504
Net cash provided (used) by operating activities	\$ (483,596)	\$ 460,133	\$ (23,463)
Noncash transactions affecting financial position:			
Change in fair value of investments	\$ 840	\$ 4,565	\$ 5,405

## FIDUCIARY FUNDS

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Fiduciary funds are used to account for assets held by the City in trust or as an agent for individuals, private organizations, or other governmental units and/or other funds. The fiduciary funds of the City are described below.

### PENSION TRUST FUNDS

City Employee's Pension Trust Fund is used to account for the activities of this defined benefit pension plan. All employees except those covered by other plans are members.

Police Pension Trust Fund is used to account for the activities of this defined benefit pension plan. All members of the Police Department are members of this plan.

The Pension Plan financial statements can be found in the notes to the financial statements, Note 5.

### AGENCY FUNDS

The City has three agency funds used to account for assets held as an agent for others.

Performance Deposit Fund is used for deposits required by City ordinance for excavators, bid deposits, special assessment developer deposits, and other miscellaneous deposits.

Park District Specials Fund is used to account for special assessments collected and administered for the Fargo Park District.

Red River Regional Dispatch Center Fund is used to account for the collection and disbursement of funds for the Red River Regional Dispatch Center Fund.

**CITY OF FARGO, NORTH DAKOTA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF NET ASSETS**  
**December 31, 2009**

	Performance Deposits	Park District Special Assessments	Red River Regional Dispatch Center	Total
<b>ASSETS</b>				
Cash and investments	\$ 71,896	\$ -	\$ 106,800	\$ 178,696
Equity in pooled investments	43,019	-	-	43,019
Special assessments receivable	-	974,215	-	974,215
Total assets	<u>\$ 114,915</u>	<u>\$ 974,215</u>	<u>\$ 106,800</u>	<u>\$ 1,195,930</u>
<b>LIABILITIES</b>				
Due to other governments	\$ -	\$ 974,215	\$ -	\$ 974,215
Deposits	114,915	-	106,800	221,715
Total liabilities	<u>\$ 114,915</u>	<u>\$ 974,215</u>	<u>\$ 106,800</u>	<u>\$ 1,195,930</u>

**CITY OF FARGO, NORTH DAKOTA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDING DECEMBER 31, 2009**

	Beginning of Year	Additions	Deductions	End of Year
<b>PERFORMANCE DEPOSITS</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ 47,160	\$ 3,500	\$ 7,641	\$ 43,019
Cash, including time deposits	60,265	11,631	-	71,896
Total assets	<u>\$ 107,425</u>	<u>\$ 15,131</u>	<u>\$ 7,641</u>	<u>\$ 114,915</u>
<b>LIABILITIES</b>				
Deposits	\$ 107,425	\$ 15,131	\$ 7,641	\$ 114,915
Total liabilities	<u>\$ 107,425</u>	<u>\$ 15,131</u>	<u>\$ 7,641</u>	<u>\$ 114,915</u>
<b>PARK DISTRICT SPECIAL ASSESSMENTS</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ -	\$ 370,095	\$ 370,095	\$ -
Special assessments receivable	1,291,785	-	317,570	974,215
Total assets	<u>\$ 1,291,785</u>	<u>\$ 370,095</u>	<u>\$ 687,665</u>	<u>\$ 974,215</u>
<b>LIABILITIES</b>				
Deposits	\$ -	\$ 370,095	\$ 370,095	\$ -
Due to other governments	1,291,785	-	317,570	974,215
Total liabilities	<u>\$ 1,291,785</u>	<u>\$ 370,095</u>	<u>\$ 687,665</u>	<u>\$ 974,215</u>
<b>RED RIVER REGIONAL DISPATCH CENTER</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ -	\$ 2,243,122	\$ 2,136,322	\$ 106,800
Total assets	<u>\$ -</u>	<u>\$ 2,243,122</u>	<u>\$ 2,136,322</u>	<u>\$ 106,800</u>
<b>LIABILITIES</b>				
Deposits	\$ -	\$ 2,243,122	\$ 2,136,322	\$ 106,800
Total liabilities	<u>\$ -</u>	<u>\$ 2,243,122</u>	<u>\$ 2,136,322</u>	<u>\$ 106,800</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ 47,160	\$ 2,616,717	\$ 2,514,058	\$ 149,819
Cash, including time deposits	60,265	11,631	-	71,896
Special assessments receivable	1,291,785	-	317,570	974,215
Total assets	<u>\$ 1,399,210</u>	<u>\$ 2,628,348</u>	<u>\$ 2,831,628</u>	<u>\$ 1,195,930</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 1,291,785	\$ -	\$ 317,570	\$ 974,215
Deposits	107,425	2,628,348	2,514,058	221,715
Total liabilities	<u>\$ 1,399,210</u>	<u>\$ 2,628,348</u>	<u>\$ 2,831,628</u>	<u>\$ 1,195,930</u>

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



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

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**GOVERNMENTAL FUNDS CAPITAL ASSETS:**

Land	\$ 12,211,780
Buildings	58,312,053
Improvements other than buildings	621,169
Machinery and equipment	34,683,414
Infrastructure	292,173,678
Construction in progress	13,891,313
Total governmental funds capital assets	<u>\$ 411,893,407</u>

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

General fund	\$ 15,723,176
Special revenue funds	20,312,177
Capital projects	354,993,335
Enterprise funds	392,451
Federal and state grants	19,309,699
Donated	1,162,569
Total governmental funds capital assets	<u>\$ 411,893,407</u>

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

FUNCTION AND ACTIVITY	Land	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<b>General Government:</b>							
City Commission	\$ -	\$ -	\$ -	\$ 199,835	\$ -	\$ -	\$ 199,835
City Auditor	-	-	-	221,735	-	131,208	352,943
Information Technology	-	-	-	1,335,177	-	1,441,441	2,776,618
Human Resources	-	-	-	32,755	-	-	32,755
City Assessor	-	-	-	79,907	-	-	79,907
Municipal Court	-	-	-	30,487	-	-	30,487
Planning & Development	-	-	-	30,686	-	-	30,686
Central Garage	-	3,264,355	127,813	779,284	-	-	4,171,452
City Buildings	-	1,117,387	9,999	652,736	-	-	1,780,122
Detox Center	-	451,732	-	30,925	-	-	482,657
<b>Total</b>	-	<b>4,833,474</b>	<b>137,812</b>	<b>3,393,527</b>	-	<b>1,572,649</b>	<b>9,937,462</b>
<b>Public Safety:</b>							
Traffic Engineering	-	21,422	-	118,354	-	-	139,776
Street Lighting	-	-	-	276,800	-	-	276,800
Fire Department	-	6,678,356	-	5,183,190	-	2,238,662	14,100,208
Police Department	43,000	2,133,475	31,654	4,672,698	-	37,209	6,918,036
Inspections	-	-	-	145,380	-	-	145,380
<b>Total</b>	<b>43,000</b>	<b>8,833,253</b>	<b>31,654</b>	<b>10,396,422</b>	-	<b>2,275,871</b>	<b>21,580,200</b>
<b>Public Works:</b>							
City Engineer	-	-	-	1,102,706	-	-	1,102,706
Street Department	3,295,691	384,894	43,104	7,235,351	292,173,678	-	303,136,718
Flood	7,480,584	-	-	-	-	43,683	7,524,268
<b>Total</b>	<b>10,780,275</b>	<b>384,894</b>	<b>43,104</b>	<b>8,338,057</b>	<b>292,173,678</b>	<b>43,683</b>	<b>311,763,692</b>
<b>Public Health &amp; Welfare:</b>							
Health Department	-	2,004,733	-	387,495	-	-	2,392,228
<b>Total</b>	-	<b>2,004,733</b>	-	<b>387,495</b>	-	-	<b>2,392,228</b>
<b>Recreation &amp; Culture:</b>							
Public Library	-	3,298,647	-	3,426,351	-	9,744,403	16,469,402
City Auditorium	-	9,602,408	-	394,415	-	-	9,996,823
Convention Bureau	199,505	749,851	-	-	-	-	949,356
Baseball Stadium	-	5,136,513	43,939	154,231	-	-	5,334,683
<b>Total</b>	<b>199,505</b>	<b>18,787,419</b>	<b>43,939</b>	<b>3,974,997</b>	-	<b>9,744,403</b>	<b>32,750,264</b>
<b>Urban Redevelopment</b>							
Home Grants	-	605,042	-	-	-	-	605,042
Community Development	83,000	3,181,317	28,446	49,798	-	-	3,342,561
<b>Total</b>	<b>83,000</b>	<b>3,786,359</b>	<b>28,446</b>	<b>49,798</b>	-	-	<b>3,947,603</b>
<b>Transportation</b>							
Transit	-	11,923,499	-	8,046,821	-	254,706	20,225,027
Parking Authority	1,106,000	7,758,421	336,214	96,297	-	-	9,296,932
<b>Total</b>	<b>1,106,000</b>	<b>19,681,920</b>	<b>336,214</b>	<b>8,143,118</b>	-	<b>254,706</b>	<b>29,521,959</b>
<b>Grand Total</b>	<b>\$ 12,211,780</b>	<b>\$ 58,312,053</b>	<b>\$ 621,169</b>	<b>\$ 34,683,414</b>	<b>\$ 292,173,678</b>	<b>\$ 13,891,313</b>	<b>\$ 411,893,407</b>

**CITY OF FARGO, NORTH DAKOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

	Balance January 1, 2009	Additions & Transfers In	Deletions & Transfers Out	Balance December 31, 2009
<b>FUNCTION AND ACTIVITY</b>				
<b>GENERAL GOVERNMENT:</b>				
City Commission	\$ 199,835	\$ -	\$ -	\$ 199,835
City Auditor	352,943	-	-	352,943
Information Technology	1,134,688	1,953,617	(311,687)	2,776,618
Human Resources	42,155	-	(9,400)	32,755
City Assessor	79,907	-	-	79,907
Municipal Court	30,487	-	-	30,487
Planning & Development	30,686	-	-	30,686
Central Garage	4,096,899	237,457	(162,904)	4,171,452
City Buildings	1,743,800	36,322	-	1,780,122
Detox Center	482,657	-	-	482,657
Total	8,194,057	2,227,396	(483,991)	9,937,462
<b>PUBLIC SAFETY:</b>				
Traffic Engineer	139,776	-	-	139,776
Street Lighting	215,891	92,819	(31,910)	276,800
Fire Department	11,273,425	2,966,530	(139,747)	14,100,208
Police Department	7,366,259	783,271	(1,231,493)	6,918,036
Inspections	137,743	18,637	(11,000)	145,380
Total	19,133,094	3,861,257	(1,414,150)	21,580,200
<b>PUBLIC WORKS:</b>				
City Engineer	979,419	142,837	(19,550)	1,102,706
Street Department	286,268,938	19,347,858	(2,480,078)	303,136,718
Flood	-	7,524,268	-	7,524,268
Total	287,248,357	27,014,963	(2,499,628)	311,763,692
<b>PUBLIC HEALTH &amp; WELFARE:</b>				
Health Department	2,310,806	81,422	-	2,392,228
Total	2,310,806	81,422	-	2,392,228
<b>RECREATION &amp; CULTURE:</b>				
Public Library	15,026,106	1,443,296	-	16,469,402
City Auditorium	9,996,823	-	-	9,996,823
Convention Bureau	949,356	-	-	949,356
Baseball Stadium	5,334,683	-	-	5,334,683
Total	31,306,968	1,443,296	-	32,750,264
<b>URBAN REDEVELOPMENT</b>				
Home Grants	605,042	-	-	605,042
Community Development	3,342,561	-	-	3,342,561
Total	3,947,603	-	-	3,947,603
<b>TRANSPORTATION:</b>				
Transit	17,597,495	2,833,183	(205,651)	20,225,027
Parking Authority	9,640,080	60,400	(403,548)	9,296,932
Total	27,237,575	2,893,583	(609,199)	29,521,959
Grand Total	\$ 379,378,460	\$ 37,521,915	\$ (5,006,968)	\$ 411,893,407

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>118</b>
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
<b>Revenue Capacity</b>	<b>123</b>
These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.	
<b>Debt Capacity</b>	<b>138</b>
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>147</b>
These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.	
<b>Operating Information</b>	<b>151</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**CITY OF FARGO, NORTH DAKOTA**  
**NET ASSETS BY COMPONENT**  
**LAST EIGHT FISCAL YEARS**  
(accrual basis of accounting)  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002
<b>Governmental activities</b>								
Invested in capital assets, net of related debt	\$ 133,054,594	\$ 136,829,790	\$ 109,639,923	\$ 100,497,504	\$ 61,311,933	\$ 79,683,681	\$ 78,381,281	\$ 40,807,699
Restricted	88,187,372	99,854,244	101,928,282	106,449,181	180,030,481	153,319,865	122,229,665	139,179,558
Unrestricted	(13,592,579)	(24,461,521)	445,006	7,637,497	4,409,329	(13,355,138)	(33,695,934)	(30,308,995)
<b>Total governmental activities</b>	<b>207,649,387</b>	<b>212,222,513</b>	<b>212,013,211</b>	<b>214,584,182</b>	<b>245,751,743</b>	<b>219,648,408</b>	<b>166,915,012</b>	<b>149,678,262</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt	447,423,939	405,649,311	384,874,278	365,275,829	341,630,870	330,535,797	306,670,260	298,956,283
Restricted	29,310,590	27,578,567	20,037,327	12,506,543	10,728,371	9,254,788	7,481,220	5,940,670
Unrestricted	20,655,890	18,795,131	19,752,324	22,993,008	30,520,724	31,267,494	32,438,098	25,245,345
<b>Total business-type</b>	<b>497,390,419</b>	<b>452,023,009</b>	<b>424,663,929</b>	<b>400,775,380</b>	<b>382,879,965</b>	<b>371,058,079</b>	<b>346,589,578</b>	<b>330,142,298</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt	580,478,533	542,479,101	494,514,201	465,773,333	402,942,803	410,219,478	385,051,541	339,763,982
Restricted	117,497,962	127,432,811	121,965,609	118,955,724	190,758,852	162,574,653	129,710,885	145,120,228
Unrestricted	7,063,311	(5,666,390)	20,197,330	30,630,505	34,930,053	17,912,356	(1,257,836)	(5,063,650)
<b>Total primary government</b>	<b>\$ 705,039,806</b>	<b>\$ 664,245,522</b>	<b>\$ 636,677,140</b>	<b>\$ 615,359,562</b>	<b>\$ 628,631,708</b>	<b>\$ 590,706,487</b>	<b>\$ 513,504,590</b>	<b>\$ 479,820,560</b>

**CITY OF FARGO, NORTH DAKOTA**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**  
**(accrual basis of accounting)**  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002
<b>EXPENSES</b>								
Governmental activities:								
General government								
Public safety	\$ 16,061,513	\$ 12,628,766	\$ 11,988,162	\$ 9,636,548	\$ 9,879,150	\$ 9,065,280	\$ 9,878,835	\$ 7,750,281
Public works	31,299,101	27,258,895	24,518,517	23,310,046	22,823,346	20,418,950	19,478,160	18,183,284
Public health & welfare	61,560,495	66,435,406	53,116,809	35,070,333	28,942,829	30,419,839	26,666,970	23,402,864
Recreation & culture	8,619,558	7,802,377	7,381,740	6,671,796	6,695,429	6,216,803	6,078,364	5,253,080
Urban redevelopment	7,290,768	5,877,783	5,564,318	5,257,930	4,433,031	4,119,697	4,095,873	3,881,808
Transportation	5,270,433	4,901,145	5,530,189	5,330,190	5,310,907	6,338,365	4,589,532	2,201,068
General support	8,240,985	6,712,613	5,839,730	5,297,182	4,210,866	4,261,253	4,509,006	4,083,902
Intergovernmental	1,279,040	1,252,486	1,709,940	1,297,392	1,110,473	1,126,474	979,189	1,292,645
Interest and fiscal charges	-	-	-	-	-	185,185	333,333	333,333
Total governmental activities expenses	10,970,999	10,078,666	10,383,847	10,562,600	8,943,842	7,739,764	7,333,221	6,777,064
Business-type activities:								
Municipal airport authority	150,592,892	142,948,137	126,033,252	102,434,017	92,349,873	89,891,610	83,942,483	73,159,329
Water	6,380,673	6,340,451	6,492,808	5,630,173	5,575,563	5,039,598	4,724,563	4,687,868
Wastewater	13,172,848	12,739,834	11,186,131	13,690,417	12,011,121	11,337,470	11,248,525	10,868,658
Storm sewer	7,282,660	6,810,660	6,759,994	6,280,502	6,088,183	5,781,810	6,112,218	5,566,644
Solid waste	3,573,700	3,318,002	3,137,414	2,963,669	2,852,773	2,635,020	2,517,738	2,253,407
Fargodome	7,524,388	7,739,012	6,615,557	5,673,508	6,505,547	6,316,798	5,426,961	6,210,997
SE Cass	6,872,075	6,781,837	7,544,366	7,562,959	7,748,926	9,025,485	8,280,932	8,410,092
Vector control	66,047	66,979	52,694	66,919	69,321	55,467	56,529	58,047
Forestry	389,667	589,113	479,179	367,989	550,956	410,804	111,130	-
Total business-type activities expenses	1,361,803	1,271,640	1,198,305	1,112,526	990,339	1,021,922	924,895	775,133
Total primary government expenses	46,623,861	45,657,528	43,466,448	43,348,662	42,392,729	41,624,374	39,403,491	38,830,846
	<b>\$ 197,216,753</b>	<b>\$ 188,605,665</b>	<b>\$ 169,499,700</b>	<b>\$ 145,782,679</b>	<b>\$ 134,742,602</b>	<b>\$ 131,515,984</b>	<b>\$ 123,345,974</b>	<b>\$ 111,990,175</b>
<b>PROGRAM REVENUES</b>								
Governmental activities:								
Charges for services:								
General government	\$ 2,406,704	\$ 2,238,848	\$ 2,371,413	\$ 2,632,513	\$ 2,527,843	\$ 2,090,709	\$ 2,007,996	\$ 2,172,959
Public safety	4,285,553	4,694,548	4,876,717	5,587,229	4,852,471	4,350,988	3,760,822	3,692,177
Public works	8,418,374	8,041,216	4,962,198	5,497,488	5,677,239	5,753,316	5,902,509	6,446,223
Public health & welfare	2,439,988	2,341,930	2,479,295	2,258,421	2,127,051	1,971,542	1,833,185	1,635,727
Recreation & culture	676,537	702,866	652,563	731,817	631,439	645,206	602,381	586,512
Urban redevelopment	2,409,435	2,974,370	3,512,005	4,483,915	3,343,959	3,107,679	1,401,233	421,305
Transportation	2,875,615	2,760,860	2,561,343	1,878,831	1,842,756	1,731,537	1,546,864	1,422,448
Operating grants and contributions	19,366,139	8,736,849	7,374,752	6,807,640	6,181,092	6,792,074	6,535,468	5,149,626
Capital grants and contributions	65,836,704	51,553,892	37,607,084	43,812,610	45,269,891	82,903,904	45,854,066	49,493,379
Total governmental activities program revenues	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741	109,346,955	69,444,524	71,020,356

**CITY OF FARGO, NORTH DAKOTA**  
**CHANGES IN NET ASSETS (CONTINUED)**  
**LAST EIGHT FISCAL YEARS**  
(accrual basis of accounting)  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002
<b>Business-type activities:</b>								
Charges for services:								
Airport	5,822,644	5,622,701	5,274,194	5,295,396	4,856,814	5,883,466	4,022,247	3,884,428
Water	17,695,424	17,422,765	16,894,612	16,434,832	14,331,669	13,194,832	13,418,217	12,903,193
Wastewater	10,340,200	9,949,467	9,226,721	8,479,324	7,467,026	6,783,272	6,364,407	5,896,967
Storm sewer	1,546,291	1,479,912	1,457,069	1,434,027	1,406,773	1,383,758	1,361,243	1,323,138
Solid waste	9,881,695	10,428,390	9,702,453	8,765,444	7,920,611	7,646,232	6,730,407	6,422,371
Fargodome	4,756,694	4,312,703	4,539,268	3,836,200	3,795,488	4,033,259	3,652,789	3,483,479
Other activities	1,735,879	1,659,185	1,556,522	1,516,823	1,475,820	1,447,868	1,044,602	724,531
Operating grants and contributions	-	-	20,000	8,818	4,432	14,959	1,786,605	16,855
Capital grants and contributions	9,095,212	26,965,424	19,540,506	1,849,235	2,116,326	13,384,393	4,080,870	859,744
Total business-type activities program revenues	60,874,039	77,840,547	68,211,345	47,620,099	43,374,959	53,772,036	42,461,387	35,514,706
Total primary government program revenues	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700	\$ 163,118,991	\$ 111,905,911	\$ 106,535,062

<b>NET (EXPENSE) REVENUE</b>								
Governmental activities	\$ (41,877,843)	\$ (58,902,758)	\$ (59,635,882)	\$ (28,743,553)	\$ (19,896,132)	\$ 19,455,345	\$ (14,497,959)	\$ (2,138,973)
Business-type activities	14,250,178	32,183,019	24,744,897	4,271,437	982,230	12,147,662	3,057,896	(3,316,140)
Total primary government net expense	\$ (27,627,665)	\$ (26,719,739)	\$ (34,890,985)	\$ (24,472,116)	\$ (18,913,902)	\$ 31,603,007	\$ (11,440,063)	\$ (5,455,113)

**GENERAL REVENUES AND OTHER**  
**CHANGES IN NET ASSETS**  
Governmental activities:

Taxes								
Property taxes	\$ 18,312,912	\$ 17,319,289	\$ 16,200,629	\$ 15,056,935	\$ 13,745,240	\$ 12,987,009	\$ 12,159,300	\$ 11,300,324
Sales taxes	29,243,136	10,364,101	10,376,182	14,462,645	17,070,962	8,093,103	7,502,871	5,647,132
Gross business receipts taxes	4,134,001	4,487,665	4,171,392	3,977,283	3,818,097	3,613,503	3,508,103	3,254,194
Other taxes	4,727,168	4,639,532	4,458,276	4,118,851	5,357,520	4,514,068	3,495,352	3,420,112
Unrestricted intergovernmental	3,296,682	3,403,887	2,970,994	2,619,532	2,434,789	2,282,028	2,287,294	2,057,702
Unrestricted investment earnings	3,440,226	4,889,884	5,833,229	5,559,410	3,629,600	4,366,395	3,539,110	3,571,750
Miscellaneous	(85,941)	286,695	254,248	222,665	105,948	283,471	172,685	495,679
Transfers	(25,763,467)	13,721,027	12,799,961	(893,663)	(162,689)	(2,861,526)	(4,229,462)	(12,495,342)
Total governmental activities	37,304,717	59,112,060	57,064,911	45,123,658	45,999,467	33,278,051	28,435,253	17,251,551

Business-type activities:

Property taxes	579,513	556,329	515,932	459,010	420,714	395,855	374,350	349,682
Sales taxes	-	10,364,101	10,271,895	9,696,521	8,825,107	8,092,719	7,502,871	9,212,240
Unrestricted investment earnings	3,601,388	(3,064,009)	2,067,151	2,543,953	1,423,862	931,823	1,165,179	1,511,876
Miscellaneous	1,172,864	1,040,667	426,700	30,831	7,284	38,916	117,522	676
Transfers	25,763,467	(13,721,027)	(12,799,961)	893,663	162,689	2,861,526	4,229,462	12,495,342
Total business-type activities	31,117,232	(4,823,939)	481,717	13,623,978	10,839,656	12,320,839	13,389,384	23,569,816
Total primary government	\$ 68,421,949	\$ 54,288,121	\$ 57,546,628	\$ 58,747,636	\$ 56,839,123	\$ 45,598,890	\$ 41,824,637	\$ 40,821,367

**CHANGE IN NET ASSETS**

Governmental activities	\$ (4,573,126)	\$ 209,302	\$ (2,570,971)	\$ 16,380,105	\$ 26,103,335	\$ 52,733,396	\$ 13,937,294	\$ 15,112,578
Business-type activities	45,367,410	27,359,080	25,226,614	17,895,415	11,821,886	24,468,501	16,447,280	20,253,676
Total primary government	\$ 40,794,284	\$ 27,568,382	\$ 22,655,643	\$ 34,275,520	\$ 37,925,221	\$ 77,201,897	\$ 30,384,574	\$ 35,366,254

CITY OF FARGO, NORTH DAKOTA  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)  
(UNAUDITED)

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General fund										
Reserved	\$ 2,764,013	\$ 2,276,501	\$ 1,731,044	\$ 3,044,227	\$ 3,104,257	\$ 2,134,303	\$ 2,143,474	\$ 1,856,513	\$ 2,011,670	\$ 2,082,466
Unreserved	17,564,092	15,273,881	14,115,241	11,634,215	10,760,730	12,057,374	12,121,346	11,235,924	8,696,994	7,393,146
Total general fund	\$ 20,328,105	\$ 17,550,382	\$ 15,846,285	\$ 14,678,442	\$ 13,864,987	\$ 14,191,677	\$ 14,264,820	\$ 13,092,437	\$ 10,708,664	\$ 9,475,612
All other governmental funds										
Reserved	\$ 58,095,953	\$ 46,730,034	\$ 66,757,669	\$ 68,160,369	\$ 70,253,057	\$ 53,074,745	\$ 38,760,464	\$ 36,640,140	\$ 29,921,556	\$ 27,270,492
Unreserved, reported in:										
Special revenue funds	3,118,470	5,122,076	6,185,099	6,625,055	5,080,365	3,693,208	4,397,051	5,622,916	4,382,764	6,699,593
Capital projects funds	(37,522,477)	(51,656,261)	(32,643,415)	(20,367,422)	(13,808,618)	(33,423,577)	(54,279,243)	(46,835,176)	(20,096,514)	(23,160,037)
Total all other governmental funds	\$ 23,691,946	\$ 195,849	\$ 40,299,353	\$ 54,418,002	\$ 61,524,804	\$ 23,344,376	\$ (11,121,728)	\$ (4,572,120)	\$ 14,207,806	\$ 10,810,048



**CITY OF FARGO, NORTH DAKOTA**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>REVENUES</b>										
Taxes	\$ 56,327,777	\$ 35,181,056	\$ 33,706,700	\$ 36,013,536	\$ 36,952,573	\$ 26,893,262	\$ 25,317,570	\$ 22,267,743	\$ 18,836,847	\$ 17,323,190
Special assessments	20,762,524	20,126,159	19,223,615	22,013,443	19,614,519	23,803,914	20,013,724	22,818,722	16,410,741	14,630,316
Licenses and permits	2,757,375	2,975,291	2,999,236	3,181,293	3,015,399	2,232,914	2,044,997	2,207,119	1,927,852	1,870,330
Intergovernmental revenues	42,922,740	24,313,438	22,063,937	21,390,890	25,181,910	43,375,117	22,513,535	25,987,566	16,068,208	13,975,237
Charges for services	15,419,727	14,336,047	11,837,766	11,701,799	10,934,941	10,172,365	10,713,713	11,326,759	8,458,220	8,320,889
Fines and forfeits	2,234,844	2,611,087	2,837,597	3,046,432	2,594,234	2,478,961	2,230,238	2,115,606	2,337,592	2,246,024
Investment income	3,623,716	4,691,496	5,194,334	5,186,857	3,431,234	4,231,499	3,487,552	3,644,707	3,267,969	4,663,879
Miscellaneous revenues	3,525,198	4,011,940	6,935,170	5,947,492	4,574,411	5,279,642	2,131,507	1,339,444	1,655,690	1,726,025
<b>Total revenues</b>	<b>147,573,901</b>	<b>108,246,514</b>	<b>104,798,355</b>	<b>108,481,742</b>	<b>106,299,221</b>	<b>118,467,674</b>	<b>88,452,836</b>	<b>91,707,666</b>	<b>68,963,119</b>	<b>64,755,890</b>
<b>EXPENDITURES</b>										
Current:										
General government	11,709,061	10,526,038	9,702,005	9,226,175	9,280,268	8,446,137	8,381,895	7,218,408	6,488,987	6,269,721
Public safety	28,942,982	25,994,545	23,742,908	23,103,579	22,206,681	19,928,108	18,813,838	17,346,320	15,632,910	13,995,018
Public works	53,311,460	58,698,000	43,450,218	28,212,265	21,431,342	23,856,095	20,398,450	17,761,150	5,454,793	4,657,404
Public health & welfare	8,557,497	7,711,261	7,348,459	6,770,330	6,602,690	6,177,911	5,970,671	5,131,529	4,305,222	3,695,125
Recreation & culture	6,679,735	5,252,313	5,004,157	4,762,248	3,871,160	3,577,861	3,559,333	3,448,221	3,017,208	2,804,573
Urban redevelopment	5,221,218	4,803,641	5,207,247	5,324,037	5,223,921	5,928,058	4,155,060	1,615,161	2,171,245	1,355,592
Public transportation	6,465,418	5,620,779	4,747,917	4,378,471	3,249,197	3,382,039	3,666,427	3,202,562	2,467,382	2,225,272
General support	1,278,791	1,251,485	1,328,686	1,301,094	1,110,807	1,125,937	976,323	1,291,849	1,093,397	1,171,514
Unallocated	-	-	-	-	-	-	-	-	-	-
Capital outlay	71,582,986	34,422,248	17,638,072	17,896,822	24,825,723	41,254,168	30,304,606	37,387,171	39,309,700	40,487,794
Intergovernmental	-	-	689,928	-	-	185,185	333,333	333,333	148,148	-
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	21,886,706	22,828,713	18,676,869	21,984,363	12,880,075	13,365,213	17,940,008	11,193,380	9,875,489	7,855,404
Interest and fiscal charges	11,724,171	10,311,530	10,438,935	10,240,691	9,394,614	7,950,174	7,627,464	7,099,393	7,804,266	7,321,232
<b>Total expenditures</b>	<b>227,360,025</b>	<b>187,420,553</b>	<b>147,975,401</b>	<b>133,200,075</b>	<b>120,076,478</b>	<b>135,176,886</b>	<b>122,127,408</b>	<b>113,028,477</b>	<b>97,768,747</b>	<b>91,838,649</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(79,786,124)</b>	<b>(79,174,039)</b>	<b>(43,177,046)</b>	<b>(24,718,333)</b>	<b>(13,777,257)</b>	<b>(16,709,212)</b>	<b>(33,674,572)</b>	<b>(21,320,811)</b>	<b>(28,805,628)</b>	<b>(27,082,759)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	25,596,564	27,235,645	24,845,543	27,168,658	28,765,409	21,622,599	18,901,062	16,170,025	16,921,872	13,763,626
Transfers out	(17,720,667)	(13,514,618)	(12,045,582)	(28,062,321)	(28,928,098)	(24,484,125)	(23,260,524)	(28,665,367)	(9,251,244)	(5,536,705)
Lease proceeds	-	-	-	-	380,000	338,062	-	-	368,000	-
Loans issued	33,387,993	8,832,714	2,946,737	3,825,000	1,700,000	2,003,000	1,410,812	-	-	1,816,295
Bonds issued	68,090,000	26,285,000	14,445,000	26,275,000	52,245,000	56,225,402	34,220,763	17,420,000	25,397,810	18,146,794
Bond premium	1,616,054	5,891	34,542	36,028	1,553,908	-	-	-	-	-
Bond proceeds used for refunding	-	-	-	(10,785,000)	(4,010,000)	(4,550,000)	(2,880,000)	-	-	-
Bond discount	-	-	-	(32,379)	(75,224)	(52,765)	(94,766)	-	-	-
Other financing sources - proceeds of refunding bond	13,190,000	-	-	-	-	-	-	-	-	-
Other financing uses - payment to bond escrow agent	(4,910,000)	(8,070,000)	-	-	-	-	-	-	-	-
Other financing uses - debt service - principal	(13,190,000)	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>106,059,944</b>	<b>40,774,632</b>	<b>30,226,240</b>	<b>18,424,986</b>	<b>51,630,995</b>	<b>51,102,173</b>	<b>28,297,347</b>	<b>4,924,658</b>	<b>33,436,438</b>	<b>28,190,010</b>
<b>Net change in fund balances</b>	<b>\$ 26,273,820</b>	<b>\$ (38,399,407)</b>	<b>\$ (12,950,806)</b>	<b>\$ (6,293,347)</b>	<b>\$ 37,853,738</b>	<b>\$ 34,392,961</b>	<b>\$ (5,377,225)</b>	<b>\$ (16,396,153)</b>	<b>\$ 4,630,810</b>	<b>\$ 1,107,251</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>21.6%</b>	<b>21.7%</b>	<b>22.3%</b>	<b>27.9%</b>	<b>23.4%</b>	<b>22.7%</b>	<b>27.8%</b>	<b>24.2%</b>	<b>30.2%</b>	<b>29.6%</b>

**CITY OF FARGO, NORTH DAKOTA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST EIGHT FISCAL YEARS**  
**(accrual basis of accounting)**  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002
<b>Function/Programs</b>								
<b>Governmental Activities:</b>								
General government	\$ 2,628,121	\$ 2,512,175	\$ 2,641,964	\$ 2,830,186	\$ 2,651,435	\$ 2,243,740	\$ 2,164,496	\$ 2,325,679
Public safety	7,817,668	8,561,356	5,947,115	7,123,477	6,775,378	5,035,386	4,660,821	4,708,181
Public works	78,101,673	56,788,795	38,739,772	44,547,243	48,282,625	87,160,678	50,424,935	54,421,263
Public health & welfare	5,436,794	4,963,580	5,162,518	4,353,897	4,272,555	4,076,760	3,947,922	3,304,246
Recreation & culture	913,567	864,413	2,980,784	1,101,982	688,406	707,708	665,126	1,005,528
Urban redevelopment	5,425,772	4,732,935	5,089,096	5,923,382	5,228,816	5,747,870	3,542,117	1,584,294
Transportation	8,391,454	5,622,125	5,836,121	7,810,297	4,554,526	4,374,813	4,039,107	3,671,165
Total governmental activities	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741	109,346,955	69,444,524	71,020,356
<b>Business-type activities:</b>								
Municipal airport authority	6,375,330	10,023,033	9,494,525	7,147,631	6,835,353	19,234,245	5,942,501	4,584,042
Water	17,867,299	27,051,914	20,469,187	16,434,832	14,331,669	13,206,698	13,420,888	12,903,193
Wastewater	18,708,251	13,730,007	12,746,076	8,479,324	7,467,026	6,783,272	6,364,407	5,896,967
Storm sewer	1,546,291	10,628,965	9,683,314	1,434,027	1,406,773	1,383,758	1,361,243	1,390,687
Solid waste	9,884,295	10,428,390	9,722,453	8,765,444	7,920,611	7,646,232	6,730,407	6,434,871
FargoDome	4,756,694	4,312,703	4,539,268	3,836,200	3,933,275	4,066,873	7,594,825	3,576,060
Southeast Cass	64,174	61,159	60,261	49,002	43,787	43,378	49,860	44,048
Vector control	630,597	602,787	591,349	579,482	570,960	561,377	167,385	-
Forestry	1,041,108	1,001,589	904,912	894,157	865,505	846,203	829,871	684,838
Total business-type activities	60,874,039	77,840,547	68,211,345	47,620,099	43,374,959	53,772,036	42,461,387	35,514,706
<b>Total</b>	<b>\$ 169,589,088</b>	<b>\$ 161,885,926</b>	<b>\$ 134,608,715</b>	<b>\$ 121,310,563</b>	<b>\$ 115,828,700</b>	<b>\$ 163,118,991</b>	<b>\$ 111,905,911</b>	<b>\$ 106,535,062</b>

**CITY OF FARGO, NORTH DAKOTA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)  
**(UNAUDITED)**

Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other	Totals
2009	\$ 19,005,572	\$ 4,882,230	\$ 29,243,136	\$ 1,675,939	\$ 1,520,900	\$ 56,327,777
2008	17,269,481	4,487,665	10,364,101	1,625,484	1,434,325	35,181,056
2007	16,228,666	4,171,392	10,376,182	1,480,061	1,450,399	33,706,700
2006	15,083,904	3,977,283	14,462,645	1,325,969	1,163,735	36,013,536
2005	13,764,582	3,818,097	17,070,962	1,150,027	1,148,905	36,952,573
2004	12,966,760	3,613,502	8,092,719	1,147,669	1,072,612	26,893,262
2003	12,174,473	3,508,104	7,502,871	1,060,469	1,071,653	25,317,570
2002	11,345,467	3,254,194	5,647,132	1,095,459	925,491	22,267,743
2001	10,362,553	3,392,296	3,411,490	992,724	677,784	18,836,847
2000	9,520,714	2,990,759	3,546,591	1,045,082	220,044	17,323,190

**CITY OF FARGO, NORTH DAKOTA**  
**MARKET, ASSESSED AND TAXABLE VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Residential	Agriculture	Commercial	Railroad	Other Utilities	Less: Incremental Value	Estimated (True & Full) Market Value	Assessed Value (1)	Taxable Value (2)	Total Direct Tax Rate
2009	\$ 3,639,440,534	\$ 3,676,200	\$ 3,018,701,210	\$ 4,000,320	\$ 72,118,460	\$ (87,529,775)	\$ 6,650,406,949	\$ 3,325,203,475	\$ 314,345,150	58.25
2008	3,511,778,184	3,348,300	2,893,353,170	3,174,420	61,661,400	(70,319,600)	6,402,995,874	3,201,497,937	302,612,498	58.25
2007	3,374,957,014	3,528,300	2,770,278,500	2,714,400	67,148,160	(57,368,400)	6,161,257,974	3,080,628,987	291,211,070	58.25
2006	3,157,577,284	2,077,200	2,520,943,100	2,605,440	76,647,320	(73,583,100)	5,686,267,244	2,843,133,622	268,544,513	57.25
2005	2,883,661,866	2,265,400	2,281,314,500	2,446,720	60,906,740	(59,763,220)	5,170,832,006	2,585,416,003	244,141,153	59.25
2004	2,619,521,204	2,039,100	2,142,099,848	2,536,660	56,987,820	(50,845,720)	4,772,338,912	2,386,169,456	225,535,096	58.73
2003	2,339,918,260	2,644,800	2,041,405,900	2,667,120	53,459,480	(44,674,724)	4,395,420,836	2,197,710,418	208,083,503	60.24
2002	2,190,209,144	1,771,200	1,906,306,480	2,520,920	51,420,640	(37,968,880)	4,114,259,504	2,057,129,752	194,773,430	60.30
2001	2,019,290,056	2,085,400	1,833,502,200	2,475,460	52,044,520	(30,766,180)	3,878,631,456	1,939,315,728	183,845,794	60.13
2000	1,921,482,467	1,829,700	1,632,754,800	2,435,680	53,430,440	(26,450,680)	3,585,494,367	1,792,747,183	169,667,306	60.31

(1) Assessed value is 50% of market value

(2) Taxable Value is determined as follows:

Commercial property - 10% of assessed value

Agricultural property - 10% of assessed value

Residential property - 9% of assessed value

Source: County Auditors Office

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 30747PA, 30748T, 307490E

## MILL LEVY RATES \*

\* per \$1,000 of taxable value

Source: Cass County

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**CITY OF FARGO, NORTH DAKOTA  
PRINCIPAL PROPERTY TAXPAYERS  
2009 AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2009			2000		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
INREIT Properties	51,856,950	1	1.56	-	-	-
West Acres Development Company	\$ 41,548,100	2	1.25	30,632,000	1	1.71
Matrix Properties	26,092,750	3	0.78	10,328,500	6	0.58
Meritcare	24,850,050	4	0.75	18,669,550	4	1.04
Osgood Investments	20,545,300	5	0.62	-	-	-
R & B Development	38,965,200	6	1.17	-	-	-
Innovis Health	15,771,100	7	0.47	-	-	-
RCV Ltd partnership/Van Raden	15,108,100	8	0.45	-	-	-
JPR Investments LLC	14,411,950	9	0.43	-	-	-
Wal-Mart Real Estate	13,576,150	10	0.41	-	-	-
Medical Properties	-	-	-	23,353,950	2	1.30
Paracelsus Healthcare Corp.	-	-	-	22,413,950	3	1.25
Blue Cross	-	-	-	13,537,300	5	0.76
Case Equipment	-	-	-	8,697,050	7	0.49
Anda Construction	-	-	-	8,363,050	8	0.47
Super Valu Stores	-	-	-	7,123,000	9	0.40
Holiday Inn	-	-	-	6,998,000	10	0.39
Total attributable to top taxpayers	262,725,650		7.89	150,116,350		8.39
Total of all other properties	3,062,477,825		92.11	1,642,515,029		91.61
	\$ 3,325,203,475		100.00	\$ 1,792,631,379		100.00

Source: City of Fargo Assessors Office, Cass County Auditors Office

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 30747PA, 307490E, 30748T

**CITY OF FARGO, NORTH DAKOTA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Taxes levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 20,324,344	\$ 5,448,392	26.81%	-	\$ 5,448,392	26.81%
2008	19,234,312	5,462,763	28.40%	12,630,416	18,093,179	94.07%
2007	18,272,888	5,351,247	29.29%	11,985,412	17,336,659	94.88%
2006	17,053,222	4,417,046	25.90%	11,515,396	15,932,442	93.43%
2005	15,888,706	4,463,294	28.09%	10,673,137	15,136,431	95.27%
2004	14,483,164	3,967,652	27.39%	9,881,152	13,848,804	95.62%
2003	13,639,256	3,271,021	23.98%	9,723,736	12,994,757	95.27%
2002	12,696,788	2,589,541	20.40%	9,570,262	12,159,803	95.77%
2001	11,830,858	2,355,337	19.91%	8,964,093	11,319,430	95.68%
2000	10,905,062	2,020,392	18.53%	8,395,651	10,416,043	95.52%

Property taxes are collectable at the taxpayer's option under two plans: 1) taxes paid in full by February 15 of the collection year receive a 5% discount or 2) taxes paid in two installments dues by March 1 and due by October 15. Penalties are levied on the following schedule:

Delinquent Time Period	Penalty
Mar 2 - Apr 30	3%
May 2 - Jun 30	an additional 3%
Jul 2 - Sept 30	an additional 3%
Oct 16 - Dec 31	an additional 3%
Jan 1	12% annual rate

The second installment becomes delinquent on October 16 at which time a 6% penalty is assessed. On January 1 the taxes are sold to the County Auditor at which time 12% interest penalty is compounded daily. After five years the property is offered at tax sale at a fair market valuation.

Source: County Auditors Office  
Required NRMSIR continuing disclosure for CUSIPs: 30747M, 30747PA, 30748T, 307490E

**CITY OF FARGO, NORTH DAKOTA  
SUMMARY OF BUILDING PERMITS ISSUED  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2009	232	\$ 36,772,400	40	\$ 38,154,470	10	\$ 33,230,000	1,937	\$ 164,458,121	2,219	\$ 272,614,991
2008	221	37,800,540	60	102,503,465	10	30,274,056	2,181	130,461,240	2,472	301,039,301
2007	292	53,726,408	61	45,119,186	13	39,751,870	2,063	126,599,975	2,429	265,197,439
2006	282	54,576,510	75	79,205,067	12	34,376,000	2,143	171,302,755	2,512	339,460,332
2005	338	60,267,963	62	82,958,300	10	28,640,980	1,944	124,840,484	2,354	296,707,727
2004	270	42,494,393	62	39,291,330	27	29,870,000	2,000	126,726,026	2,359	238,381,749
2003	203	31,394,220	55	51,564,495	44	26,457,200	1,993	97,415,757	2,295	206,831,672
2002	220	31,714,963	38	24,091,700	38	36,381,700	1,789	106,816,544	2,085	199,004,907
2001	159	24,606,400	71	49,970,580	31	27,412,949	1,850	70,783,725	2,111	172,773,654
2000	221	28,798,600	70	40,419,245	36	20,937,000	2,077	114,130,507	2,404	204,285,352

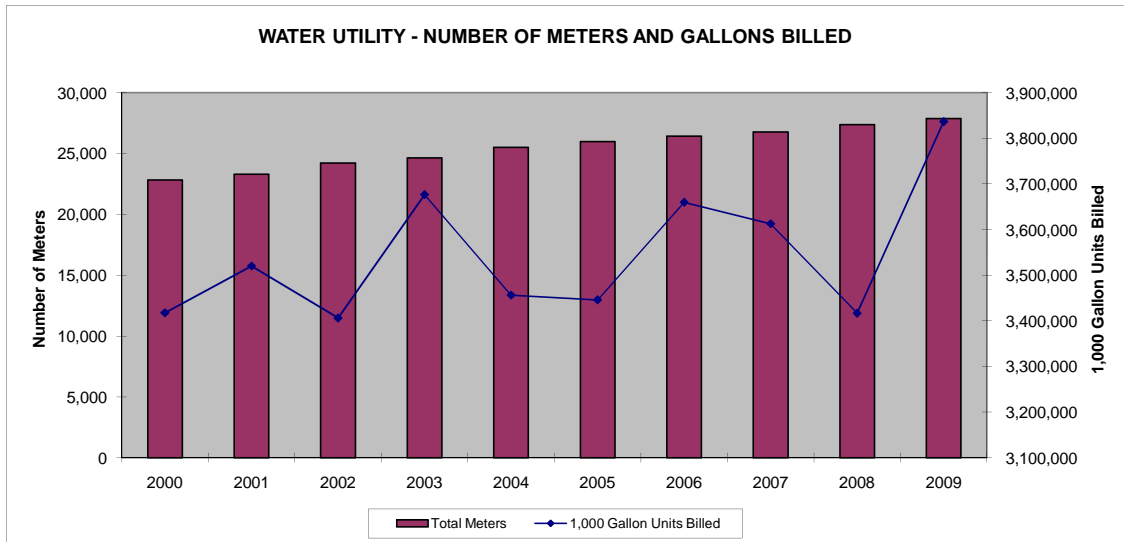
Source: City of Fargo Building Inspector

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 307531, 307490



**CITY OF FARGO, NORTH DAKOTA  
WATER UTILITY BILLED CONSUMPTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Residential Customers (1,000 Gallon Units)	1,317,327	1,369,840	1,331,555	1,391,503	1,336,724	1,318,301	1,431,399	1,372,331	1,298,233	1,318,338
Commercial Customers (1,000 Gallon Units)	2,100,374	2,150,246	2,074,701	2,285,228	2,119,584	2,127,720	2,228,497	2,240,250	2,118,567	2,517,916
Total 1,000 Gallon Units	3,417,701	3,520,086	3,406,256	3,676,731	3,456,308	3,446,021	3,659,896	3,612,581	3,416,800	3,836,254
Total Number of Meters	22,824	23,309	24,208	24,641	25,509	25,971	26,440	26,760	27,388	27,882



Source: City Auditor's Office

Required NRMSIR continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA  
WATER UTILITY - MAJOR CUSTOMERS  
DECEMBER 31, 2009  
(UNAUDITED)**

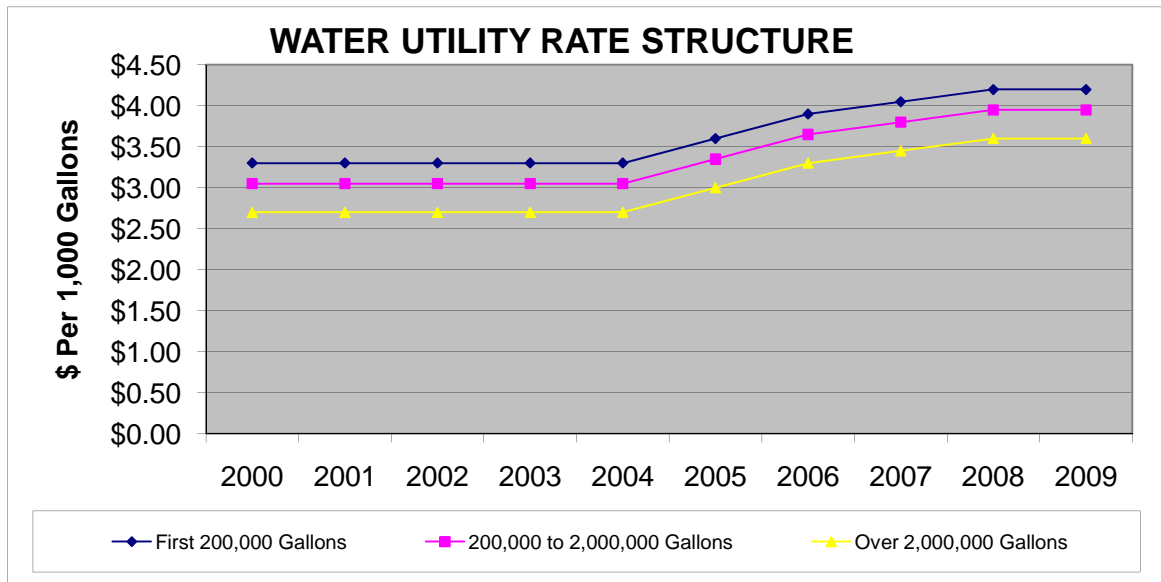
Customer	1,000 Gallon Units
North Dakota State University	194,769
Meritcare Hospital	79,360
Cass Rural Water District	59,784
Cass Clay Creamery	55,313
Holiday Inn	27,673
Valley Rental Service	25,700
Ameripride Services, Inc.	24,243
Pepsi Cola Bottling Co.	23,887
Fargo Park Board	22,955
Innovis	20,333
Buena Vista Mobile Homes	18,361
US Veterans Administration	17,915
Fargo Housing Authority	15,787
Anda Contrustruction	12,993
Park Avenue Apartments	<u>12,985</u>
Total Attributable to Major Customers	<u><u>612,058</u></u>
Total Billed Consumption	<u><u>3,836,254</u></u>
Percentage Attributable to to Major Customers	<u><u>16.0%</u></u>

Source: City Auditor's Office

Required NRMSIR continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA  
WATER UTILITY RATE STRUCTURE (\$ PER 1,000 GALLONS)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
First 200,000 Gallons	\$3.30	\$3.30	\$3.30	\$3.30	\$3.30	\$3.60	\$3.90	\$4.05	\$4.20	\$4.20
200,000 Gallons to 2,000,000 Gallons	3.05	3.05	3.05	3.05	3.05	3.35	3.65	3.80	3.95	3.95
Over 2,000,000 Gallons	2.70	2.70	2.70	2.70	2.70	3.00	3.30	3.45	3.60	3.60

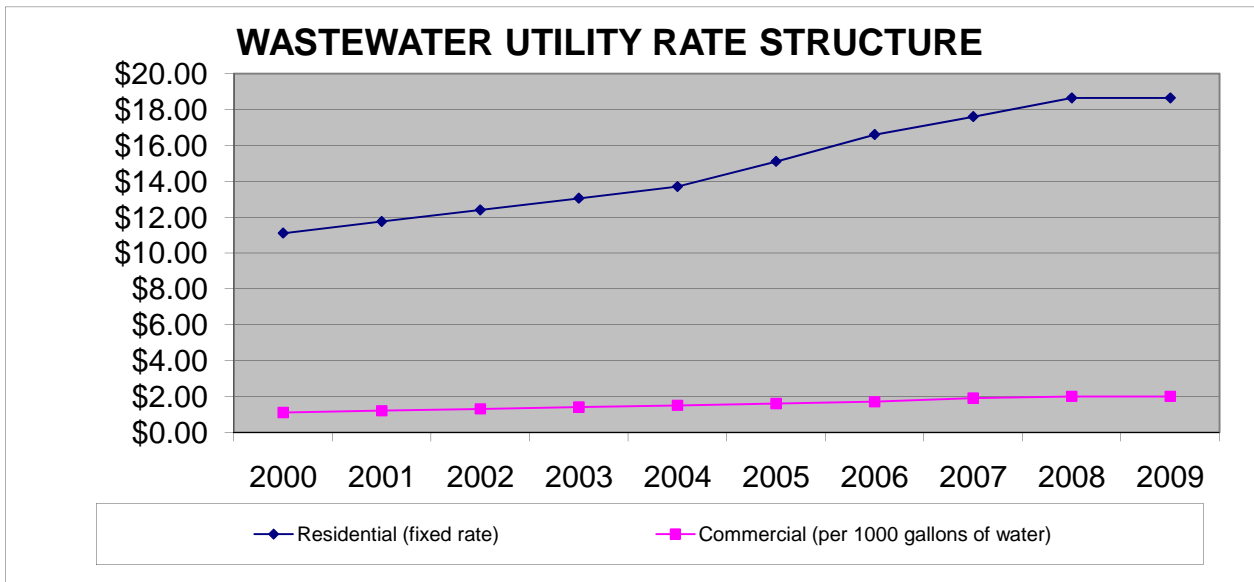


Source: City Auditor's Office

Required NRMSIR continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA**  
**WASTEWATER UTILITY RATE STRUCTURE (\$ PER 1,000 GALLONS)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Residential (fixed rate)	\$11.10	\$11.75	\$12.40	\$13.05	\$13.70	\$15.10	\$16.60	\$17.60	\$18.65	\$18.65
Commercial (per 1000 gallons)	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.90	2.00	2.00



Source: City Auditor's Office

Required NRMSIR continuing disclosure for CUSIPs: 307531

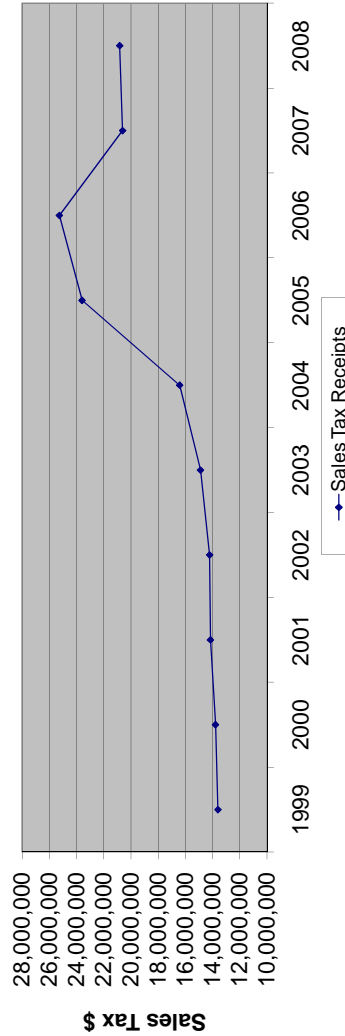
**CITY OF FARGO, NORTH DAKOTA  
SALES TAX RECEIPTS - CASH BASIS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Allocation of Receipts:	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
FargoDome Enterprise Fund	\$ 6,807,244	\$ 6,896,500	\$ 7,080,766	\$ 7,109,996	\$ 7,445,545	\$ 8,208,798	\$ 8,510,011	\$ 9,408,632	\$ 10,256,127	\$ 10,414,568	\$ -
To Street Construction (1)	(1,401,811)	(1,474,125)	(1,520,192)	-	-	-	-	-	-	-	-
Subtotal FargoDome	5,405,433	5,422,375	5,560,574	7,109,996	7,445,545	8,208,798	8,510,011	9,408,632	10,256,127	10,414,568	-
Water Utility Debt Service	3,403,622	3,448,250	3,540,383	2,336,259	-	-	-	-	-	-	-
Street Construction Fund (1)	2,967,754	-	-	-	-	-	-	-	-	-	-
From FargoDome	1,401,811	1,474,125	1,520,192	-	-	-	-	-	-	-	-
Subtotal Street Construction	4,369,565	1,474,125	1,520,192	-	-	-	-	-	-	-	-
Library Expansion Fund (3)	-	-	-	-	-	-	6,574,035	6,436,250	104,288	-	-
Sales Tax Bond Debt Service (2)	435,868	3,448,250	3,540,383	4,773,738	7,445,545	8,208,798	8,510,011	9,408,632	10,256,127	10,414,568	14,094,046
Public Utility Infrastructure (4)	-	-	-	-	-	-	-	-	-	-	14,179,416
Total Sales Tax Receipts	\$ 13,614,488	\$ 13,793,000	\$ 14,161,532	\$ 14,219,993	\$ 14,891,090	\$ 16,417,596	\$ 23,594,057	\$ 25,253,514	\$ 20,616,542	\$ 20,829,136	\$ 28,273,462

Receipts are shown net of state administrative fee.

- (1) Beginning in 1996, ordinances were revised to allow the FargoDome to share excess sales tax with the Street Construction Fund.  
 (2) Beginning in December 1999, 1/4 cent sales tax is receipted into the Sales Tax Bond Debt Service Fund instead of the Street Construction Fund, surplus receipts used for infrastructure projects  
 (3) Beginning in 2005 a 1/2 cent sales tax was authorized until June 2006 for library expansion.  
 (4) Beginning in 2009 a 1/2 cent sales tax was authorized through December 2028 for infrastructure funding related primarily to an approved utility infrastructure master plan  
 Note: Beginning in 2010 a 1/2 cent sales tax was authorized through December 2029 for flood control projects

**TOTAL SALES TAX RECEIPTS**



**10 Largest Sales Tax Permit Holders**

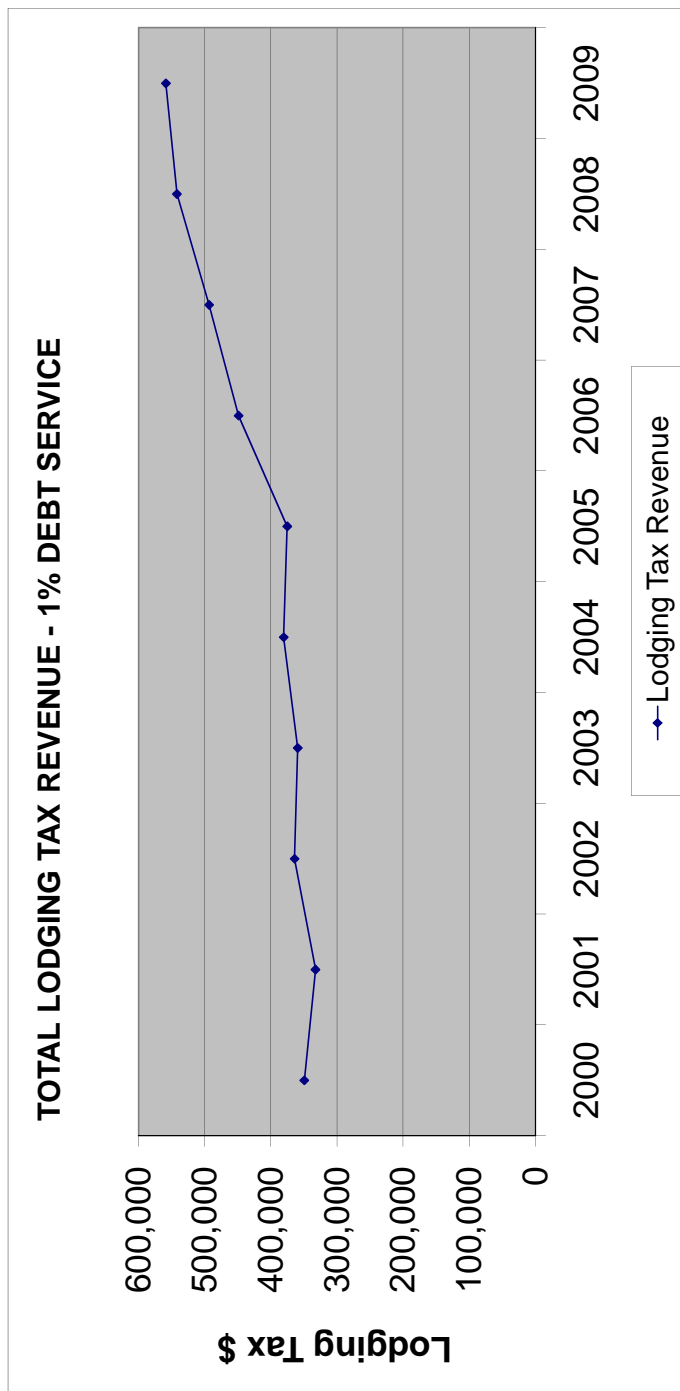
Any retailer in the State or North Dakota must obtain a State sales tax permit. The ten largest permit holders in the city for calendar year 2009, as prepared by the Office of the State Tax Commissioner, collected 20.66% of the Sales Tax collected in the City. In order to determine the ten largest permit holders, city businesses were sorted by annual taxable sales and purchases. For purposes of deriving this information, consolidated businesses and businesses not required to remit City sales tax have been excluded.

Source: City Auditors Office and Office of the ND State Tax Commissioner

Required NRMSIR continuing disclosure for CUSIPs: 307490

**CITY OF FARGO, NORTH DAKOTA**  
**LODGING TAX REVENUE - 1% DEBT SERVICE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Lodging Tax Revenue - Debt Service	\$ 349,346	\$ 332,346	\$ 363,983	\$ 359,369	\$ 380,470	\$ 375,059	\$ 448,677	\$ 493,352	\$ 541,826	\$ 558,646



Source: City Auditors Office

**CITY OF FARGO, NORTH DAKOTA  
PARKING FACILITY INFORMATION  
(UNAUDITED)**

**Designated Parking Facilities for Revenue Bond Repayment**

The City currently owns and contracts for the management of a parking system consisting of both parking ramp structures and surface parking lots:

	<u># of Spaces</u>	<u># of Monthly Contracts</u>
<b>Designated for Revenue Bond Repayment:</b>		
<b>Ramps:</b>		
Island Park Ramp	377	171
Radisson Hotel	250	229
Ground Transportation Center	200	168
<b>Surface Lots:</b>		
Second Avenue	100	125
Elm Tree	65	20
Main Avenue	77	76
NP Avenue	141	46
4th St	174	174
Civic Center	100	41
3rd St	145	95
3rd Ave & 5th St.	40	39

**Operation of the Parking Facilities**

The City contracts with Parking Service, Inc. a North Dakota corporation, located in Fargo (the "Operator") for all services involved in the operation and maintenance of the Parking Facilities. The Operator is compensated on a fixed fee basis for such services, with the City bearing an obligation to reimburse the Operator for its out of pocket costs. The Operator also operated the three surface parking lots being acquired with proceeds of the Parking Bonds prior to their acquisition by the City.

**Existing Rate Structure**

The City has in place monthly and hourly rates for the Parking Facilities as follows:

	<u>2009</u>	<u>2010</u>	<u>Hourly</u>	<u>Daily Max</u>
<b>Designated for Revenue Bond Repayment:</b>				
<b>Ramps:</b>				
Island Park Ramp	\$54	\$50	\$1	\$5
Radisson Hotel	\$57	\$62	\$1	\$5
Ground Transportation Center	\$54	\$57	\$1	\$5
<b>Surface Lots:</b>				
Second Avenue	\$47	\$50	\$1	\$5
Elm Tree	\$62	\$62	\$1	\$5
Main Avenue	\$47	\$50	N/A	N/A
NP Avenue	\$47	\$50	\$1	\$3
4th St	\$45	\$50	\$1	\$3
Ground Transportation Center	\$54	\$57	N/A	N/A
Civic Center	\$45	\$50	\$1	\$3
3rd St	\$45	\$50	N/A	N/A
3rd Ave & 5th St.	\$54	\$62	N/A	N/A

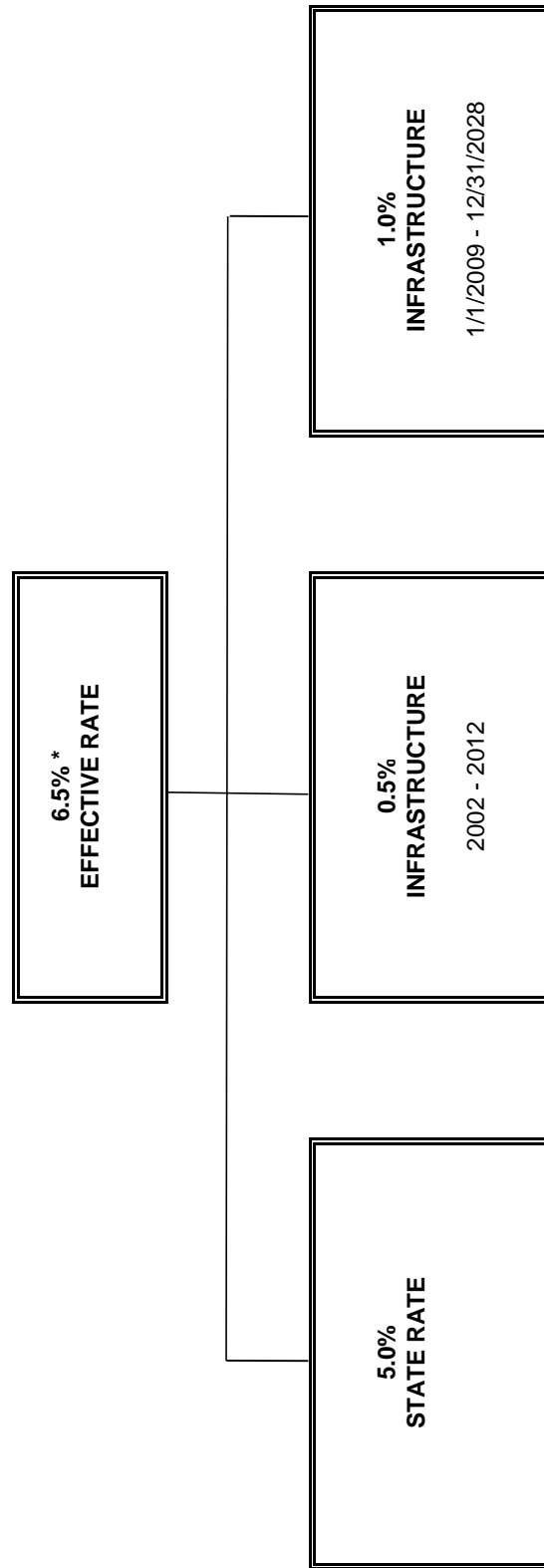
**Financial Performance**

The table below is a compilation of financial results from the designated parking facilities.

	<u>2009(2)</u>
Revenues	\$ 910,807
Expenditures	\$ 577,977
Net Revenues	\$ 332,830

(2) Revenues and Expenses do not include operating transfers made between funds.  
Required NRMSIR continuing disclosure for CUSIP #30748L

**CITY OF FARGO, NORTH DAKOTA  
SALES TAX MODEL  
(UNAUDITED)**



\* Effective 1/1/2010 the sales tax rate increased by 0.5% to an effective rate of 7.0%. This increase is dedicated to flood control projects.



**CITY OF FARGO, NORTH DAKOTA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Special Assessment Bonds	Other General Obligation Debt	Gross Revenue Debt	Sales Tax Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Special Assessments	Capital Leases			
2009	\$ 219,828,561	\$ 2,875,000	\$ 6,624,952	\$ 42,850,000	\$ 39,886,147	\$ 176,232	\$ 37,610,000	\$ 13,752,767	\$ 5,001,351	\$ 1,794,497	\$ 370,399,507	n/a	\$ 3,581
2008	201,651,051	-	7,033,767	20,050,000	8,594,451	230,336	42,690,000	15,252,767	4,206,574	331,954	300,040,900	3.85%	2,930
2007	197,423,524	-	7,673,935	24,620,000	3,201,737	421,408	48,325,000	16,591,094	3,811,371	286,443	302,354,512	4.32%	3,009
2006	194,795,976	8,952	6,703,957	29,035,000	3,570,000	511,851	50,110,000	18,054,223	3,781,989	68,856	306,640,804	4.70%	3,091
2005	195,767,805	35,777	7,112,028	30,250,000	3,483,162	646,327	58,570,000	16,864,193	4,207,688	156,471	317,093,451	5.18%	3,249
2004	177,510,425	60,415	7,508,195	11,150,000	3,281,812	505,008	65,290,000	18,119,193	3,852,139	396,557	287,673,744	4.98%	2,977
2003	136,366,800	83,045	7,887,504	12,255,000	2,800,714	289,737	64,695,000	19,344,193	3,163,616	343,654	247,229,263	4.56%	2,603
2002	120,659,470	103,830	8,240,000	13,305,000	1,670,000	373,933	70,015,000	20,539,193	3,116,181	149,753	238,172,360	4.58%	2,547
2001	118,948,258	232,921	2,130,000	14,305,000	1,745,000	467,530	71,240,000	21,558,488	3,428,761	234,569	234,290,527	4.76%	2,545
2000	103,320,120	375,456	920,000	15,260,000	1,816,295	145,396	72,275,000	22,511,749	3,099,168	-	219,723,184	4.56%	2,425

(1) Source - Fargo, ND Metropolitan Statistical Area data from Bureau of Economic Analysis, US Department of Commerce

(2) Source - Population data from FM Metrocog, City of Fargo Planning Dept, NDSU Data Center, US Census Bureau

**CITY OF FARGO, NORTH DAKOTA**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	General Bonded Debt Outstanding					Percentage of Actual Taxable Value of Property	Per Capita (1)
	Other General Obligation Debt	Gross Revenue Debt	Fannie Mae Notes Payable	Total			
2009	\$ 2,875,000	\$ 6,624,952	\$ 1,271,000	\$ 10,770,952		3.43%	\$ 104
2008	-	7,033,767	1,400,000	8,433,767		2.79%	82
2007	-	7,673,935	1,400,000	9,073,935		3.12%	90
2006	8,952	6,703,957	2,210,000	8,922,909		3.32%	90
2005	35,777	7,112,028	2,043,162	9,190,967		3.76%	94
2004	60,415	7,508,195	1,761,812	9,330,422		4.14%	97
2003	83,045	7,887,504	1,205,714	9,176,263		4.41%	97
2002	103,830	8,240,000	-	8,343,830		4.28%	89
2001	232,921	2,130,000	-	2,362,921		1.29%	26
2000	375,456	920,000	-	1,295,456		0.76%	14

(1) Source - Population data from FM Metrocog, City of Fargo Planning Dept, NDSU Data Center, US Census Bureau

**CITY OF FARGO, NORTH DAKOTA**  
**RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Estimated Population (1)	Assessed Valuation (2)	Gross Bonded Debt	Debt Service Balance Available	Debt payable from Enterprise Funds	Net Bonded Debt	Ratio of Net	
							Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
2009	103,428	\$ 3,325,203,475	\$ 309,788,513	\$ 57,548,208	\$ 37,610,000	\$ 214,630,305	6.45%	\$ 2,075
2008	102,404	3,201,497,937	271,424,819	44,286,451	42,690,000	184,448,368	5.76%	1,801
2007	100,477	3,080,628,987	278,042,459	57,619,829	48,325,000	172,097,630	5.59%	1,713
2006	99,208	2,843,133,622	280,653,885	56,440,708	50,110,000	174,103,177	6.12%	1,755
2005	97,610	2,585,416,003	291,735,610	61,756,417	58,570,000	171,409,193	6.63%	1,756
2004	96,647	2,386,169,456	261,519,035	51,921,655	65,290,000	144,307,380	6.05%	1,493
2003	94,986	2,197,710,418	221,287,349	37,822,726	64,695,000	118,769,623	5.40%	1,250
2002	93,524	2,057,129,752	212,323,300	36,640,140	70,015,000	105,668,160	5.14%	1,130
2001	92,061	1,939,315,728	206,856,179	29,449,873	71,240,000	106,166,306	5.47%	1,153
2000	90,599	1,792,747,183	192,150,576	27,270,492	72,275,000	92,605,084	5.17%	1,022

1) Source - FM Metrocog, City of Fargo Planning Dept, NDSU Data Center, US Census Bureau

2) Source - Cass County Auditor

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 307531, 307490, 30747PA, 30748T

**CITY OF FARGO, NORTH DAKOTA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2009

Market Value of all property (1)	\$ 6,650,406,949
Assessed valuation	50%
	<u>\$ 3,325,203,475</u>
Debt limit (5% of assessed value)	\$ 166,260,174
Debt applicable to limit:	
General Obligation Bonds	2,875,000 (2)
Gross Revenue Debt	4,417,838 (2)
Governmental Lease Payable	176,232 (2)
Fannie Mae Notes Payable	1,271,000 (2)
Less:	
Debt available in related debt service funds	<u>(67,785) (2)</u>
Total net debt applicable to limit	<u>8,672,285</u>
Legal debt margin	<u>\$ 157,587,889</u>

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Debt limit	\$ 166,260,174	\$ 160,074,897	\$ 154,031,449	\$ 142,156,681	\$ 129,270,800	\$ 119,308,838	\$ 109,885,521	\$ 102,856,488	\$ 96,965,786	\$ 89,631,569
Total net debt applicable to limit	8,672,284	6,218,384	7,119,965	8,379,256	8,704,197	8,625,497	8,181,679	7,331,328	1,788,967	304,171
Legal debt margin	<u>\$ 157,587,890</u>	<u>\$ 153,856,513</u>	<u>\$ 146,911,484</u>	<u>\$ 133,777,425</u>	<u>\$ 120,566,603</u>	<u>\$ 110,683,341</u>	<u>\$ 101,703,842</u>	<u>\$ 95,525,160</u>	<u>\$ 95,176,819</u>	<u>\$ 89,327,398</u>
Total net debt applicable to the limit as a percentage of debt limit	5.50%	4.04%	4.85%	6.26%	7.22%	7.79%	8.04%	7.67%	1.88%	0.34%

(1) Source - Cass County Auditor  
(2) Source - City Auditors Office

Required NRMISIR continuing disclosure for CUSIPs: 30747M, 307490E, 30748T

**CITY OF FARGO, NORTH DAKOTA  
DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2009  
(UNAUDITED)**

Taxing Entity	2009 Taxable Value	General Obligation Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 314,345,150	\$ 2,875,000	100.00%	\$ 2,875,000
Fargo Park District	314,345,150	1,510,000	100.00%	1,510,000
Fargo Public Schools	249,466,881	112,095,000	96.43%	108,093,209
Kindred Public Schools	14,758,949	1,729,000	0.09%	1,556
West Fargo Public Schools	162,305,976	58,299,977	45.45%	26,497,340
Subtotal overlapping debt		173,633,977		136,102,105
Total Direct and Overlapping Debt		\$ 176,508,977		\$ 138,977,105

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 30747PA, 30748T, 307490E

**CITY OF FARGO, NORTH DAKOTA**  
**SUMMARY OF DIRECT DEBT AND DEBT RATIOS**  
**AS OF DECEMBER 31, 2009**  
**(UNAUDITED)**

Summary of Direct Debt	Gross Debt	Less: Debt Service Funds	Net Direct Debt
Supported by Tax Increment (G.O.)	\$ 2,875,000	\$ -	\$ 2,875,000
Supported by Special Assessments	\$ 220,840,000	\$ (23,954,614)	\$ 196,885,386
Supported by Revenues	90,297,718	(7,826,859)	82,470,859
Supported by Airport Revenue	10,540,000	(1,190,294)	9,349,706
Leases Payable	1,970,729	-	1,970,729
Notes Payable	2,315,435	-	2,315,435

Debt Ratios	Net Direct Debt*	Indirect & Net Direct Debt**
To 2009 Assessed Value (\$3,325,203,475)	6.14%	10.23%
Per Capita (2009 - 103,428)	\$ 1,973	\$ 3,289

\* Includes GO debt supported by taxes and tax increment, special assessment debt, lease and notes obligations. Excludes debt supported by revenues.

\*\* Indirect (overlapping) debt information can be found on page 142.

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 30747PA, 30748T, 307490E

**CITY OF FARGO, NORTH DAKOTA**  
**PLEDGED REVENUE COVERAGE - GOVERNMENTAL ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Special Assessment Bonds				Lease Revenue Bonds				Housing Revenue Bonds			
	Special Assessment Collections	Principal	Debt Service Interest	Coverage	Lease Revenue	Principal	Debt Service Interest	Coverage	NRI Loan Repayments	Principal	Debt Service Interest	Coverage
2009	\$ 20,503,315	\$ 14,592,491	\$ 8,457,758	0.89	\$ 383,510	\$ 205,000	\$ 178,510	1.00	\$ 104,997	\$ 84,074	\$ 20,923	1.00
2008	18,710,674	12,002,472	7,921,087	0.94	391,510	195,000	186,510	1.00	104,996	82,023	22,973	1.00
2007	19,049,962	10,417,452	7,563,252	1.06	384,210	190,000	194,210	1.00	104,996	80,022	24,974	1.00
2006	20,656,004	27,246,829	7,743,417	0.59	381,277	180,000	201,277	1.00	104,997	78,071	26,926	1.00
2005	19,458,723	9,797,620	7,596,235	1.12	382,790	175,000	207,790	1.00	104,997	76,167	28,830	1.00
2004	23,618,179	10,311,373	6,223,517	1.43	383,814	170,000	213,814	1.00	104,997	74,309	30,688	1.00
2003	19,858,624	15,677,670	6,638,073	0.89	389,430	150,000	219,430	1.00	104,997	72,497	32,500	1.00
2002	22,069,409	9,553,789	5,782,506	1.44	111,621	-	111,621	1.00	-	-	-	-
2001	16,298,270	8,550,966	4,809,326	1.22	-	-	-	-	-	-	-	-
2000	14,525,115	7,480,938	4,593,135	1.20	-	-	-	-	-	-	-	-

Convention Bureau Revenue Bonds									
Fiscal Year	1% Lodging Tax	Debt Service		Coverage	Parking Revenue Bonds				
		Principal	Interest		Parking Revenue	Less: Operating Expenditures	Net Available Revenue	Principal	Coverage
2009	n/a	n/a	n/a	n/a	\$ 910,807	\$ 577,977	\$ 332,830	\$ 50,000	2.98
2008	541,826	120,000	16,250	3.98	769,484	496,709	272,775	50,000	2.39
2007	493,352	115,000	23,495	3.56	847,631	428,796	418,835	45,000	3.76
2006	448,677	105,000	30,110	3.32	867,811	402,395	465,416	45,000	4.10
2005	375,059	100,000	36,360	2.75	927,098	395,605	531,493	45,000	4.59
2004	380,470	95,000	42,155	2.77	904,512	402,248	502,264	40,000	4.46
2003	359,369	90,000	47,555	2.61	773,581	438,107	335,474	40,000	2.93
2002	363,983	85,000	52,570	2.65	740,377	360,317	380,060	35,000	3.54
2001	332,346	80,000	57,170	2.42	628,101	280,207	347,894	-	9.97
2000	349,346	75,000	61,370	2.56	-	-	-	-	-

Sales Tax Revenue Bonds				
Fiscal Year	Sales Tax	Debt Service		Coverage
		Principal	Interest	
2009	\$ 14,621,568	\$ 4,735,000	\$ 1,010,430	2.54
2008	10,364,101	4,570,000	1,238,930	1.78
2007	10,271,895	4,415,000	1,459,680	1.75
2006	9,697,069	1,215,000	1,456,605	3.63
2005	8,826,254	1,160,000	577,580	5.08
2004	8,092,719	1,105,000	632,830	4.66
2003	7,502,871	1,050,000	685,330	4.32
2002	5,647,132	1,000,000	735,330	3.25
2001	3,411,490	955,000	783,080	1.96
2000	3,546,591	-	491,600	7.21

**CITY OF FARGO, NORTH DAKOTA**  
**PLEDGED REVENUE COVERAGE - BUSINESS TYPE ACTIVITIES**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Water Revenue Bonds					Airport Revenue Bonds				
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Airport Revenue	Less: Expenditures	Net Available Revenue	Debt Service	
				Principal	Interest				Principal	Interest
2009	\$ 17,934,051	\$ 8,462,145	\$ 9,471,906	\$ 2,195,000	\$ 1,415,794	\$ 5,907,184	\$ 3,150,752	\$ 2,756,432	\$ 975,000	\$ 447,566
2008	17,798,504	7,940,224	9,858,280	-	1,105,059	6,444,752	3,323,596	3,121,156	940,000	239,533
2007	17,570,378	6,992,730	10,577,648	2,375,000	1,676,758	6,345,195	3,586,971	2,758,224	595,000	176,145
2006	17,011,665	8,637,725	8,373,940	2,245,000	1,742,070	6,110,962	2,963,611	3,147,351	585,000	180,970
2005	14,783,027	7,303,760	7,479,267	2,140,000	1,865,545	5,525,505	2,965,961	2,559,544	590,000	193,224
2004	13,377,984	6,595,861	6,782,123	2,050,000	1,969,870	6,331,323	2,569,153	3,762,170	-	42,170
2003	13,598,618	6,388,951	7,209,667	1,950,000	2,067,245	-	-	-	-	-
2002	13,610,088	5,900,554	7,709,514	1,905,000	2,164,745	-	-	-	-	-
2001	14,002,900	5,825,123	8,177,777	1,820,000	2,259,995	-	-	-	-	-
2000	13,820,186	5,098,712	8,721,474	1,140,000	2,346,445	-	-	-	-	-

Fiscal Year	FargoDome Sales Tax Revenue Bonds					Clean Renewable Energy Bond				
	FargoDome Sales Tax	Debt Service	Coverage	Sale of by products		Debt Service	Coverage	Principal	Interest	Coverage
				Principal	Interest					
2009	\$ -	\$ 1,810,000	\$ 42,956	-	\$ 196,927	\$ 100,000	\$ 11,050	100,000	11,050	1.77
2008	10,364,101	4,595,000	238,698	2.14	855,932	100,000	5,950	100,000	5,950	8.08
2007	10,271,895	4,395,000	380,890	2.15	499,818	100,000	142	100,000	142	4.99
2006	9,696,521	5,630,000	598,863	1.56	-	-	-	-	-	-
2005	8,825,107	3,990,000	830,108	1.83	-	-	-	-	-	-
2004	8,092,719	3,825,000	1,011,518	1.67	-	-	-	-	-	-
2003	7,502,871	3,370,000	1,182,910	1.65	-	-	-	-	-	-
2002	7,425,429	2,180,000	1,190,484	2.20	-	-	-	-	-	-
2001	6,822,980	2,060,000	1,062,255	2.19	-	-	-	-	-	-
2000	7,253,183	1,970,000	1,118,005	2.35	-	-	-	-	-	-



**CITY OF FARGO, NORTH DAKOTA**  
**AIRPORT REVENUE BONDS SERIES 2004D DEBT COVERAGE**  
**(UNAUDITED)**

<u>Maturity Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>	<u>Coverage of 2009 Net Revenues Available for Debt Service</u>
2010	\$ 645,000	\$ 116,923	\$ 761,923	4.38
2011	670,000	95,637	765,637	4.36
2012	690,000	73,528	763,528	4.37
2013	715,000	50,757	765,757	4.36
2014	745,000	26,448	771,448	4.32

2009 Net Revenues Available for Debt Service

2009 Operating Revenues	\$ 5,822,644
2009 Operating Expenses	(5,878,260)
Add: Depreciation	2,727,508
Gain on disposal of assets	2,618
Interest Income	81,922
General Property Tax Revenue	579,513
2009 Net Revenues Available for Debt Service	<u>\$ 3,335,945</u>

Required NRMSIR continuing disclosure for CUSIPs: 30748T, 30747M

**CITY OF FARGO, NORTH DAKOTA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (1)	Level of Education (1)		K - 12 Public School Enrollment (1)		Fargo Unemployment Rate (3)		State Unemployment Rate (3)		National Unemployment Rate (3)		Fargo Labor Force (3)
					% High School Grad or Higher	% Bachelor's Degree or higher									
2009	103,428	n/a	n/a	n/a	n/a	n/a	10,414		4.2%		4.3%		9.3%		59,265
2008	102,404	\$ 7,801,096,000	\$ 39,812	30.4	94.1%	38.0%	10,474		2.7%		3.2%		5.8%		60,909
2007	100,477	6,997,666,000	36,459	30.9	93.8%	35.9%	10,494		2.6%		3.2%		4.6%		60,159
2006	99,208	6,519,605,000	34,505	32.2	92.6%	33.6%	10,665		2.5%		3.2%		4.6%		58,867
2005	97,610	6,123,960,000	32,981	31.3	94.6%	33.3%	10,880		2.7%		3.4%		5.1%		57,779
2004	96,647	5,774,021,000	31,450	n/a	n/a	n/a	11,133		2.8%		3.5%		5.5%		59,682
2003	94,986	5,420,039,000	30,341	n/a	n/a	n/a	11,190		3.0%		3.6%		6.0%		58,196
2002	93,524	5,195,937,000	29,354	n/a	n/a	n/a	11,142		2.8%		3.5%		5.8%		57,405
2001	92,061	4,925,983,000	27,998	n/a	n/a	n/a	11,332		2.1%		2.8%		4.7%		57,241
2000	90,599	4,820,655,000	27,593	n/a	n/a	n/a	11,434		2.2%		2.9%		4.0%		56,584

(1) Source - FM Metrocog, City of Fargo Planning Dept, NDSU Data Center, US Census Bureau, Fargo Public Schools

(2) Source - Bureau of Economic Analysis, Fargo-Moorhead (MSA)

(3) Source - North Dakota Job Service

Required NRMSIR continuing disclosure for CUSIPs: 30747M, 307531, 307490, 30747PA

**CITY OF FARGO, NORTH DAKOTA  
RETAIL SALES & ESTIMATED BUYING INCOME  
CASS COUNTY  
(UNAUDITED)**

	Retail Sales (\$000)	Effective Buying Income (EBI) (\$000)	Median Household EBI	
			MSA	State
2009	n/a	n/a	n/a	n/a
2008	\$ 3,221,627	\$ 2,971,275	\$ 37,105	\$ 36,655
2007	3,402,489	3,034,803	39,855	37,348
2006	3,178,374	2,889,780	39,210	36,981
2005	3,034,372	2,734,823	38,637	36,235
2004	2,115,084	2,564,208	36,765	34,177
2003	2,504,149	2,439,834	35,516	33,089

Source: Demographics USA, Survey of Buying Power

Required NRMSIR continuing disclosure for CUSIPs: 307490E

**CITY OF FARGO, NORTH DAKOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

	2009			2000		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer						
MeritCare Health System	3,691	1	6.23%	3,380	1	5.97%
North Dakota State University	2,401	2	4.05%	1,920	2	3.39%
Noridian/Blue Cross Blue Shield	1,800	3	3.04%	1,800	3	3.18%
Fargo Public Schools	1,638	4	2.76%	1,329	5	2.35%
Innovis Health	1,285	5	2.17%	-	-	-
US Bank	952	6	1.61%	925	8	1.63%
Microsoft	948	7	1.60%	-	-	-
City of Fargo	885	8	1.49%	624	10	1.10%
Fargo VA Medical Center	830	9	1.40%	587	11	1.04%
Phoenix International	634	10	1.07%	-	-	-
Dakota Heartland Health System	-	-	-	1,350	4	2.39%
Dakota Clinic, Ltd	-	-	-	1,000	6	1.77%
Great Plains Software	-	-	-	960	7	1.70%
Case New Holland	-	-	-	770	9	1.36%

Source: Greater Fargo Moorhead Economic Development Corporation  
Fargo Moorhead Chamber of Commerce  
City of Fargo, ND

Required NRMISIR continuing disclosure for CUSIPs: 30747M, 30747PA, 307490E

**CITY OF FARGO, NORTH DAKOTA**  
**NUMBER OF CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
City Administrator	2	2	3	3	3	2	2	2	1	1
Human Resources	10	10	10	9	9	10	7	9	9	9
Information Services	18	16	17	18	17	14	16	15	13	12
Public Information	2	2	-	-	-	-	-	-	-	-
Auditor	17	17	17	16	17	17	17	22	24	21
Municipal Court	8	8	8	8	8	8	8	8	8	9
City Assessor	12	11	11	11	14	10	13	11	10	12
Buildings & Grounds	8	8	6	9	10	9	9	11	8	12
Planning	10	11	10	11	9	10	9	9	10	6
Central Garage	27	23	20	25	24	24	22	23	23	22
City Commission	8	8	8	7	8	8	7	7	8	7
General Support	-	-	-	-	-	-	1	1	1	1
Public safety										
Inspections	20	21	19	22	19	18	18	21	19	19
Traffic Engineering	8	8	8	9	8	8	9	5	6	5
Street Lighting	3	3	3	3	2	2	2	1	1	1
Fire Department	116	103	100	99	101	99	95	88	87	88
Police Department	155	150	149	149	144	140	135	128	147	136
Public works										
City Engineering	44	43	38	41	41	41	39	44	44	45
Streets & Sewers	52	48	48	46	49	48	43	43	44	42
Public health & welfare										
Health	120	117	108	119	115	114	108	104	106	90
Homeless shelter	14	12	-	-	-	-	-	-	-	-
Recreation & culture										
Public Library	53	63	41	42	40	40	44	37	37	37
Civic Memorial Auditorium	14	22	24	20	17	11	37	23	11	16
Urban redevelopment	3	3	3	4	4	6	4	5	5	5
Public transportation	21	19	15	7	5	6	6	6	5	6
Business-type funds										
Airport	18	17	16	16	16	16	16	15	16	15
Water	41	41	40	39	37	41	41	45	45	45
Wastewater	20	22	19	18	18	20	20	21	21	18
Solid waste	52	49	48	46	48	50	49	50	52	51
Storm sewer	4	3	3	3	3	2	2	1	1	1
Forestry	10	14	11	12	13	9	14	11	12	10
Total	890	874	803	812	799	783	793	766	774	742

- Number includes full and part time employees.

**CITY OF FARGO, NORTH DAKOTA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public safety										
Fire										
Number of calls answered	4,221	4,280	3,886	3,609	4,176	4,333	5,350	5,047	5,037	4,841
Number of fire inspections	6,949	7,216	7,174	7,111	7,204	7,505	8,610	6,469	6,932	7,607
Police										
Number of calls for service	48,062	46,183	44,751	43,478	42,483	39,365	38,189	37,835	38,384	n/a
Arrests	10,117	9,939	10,544	10,730	10,561	10,265	10,105	6,665	n/a	n/a
Public works										
Average daily water consumption (gallons)	10,510,285	9,361,096	9,897,482	10,027,112	9,441,153	9,469,337	10,073,235	9,332,208	11,410,000	11,410,000
Wastewater avg flow per day (MGD)	12.86	12.16	11.49	11.51	11.95	11.76	11.17	11.05	12.06	12.70
Public health & welfare										
WIC participation	2,699	2,801	2,261	2,144	2,194	1,856	1,855	1,761	1,763	n/a
Nursing visits	208,124	211,013	210,719	203,347	197,690	196,434	189,252	164,944	123,688	149,517
Recreation & culture										
Library circulation	982,250	830,287	659,139	748,382	852,541	812,174	691,637	691,637	604,908	528,910
Civic center attendance	88,828	112,032	101,382	112,050	117,875	142,890	136,065	125,002	147,442	179,776
Fargodome attendance	486,059	436,294	445,270	409,149	381,507	429,396	441,280	440,013	402,695	503,835
Public transportation										
Number of rides										
Fixed route	1,479,646	1,228,464	962,030	899,572	837,281	736,944	617,027	495,658	472,023	446,037
Paratransit	57,428	60,255	50,768	48,989	40,868	39,705	34,850	35,696	36,179	33,961
Infrastructure										
New projects assessed	32	32	29	42	51	60	45	37	70	77
Value of new projects	\$ 37,651,698	\$ 27,452,278	\$ 13,349,269	\$ 20,442,045	\$ 22,011,590	\$ 44,662,953	\$ 21,065,367	\$ 26,167,352	\$ 23,778,699	\$ 13,990,301

**CITY OF FARGO, NORTH DAKOTA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Area in square miles	48.45	47.74	46.63	46.35	44.52	44.43	42.41	42.41	37.50	37.50
Public safety										
Fire										
Stations	6	6	6	6	6	6	5	5	5	5
Vehicles	30	27	25	29	29	21	21	21	20	20
Police										
Stations	3	3	3	3	2	2	2	2	2	2
Marked cars	37	26	33	28	28	32	32	32	27	28
Public works										
Number of street lights	8,959	8,514	8,119	7,839	7,926	7,598	7,139	6,815	6,733	6,615
Miles of paved streets	367.16	369.17	363.76	358.78	352.87	347.74	341.60	330.59	324.64	321.56
Miles of water mains	428.02	424.82	411.82	403.98	398.52	393.88	383.38	370.12	363.97	359.35
Miles of sanitary sewer	414.64	404.39	398.01	384.23	357.94	352.17	343.34	332.36	327.39	324.25
Miles of storm sewer	387.88	383.56	369.01	361.04	352.42	346.45	333.24	320.22	307.28	300.21
Recreation & culture										
Print materials - Library	550,310	179,120	167,998	175,076	193,067	162,056	141,180	141,180	136,572	135,149
Public transportation										
Buses	22	17	18	17	13	16	16	16	16	13

**CITY OF FARGO, NORTH DAKOTA**  
**SCHEDULE OF INSURANCE IN FORCE**  
**DECEMBER 31, 2009**  
**(UNAUDITED)**

Policy No.	Insurance Broker	Insuring Company	Coverage type / \$ Limits	Term
QT-660-7667A935-TIL-09	Wells Fargo Insurance	The Travellers Insurance Co.	Commercial Inland Marine \$8,723,906 Equipment, \$2,481,108 EDP	6/1/08 - 6/1/09
FBP8341772	Wells Fargo Insurance	Hartford	Boiler & equipment breakdown \$ 67,500,000	1/1/09-1/1/10
1949	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 302,038,898 Building \$ 31,282,130 Contents \$ 50,879,387 Outdoor property	7/1/09-6/30/10
MZI93011434	Wells Fargo Insurance	Firemen's Fund	Buildings & Contents Transit Maintenance Facility \$ 7,000,000 Building \$ 800,000 Contents	10/30/09-10/29/10
IMP 185-18-05 00	Insure Forward	Great American	Inland Marine Floater \$ 2,928,530 Radio equipment	8/24/09 - 8/24/10
IMP 8-79-91-31-00	Wells Fargo Insurance	Great American	Inland Marine Floater \$ 23,631,300	6/30/09-6/30/10
AP3387932-10	Northstar Aviation Ins. Inc	National Union	Primary Aircraft Liability \$ 100,000,000	1/1/09-1/1/10
33 2510113449 05	Insure Forward	Fidelity National Insurance Co.	Convention Visitors Bureau Flood - \$500,000 Building/\$185,000 Contents	4/15/09 - 04/15/10
33 2510115112 05	Insure Forward	Fidelity National Insurance Co.	Hector Airport Admin Building Flood - \$500,000 Building/\$78,000 Contents	4/15/09 - 04/15/10
33 2510113446 05	Insure Forward	Fidelity National Insurance Co.	City Hall Flood - \$500,000 Building/\$500,000 Contents	4/15/09 - 04/15/10
G2382520A 001	Dawson Insurance	Westchester Fire Ins Co	Environmental General Liability for Methane Operations \$2,000,000	8/14/09 - 8/14/10
87043898542009	Warner & Company	Harleysville Insurance Company	Main Library Flood - \$500,000 Building/\$500,000 Contents	3/26/09 - 3/25/10
BA230002	Warner & Company	ND Insurance Reserve Fund	Auto Liability - \$500,000 Liability	1/1/09 - 1/1/10
GL333400	Warner & Company	ND Insurance Reserve Fund	General Liability - \$2,000,000	10/29/09 - 10/29/10
1-17334	No Broker - Direct Writer	FM Global	Fargodome \$145 MM property, \$100MM flood	11/2/09-11/02/10
33-2510089903-05	Insure Forward	Fidelity National Insurance Program	Fargodome \$500M contents & \$500M building	3/5/09-3/5/10
AIP544731501 and AIX9771239200	Insure Forward	K&K	Fargodome General Liability - \$1MM per event aggregate Excess Liability - \$10MM umbrella	11/1/09-10/31/10
AIA9771239100	Insure Forward	K&K	Auto Insurance	11/1/09 - 11/1/10
EOC967493501	AON Risk Services	Employment Practices Liability	Employment Practices	8/09-7/10





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