

CITY OF FARGO, NORTH DAKOTA

Comprehensive Annual Financial Report



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FOR THE YEAR ENDED DECEMBER 31, 2010



**CITY OF FARGO
NORTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2010**

**PREPARED BY:
FINANCE DEPARTMENT**

**CITY OF FARGO, NORTH DAKOTA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010
TABLE OF CONTENTS**

INTRODUCTORY SECTION

Table of Contents	I
Finance Director's Letter of Transmittal	III
Listing of City Officials	VII
Organizational Chart	VIII
Certificate of Achievement of Excellence in Financial Reporting	IX

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund	20
Statement of Net Assets – Proprietary Funds	22
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	26
Statement of Fiduciary Net Assets – Fiduciary Funds	28
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	29
Notes to the Financial Statements	31
Combining and Individual Fund Statements and Schedules:	
Combining Balance Sheet – Nonmajor Governmental Funds	77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	82
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Special Revenue Funds	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Debt Service Fund	102
Combining Statement of Net Assets – Nonmajor Proprietary Funds	104
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Nonmajor Proprietary Funds	105
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	106

TABLE OF CONTENTS, Continued

Combining Statement of Net Assets – Internal Service Funds	108
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets – Internal Service Funds	109
Combining Statement of Cash Flows – Internal Service Funds	110
Combining Statement of Net Assets – Agency Funds	112
Combining Statement of Changes in Assets and Liabilities – Agency Funds	113
Capital Assets Used in the Operation of Governmental Funds:	
Comparative Schedule by Source	116
Schedule by Function and Activity	117
Schedule of Changes by Function and Activity	118
 STATISTICAL SECTION	
Net Assets by Component	120
Change in Net Assets	121
Fund Balance of Governmental Funds	123
Changes in Fund Balance of Governmental Funds	124
Program Revenues by Function/Program	125
Tax Revenues by Source, Governmental Funds	126
Market, Assessed, and Taxable Value of Taxable Property	127
Property Tax Rates – Direct and Overlapping Governments	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Summary of Building Permits Issued	131
Water Utility Billed Consumption	132
Water Utility – Major Customers	133
Water Utility Rate Structure	134
Wastewater Utility Rate Structure	135
Sales Tax Receipts – Cash Basis	136
Lodging Tax Revenue	137
Parking Facility Information	138
Sales Tax Model	139
Ratios of Outstanding Debt by Type	140
Ratios of General Bonded Debt Outstanding	141
Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	142
Legal Debt Margin	143
Direct and Overlapping Debt	144
Summary of Direct Debt and Debt Ratios	145
Pledged Revenue Coverage – Governmental Activities	146
Pledged Revenue Coverage – Business Type Activities	147
Airport Revenue Bonds – Series 2004D Debt Coverage	148
Demographic and Economic Statistics	149
Retail Sales and Estimated Buying Income	150
Principal Employers	151
Number of City Government Employees by Function/Program	152
Operating Indicators by Function/Program	153
Capital Asset Statistics by Function/Program	154
Schedule of Insurance in Force	155



Finance Office

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June 14, 2011

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, 2010. 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 is 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, 2010. 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 compliment 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 105,000. 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, Pat Zavoral 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 second term as Mayor of the City of Fargo. The next municipal election will be held in June, 2012 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.

STABLE ECONOMIC CONDITIONS IN FARGO AND STATE OF NORTH DAKOTA

Population Growth Figures Released by US Census Bureau

The US Census Bureau released updated census figures in March 2011 confirming Fargo's continued growth of 16.5% over the last decade. Population grew from 90,333 in 2000 to 105,549 in the 2011 census making Fargo the largest City in North Dakota.

Favorable Statewide Financial Conditions

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. Expansion of oil exploration continued in 2010 and the State is experiencing a budget surplus.

Property Values Stable & Growing

Fargo is the largest City of the State and continues to prosper. In spite of national economic concerns Fargo continued with new home starts similar to that of 2009. The value of permits issued actually exceeded the previous year by a narrow margin. During the past year, property values remain strong with the absence of falling market prices as compared to other communities across the county.

On a going forward basis City leaders believe that our market values will remain stable. Valuations for 2011, payable 2012 are expected to approach 3% due to continued construction activity.

Sales Taxes Funding Key Infrastructure

Fargo is utilizing sales tax revenues as a primary funding source for key infrastructure projects. All of our sales tax resources are dedicated to various types of infrastructure. The most significant expenditures are being made in updating municipal utilities to accommodate present and future growth, flood levees to protect us from Red River flood events, and improving our highway systems in our community. Existing

sales tax authorizations expire in 2012, 2028, and 2029 providing a solid stream of resources to plan well into the future.

A more comprehensive review of these statistics is contained in the statistical section of this report which begins on page 119.

MAJOR INITIATIVES FOR THE YEAR

Spring Flood Events of the Red River Basin Three Years In a Row

Red River Flooding Emergencies Continues To Be a Top Concern

The City of Fargo has experienced record level flood events for the past two years and currently fighting another flood this spring.

Presidential disaster declarations were approved for the past two events occurring in 2009 and 2010 providing significant recovery of costs incurred for these events. During the year the 2010 flood event was closed out. Approximately \$440,000 is pending to be reimbursed by FEMA upon closeout of the 2009 event. Federal and State resources cover 85% of the cost of flood fighting. Volunteer labor is also paid to the City to offset the remaining 15% local share.

The National Weather Service predicted another record level flood for spring 2011. A significant number of flood control projects were completed in anticipation of a predicted spring 2011 flood fight and allowed for the placement of permanent levees in our most flood prone neighborhoods. The City expended \$12.6 million of sales tax resources during the year to acquire these properties and make flood levy improvements. This plan helped the City in the 2011 flood fight and allowed for the placement of permanent levees in our most flood prone neighborhoods. This strategy will continue in 2011. These improvements reduced our local sandbagging efforts in several neighborhoods and created more permanent flood protection reaches in the City. Permanent levee construction is not an eligible FEMA funded project.

Future Plans for Permanent Flood Control in Fargo-Moorhead Are Maturing

The Army Corp of Engineers has been studying various alternative flood protection projects for the Fargo-Moorhead area for the past year. They have recommended a large flood diversion channel that will redirect and lower record river flood levels significantly. A local preferred option has been approved by a flood planning task force. Federal, State, and local officials are currently working on a financing package for this \$1.7 billion project. Governmental leaders at all levels are optimistic that now is the time to move this project along and will continue to work together to make this a reality within the next eight to ten years.

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, 2009. This will be the thirteenth 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

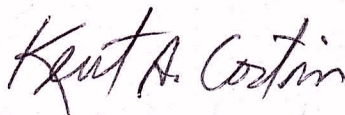
The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of our entire staff. We successfully completed the CAFR within the GFOA program requirements this year while continuing to deal with a significant flood cost recovery effort during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

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

Jenica Flanagan, Accounting Manager
Jason Galonski, Financial/Budget Analyst
Jamie Bullock, Accountant
Sheree Calkins, Accounting Supervisor
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,

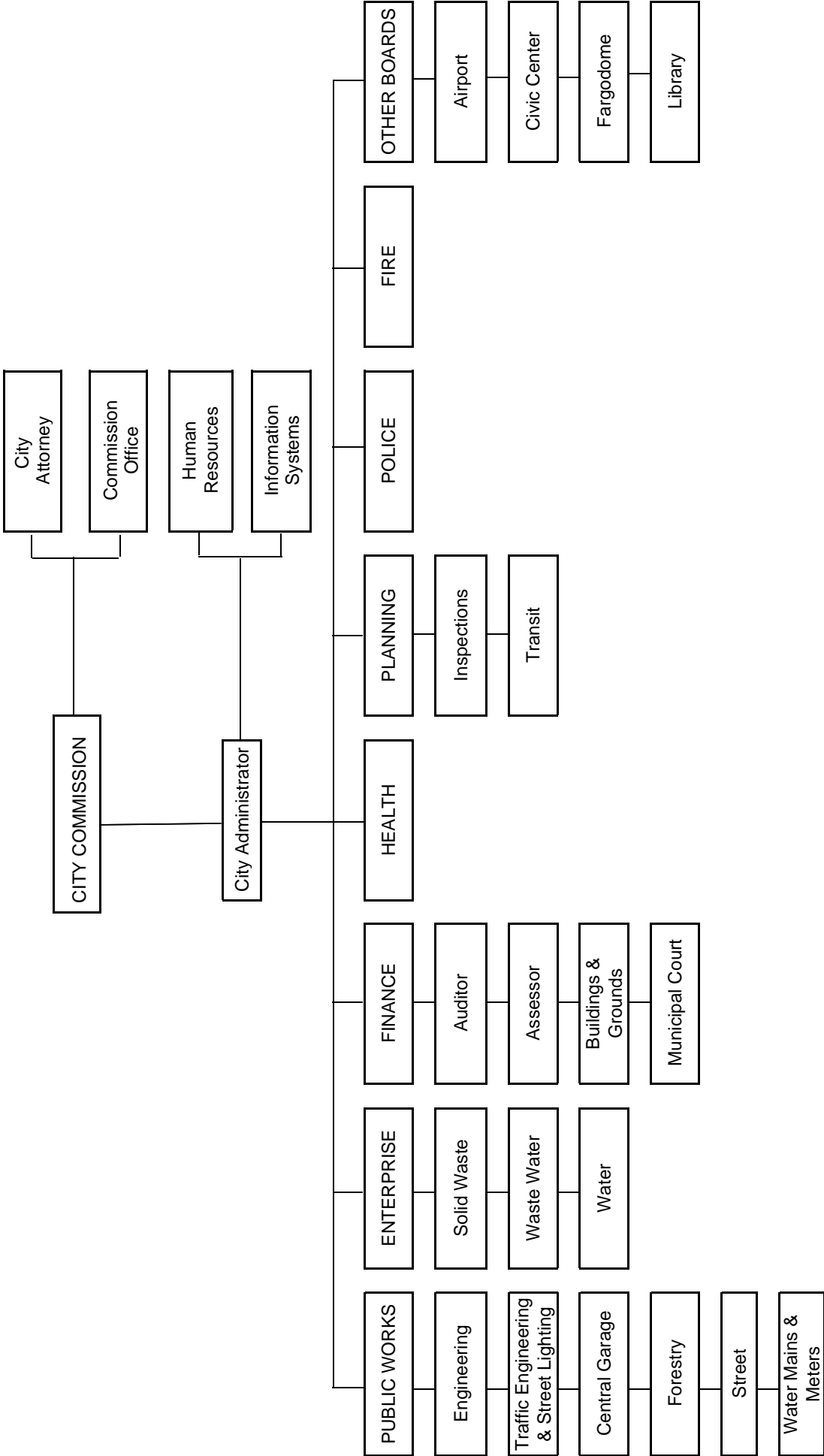
A handwritten signature in black ink that reads "Kent A. Costin". The signature is written in a cursive, flowing style.

Kent A. Costin
Director of Finance

**CITY OF FARGO, NORTH DAKOTA
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2010**

NAME	OFFICE	TERM EXPIRES
Dennis Walaker	Mayor	June 2014
Tim Mahoney	Deputy Mayor	June 2014
Brad Wimmer	Commissioner	June 2014
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, 2009

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



President

Executive Director



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Independent Auditor's Report

The Honorable Mayor
and Members of City Commission
City of Fargo, North Dakota
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 the City of Fargo, North Dakota, as of and for the year ended December 31, 2010, 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 to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2010, 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 14, 2011, on our consideration 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.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions 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 fund statements and 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 fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
June 14, 2011

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, 2010. 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 \$744,465 (net assets).

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$46,637 an increase of \$2,617 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 28% 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 2010 budget process.

Major improvements were completed on the City's wastewater collection system including a large scale expansion of our overall collection capacity and the addition of a North Side lift station. This extra capacity will provide relief to existing infrastructure and will help mitigate rainstorm and flood risk.

The construction value of new single-family residential homes exceeded the values generated in 2009. Fargo's property tax valuations and new construction have slowed from past years, however, significant activity remains in spite of a weak national housing market.

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, Street Lighting 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-two 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 twenty-nine 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 ten 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, Street Lighting 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 four 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 – 73 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 61 - 72 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 75 - 110 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 \$744,465 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net assets (85%) 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, 2010 and 2009.

**City of Fargo's Net Assets
(In Thousands)**

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 301,898	\$ 290,700	\$ 73,806	\$ 69,176	\$ 375,704	\$ 359,876
Capital assets	268,946	263,401	533,597	497,580	802,543	760,981
Total assets	570,844	554,101	607,403	566,756	1,178,247	1,120,857
Long-term liabilities outstanding	353,734	314,865	59,160	57,913	412,894	372,778
Other liabilities	17,485	31,587	3,403	11,452	20,888	43,039
Total liabilities	371,219	346,452	62,563	69,365	433,782	415,817
Net assets:						
Invested in capital assets, net of related debt as restated	142,710	133,055	488,521	447,424	631,231	580,479
Restricted	83,724	88,187	34,129	29,311	117,853	117,498
Unrestricted	(26,809)	(13,593)	22,190	20,656	(4,619)	7,063
Total net assets	\$ 199,625	\$ 207,649	\$ 544,840	\$ 497,391	\$ 744,465	\$ 705,040

A portion of the City of Fargo's net assets (16%) represents resources that are subject to external restrictions on how they may be used.

The City's net assets increased by \$39,425 during the current fiscal year.

**City of Fargo's Changes in Net Assets
(In Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 25,968	\$ 23,512	\$ 53,875	\$ 51,779	\$ 79,843	\$ 75,291
Operating grants and contributions	13,938	19,366	-	-	13,938	19,366
Capital grants and contributions	57,828	65,837	4,158	9,096	61,986	74,933
General Revenues:						
Taxes	68,794	56,417	601	580	69,395	56,997
Unrestricted intergovernmental	3,831	3,297	-	-	3,831	3,297
Unrestricted investment earnings	3,014	3,440	3,942	3,601	6,956	7,041
Miscellaneous	406	(86)	1,408	1,173	1,814	1,087
Total revenues	173,779	171,783	63,984	66,229	237,763	238,012
Expenses:						
General government	16,172	16,061	-	-	16,172	16,061
Public safety	31,292	31,299	-	-	31,292	31,299
Public works	56,087	61,561	-	-	56,087	61,561
Public health & welfare	9,185	8,620	-	-	9,185	8,620
Recreation & culture	6,176	7,291	-	-	6,176	7,291
Urban redevelopment	4,986	5,270	-	-	4,986	5,270
Transportation	7,637	8,241	-	-	7,637	8,241
General support	1,577	1,279	-	-	1,577	1,279
Interest and fiscal charges	13,203	10,971	-	-	13,203	10,971
Municipal airport authority	-	-	6,920	6,381	6,920	6,381
Water system	-	-	13,378	13,173	13,378	13,173
Wastewater	-	-	8,114	7,282	8,114	7,282
Storm sewer	-	-	3,743	3,574	3,743	3,574
Solid waste	-	-	8,230	7,524	8,230	7,524
Fargodome	-	-	7,285	6,872	7,285	6,872
Southeast Cass	-	-	47	66	47	66
Vector control	-	-	593	390	593	390
Street lighting	-	-	2,237	-	2,237	-
Forestry	-	-	1,476	1,362	1,476	1,362
Total expenses	146,315	150,593	52,023	46,624	198,338	197,217
Change in net assets before transfers	27,464	21,190	11,961	19,605	39,425	40,795
Transfers	(35,488)	(25,763)	35,488	25,763	-	-
Change in net assets	(8,024)	(4,573)	47,449	45,368	39,425	40,795
Net assets - Beginning	207,649	212,222	497,391	452,023	705,040	664,245
Net assets - Ending	\$ 199,625	\$ 207,649	\$ 544,840	\$ 497,391	\$ 744,465	\$ 705,040

Governmental activities

The governmental activities' net assets decreased by \$8,024 during the current fiscal year.

Sales taxes increased by \$11.2 million during the year. Voters approved a twenty-year sales tax authorization for flood control projects starting on January 1, 2010.

Unrestricted investment earnings were stable due to a significant amount of construction financing for infrastructure projects in process during the year.

Interest and fiscal charges increased by \$2.2 million due to the continued use of long-term debt financing to fund growth related infrastructure projects.

Business type activities.

Business-type activities increased the City of Fargo's net assets by \$47,449 reflecting most of the growth in the government's net assets. Total user fee revenues generated by our utility funds increased by 4% due largely to the creation of a self-sustaining street lighting utility fund. These costs were previously funded within the governmental funds; however, a user fee was enacted to cover the ongoing costs of this function. Rising energy costs spurred this decision to create this new utility fund since the cost of electricity continues to rise as the city expands and prices increase over time.

The sale of byproducts generated from our utility operations increased from \$965 to \$1,342 this year. Projects that generate byproducts include a methane gas operation at the landfill, and conversion of methane gas into electricity from the same source as well as the sale of wastewater effluent to a nearby Ethanol plant. Methane gas is sold to Cargill, Inc and is used in their operations while the electricity is sold to Cass County Electric Cooperative. Wastewater effluent is sold to an Ethanol plant and used to produce ethanol fuel in a nearby community. Investments in conservation and reuse of our byproduct resources have helped us grow our overall business type revenue base without raising user fees as well as becoming good stewards of our environment.

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 \$46,637, an increase of \$2,617 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 (\$392), 2) from advances to capital projects (\$1,325), 3) inventory of supplies & materials (\$784), 4) prepaid expenditures (\$373), 5) debt retirement (\$67,151), 6) property held for resale (\$1,232), and 7) capital improvements (\$158).

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 \$19,630 while total fund balance reached \$22,481. 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 28% percent of total general fund expenditures, while total fund balance represents 32% 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 \$ 2,153 during the year.

Overall, General Fund revenues increased by 5%. Charges for services revenues increased by 22% largely a result of aggressively programming capital projects included in the City's utility master infrastructure and flood control plan. Flood control projects were accelerated this year due to a predication of another spring flood event.

Total General Fund expenditures increased by 4.2%. The largest cost increases are reflected in general governmental expenditures, public works, and general support. Public works expenditure increases are directly related to demands on City services that are weather related. Above average snowfalls were experienced this year. General support costs increased significantly due to program changes related to workers compensation. Workforce Safety, Inc. (WSI) did not pay a premium dividend due to lower investment returns experienced in 2009. As a result policy holders were assessed a gross premium which was much higher than in the past fiscal years where the premium dividend was approved and rebated to policyholders.

The debt service fund has a total fund balance of \$67,151, all of which is reserved for the payment of future debt service. The net increase in fund balance during the current year was \$9,603. The City continues to experience above average amounts of special assessment prepayment due to a very low interest rate environment. Many taxpayers are simply paying off their existing special assessments which are held in trust for future bond payments.

The infrastructure capital projects fund has a fund deficit of (\$46,862). 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 2011 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 2011 construction season.

Capital project expenditures decreased by 14% in 2010. While a significant amount of construction activity was experienced this year, spring flood events cause more effort to be spent on disaster protection and recovery. Overall, slightly less was spent in the capital project fund; however, projects were more concentrated in flood protection category due to the urgent nature of our disaster preparedness and higher than normal snowfalls experienced this year. Permanent flood protection projects consumed approximately \$16 million from local sales tax resources.

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 \$22,190. All individual proprietary funds reported increases in net assets, except for Solid Waste and Vector Control.

Operating revenues of this fund group increased by 4%, while the operating expenses increased by 13%.

As mentioned in the Business Activities section of this report, the City started a new street lighting utility fund this year funded by user fees. In the past this essential function was accounted for in our governmental funds. This new fund will account for all of the operational costs to maintain over nine thousand street lights. The purpose of segregating this fund was to assure that adequate revenues were generated to sustain this function and to begin to account for this as a utility fund versus a general governmental function. This shift to a self-sustaining utility fund removed \$1.2 million out of General Fund expenditures helping to preserve financial capacity for budget development strategies in the future.

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 \$3 million during the year.

Overall General Fund revenues exceeded final budget by \$3.9 million, or 6%. More revenues were realized for capital project administration due to acceleration of flood protection projects. Investment income exceeded budget projections due to higher volumes of construction financing of capital projects. Expenditures for capital projects were concentrated near year-end based upon an elevated risk of spring flooding. These expenditures were not anticipated during the normal budget development cycle.

Significant variances between final budget and actual are as follows:

Capital outlay expenditures lagged budget by \$1,200 resulting from a decision to move a scheduled phone system replacement into 2011.

Overall General Fund expenditures were incurred at 97% of final budget which is 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, 2010 amounts to \$802,543 (net of accumulated depreciation). This investment in capital assets includes land, intangibles, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

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

As part of our overall flood control efforts several homes were acquired and demolished so that permanent flood control levies could be constructed. This provides a higher level of flood protection and reduces or eliminates the need to sandbag flood prone areas. This strategy produced very positive results during the 2011 spring flood event.

The 45th Street sewer interceptor project was completed this year and became operational in October, 2010. This north / south collection system added much needed capacity to serve the City's growth areas as well as providing relief capacity to existing sewer systems near the Downtown area. This project was financed with SRF funds and will be repaid with sales tax resources dedicated to utility projects.

City of Fargo's Capital Assets

(net of depreciation)

(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 15,494	\$ 12,212	\$ 43,539	\$ 39,995	\$ 59,033	\$ 52,207
Construction in progress	5,554	13,891	18,545	18,323	24,099	32,214
Intangible	3,610	-	888	500	4,498	500
Buildings	46,994	35,925	129,654	131,103	176,648	167,028
Improvements other than buildings	420	425	9,376	8,574	9,796	8,999
Machinery and equipment	15,561	13,862	19,943	20,775	35,504	34,637
Infrastructure	181,313	187,086	311,652	278,310	492,965	465,396
Total	\$ 268,946	\$ 263,401	\$ 533,597	\$ 497,580	\$ 802,543	\$ 760,981

Additional information on the City of Fargo's capital assets can be found in Note 4. C. on pages 44 - 46 of this report.

Long Term Debt.

At the end of the current fiscal year, the City of Fargo had total bonded debt and notes outstanding of \$383,858. Of this amount, \$238,133 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 \$20.4 million during the current fiscal year. This increase can be associated with the need to finance ongoing capital project funding and expansion of the City's utility infrastructure.

City of Fargo's Outstanding Debt

General Obligation and Revenue Bonds

(In Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Special assessment bonds	\$ 238,133	\$ 219,829	\$ -	\$ -	\$ 238,133	\$ 219,829
Gross revenue bonds	6,201	6,625	33,815	37,610	40,016	44,235
General obligation bonds	2,730	2,875	-	-	2,730	2,875
Sales tax bonds	32,575	42,850	-	-	32,575	42,850
Notes payable	58,201	39,886	12,203	13,753	70,404	53,639
Total	\$ 337,840	\$ 312,065	\$ 46,018	\$ 51,363	\$ 383,858	\$ 363,428

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

Taxable Refunding Improvement Bonds, Build America Bonds, Series 2010 B (\$22,820) were issued to reimburse the capital project fund for completed. They will be repaid over a twenty five year period commensurate with special assessments levied for repayment of this debt.

Refunding Improvement Refunding Bonds, Series 2010 C (\$8,250) were issued to refinance certain maturities of the Series 2002 A bond issue. The net interest savings on this refinancing was \$396,248 NPV.

A Tax Increment Financing Note in the amount of \$707 was issued for a development project 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 52 - 59 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. Current statewide sales tax collections are growing at a double digit rate. This trend is expected to continue due to the oil extraction efforts across western and west central portions of the State.

Fargo's economy had done remarkably well in light of the national economic picture. Most notable is the continuation of construction activity that is bucking a national trend. Our real estate units have maintained their market values during this past year and the assessment rolls for 2011 payable 2012 have grown by 2.9%, reflective of continued construction in the area, especially in the residential permits. This is remarkable in light of a weak housing market. Unemployment rates decreased slightly from 4.2% to 3.9%, the same as the State's overall unemployment level. North Dakota's unemployment levels have consistently been lower than national averages for many years due to the strength and diversity of the economy.

The City approved a General Fund budget for 2011 that increased by 1.4%. 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. Intergovernmental revenue growth is anticipated as legislative changes were recently enacted that increase our state aid revenue. The strength of the North Dakota economy continues at a robust pace.

There was no rate increases proposed in the 2011 budget for major utility funds, however, landfill tipping fees were increased so that our prices are more comparable with regional market prices.

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 approval and federal funding will be made in 2011 or 2012. If approved, the actual construction will take from eight to ten years and will provide 250 year flood event protection.

Moody's Investors Service upgraded the City's bond rating from AA2 to AA1 for recently issued Series A & B Refunding Improvement Bonds. The strength of our local economy as well as the strength of the North Dakota economy and conservative fiscal management practices contributed to this upgrade.

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 3rd Street North, City of Fargo, ND, 58102 or visit the City's web site at 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, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 152,668	\$ 1,826,086	\$ 1,978,754
Investments	11,363,037	666,663	12,029,700
Equity in pooled investments	30,492,465	29,197,558	59,690,023
Receivables (net of allowance for uncollectibles):			
Interest	63,695	3,948	67,643
Taxes	432,613	15,306	447,919
Accounts	4,776,437	4,408,739	9,185,176
Sales tax	7,842,011	-	7,842,011
Special assessments	229,927,552	15,466	229,943,018
Intergovernmental	9,450,948	37,269	9,488,217
Contract	91,502	-	91,502
Loans	3,619,304	-	3,619,304
Internal balances	(2,489,339)	2,489,339	-
Inventory	783,748	256,144	1,039,892
Prepaid expenses	372,907	452,383	825,290
Property held for resale	1,231,705	-	1,231,705
Restricted assets:			
Equity in pooled investments	-	2,476,115	2,476,115
Investments	-	31,501,361	31,501,361
Interest receivable	-	576	576
Prepaid expenses	-	151,176	151,176
Unamortized debt costs	3,139,156	308,631	3,447,787
Net pension obligation asset	648,034	-	648,034
Capital assets (net of accumulated depreciation):			
Land	15,494,273	43,538,847	59,033,120
Construction in progress	5,553,526	18,545,261	24,098,787
Intangible - Right-of-way Easements	3,610,323	388,260	3,998,583
Intangible - Water Rights	-	500,000	500,000
Buildings	46,994,104	129,653,675	176,647,779
Improvements other than buildings	419,552	9,376,265	9,795,817
Machinery and equipment	15,560,958	19,943,171	35,504,129
Infrastructure	181,313,357	311,651,246	492,964,603
Total capital assets	268,946,093	533,596,725	802,542,818
Total assets	570,844,536	607,403,485	1,178,248,021
LIABILITIES			
Vouchers payable	7,354,620	1,410,833	8,765,453
Retainage payable	2,737,360	58,509	2,795,869
Accrued payroll	902,448	222,497	1,124,945
Accrued interest payable	2,790,567	322,704	3,113,271
Accrued interest payable from restricted assets	-	831,763	831,763
Special assessments payable	316,845	-	316,845
Unearned revenue	2,633,348	543,869	3,177,217
Deposits	304,519	12,750	317,269
Claim reserves	445,946	-	445,946
Noncurrent liabilities:			
Due within one year	25,446,527	6,018,676	31,465,203
Due within one year payable from restricted assets	-	5,560,000	5,560,000
Due in more than one year	328,287,270	47,581,308	375,868,578
Total liabilities	371,219,450	62,562,909	433,782,359
NET ASSETS			
Invested in capital assets, net of related debt	142,709,681	488,520,828	631,230,509
Restricted for:			
Debt service	77,099,895	1,388,034	78,487,929
Specific projects and programs	6,229,439	-	6,229,439
Capital improvements	395,188	32,741,194	33,136,382
Unrestricted	(26,809,117)	22,190,520	(4,618,597)
Total net assets	\$ 199,625,086	\$ 544,840,576	\$ 744,465,662

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, 2010**

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
Governmental activities:						
General government	\$ 16,172,223	\$ 2,443,507	\$ 417,432	\$ 225,000	\$ (13,086,284)	\$ -
Public safety	31,292,462	4,264,740	1,131,133	2,717,626	(23,178,962)	-
Public works	56,086,729	11,163,026	3,264,369	52,583,735	10,924,401	-
Public health & welfare	9,184,914	2,621,144	3,291,067	-	(3,272,703)	-
Recreation & culture	6,176,197	739,345	192,282	10,289	(5,234,282)	-
Urban redevelopment	4,986,361	1,659,901	2,869,625	-	(456,835)	-
Transportation	7,637,009	3,076,024	2,772,382	2,291,640	503,037	-
General support	1,576,481	-	-	-	(1,576,481)	-
Interest and fiscal charges	13,203,253	-	-	-	(13,203,253)	-
Total governmental activities	146,315,629	25,967,687	13,938,290	57,828,290	(48,581,362)	-
Business-type activities:						
Municipal airport authority	6,920,335	6,042,021	-	3,983,192	-	3,104,878
Water	13,378,237	17,307,253	-	-	-	3,929,016
Wastewater	8,114,318	10,321,247	-	6,885	-	2,213,814
Storm sewer	3,743,309	1,485,138	-	-	-	(2,258,171)
Solid waste	8,229,701	9,990,271	-	19,527	-	1,780,097
Fargodome	7,284,833	5,305,298	-	-	-	(1,979,535)
Southeast Cass	46,757	50,686	-	-	-	3,929
Vector control	592,516	621,293	-	-	-	28,777
Street lighting	2,237,468	1,597,768	-	146,627	-	(493,073)
Forestry	1,475,962	1,154,082	-	1,560	-	(320,320)
Total business-type activities	52,023,436	53,875,057	-	4,157,791	-	6,009,412
Total	\$ 198,339,065	\$ 79,842,744	\$ 13,938,290	\$ 61,986,081	(48,581,362)	(42,571,950)
General revenues:						
Taxes:						
Property taxes					19,180,738	19,782,294
Sales taxes					40,435,541	40,435,541
Gross business receipts taxes					4,146,643	4,146,643
Other taxes					5,031,204	5,031,204
Unrestricted intergovernmental					3,830,789	3,830,789
Unrestricted investment earnings					3,014,501	6,957,012
Miscellaneous revenue					405,694	1,814,323
Transfers					(35,488,049)	-
Total general revenues and transfers					40,557,061	81,997,806
Change in net assets					(8,024,301)	39,425,856
Net assets - beginning					207,649,387	705,039,806
Net assets - ending					\$ 199,625,086	\$ 744,465,662

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

CITY OF FARGO, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2010

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 71,071	\$ -	\$ 51,597	\$ -	\$ 122,668
Investments	-	11,363,037	-	-	11,363,037
Equity in pooled investments	19,190,854	1,482,550	-	5,381,008	26,054,412
Receivables (net of allowance for uncollectibles):					
Interest	54,320	8,411	5	393	63,129
Taxes	409,305	881	-	22,427	432,613
Accounts	3,361,887	-	498,480	668,581	4,528,948
Sales tax	-	7,842,011	-	-	7,842,011
Special assessments	-	229,466,881	270,426	190,244	229,927,551
Contracts	-	91,502	-	-	91,502
Intergovernmental	2,298,107	-	6,286,361	866,480	9,450,948
Due from other funds	-	40,313,123	-	83,859	40,396,982
Loans	-	-	-	3,619,304	3,619,304
Advances to other funds	1,325,590	-	-	-	1,325,590
Inventory	783,748	-	-	-	783,748
Prepaid items	350,413	-	12,890	9,606	372,909
Property held for resale	-	-	897,500	334,205	1,231,705
Total assets	\$ 27,845,295	\$290,568,396	\$ 8,017,259	\$ 11,176,107	\$337,607,057
LIABILITIES AND FUND BALANCES					
Liabilities					
Vouchers payable	\$ 2,150,893	\$ 12,254	\$ 4,354,724	\$ 836,749	\$ 7,354,620
Contract retainage payable	-	-	2,732,759	4,601	2,737,360
Advances from other funds	-	-	-	1,803,820	1,803,820
Due to other funds	-	-	41,478,291	428,007	41,906,298
Accrued payroll	896,649	-	-	5,799	902,448
Special assessments payable	-	49,518	50,467	216,860	316,845
Deferred revenues	2,011,711	223,355,588	6,263,528	4,013,295	235,644,122
Deposits	304,519	-	-	-	304,519
Total liabilities	5,363,772	223,417,360	54,879,769	7,309,131	290,970,032
Fund balances					
Reserved for encumbrances	391,956	-	-	-	391,956
Reserved for advances	1,325,590	-	-	-	1,325,590
Reserved for inventory	783,748	-	-	-	783,748
Reserved for prepaid items	350,413	-	12,890	9,606	372,909
Reserved for debt retirement	-	67,151,036	-	-	67,151,036
Reserved for property held for resale	-	-	897,500	334,205	1,231,705
Reserved for capital improvements	-	-	8,351	149,417	157,768
Unreserved-designated for capital needs, reported in:					
Special revenue funds	-	-	-	130,787	130,787
Unreserved-undesignated reported in:					
General fund	19,629,816	-	-	-	19,629,816
Special revenue funds	-	-	-	3,242,961	3,242,961
Capital projects funds	-	-	(47,781,251)	-	(47,781,251)
Total fund balance (deficit)	22,481,523	67,151,036	(46,862,510)	3,866,976	46,637,025
Total liabilities and fund balances	\$ 27,845,295	\$290,568,396	\$ 8,017,259	\$ 11,176,107	\$337,607,057

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, 2010**

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

Total fund balance - governmental funds (page 16)	\$ 46,637,025
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements	268,946,093
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	233,209,262
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	3,569,880
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds	<u>(352,737,174)</u>
Net assets of governmental activities (page 14)	<u><u>\$ 199,625,086</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, 2010

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 21,566,152	\$ 42,172,060	\$ -	\$ 4,077,374	\$ 67,815,586
Special assessments	-	27,360,540	32,704	216,944	27,610,188
Licenses and permits	2,605,989	-	-	-	2,605,989
Intergovernmental revenues	19,836,376	-	10,052,494	3,082,271	32,971,141
Charges for services	17,325,249	-	-	1,242,506	18,567,755
Fines and forfeits	2,308,723	-	-	15,374	2,324,097
Investment income	2,662,179	352,553	337	60,530	3,075,599
Miscellaneous revenues	515,891	39,104	228,400	3,440,809	4,224,204
Total revenues	<u>66,820,559</u>	<u>69,924,257</u>	<u>10,313,935</u>	<u>12,135,808</u>	<u>159,194,559</u>
EXPENDITURES					
Current:					
General government	11,785,773	-	355,175	-	12,140,948
Public safety	26,240,556	-	247,067	1,756,898	28,244,521
Public works	9,871,641	771,914	37,588,361	316,457	48,548,373
Public health & welfare	8,974,130	-	27,532	19,698	9,021,360
Recreation and culture	3,469,957	-	19,744	1,994,736	5,484,437
Urban redevelopment	-	149,478	2,513	4,772,398	4,924,389
Public transportation	5,427,072	-	109,303	634,891	6,171,266
General support	1,580,065	-	-	-	1,580,065
Capital outlay	1,811,906	-	60,170,301	1,619,995	63,602,202
Debt service:					
Principal	-	23,950,663	-	2,767,491	26,718,154
Interest and fiscal charges	-	13,399,805	-	25,870	13,425,675
Total expenditures	<u>69,161,100</u>	<u>38,271,860</u>	<u>98,519,996</u>	<u>13,908,434</u>	<u>219,861,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,340,541)</u>	<u>31,652,397</u>	<u>(88,206,061)</u>	<u>(1,772,626)</u>	<u>(60,666,831)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	8,509,356	1,145,464	37,302,070	1,865,241	48,822,131
Transfers out	(4,015,397)	(32,932,705)	(162,598)	(1,264,635)	(38,375,335)
Loans issued	-	706,671	19,220,373	1,440,130	21,367,174
Bonds issued	-	8,631,166	22,438,834	-	31,070,000
Bond premium	-	439,282	-	-	439,282
Bond discount	-	(39,447)	-	-	(39,447)
Total other financing sources (uses)	<u>4,493,959</u>	<u>(22,049,569)</u>	<u>78,798,679</u>	<u>2,040,736</u>	<u>63,283,805</u>
Net change in fund balances	2,153,418	9,602,828	(9,407,382)	268,110	2,616,974
Fund balance (deficit) - beginning of year	20,328,105	57,548,208	(37,455,128)	3,598,866	44,020,051
Fund balance (deficit) - end of year	<u>\$ 22,481,523</u>	<u>\$ 67,151,036</u>	<u>\$ (46,862,510)</u>	<u>\$ 3,866,976</u>	<u>\$ 46,637,025</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, 2010

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)	\$ 2,616,974
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.	51,636,112
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.	(46,090,707)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	14,762,268
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.	(25,737,197)
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.	(4,686,694)
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.	(525,057)
Change in net assets of governmental activities (page 15)	<u><u>\$ (8,024,301)</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, 2010

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 22,158,500	\$ 21,557,500	\$ 21,566,152	\$ 8,652
Licenses & permits	2,674,000	2,474,000	2,605,989	131,989
Intergovernmental revenues	16,026,864	19,387,274	19,836,376	449,102
Charges for services	14,241,923	15,254,261	17,325,249	2,070,988
Fines and forfeits	2,317,000	2,317,000	2,308,723	(8,277)
Investment income	1,050,000	1,450,000	2,662,179	1,212,179
Miscellaneous revenues	394,474	394,474	515,891	121,417
Total revenues	58,862,761	62,834,509	66,820,559	3,986,050
EXPENDITURES				
Current:				
General government	11,796,369	11,749,875	11,785,773	(35,898)
Public safety	25,832,347	27,459,870	26,240,556	1,219,314
Public works	7,605,443	9,593,471	9,871,641	(278,170)
Public health & welfare	8,368,826	8,838,064	8,974,130	(136,066)
Recreation & culture	3,470,528	3,578,495	3,469,957	108,538
Public Transportation	5,588,009	5,569,357	5,427,072	142,285
General support	1,534,028	1,469,736	1,580,065	(110,329)
Capital outlay	3,176,833	3,012,112	1,811,906	1,200,206
Total expenditures	67,372,383	71,270,980	69,161,100	2,109,880
Excess (deficiency) of revenues over (under) expenditures	(8,509,622)	(8,436,471)	(2,340,541)	6,095,930
OTHER FINANCING SOURCES (USES)				
Transfers in	10,291,110	9,463,610	8,509,356	(954,254)
Transfers out	(1,470,270)	(3,932,030)	(4,015,397)	(83,367)
Total other financing sources (uses)	8,820,840	5,531,580	4,493,959	(1,037,621)
Net change in fund balances	311,218	(2,904,891)	2,153,418	5,058,309
Fund balance - beginning of year	20,328,105	20,328,105	20,328,105	-
Fund balance - end of year	\$ 20,639,323	\$ 17,423,214	\$ 22,481,523	\$ 5,058,309

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, 2010

Business Type Activities-Proprietary Funds										Governmental Activities - Internal Service Funds

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, 2010

	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	\$ 314,367	\$ 279,756	\$ 123,438	\$ 9,901	\$ 102,308	\$ 485,404	\$ 95,659	\$ 1,410,833
Retainage payable	46,477	-	6,628	-	1,926	3,478	-	58,509
Interest payable	-	2,556	53,044	80,793	153,948	32,363	-	322,704
Due to other funds	-	-	-	775,161	1,634,322	169,395	2,691	2,581,569
Accrued payroll	19,666	39,835	19,201	5,116	43,287	80,566	14,826	222,497
Current portion of special assessments	-	4,669	41,375	46,535	136,651	22,730	-	251,960
Current portion of capital lease	-	-	-	-	516,884	-	-	516,884
Current portion of contract payable	-	-	324,531	-	-	-	-	324,531
Accrued vacation payable	73,574	171,280	110,728	31,892	215,637	-	40,982	644,093
Deferred revenue	-	-	-	-	-	543,869	-	543,869
IBNR claim reserve	-	-	-	-	-	12,750	-	12,750
Current liabilities payable from restricted assets:								
Current portion of long-term debt	1,045,000	2,970,000	1,445,000	-	100,000	-	-	5,560,000
Accrued interest and other	125,790	617,860	88,113	-	-	-	-	831,763
Total current liabilities	1,624,874	4,085,956	2,212,058	949,398	2,904,963	1,350,555	154,158	13,281,962
Noncurrent liabilities								
Landfill closure accruals	-	-	-	-	2,935,979	-	-	2,935,979
Long-term debt, net of current portion:								
Special assessments payable	-	40,431	936,695	1,393,992	1,887,474	482,121	-	4,740,713
Capital lease	-	-	-	-	1,537,001	-	-	1,537,001
Contract Payable	-	-	-	-	-	-	-	1,117,572
Revenue bonds, net of deferred amount of refunding	8,530,678	21,387,806	-	-	1,000,000	-	-	30,918,484
Notes payable	-	965,429	9,647,338	-	-	-	-	10,612,767
Total noncurrent liabilities	8,530,678	22,393,666	11,701,605	1,393,992	7,360,454	482,121	-	51,862,516
Total liabilities	10,155,552	26,479,622	13,913,663	2,343,390	10,265,417	1,832,676	154,158	65,144,478
NET ASSETS								
Invested in capital assets, net of related debt	67,824,800	119,490,688	106,366,816	125,842,370	14,982,763	38,685,538	15,327,853	488,520,828
Restricted for:								
Debt service	807,716	156,324	423,994	-	-	-	-	1,388,034
Capital improvements	-	-	-	-	-	32,741,194	-	32,741,194
Unrestricted	10,859,787	10,324,754	3,366,816	(761,064)	(3,697,512)	970,005	625,942	21,688,728
Total net assets	\$ 79,492,303	\$ 129,971,766	\$ 110,157,626	\$ 125,081,306	\$ 11,285,251	\$ 72,396,737	\$ 15,953,795	\$ 544,338,784
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								
Net assets of business-type activities								501,792
								\$ 544,840,576

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, 2010

	Business Type Activities-Proprietary Funds								Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total	
OPERATING REVENUES									
Charges for services	\$ 6,042,021	\$ 17,307,253	\$ 10,321,247	\$ 1,485,138	\$ 9,990,271	\$ 5,305,298	\$ 3,423,829	\$ 53,875,057	\$ 6,141,524
OPERATING EXPENSES									
Personnel services	1,025,315	2,530,828	1,415,157	371,145	3,273,955	2,263,057	1,004,557	11,884,014	-
Claims and benefits	-	-	-	-	-	-	-	-	6,357,757
Other services	1,869,827	2,436,859	1,609,288	93,347	1,632,913	2,613,893	1,075,165	11,331,292	737,224
Materials and supplies	593,463	3,989,956	1,509,148	215,850	1,304,296	-	1,132,128	8,744,841	-
Depreciation	2,955,985	3,098,040	3,119,319	2,970,348	1,738,711	2,375,133	1,137,895	17,395,431	-
Total operating expenses	6,444,590	12,055,683	7,652,912	3,650,690	7,949,875	7,252,083	4,349,745	49,355,578	7,094,981
Operating income (loss)	(402,569)	5,251,570	2,668,335	(2,165,552)	2,040,396	(1,946,785)	(925,916)	4,519,479	(953,457)
NONOPERATING REVENUES (EXPENSES)									
Gain (loss) on disposal of assets	14,682	(36,498)	(36,987)	-	(34,762)	(2,200)	-	(95,765)	-
Investment income	64,338	63,598	28,190	1,615	3,306	3,778,995	2,469	3,942,511	16,792
Interest expense and bond fees	(440,090)	(1,256,328)	(443,571)	(86,077)	(230,097)	(32,750)	-	(2,488,913)	-
Amortization expense	(27,321)	(35,306)	-	-	(3,933)	-	-	(66,560)	-
General property tax revenue	601,556	-	-	-	-	-	-	601,556	-
Miscellaneous revenue	-	162,247	-	-	-	-	-	162,247	-
Sale of byproducts	-	-	915,354	-	426,793	-	-	1,342,147	-
Total nonoperating revenues (expenses)	213,165	(1,102,287)	462,986	(84,462)	161,307	3,744,045	2,469	3,397,223	16,792
Income (loss) before contributions and transfers	(189,404)	4,149,283	3,131,321	(2,250,014)	2,201,703	1,797,260	(923,447)	7,916,702	(936,665)
Capital contributions	3,983,192	8,436,258	13,686,153	8,065,613	56,423	-	16,164,219	50,391,858	-
Transfers in:									
General	-	-	-	-	-	-	-	-	299,223
Capital projects	-	-	-	134,787	-	-	-	134,787	-
Enterprise	-	1,600,000	-	-	-	-	480,012	2,080,012	-
Transfers out:									
General	(50,000)	(2,983,910)	(1,430,000)	(290,000)	(2,000,000)	(50,000)	(442,836)	(7,246,746)	-
Special revenue	-	(12,000)	(12,000)	-	(12,000)	-	(4,000)	(40,000)	-
Capital projects	-	(2,443,157)	(840,235)	(310,667)	-	-	-	(3,594,059)	-
Enterprise	-	-	(1,700,000)	-	(380,012)	-	-	(2,080,012)	-
Change in net assets	3,743,788	8,746,474	12,835,239	5,349,719	(133,886)	1,747,260	15,273,948	47,562,542	(637,442)
Total net assets - beginning	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
Total net assets - ending	\$ 79,492,303	\$ 129,971,766	\$ 110,157,626	\$ 125,081,306	\$ 11,285,251	\$ 72,396,737	\$ 15,953,795	\$ 544,338,784	\$ 4,071,672
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds									(112,385)
Change in net assets of business-type activities									\$ 47,450,157

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



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Business-type activities - Enterprise Funds

Continued

26

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Business-type activities - Enterprise Funds							Total	Governmental Activities - Internal Service Funds
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Enterprise Funds		
Reconciliation of operating income to net cash provided (used) by operating activities:									
Operating income (loss)	\$ (402,569)	\$ 5,251,570	\$ 2,668,335	\$ (2,165,552)	\$ 2,040,396	\$ (1,946,785)	\$ (925,916)	\$ 4,519,479	\$ (953,457)
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation	2,955,985	3,098,040	3,119,319	2,970,348	1,738,711	2,375,133	1,137,895	17,395,431	-
Claims reserve adjustment	-	-	-	-	-	-	-	-	(115,208)
Change in assets and liabilities	(18,435)	(70,069)	(104,150)	915	(103,653)	72,525	(168,428)	(391,295)	(112,866)
Accounts receivable	-	-	-	-	-	-	(6,352)	(6,352)	-
Specials receivable	-	-	-	-	-	6,897	-	14,398	-
Inventories	-	7,501	-	-	-	-	-	-	-
Prepaid expenses	(16,521)	(62,888)	(5,532)	(1,162)	(5,843)	42,972	(1,076)	(50,050)	162,521
Accounts payable	158,463	419,220	(9,184)	(5,864)	(3,373)	145,356	89,633	794,251	(1,410,970)
Retainage payable	5,794	-	6,628	-	(40,361)	3,478	-	(24,461)	-
Payroll payable	7,609	11,871	4,333	1,473	5,873	21,021	7,133	59,313	-
Vacation payable	6,504	2,692	6,058	5,539	(10,362)	-	11,541	21,972	-
Deferred revenues	-	-	-	-	-	(1,715,775)	-	(1,715,775)	74,391
Deposits	-	-	-	-	-	4,770	-	4,770	-
Total adjustments	3,099,399	3,406,367	3,017,472	2,971,249	1,580,992	956,377	1,070,346	16,102,202	(1,402,132)
Net cash provided (used) by operating activities	\$ 2,696,830	\$ 8,657,937	\$ 5,685,807	\$ 805,697	\$ 3,621,388	\$ (990,408)	\$ 144,430	\$ 20,621,681	\$ (2,355,589)
Noncash transactions affecting financial position:									
Acquisition of / change in assets through capital contributions and donations	\$ -	\$ 8,436,258	\$ 13,686,153	\$ 8,065,613	\$ 36,895	\$ -	\$ 16,162,659	\$ 46,387,578	\$ -
Acquisition of assets through acquisition of debt	\$ -	\$ -	\$ 114,720	\$ 110,962	\$ 834,544	\$ -	\$ -	\$ 1,060,226	\$ -
Change in fair value of investments	\$ (11,753)	\$ (12,559)	\$ (5,906)	\$ -	\$ -	\$ (1,255)	\$ (302)	\$ (31,775)	\$ (6,116)

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

CITY OF FARGO, NORTH DAKOTA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2010

	Pension Trust	Agency
ASSETS		
Cash	\$ 416,252	\$ 80,132
Equity in pooled investments	562,633	344,470
Receivables:		
Accounts receivable	51,465	-
Special assessments	-	643,612
Interest	70	-
Total receivables	51,535	643,612
Investments, at fair value:		
Domestic equities	11,542,408	-
International equities	4,302,230	-
Domestic fixed income	7,818,067	-
International fixed income	1,374,287	-
Real estate	1,443,501	-
Alternative investments	4,255,600	-
Corporate stocks	3,892,018	-
Mutual funds	25,974,552	-
Total investments	60,602,663	-
Invested securities lending collateral	637,446	-
Total assets	<u>\$ 62,270,529</u>	<u>\$ 1,068,214</u>
LIABILITIES		
Vouchers and benefits payable	\$ 32,916	\$ -
Securities lending collateral	637,446	-
Interest payable	19,932	-
Due to other governments	-	643,612
Deposits	-	424,602
Total liabilities	690,294	1,068,214
NET ASSETS		
Held in trust for pension benefits	<u>\$ 61,580,235</u>	<u>\$ -</u>

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, 2010

	<u>Pension Trust</u>
ADDITIONS	
Contributions	
Employer	\$ 1,799,730
Employee	1,208,544
Total contributions	<u>3,008,274</u>
Investment income	
Net appreciation in fair value of investments	6,544,193
Less investment expense	<u>(407,961)</u>
Net investment income	<u>6,136,232</u>
Total additions	<u>9,144,506</u>
DEDUCTIONS	
Pension benefit payments	4,313,696
Member contribution refunds	53,444
Administrative expenses	<u>82,959</u>
Total deductions	<u>4,450,099</u>
Change in net assets	4,694,407
Total net assets - beginning	<u>56,885,828</u>
Total net assets - ending	<u><u>\$ 61,580,235</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, 2010**

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
- E. Issued but non-effective accounting pronouncements

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

- A. Budgetary information
- B. Excess of expenditures over budget
- C. Deficit fund balance/net assets
- D. Net assets restricted by enabling legislation

NOTE 4 DETAIL NOTES ON ALL FUNDS

- A. Deposits and investments
- B. Receivables
- C. Capital assets
- D. Commitments
- E. Interfund receivables, payables, and transfers
- F. Leases
- G. Long-term debt
- H. Deferred revenue
- I. Industrial revenue bonds

NOTE 5 OTHER NOTES

- A. Risk management
- B. Pension plans
- C. Other postemployment benefits liability
- D. Joint powers agreement
- E. Contingencies
- F. Subsequent events

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2010**

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, 2010**

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 private-standard pronouncements, issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply private-standard pronouncements after November 30, 1989.

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, 2010**

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 10th 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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

to a local electricity cooperative. Methane gas is also transported in a pipeline to a business near the landfill site.

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. Intangible assets consist of water rights and right-of-way easements. The water rights were purchased from Cass Rural Water Users. Both the water rights and right-of-way easement assets are 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 assets and therefore the assets are 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 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 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. 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.

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

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 \$352,737,174 difference are as follows:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Bonds payable	\$ 279,639,054
Notes payable	58,200,987
Capital leases	119,871
December 31, 2010 long-term debt outstanding	<u>\$ 337,959,912</u>
Accrued interest payable	2,790,567
Bond premium	2,442,576
Compensated absences payable	2,833,985
Other postemployment benefits liability	4,225,866
Bond costs	(3,139,156)
Net pension obligation asset	(648,034)
Net pension obligation liability	6,271,458
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$ 352,737,174</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 \$51,636,112 difference are as follows:

Capital Outlay	\$ 63,602,202
Plus: assets transferred in from enterprise funds	741,946
Plus: prior year construction in progress added as asset in current year	12,318,664
Capital asset increases per footnote 4.C	<u>\$ 76,662,812</u>
Less: assets transferred in from enterprise funds	(741,946)
Less: prior year construction in progress added as asset in current year	(12,318,664)
Depreciation expense	(11,966,090)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 51,636,112</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 differences in the treatment of long-term debt and related items.” The details of this \$25,737,197 difference are as follows:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Bonded debt issued	\$ (31,070,000)
Premium on bonded debt issued	(439,282)
Discount on bonded debt issued	39,447
Bonded debt principal payments	23,609,459
Capital lease payment	56,361
Unamortized debt costs	381,658
Loan proceeds	(21,367,174)
Loan payments	3,052,334
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (25,737,197)</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 \$4,686,694 are as follows:

Compensated absences	\$ (210,406)
Accrued interest	(349,159)
Amortization of bond costs and discounts	(239,111)
Amortization of bond premium	429,032
Net pension obligation adjustment	(2,940,692)
Other post employment benefits liability adjustment	(1,376,358)
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (4,686,694)</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.
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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

the City Commission. Supplemental appropriations granted for the 2010 year include \$393,037 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 \$391,956 for the year ended December 31, 2010.

B. EXCESS OF EXPENDITURES OVER BUDGET

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

Special Revenue Funds		
City Share of Specials	\$	21,295
Emergency 911		1,676
Neighborhood Stabilization		74,776
Parking Repair and Replacement		59,840
Parking Surplus Fund		9,577
HUD Home Program		55,814
Other Projects		30,551
Baseball Stadium		8,373

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

C. DEFICIT FUND BALANCE/NET ASSETS

Governmental Funds			
Special Revenue Funds			
City Share of Specials	\$	88,709	This deficit will be eliminated by future property taxes.
Outdoor Warning System		11,272	This deficit will be eliminated by transfers from operating divisions.
Regional Training Center		97,963	This deficit will be eliminated by future intergovernmental revenues.
Parking Surplus Fund		9,577	This deficit will be eliminated by transfers from operating divisions.
City Vehicle Reserve		25,643	This deficit will be eliminated by transfers from operating divisions.
Baseball Stadium		1,646,236	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.
Capital Projects Funds			
Capital Projects Fund	\$	46,862,510	This deficit will be eliminated by future bond financing and transfers from other funds.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

D. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$117,853,750 of restricted net assets, of which \$58,747,150 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, 2010, the carrying amount of the City's deposits was \$67,513,408 and the bank balance was \$70,498,271. 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, 2010, the City's deposits were either fully insured or properly collateralized, were held in the City's name, 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.

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, 2010, the City has the following investments and maturities:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Investment Type	Fair Value	Investment Maturities (in years)				
		Not Applicable	< 1	1 - 5	> 5 - 10	> 10
U.S. Agencies	\$ 9,111,657		\$ 399,918	\$ 8,711,739	\$ -	\$ -
Local Government Bond	666,663		88,330	375,961	202,372	-
Corporate Stocks	3,892,018	3,892,018	-	-	-	-
Alternative Investments	3,032,298	3,032,298	-	-	-	-
Bond Mutal Funds	9,805,688		2,742,026		7,063,662	
External Investment Pool *	60,128,954	34,575,250			25,553,704	
Mutual Funds	16,168,863	16,168,863	-	-	-	-
	<u>\$ 102,806,141</u>	<u>\$ 57,668,429</u>	<u>\$ 3,230,274</u>	<u>\$ 9,087,700</u>	<u>\$ 32,819,738</u>	<u>\$ -</u>

* - The weighted average maturity of the portion of the external investment pool subject to maturity is 6.96 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, 2010, the City had no investments in U.S. Instrumentalities. 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 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, 2010, the City has the following foreign currency risk exposure on investments.

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

Currency	All values in \$000			
	Short term	Debt	Equity	Total
Australian dollar	\$ (96)	\$ 73	\$ 59	\$ 36
Brazilian real	-	41	68	109
British pound sterling	(28)	43	238	253
Canadian dollar	(19)	33	58	72
Chinese yuan renminbi	16	-	-	16
Israeli shekel	-	-	7	7
Danish krone	(2)	-	7	5
Euro	(180)	-	408	228
Hong Kong dollar	(15)	-	30	15
Hungarian forint	(5)	5	-	-
Iceland krona	-	-	-	-
Indonesian rupiah	-	34	-	34
Japanese yen	(127)	-	236	109
Malaysian ringgit	-	39	-	39
Mexican peso	(6)	52	-	46
New Zealand dollar	8	32	-	40
Norwegian krone	12	20	12	44
Polish zloty	(2)	49	-	47
Singapore dollar	(3)	-	10	7
South African rand	-	10	-	10
South Korean won	-	42	-	42
Swedish krona	(34)	40	22	28
Swiss franc	(42)	-	129	87
Thai baht	-	-	-	-
Turkish lira	28	-	-	28
International comingled funds	-	521	2,194	2,715
	<u>\$ (495)</u>	<u>\$ 1,034</u>	<u>\$ 3,478</u>	<u>\$ 4,017</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

B. RECEIVABLES

Loans receivable as of December 31, 2010 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	3%	07/01/15 to 08/02/21	\$ 351,884
Neighborhood Revitalization Initiative (NRI)	2 - 4%	07/01/13 to 08/01/21	222,758
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	29,000
HUD HOME	0 – 3%	06/01/11 to 02/01/17	<u>3,015,662</u>
Total loans receivable			<u>\$ 3,619,304</u>

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.

Of the above loans, \$2,478,923 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, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,057,677	\$ 6,436,596	\$ -	\$ 15,494,273
Right of Way	3,154,103	456,220	-	3,610,323
Construction in progress	13,891,313	3,980,877	12,318,664	5,553,526
Total capital assets, not being depreciated	<u>26,103,093</u>	<u>10,873,693</u>	<u>12,318,664</u>	<u>24,658,122</u>
Capital assets, being depreciated:				
Buildings	58,312,053	12,744,290	6,294	71,050,049
Improvements other than buildings	621,169	25,366	-	646,535
Machinery and equipment	34,683,414	5,839,194	1,377,580	39,145,028
Infrastructure	292,173,678	47,180,270	56,150,112	283,203,836
Total capital assets being depreciated	<u>385,790,314</u>	<u>65,789,120</u>	<u>57,533,986</u>	<u>394,045,448</u>
Less accumulated depreciation for:				
Buildings	22,387,365	1,672,356	3,776	24,055,945
Improvements other than buildings	196,577	30,406	-	226,983
Machinery and equipment	20,820,887	3,619,492	856,309	23,584,070
Infrastructure	105,087,890	6,859,544	10,056,956	101,890,479
Total accumulated depreciation	<u>148,492,719</u>	<u>12,181,798</u>	<u>10,917,041</u>	<u>149,757,477</u>
Total capital assets, being depreciated, net	<u>237,297,595</u>	<u>53,607,322</u>	<u>46,616,945</u>	<u>244,287,971</u>
Governmental activities capital assets, net	<u>\$ 263,400,688</u>	<u>\$ 64,481,015</u>	<u>\$ 58,935,609</u>	<u>\$ 268,946,093</u>

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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

Governmental activities:	
General government	\$ 491,499
Public safety	1,444,857
Public works	7,786,759
Public health & welfare	68,020
Recreation & culture	641,826
Urban redevelopment	51,629
Transportation	1,481,501
Total depreciation expense - governmental activities	<u>\$ 11,966,090</u>
Accumulated Depreciation recorded through asset transfers from Business-type Activities	<u>215,708</u>
Total Additions to Accumulated Depreciation - governmental activities	<u><u>\$ 12,181,798</u></u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 39,995,254	\$ 3,889,646	\$ 346,053	\$ 43,538,847
Right of way	-	388,260	-	388,260
Construction in progress	18,322,939	12,522,782	12,300,460	18,545,261
Water rights	500,000	-	-	500,000
Total capital assets, not being depreciated	<u>58,818,193</u>	<u>16,800,688</u>	<u>12,646,513</u>	<u>62,972,368</u>
Capital assets, being depreciated				
Buildings	182,955,240	2,710,679	20,000	185,645,919
Improvements other than buildings	13,145,485	1,396,074	8,016	14,533,543
Machinery and equipment	54,128,542	3,768,093	3,012,474	54,884,161
Infrastructure	380,690,896	51,733,795	576,332	431,848,359
Total capital assets being depreciated	<u>630,920,163</u>	<u>59,608,641</u>	<u>3,616,822</u>	<u>686,911,982</u>
Less accumulated depreciation for:				
Buildings	51,852,883	4,159,361	20,000	55,992,244
Improvements other than buildings	4,571,260	593,753	7,735	5,157,278
Machinery and equipment	33,353,310	3,916,442	2,328,762	34,940,990
Infrastructure	102,381,309	18,352,929	537,125	120,197,113
Total accumulated depreciation	<u>192,158,762</u>	<u>27,022,485</u>	<u>2,893,622</u>	<u>216,287,625</u>
Total capital assets, being depreciated, net	<u>438,761,401</u>	<u>32,586,156</u>	<u>723,200</u>	<u>470,624,357</u>
Business-type activities capital assets, net	<u><u>\$ 497,579,594</u></u>	<u><u>\$ 49,386,844</u></u>	<u><u>\$13,369,713</u></u>	<u><u>\$ 533,596,725</u></u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

Business-type activities:	
Airport	\$ 2,955,985
Water	3,098,040
Wastewater	3,119,319
Storm sewer	2,970,348
Vector control	21,191
Street lighting	1,055,012
Solid waste	1,738,711
Forestry	61,692
Fargodome	2,375,133
Total depreciation expense - business-type activities	<u>\$ 17,395,431</u>
Accumulated depreciation recorded through asset transfers from governmental-type activities	9,627,054
	<u><u>\$ 27,022,485</u></u>

D. COMMITMENTS

Construction

As of December 31, 2010, the City had commitments on various construction contracts totaling approximately \$38,181,269.

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' below existing grade, varying based on their footprint location. Final elevations of cells range from 40' to 80' above existing grade. The 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 4' un-compacted clay soils, in which 4" of yard waste compost is incorporated into the top 12", 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 14.74 years. The estimated liability for landfill closure and post closure care is \$2,935,979 as of December 31, 2010. This reflects the same liability as calculated in 2009. The same liability is based on new cell construction completed in 2010; therefore no more acreage was included in the percent of the landfill that is filled or the amount that needs to be closed. 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, 2010. 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2010, is as follows:

	Receivable	Payable
Debt service	\$ 40,313,123	\$ -
Capital projects	-	41,478,291
Nonmajor governmental	83,859	-
Nonmajor governmental	-	428,007
Water	4,090,885	-
Solid waste	-	1,634,322
Storm sewer	-	775,161
FargoDome	-	169,395
Nonmajor enterprise	-	2,691
	<u> </u>	<u> </u>
Interfund totals	<u>\$ 44,487,867</u>	<u>\$ 44,487,867</u>

At December 31, 2010, the inter-fund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2010
General fund	\$ 2,298,802	\$ 1,114,105	\$ 1,184,697
Solid waste fund	1,200,000	721,770	478,230
Subtotal baseball advances	<u>\$ 3,498,802</u>	<u>\$ 1,835,875</u>	<u>\$ 1,662,927</u>
General fund - shooting range advance	<u>\$ 225,000</u>	<u>\$ 84,107</u>	<u>\$ 140,893</u>
Total advances	<u><u>\$ 3,723,802</u></u>	<u><u>\$ 1,919,982</u></u>	<u><u>\$ 1,803,820</u></u>

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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Interfund Transfers:

	Transfer in:								
	Major funds					Nonmajor funds		Internal	
	General	Debt Service	Capital Projects	Water	Storm Sewer	Governmental	Enterprise	Service	Total
Transfer out:									
Major funds:									
General	\$ -	\$ 721,542	\$ 1,326,872	\$ -	\$ -	\$ 1,667,760	\$ -	\$ 299,223	\$ 4,015,397
Debt service	1,229,689	-	31,588,944	-	-	114,072	-	-	32,932,705
Capital projects	-	27,811	-	-	134,787	-	-	-	162,598
Airport	50,000	-	-	-	-	-	-	-	50,000
Water	2,983,910	-	2,443,157	-	-	12,000	-	-	5,439,067
Wastewater	1,430,000	-	840,235	1,600,000	-	12,000	100,000	-	3,982,235
Storm sewer	290,000	-	310,667	-	-	-	-	-	600,667
Solid waste	2,000,000	-	-	-	-	12,000	380,012	-	2,392,012
Fargodome	50,000	-	-	-	-	-	-	-	50,000
Nonmajor funds:									
Governmental	32,921	396,110	792,195	-	-	43,409	-	-	1,264,635
Enterprise	442,836	-	-	-	-	4,000	-	-	446,836
Total	\$ 8,509,356	\$ 1,145,464	\$ 37,302,070	\$ 1,600,000	\$ 134,787	\$ 1,865,241	\$ 480,012	\$ 299,223	\$ 51,336,153

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 \$278,540 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2011	\$ 240,255
2012	214,682
2013	121,700
2014	106,314
	<u>\$ 682,951</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Capital Leases

The City is obligated to the following capital lease agreements:

BUSINESS-TYPE	Remaining Balance
SOLID WASTE ENTERPRISE FUND	
CAT Track Loader	100,431
Intl 4300 Kann Recycle Body	51,549
Kann Trough Loader	89,948
CAT D7 Dozer	271,582
CAT D6 Dozer	236,250
Wheel Loaders (2)	168,622
Peterbilt 320 Chassis (2)	233,766
Peterbilt 320 Chassis (2)	230,610
Peterbilt 320 Chassis	160,351
Peterbilt 320 Chassis w/Heil Rapid Rail	155,773
Bomag Refuse Compactor	355,001
Total Business-Type	\$ 2,053,885
GOVERNMENTAL	
John Deere Graders	\$ 119,871

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 381,350	\$ 3,722,948
Less: Accumulated depreciation	(209,742)	(820,395)
Total	\$ 171,608	\$ 2,902,553

Future Minimum Payments under the above capital lease agreements at December 31, 2010 are shown below:

	Governmental Activities	Business-type Activities
2011	\$ 63,710	\$ 613,424
2012	63,710	638,047
2013	-	543,729
2014	-	391,893
2015	-	107,097
Total minimum lease payments	127,420	2,294,189
Less: amount representing interest	(7,549)	(240,305)
Present value of minimum lease payments	\$ 119,871	\$ 2,053,885

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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	\$ 58,042,263
Less: Accumulated depreciation	(22,686,119)
Total	<u>\$ 35,356,144</u>

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

2011	\$ 204,500
2012	204,500
2013	204,500
2014	204,500
2015	57,500
Thereafter	57,500
	<u>\$ 933,000</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 29th 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 21st to May 29th 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	<u>(1,506,443)</u>
Total	<u>\$ 3,630,070</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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:

2011	\$	45,684
2012		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, 2010

	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010	Due within one year
GOVERNMENTAL ACTIVITIES					
Improvement bonds	\$ 219,828,561	\$ 31,070,000	\$ 12,765,280	\$ 238,133,281	\$ 10,638,281
Gross revenue bonds	6,624,952	-	424,179	6,200,773	444,751
General obligation bonds	2,875,000	-	145,000	2,730,000	105,000
Sales tax revenue bonds	42,850,000	-	10,275,000	32,575,000	10,530,000
Total Bonds Payable	272,178,513	31,070,000	23,609,459	279,639,054	21,718,032
Notes payable	39,886,147	21,367,174	3,052,334	58,200,987	396,000
Capital leases	176,232	-	56,361	119,871	58,711
Total Debt	312,240,892	52,437,174	26,718,154	337,959,912	22,172,743
Accumulated unpaid vacation	2,623,578	2,833,985	2,623,578	2,833,985	2,833,985
Unamortized premium on refunding	2,432,326	439,282	429,032	2,442,576	439,799
Net pension obligations	3,201,297	5,369,430	2,299,269	6,271,458	-
Other postemployment benefits	2,849,508	1,819,133	442,775	4,225,866	-
TOTAL	\$ 323,347,601	\$ 62,899,004	\$ 32,512,808	\$ 353,733,797	\$ 25,446,527
	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010	Due within one year
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 37,610,000	\$ -	\$ 3,795,000	\$ 33,815,000	\$ 3,970,000
Unamortized premium on refunding	1,229,088	-	155,604	1,073,484	155,604
Total Bonds Payable	38,839,088	-	3,950,604	34,888,484	4,125,604
Notes payable	13,752,767	-	1,550,000	12,202,767	1,590,000
Capital leases	1,794,497	834,544	575,156	2,053,885	516,884
Special assessments	5,001,351	191,966	200,644	4,992,673	251,960
Contract payable	1,541,497	6,885	106,279	1,442,103	324,531
Landfill closure/postclosure	2,935,979	-	-	2,935,979	-
Accumulated unpaid vacation	622,121	644,093	622,121	644,093	644,093
TOTAL	\$ 64,487,300	\$ 1,677,488	\$ 7,004,804	\$ 59,159,984	\$ 11,578,676

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Development, HUD HOME, HUD HOME Participating Jurisdiction, and Parking Authority Special Revenue Funds.

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
GOVERNMENTAL ACTIVITIES			
Improvement bonds			
(Special assessment debt)	2.00 - 6.00 %	\$ 273,592,810	\$ 238,133,281
Gross revenue bonds	2.50 - 6.625%	8,920,000	6,200,773
General obligation bonds	2.00 - 4.00%	2,875,000	2,730,000
Sales tax revenue bonds	2.00 - 6.00%	63,055,000	32,575,000
TOTAL		<u><u>\$ 348,442,810</u></u>	<u><u>\$ 279,639,054</u></u>
BUSINESS-TYPE ACTIVITIES			
Water revenue bond	5.25%	\$ 28,065,000	\$ 23,185,000
Clean renewable energy bond	0.50%	1,500,000	1,100,000
Airport revenue bonds (2 issues)	2.00 - 4.25%	14,225,000	9,530,000
TOTAL		<u><u>\$ 43,790,000</u></u>	<u><u>\$ 33,815,000</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.

Revenue bonds payable at December 31, 2010, consist of three issues backed and serviced by sales tax, two issues backed and serviced by annual general fund revenue appropriations, one issue backed and serviced by NRI program revenues, one issue backed and serviced by Parking Authority revenues, and four issues backed and serviced by utility revenues, which include the Water Fund, Solid Waste Fund and Airport Authority.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Debt service requirements for these revenue bonds at December 31, 2010, are as follows:

Sales Tax			
Year	Principal	Interest	Total
2011	\$ 10,530,000	\$ 1,093,503	\$ 11,623,503
2012	10,800,000	672,462	11,472,462
2013	5,580,000	239,063	5,819,063
2014	5,665,000	127,462	5,792,462
Totals	<u>\$ 32,575,000</u>	<u>\$ 2,132,490</u>	<u>\$ 34,707,490</u>

General Fund Appropriations			
Year	Principal	Interest	Total
2011	\$ 296,421	\$ 217,064	\$ 513,485
2012	309,998	203,923	513,921
2013	323,741	189,954	513,695
2014	337,661	175,130	512,791
2015	356,763	159,241	516,004
2016-2020	2,052,396	516,787	2,569,183
2021-2025	972,130	54,838	1,026,968
Totals	<u>\$ 4,649,110</u>	<u>\$ 1,516,937</u>	<u>\$ 6,166,047</u>

NRI Program			
Year	Principal	Interest	Total
2011	\$ 88,330	\$ 16,667	\$ 104,997
2012	90,538	14,458	104,996
2013	92,801	12,195	104,996
2014	95,121	9,875	104,996
2015	97,500	7,497	104,997
2016-2020	202,373	7,620	209,993
Totals	<u>\$ 666,663</u>	<u>\$ 68,312</u>	<u>\$ 734,975</u>

Parking Authority			
Year	Principal	Interest	Total
2011	\$ 60,000	\$ 55,891	\$ 115,891
2012	60,000	52,531	112,531
2013	65,000	49,081	114,081
2014	70,000	45,262	115,262
2015	75,000	41,062	116,062
2016-2020	450,000	127,231	577,231
2021-2025	105,000	6,956	111,956
Totals	<u>\$ 885,000</u>	<u>\$ 378,014</u>	<u>\$ 1,263,014</u>

Water			
Year	Principal	Interest	Total
2011	\$ 2,825,000	\$ 1,143,056	\$ 3,968,056
2012	2,975,000	990,806	3,965,806
2013	3,130,000	830,550	3,960,550
2014	3,295,000	661,894	3,956,894
2015	3,470,000	484,312	3,954,312
2016-2020	7,490,000	398,313	7,888,313
Totals	<u>\$ 23,185,000</u>	<u>\$ 4,508,931</u>	<u>\$ 27,693,931</u>

Solid Waste			
Year	Principal	Interest	Total
2011	\$ 100,000	\$ 9,350	\$ 109,350
2012	100,000	8,500	108,500
2013	100,000	7,650	107,650
2014	100,000	6,800	106,800
2015	100,000	5,950	105,950
2016-2020	500,000	17,000	517,000
2021-2025	100,000	850	100,850
Totals	<u>\$ 1,100,000</u>	<u>\$ 56,100</u>	<u>\$ 1,156,100</u>

Airport Authority			
Year	Principal	Interest	Total
2011	\$ 1,045,000	\$ 377,369	\$ 1,422,369
2012	1,080,000	340,259	1,420,259
2013	1,120,000	301,889	1,421,889
2014	1,160,000	261,379	1,421,379
2015	1,205,000	217,812	1,422,812
2016-2020	3,920,000	337,662	4,257,662
Totals	<u>\$ 9,530,000</u>	<u>\$ 1,836,370</u>	<u>\$ 11,366,370</u>

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, 2010, the statutory limit for the City was \$170,987,981 providing a debt margin of \$164,084,232. This calculation can be found on page 143 of the statistical section.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2010, \$93,220,000 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 \$1,703,181 which will be repaid to the CRWU over a five year period. As of December 31, 2010, the balance of this contract payable is \$1,442,103.

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, storm sewer system, 45th street corridor interceptor project, north side sewer service facility project, transmission lines south side system project and a water tower project. In 2010, the City obtained additional financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance the following projects; Wastewater System - Clarifier Improvements and Wastewater Stabilization Ponds.

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 four 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Details relative to the outstanding notes payable are shown below:

TYPE AND ISSUE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/10
GOVERNMENTAL ACTIVITIES				
SRLF Storm Sewer Project	9/1/2020	2.50%	\$ 1,816,295	\$ 1,020,000
SRLF Water Tower	9/1/2027	2.50%	2,500,000	2,156,356
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,640,000	1,487,105
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	40,703,478
SRLF Transmission Lines South Side System	9/1/2029	2.82%	29,240,000	8,263,731
SRLF Wastewater Clarifier Improvements	9/1/2029	0.05%	853,974	303,606
SRLF Wastewater Stabilization Ponds	9/1/2029	2.50%	3,149,575	2,590,835
TIF Revenue Notes	5/1/2034	6.00%	1,015,930	1,675,876
TOTAL GOVERNMENTAL ACTIVITIES			\$ 103,940,774	\$ 58,200,987
BUSINESS-TYPE ACTIVITIES				
SRLF Sewer Plan Expansion Phase I	10/1/2013	3.00%	\$ 3,561,559	\$ 675,000
SRLF Sewer Plan Expansion Phase II	10/1/2014	2.50%	7,770,000	1,805,000
SRLF Sewer Plan Expansion Phase III	9/1/2017	2.50%	2,850,429	1,110,429
SRLF Sewer Plan Expansion Phase IV	9/1/2018	2.50%	1,482,337	682,338
SRLF Sewer Plan Expansion Phase VI	9/1/2019	2.50%	10,266,793	5,700,000
SRLF Reile's Acres Sewer Project	9/1/2019	2.50%	210,000	100,000
SRLF Oxbow Sewer Extension	9/1/2025	2.50%	2,470,739	2,130,000
TOTAL BUSINESS-TYPE ACTIVITIES			\$ 28,611,857	\$ 12,202,767
TOTAL NOTES PAYABLE			\$ 132,552,631	\$ 70,403,754

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, 2010, are shown in the following table:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

GOVERNMENTAL ACTIVITIES

	Special Assessment Bonds		Gross Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 10,638,281	\$ 10,626,319	\$ 444,751	\$ 289,622	105,000	81,275
2012	11,125,000	9,659,754	460,535	270,913	110,000	79,125
2013	11,655,000	9,273,054	481,543	251,230	115,000	76,875
2014	11,630,000	8,865,743	502,782	230,267	115,000	74,431
2015	11,445,000	8,448,019	529,263	207,800	125,000	71,731
2016-2020	50,145,000	36,016,722	2,704,769	651,638	640,000	308,769
2021-2025	53,610,000	24,876,529	1,077,130	61,795	770,000	200,712
2026-2030	54,100,000	11,728,177	-	-	750,000	55,369
2031-2035	23,785,000	2,303,517	-	-	-	-
	<u>\$ 238,133,281</u>	<u>\$ 121,797,834</u>	<u>\$ 6,200,773</u>	<u>\$ 1,963,265</u>	<u>\$ 2,730,000</u>	<u>\$ 948,287</u>

	Sales Tax Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2011	\$ 10,530,000	\$ 1,093,503	\$ 396,000	\$ 1,148,684
2012	10,800,000	672,462	2,647,638	1,419,104
2013	5,580,000	239,063	2,715,834	1,348,533
2014	5,665,000	127,462	2,786,893	1,280,098
2015	-	-	2,854,623	1,209,868
2016-2020	-	-	15,384,820	4,938,515
2021-2025	-	-	16,817,866	2,924,594
2026-2030	-	-	12,921,437	773,102
2031-2035	-	-	1,675,876	-
	<u>\$ 32,575,000</u>	<u>\$ 2,132,490</u>	<u>\$ 58,200,987</u>	<u>\$ 15,042,498</u>

BUSINESS-TYPE ACTIVITIES

	Revenue Bonds		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 3,970,000	\$ 1,520,425	\$ 1,590,000	\$ 308,444	\$ 251,960	\$ 280,453
2012	4,155,000	1,331,065	1,625,000	267,594	217,423	268,217
2013	4,350,000	1,132,439	1,661,000	225,844	221,195	255,744
2014	4,555,000	923,272	1,476,000	183,169	227,861	242,996
2015	4,775,000	702,125	1,021,000	146,269	229,733	229,875
2016-2020	11,910,000	735,875	4,064,767	349,547	1,099,392	951,377
2021-2025	100,000	-	765,000	57,750	1,041,507	656,848
2026-2030	-	-	-	-	1,216,230	331,988
2031-2035	-	-	-	-	487,372	58,566
	<u>\$ 33,815,000</u>	<u>\$ 6,345,201</u>	<u>\$ 12,202,767</u>	<u>\$ 1,538,617</u>	<u>\$ 4,992,673</u>	<u>\$ 3,276,064</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

TYPE AND ISSUE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/10
GOVERNMENTAL ACTIVITIES					
SPECIAL ASSESSMENT BONDS					
2002 Series A	6/1/2002	5/1/2027	3.00-5.125	\$ 11,190,000	\$ 8,800,000
2003 Series A	3/1/2003	5/1/2028	2.375-4.70	15,250,000	12,205,000
2003 Series D	9/1/2003	5/1/2028	3.00-5.00	12,525,000	10,185,000
2004 Series B	4/1/2004	6/1/2015	2.25-3.375	9,300,000	4,615,000
2004 Series C	5/1/2004	5/1/2029	3.00-4.75	22,280,000	18,830,000
2004 Series E	11/1/2004	5/1/2029	3.00-4.50	23,185,000	18,425,000
2005 Series A	12/15/2005	5/1/2030	4.00-4.70	21,310,000	18,145,000
2005 Series B	12/15/2005	5/1/2018	4.00-4.25	10,675,000	7,020,000
2006 Series B	12/15/2006	5/1/2031	3.75-4.375	19,810,000	17,420,000
2006 Series C	12/15/2006	5/1/2018	3.75	6,465,000	5,575,000
2007 Series B	12/15/2007	5/1/2032	4.00-4.70	13,045,000	11,895,000
2008 Series E	12/19/2008	5/1/2033	4.00-6.00	26,285,000	24,850,000
2009 Series A	4/30/2009	5/1/2019	2.50-4.00	13,190,000	11,735,000
2009 Series C	10/15/2009	5/1/2034	2.00-4.125	37,680,000	37,330,000
2010 Series B	5/25/2010	5/1/2035	0.80 - 5.70	22,820,000	22,820,000
2010 Series C	5/25/2010	5/1/2027	3.00-5.00	8,250,000	8,250,000
				<u>\$ 273,260,000</u>	<u>\$ 238,100,000</u>
SIDEWALK CONSTRUCTION					
2001	6/15/2001	1/1/2011	5.48	332,810	33,281
				<u>\$ 332,810</u>	<u>\$ 33,281</u>
GENERAL OBLIGATION BONDS					
2009 Series B	10/15/2009	5/1/2029	2.00-4.00	\$ 2,875,000	\$ 2,730,000
GROSS REVENUE DEBT					
2001 Parking Revenue	5/15/2001	11/1/2021	4.00-6.625	\$ 1,290,000	\$ 885,000
2002 Lease Revenue	5/1/2002	5/1/2022	3.50-5.10	4,930,000	3,455,000
2002 Housing Revenue	4/15/2002	4/15/2017	2.50	1,300,000	666,663
2007 Lease Revenue	6/1/2007	6/1/2022	4.67	1,400,000	1,194,110
				<u>\$ 8,920,000</u>	<u>\$ 6,200,773</u>
SALES TAX INFRASTRUCTURE BONDS					
1999	11/15/1999	7/1/2012	5.00-6.00	\$ 15,260,000	\$ 3,220,000
2005	7/18/2005	7/1/2012	5.00	20,260,000	7,185,000
2009 Series D	10/15/2009	11/1/2014	2.00-3.00	27,535,000	22,170,000
				<u>\$ 63,055,000</u>	<u>\$ 32,575,000</u>
TOTAL GOVERNMENTAL ACTIVITIES				<u>\$ 348,442,810</u>	<u>\$ 279,639,054</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

TYPE AND ISSUE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/10
BUSINESS-TYPE ACTIVITIES					
WATER FUND					
Revenue Bonds of 2007	10/11/2007	1/1/2017	5.25	\$ 28,065,000	\$ 23,185,000
AIRPORT FUND					
Revenue Bonds of 2004	10/1/2004	9/1/2014	2.00-3.55	\$ 6,470,000	\$ 2,820,000
Revenue Bonds of 2007	2/15/2007	9/1/2018	2.25-4.00	7,755,000	6,710,000
				<u>\$ 14,225,000</u>	<u>\$ 9,530,000</u>
SOLID WASTE FUND					
Clean Renewable Energy Bond	11/5/2007	12/15/2021	0.50	\$ 1,500,000	\$ 1,100,000
TOTAL BUSINESS-TYPE ACTIVITIES				<u>\$ 43,790,000</u>	<u>\$ 33,815,000</u>
TOTAL BONDED INDEBTEDNESS				<u>\$ 392,232,810</u>	<u>\$ 313,454,054</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	\$ 361,643	\$ -	\$ 361,643
Special assessments receivable	223,674,849	-	223,674,849
Interest receivable	50,742	-	50,742
Grant resources held and grant items receivable	4,354,487	46,376	4,400,863
Loans/contracts/accounts receivable	<u>4,569,052</u>	<u>2,586,972</u>	<u>7,156,024</u>
Total deferred/unearned revenue for governmental funds	233,010,773	<u>\$ 2,633,348</u>	<u>\$ 235,644,122</u>
Internal Service fund - deferred revenue	<u>198,489</u>		
Total per reconciliation of the governmental funds balance sheet to the statement of net assets	<u>\$ 233,209,262</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, 2010, the number of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is unknown. Neither the State of 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 \$445,946 as of December 31, 2010. 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
2010	\$ 511,154	\$ 6,406,673	\$ 6,471,881	\$ 445,946
2009	558,000	5,082,834	5,129,680	511,154
2008	858,000	4,627,957	4,927,957	558,000

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 \$0. Effective, October 29, 2009 the City Commission approved the City's general liability 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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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
2010	\$ 50,000	\$ (48,916)	\$ 1,084	\$ -
2009	341,312	1,747,386	2,038,698	50,000
2008	305,375	267,186	231,249	341,312

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 single 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.

Membership in the plan on January 1, 2011 (date of most recent actuarial study) is as follows:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

Retirees and beneficiaries	181
Terminated vested and deferred beneficiaries	19
Active plan members	449

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, 2010 are \$27,993,517 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 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 2010. The City of Fargo's required contribution is 5.26% of covered compensation.

The City's contribution to the Public Employees Retirement System for the years ending December 31, 2010, 2009 and 2008 was \$858,937, \$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, 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 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2010 are \$33,586,718 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 January 1, 2010, (date of most recent actuarial study) in the plan is as follows:

Active plan members	113
Terminated vested members	1
Retirees, disibilitants, and beneficiaries	80

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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

EMPLOYEES' PENSION 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]
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%
1/1/2011	27,993,517	45,628,332	17,634,815	61.4%	23,020,572	76.6%

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, 2010, 2009 and 2008 were \$1,210,629, \$1,518,491, and \$1,317,858, respectively, which were 39%, 51%, and 50%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2010, 2009, and 2008 were \$2,942,307, \$2,879,527, and \$2,633,461, respectively. The percentage funded was 41%, 51%, and 50% for the years 2010, 2009, and 2008, respectively. The Net Pension Obligation (NPO) at the end of 2010, 2009, and 2008 was positive (a liability).

Annual Pension Cost Components					
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
2010	3,133,463	240,097	431,253	1,731,678	4,932,975

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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, 2010, 2009 and 2008 were \$1,088,640, \$1,427,831, and \$973,471, respectively, which were 44%, 60%, and 84%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2010, 2009 and 2008 was \$2,453,940, \$2,404,781, and \$1,172,365, respectively. The percentage funded was 44%, 59%, and 83% for the years 2010, 2009, and 2008, respectively. The Net Pension Obligation (NPO) at the end of each year was positive (a liability).

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)
2010	2,453,645	(2,011)	(2,306)	1,365,300	1,338,483

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%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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 (3)	12,981,409	15,936,307	2,954,898	81.5%	3,093,696	95.5%
1/1/2000 (4)	13,981,204	16,705,751	2,724,547	83.7%	3,217,444	84.7%
5/1/2000 (4)	14,455,282	16,947,114	2,491,832	85.3%	3,209,112	77.6%
6/1/2002 (5)	15,468,405	20,753,134	5,284,729	74.5%	3,467,994	152.4%
6/1/2004 (5)	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%
1/1/2010	19,639,494	28,865,604	9,226,110	68.0%	6,016,656	153.3%

- (1) Revised to reflect audited financial statements.
- (2) Revised investment return assumption.
- (3) Revised plan provisions.
- (4) Changed asset method
- (5) Revised plan provisions and changed actuarial assumptions.

For the Fargo Firefighters' Relief Association Retirement Plan, employer contributions for the years ended December 31, 2010, 2009 and June 30, 2009 were \$728,778, \$667,472 and \$710,046, respectively, which were 85%, 155%, and 96%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2010, 2009, and June 30, 2008 were \$848,565, \$425,951 and \$732,363, respectively. The percentage funded was 86%, 157% and 97%, for the years ended December 31, 2010, 2009, and June 30, 2009, 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 (1)	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)	22,317	(526,300)
12/31/2009 (2)	430,761	(20,394)	(15,584)	(241,521)	(767,821)
12/31/2010	861,521	(59,506)	(46,550)	119,787	(648,034)

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

- (1) Prorated for short (five month) plan year
(2) Adjusted for 6 month period ending 12/31/2009

<u>SCHEDULES OF EMPLOYER CONTRIBUTIONS (GASB 25)</u>						
	<u>CITY EMPLOYEES' PENSION</u>		<u>POLICE PENSION</u>		<u>FIREFIGHTERS' RELIEF ASSOCIATION</u>	
Year Ended	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	96%
2010	3,133,463	39%	2,453,645	44%	861,521	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:

	<u>City Employees'</u>	<u>Police</u>	<u>Firefighters'</u>
Valuation Date	1/1/2011	1/1/2010	1/1/2010
Actuarial Cost Method	Entry Age Normal Method		
Amortization Method	Unit Credit Method **	Aggregate Method	Entry Age Normal Method
Amortization Period	Level Percent	N/A*	Level Percent
Remaining Amortization Period	Closed	N/A*	Closed
	9,6,11,8,15,10,12,19,14,15	N/A*	26
Asset Valuation Method	Market Value plus 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	RP-2000 Combined

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

** The Entry Age Normal Cost Method is used for City employees who are accruing benefits under the City's plan. The Unit Credit Method is used for all participants no longer accruing benefits under the City plan (including employees who have switched to NDPERS).

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:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ASSETS			
Cash	\$ 286,352	\$ 129,900	\$ 416,252
Equity in pooled investments	11,733	550,900	562,633
Receivables:			
Accounts receivable	29,607	21,858	51,465
Interest	-	70	70
Total receivables	29,607	21,928	51,535
Investments, at fair value:			
Domestic equities	11,542,408	-	11,542,408
International equities	4,302,230	-	4,302,230
Domestic fixed income	7,818,067	-	7,818,067
International fixed income	1,374,287	-	1,374,287
Real estate	1,443,501	-	1,443,501
Alternative investments	1,223,302	3,032,298	4,255,600
Corporate stocks	13,482	3,878,536	3,892,018
Mutual funds	-	25,974,552	25,974,552
Total investments	27,717,277	32,885,386	60,602,663
Invested securities lending collateral	637,446	-	637,446
Total assets	<u>\$ 28,682,415</u>	<u>\$ 33,588,114</u>	<u>\$ 62,270,529</u>
LIABILITIES			
Vouchers and benefits payable	\$ 31,520	\$ 1,396	\$ 32,916
Securities lending collateral	637,446	-	637,446
Interest payable	19,932	-	19,932
Total liabilities	<u>\$ 688,898</u>	<u>\$ 1,396</u>	<u>\$ 690,294</u>
NET ASSETS			
Held in trust for pension benefits	<u>\$ 27,993,517</u>	<u>\$ 33,586,718</u>	<u>\$ 61,580,235</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

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

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ADDITIONS			
Contributions			
Employer	\$ 711,090	\$ 1,088,640	\$ 1,799,730
Employee	499,539	709,005	1,208,544
Total contributions	<u>1,210,629</u>	<u>1,797,645</u>	<u>3,008,274</u>
Investment income			
Net appreciation in fair value of investments, and interest and dividends	3,295,171	3,249,022	6,544,193
Less investment expense	<u>(109,365)</u>	<u>(298,596)</u>	<u>(407,961)</u>
Net investment income (loss)	<u>3,185,806</u>	<u>2,950,426</u>	<u>6,136,232</u>
Total additions (deductions)	<u>4,396,435</u>	<u>4,748,071</u>	<u>9,144,506</u>
DEDUCTIONS			
Pension benefit payments	1,850,491	2,463,205	4,313,696
Member contribution refunds	46,534	6,910	53,444
Administrative expenses	<u>49,768</u>	<u>33,191</u>	<u>82,959</u>
Total deductions	<u>1,946,793</u>	<u>2,503,306</u>	<u>4,450,099</u>
Change in net assets	2,449,642	2,244,765	4,694,407
Total net assets - beginning	<u>25,543,875</u>	<u>31,341,953</u>	<u>56,885,828</u>
Total net assets - ending	<u><u>\$ 27,993,517</u></u>	<u><u>\$ 33,586,718</u></u>	<u><u>\$ 61,580,235</u></u>

Related Party Investments

During 2010 and as of December 31, 2010 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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010**

to exceed thirty years. The City's annual OPEB cost for 2010 and the related information for each plan are as follows:

	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	\$ 1,200,536	\$ 994,102	\$ 654,870	\$ 2,849,508
ARC	914,825	565,814	398,389	1,879,028
Interest on NOO	41,619	25,742	18,124	85,485
ARC Adjustment	(70,780)	(43,777)	(30,823)	(145,380)
Annual OPEB Cost	885,664	547,779	385,690	1,819,133
Contributions	215,570	133,328	93,877	442,775
Net OPEB obligation - end of year	<u>\$ 1,870,630</u>	<u>\$ 1,408,553</u>	<u>\$ 946,683</u>	<u>\$ 4,225,866</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 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
12/31/2008	-	-	0.00%	686,000
12/31/2009	725,449	210,913	29.07%	1,200,536
12/31/2010	885,664	215,570	24.34%	1,870,630
* 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
12/31/2008	-	-	0.00%	533,000
12/31/2009	561,501	100,399	17.88%	994,102
12/31/2010	547,779	133,328	24.34%	1,408,553
* 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
12/31/2008	-	-	0.00%	321,000
12/31/2009	414,328	80,458	19.42%	654,870
12/31/2010	385,690	93,877	24.34%	946,683
* Contribution is a reduction of the implicit subsidy				

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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%

The Funded Status and Funding Progress data disclosed above were last measured as of December 31, 2009 when the valuation was completed.

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			
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, 2010**

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 9th 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 2, 2011, the Board of City Commissioners voted to approve resolutions relating to the issuance of Refunding Improvement Bonds, Series 2011A and Refunding Improvement Bonds, Series 2011B. Both issues are new money issues whose proceeds will be used for infrastructure projects.



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NONMAJOR GOVERNMENTAL FUNDS

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 twenty nine 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.

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.

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.

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, 2010

	Special Revenue						
	City Share of Specials	Noxious Weeds	Emergency 911	Outdoor Warning System	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
ASSETS							
Equity in pooled investments	\$ -	\$ 83,370	\$ -	\$ -	\$ 6,462	\$ -	\$ 41,828
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	-	-	-
Taxes	21,669	758	-	-	-	-	-
Accounts	-	-	343,245	-	146,038	-	5,000
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	637,743	-
Due from other funds	83,859	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	71	-	42	125
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	264,200	-
Total assets	<u>\$ 105,528</u>	<u>\$ 84,128</u>	<u>\$ 343,245</u>	<u>\$ 71</u>	<u>\$ 152,500</u>	<u>\$ 901,985</u>	<u>\$ 46,953</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ -	\$ -	\$ 28,805	\$ -	\$ 124,776	\$ 441,130	\$ 4,023
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	140,893
Due to other funds	-	-	89,653	11,343	-	191,189	-
Accrued payroll	-	-	-	-	-	1,011	-
Special assessments payable	176,100	-	-	-	403	4,454	-
Deferred revenue	18,137	633	144,000	-	-	10,488	-
Total liabilities	<u>194,237</u>	<u>633</u>	<u>262,458</u>	<u>11,343</u>	<u>125,179</u>	<u>648,272</u>	<u>144,916</u>
Fund balances							
Restricted - property held for resale	-	-	-	-	-	264,200	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	71	-	42	125
Unreserved - designated for capital needs	-	-	80,787	-	-	-	-
Unreserved - undesignated	(88,709)	83,495	-	(11,343)	27,321	(10,529)	50,000
Total fund balances	<u>(88,709)</u>	<u>83,495</u>	<u>80,787</u>	<u>(11,272)</u>	<u>27,321</u>	<u>253,713</u>	<u>(148,088)</u>
Total liabilities and fund balances	<u>\$ 105,528</u>	<u>\$ 84,128</u>	<u>\$ 343,245</u>	<u>\$ 71</u>	<u>\$ 152,500</u>	<u>\$ 901,985</u>	<u>\$ 46,953</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2010

	Special Revenue						
	FTA Transit Capital Escrow	SE Cass Capital Reserve	Court Forfeits	Drain Maintenance	Broadway Mall Maintenance	Skyway Maintenance	Winter Lights Maintenance
ASSETS							
Equity in pooled investments	\$ 20,211	\$ 50,065	\$ 182,468	\$ 101,164	\$ 45,872	\$ 43,137	\$ 6,745
Receivables (net of allowance for uncollectibles):							
Interest	1	6	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-
Special assessments	-	-	-	-	42,292	80,166	67,786
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	1,030	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 20,212</u>	<u>\$ 50,071</u>	<u>\$ 182,468</u>	<u>\$ 101,164</u>	<u>\$ 88,164</u>	<u>\$ 124,333</u>	<u>\$ 74,531</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ 51	\$ -	\$ 46,902	\$ -	\$ 4,474	\$ 6,928	\$ 12,137
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	30,705	49,416	60,330
Total liabilities	<u>51</u>	<u>-</u>	<u>46,902</u>	<u>-</u>	<u>35,179</u>	<u>56,344</u>	<u>72,467</u>
Fund balances							
Restricted - property held for resale	-	-	-	-	-	-	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	-	-	1,030	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	20,161	50,071	135,566	101,164	52,985	66,959	2,064
Total fund balances	<u>20,161</u>	<u>50,071</u>	<u>135,566</u>	<u>101,164</u>	<u>52,985</u>	<u>67,989</u>	<u>2,064</u>
Total liabilities and fund balances	<u>\$ 20,212</u>	<u>\$ 50,071</u>	<u>\$ 182,468</u>	<u>\$ 101,164</u>	<u>\$ 88,164</u>	<u>\$ 124,333</u>	<u>\$ 74,531</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2010

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
ASSETS							
Equity in pooled investments	\$ 383,381	\$ 113,477	\$ -	\$ -	\$ -	\$ 42,770	\$ 243,481
Receivables (net of allowance for uncollectibles):							
Interest	-	14	-	-	-	-	31
Taxes	-	-	-	-	-	-	-
Accounts	164,351	-	-	154	-	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental	5,590	-	-	66,096	157,051	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	4,921	-	-	1,965	-	-	-
Loans	-	-	-	351,884	1,605,546	1,410,116	251,758
Property held for resale	-	-	-	47,000	-	-	23,005
Total assets	<u>\$ 558,243</u>	<u>\$ 113,491</u>	<u>\$ -</u>	<u>\$ 467,099</u>	<u>\$ 1,762,597</u>	<u>\$ 1,452,886</u>	<u>\$ 518,275</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ 17,705	\$ -	\$ -	\$ 6,472	\$ 23,760	\$ 9,596	\$ 140
Contract retainage payable	4,601	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	9,577	48,603	77,642	-	-
Accrued payroll	1,274	-	-	2,168	1,089	-	257
Special assessments payable	34,698	-	-	-	-	-	-
Deferred revenue	63,464	-	-	356,291	1,617,957	1,410,116	251,758
Total liabilities	<u>121,742</u>	<u>-</u>	<u>9,577</u>	<u>413,534</u>	<u>1,720,448</u>	<u>1,419,712</u>	<u>252,155</u>
Fund balances							
Restricted - property held for resale	-	-	-	47,000	-	-	23,005
Reserved - capital improvements	-	149,417	-	-	-	-	-
Reserved - prepaids	4,921	-	-	1,965	-	-	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	431,580	(35,926)	(9,577)	4,600	42,149	33,174	243,115
Total fund balances	<u>436,501</u>	<u>113,491</u>	<u>(9,577)</u>	<u>53,565</u>	<u>42,149</u>	<u>33,174</u>	<u>266,120</u>
Total liabilities and fund balances	<u>\$ 558,243</u>	<u>\$ 113,491</u>	<u>\$ -</u>	<u>\$ 467,099</u>	<u>\$ 1,762,597</u>	<u>\$ 1,452,886</u>	<u>\$ 518,275</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2010

	Island Park Maintenance Escrow	Revenue Stabilization	City Building Repair Escrow	City Vehicle Reserve	Computer Replacement	Civic Center Reserve	Other Projects
ASSETS							
Equity in pooled investments	\$ 89,714	\$ 3,489,348	\$ 136,998	\$ 18,608	\$ 65,500	\$ 122,188	\$ 15,265
Receivables (net of allowance for uncollectibles):							
Interest	11	330	-	-	-	-	-
Taxes	-	-	-	-	-	-	-
Accounts	-	-	7,166	-	-	-	-
Special assessments	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-
Total assets	<u>\$ 89,725</u>	<u>\$ 3,489,678</u>	<u>\$ 144,164</u>	<u>\$ 18,608</u>	<u>\$ 65,500</u>	<u>\$ 122,188</u>	<u>\$ 15,265</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ -	\$ -	\$ -	\$ 44,251	\$ -	\$ -	\$ 460
Contract retainage payable	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,251</u>	<u>-</u>	<u>-</u>	<u>460</u>
Fund balances							
Restricted - property held for resale	-	-	-	-	-	-	-
Reserved - capital improvements	-	-	-	-	-	-	-
Reserved - prepaids	-	-	-	-	-	-	-
Unreserved - designated for capital needs	-	-	-	-	-	-	-
Unreserved - undesignated	89,725	3,489,678	144,164	(25,643)	65,500	122,188	14,805
Total fund balances	<u>89,725</u>	<u>3,489,678</u>	<u>144,164</u>	<u>(25,643)</u>	<u>65,500</u>	<u>122,188</u>	<u>14,805</u>
Total liabilities and fund balances	<u>\$ 89,725</u>	<u>\$ 3,489,678</u>	<u>\$ 144,164</u>	<u>\$ 18,608</u>	<u>\$ 65,500</u>	<u>\$ 122,188</u>	<u>\$ 15,265</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2010

	Special Revenue	
	Baseball Stadium	Total
ASSETS		
Equity in pooled investments	\$ 78,956	\$ 5,381,008
Receivables (net of allowance for uncollectibles):		
Interest	-	393
Taxes	-	22,427
Accounts	2,627	668,581
Special assessments	-	190,244
Intergovernmental	-	866,480
Due from other funds	-	83,859
Restricted cash	-	-
Prepaid expenditures	1,452	9,606
Loans	-	3,619,304
Property held for resale	-	334,205
Total assets	\$ 83,035	\$ 11,176,107

LIABILITIES AND FUND BALANCES

Liabilities		
Vouchers payable	\$ 65,139	\$ 836,749
Contract retainage payable	-	4,601
Advances from other funds	1,662,927	1,803,820
Due to other funds	-	428,007
Accrued payroll	-	5,799
Special assessments payable	1,205	216,860
Deferred revenue	-	4,013,295
Total liabilities	1,729,271	7,309,131

Fund balances

Restricted - property held for resale	-	334,205
Reserved - capital improvements	-	149,417
Reserved - prepaids	1,452	9,606
Unreserved - designated for capital needs	-	130,787
Unreserved - undesignated	(1,647,688)	3,242,961
Total fund balances	(1,646,236)	3,866,976
Total liabilities and fund balances	\$ 83,035	\$ 11,176,107

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2010

	Special Revenue						
	City Share of Specials	Noxious Weed	Emergency 911	Outdoor Warning System	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
REVENUES							
Taxes	\$ 852,333	\$ 30,116	\$ 1,419,521	\$ -	\$ 1,775,404	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	2,142,512	75,136
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	98,830	-	5,974	279,898	16,525
Total revenues	852,333	30,116	1,518,351	-	1,781,378	2,422,410	91,661
EXPENDITURES							
Current:							
Public safety	-	-	1,560,904	17,837	-	-	69,179
Public works	301,295	-	-	-	-	-	-
Public health & welfare	-	19,698	-	-	-	-	-
Recreation & culture	-	-	-	-	1,774,802	-	-
Urban redevelopment	-	-	-	-	-	2,395,934	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	-	-	39,649	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	301,295	19,698	1,560,904	57,486	1,774,802	2,395,934	69,179
Excess (deficiency) of revenues over (under) expenditure	551,038	10,418	(42,553)	(57,486)	6,576	26,476	22,482
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	-	20,000	-	-	26,000
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
General fund	-	-	-	-	-	-	(18,399)
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	(791,820)	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	(791,820)	-	-	20,000	-	-	7,601
Net change in fund balances	(240,782)	10,418	(42,553)	(37,486)	6,576	26,476	30,083
Fund balance (deficit) - beginning of year	152,073	73,077	123,340	26,214	20,745	227,237	(128,046)
Fund balance (deficit) - end of year	\$ (88,709)	\$ 83,495	\$ 80,787	\$ (11,272)	\$ 27,321	\$ 253,713	\$ (97,963)

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2010

	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	-	-	-	-	51,255	123,446	25,923
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	-	18,389	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	15,374	-	-	-	-
Investment income	67	160	206	-	-	-	-
Miscellaneous revenues	-	-	8,678	-	-	-	-
Total revenues	67	18,549	24,258	-	51,255	123,446	25,923
EXPENDITURES							
Current:							
Public safety	-	-	107,837	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	40,134	83,061	17,906
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	6,093	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	6,093	-	107,837	-	40,134	83,061	17,906
Excess (deficiency) of revenues over (under) expenditures	(6,026)	18,549	(83,579)	-	11,121	40,385	8,017
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	15,000	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
General fund	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	(375)	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	15,000	-	-	-	(375)	-	-
Net change in fund balances	8,974	18,549	(83,579)	-	10,746	40,385	8,017
Fund balance (deficit) - beginning of year	11,187	31,522	219,145	101,164	42,239	27,604	(5,953)
Fund balance (deficit) - end of year	\$ 20,161	\$ 50,071	\$ 135,566	\$ 101,164	\$ 52,985	\$ 67,989	\$ 2,064

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2010

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	16,320	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental revenues	95,687	-	-	377,302	355,636	-	-
Charges for services	973,253	-	-	-	-	-	4,994
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	414	(152)	477	1,436	-	44,974
Miscellaneous revenues	19,685	-	-	34,540	43,054	53,764	2,777,830
Total revenues	<u>1,104,945</u>	<u>414</u>	<u>(152)</u>	<u>412,319</u>	<u>400,126</u>	<u>53,764</u>	<u>2,827,798</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	417,002	411,994	85,814	1,461,654
Public transportation	590,156	29,065	9,577	-	-	-	-
Capital outlay	104,227	43,275	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	2,711,130
Interest and fiscal charges	-	-	-	-	-	-	18,521
Total expenditures	<u>694,383</u>	<u>72,340</u>	<u>9,577</u>	<u>417,002</u>	<u>411,994</u>	<u>85,814</u>	<u>4,191,305</u>
Excess (deficiency) of revenues over (under) expenditures	<u>410,562</u>	<u>(71,926)</u>	<u>(9,729)</u>	<u>(4,683)</u>	<u>(11,868)</u>	<u>(32,050)</u>	<u>(1,363,507)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	15,000	-	-	-	-	-	-
Special revenue funds	-	36,000	7,409	-	-	-	-
Debt service	86,600	-	-	-	-	-	27,472
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
General fund	-	-	-	-	-	-	-
Special revenue funds	(43,409)	-	-	-	-	-	-
Debt service	(291,114)	-	-	-	-	-	(104,996)
Capital projects	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	1,440,130
Total other financing sources (uses)	<u>(232,923)</u>	<u>36,000</u>	<u>7,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,362,606</u>
Net change in fund balances	177,639	(35,926)	(2,320)	(4,683)	(11,868)	(32,050)	(901)
Fund balance (deficit) - beginning of year	258,862	149,417	(7,257)	58,248	54,017	65,224	267,021
Fund balance (deficit) - end of year	<u>\$ 436,501</u>	<u>\$ 113,491</u>	<u>\$ (9,577)</u>	<u>\$ 53,565</u>	<u>\$ 42,149</u>	<u>\$ 33,174</u>	<u>\$ 266,120</u>

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2010

	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	-	-	-	-	-	-	17,609
Charges for services	-	-	85,992	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	350	12,120	-	233	-	1	245
Miscellaneous revenues	-	-	-	91,104	-	-	10,926
Total revenues	<u>350</u>	<u>12,120</u>	<u>85,992</u>	<u>91,337</u>	<u>-</u>	<u>1</u>	<u>28,780</u>
EXPENDITURES							
Current:							
Public safety	-	-	717	-	-	-	424
Public works	-	-	-	15,162	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	30,127
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	-	6,654	1,332,263	-	-	-
Debt service:							
Principal	-	-	-	56,361	-	-	-
Interest and fiscal charges	-	-	-	7,349	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>7,371</u>	<u>1,411,135</u>	<u>-</u>	<u>-</u>	<u>30,551</u>
Excess (deficiency) of revenues over (under) expenditures	<u>350</u>	<u>12,120</u>	<u>78,621</u>	<u>(1,319,798)</u>	<u>-</u>	<u>1</u>	<u>(1,771)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	-	1,490,000	-	20,000	-
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Enterprise funds	-	-	-	-	40,000	-	-
Transfers out							
General fund	-	-	-	-	-	-	(14,522)
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,490,000</u>	<u>40,000</u>	<u>20,000</u>	<u>(14,522)</u>
Net change in fund balances	350	12,120	78,621	170,202	40,000	20,001	(16,293)
Fund balance (deficit) - beginning of year	89,375	3,477,558	65,543	(195,845)	25,500	102,187	31,098
Fund balance (deficit) - end of year	<u>\$ 89,725</u>	<u>\$ 3,489,678</u>	<u>\$ 144,164</u>	<u>\$ (25,643)</u>	<u>\$ 65,500</u>	<u>\$ 122,188</u>	<u>\$ 14,805</u>

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2010

	Special Revenue		
	Baseball Stadium	Total	
REVENUES			
Taxes	\$ -	\$ 4,077,374	
Special assessments	-	216,944	
Licenses and permits	-	-	
Intergovernmental revenues	-	3,082,271	
Charges for services	178,267	1,242,506	
Fines and forfeits	-	15,374	
Investment income	-	60,530	
Miscellaneous revenues	-	3,440,809	
Total revenues	<u>178,267</u>	<u>12,135,808</u>	
EXPENDITURES			
Current:			
Public safety	-	1,756,898	
Public works	-	316,457	
Public health & welfare	-	19,698	
Recreation & culture	48,706	1,994,736	
Urban redevelopment	-	4,772,398	
Public transportation	-	634,891	
Capital outlay	93,927	1,619,995	
Debt service:			
Principal	-	2,767,491	
Interest and fiscal charges	-	25,870	
Total expenditures	<u>142,633</u>	<u>13,908,434</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>35,634</u>	<u>(1,772,626)</u>	
OTHER FINANCING SOURCES (USES)			
Transfers in			
General fund	81,760	1,667,760	
Special revenue funds	-	43,409	
Debt service	-	114,072	
Enterprise funds	-	40,000	
Transfers out			
General fund	-	(32,921)	
Special revenue funds	-	(43,409)	
Debt service	-	(396,110)	
Capital projects	-	(792,195)	
Loans issued	-	1,440,130	
Total other financing sources (uses)	<u>81,760</u>	<u>2,040,736</u>	
Net change in fund balances	117,394	268,110	
Fund balance (deficit) - beginning of year	(1,763,630)	3,598,866	
Fund balance (deficit) - end of year	<u>\$ (1,646,236)</u>	<u>\$ 3,866,976</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, 2010

	City Share of Specials				Noxious Weeds				Variance with Final Budget Positive (Negative)					
	Budgeted Amounts		Actual Amounts	Budgeted Amounts		Actual Amounts								
	Original	Final		Original	Final									
REVENUES														
Taxes	\$	850,000	\$	850,000	\$	852,333	\$	29,000	\$	29,000	\$	30,116	\$	1,116
Special assessments		-		-		-		-		-		-		-
Licenses and permits		-		-		-		-		-		-		-
Intergovernmental revenues		-		-		-		-		-		-		-
Charges for services		-		-		-		-		-		-		-
Fines and forfeits		-		-		-		-		-		-		-
Investment income		-		-		-		-		-		-		-
Miscellaneous revenue		-		-		-		-		-		-		-
Total revenues		850,000		850,000		852,333		29,000		29,000		30,116		1,116
EXPENDITURES														
Current:														
General government		-		-		-		-		-		-		-
Public safety		-		-		-		-		-		-		-
Public works		280,000		280,000		301,295		-		-		-		-
Public health and welfare		-		-		-		50,000		50,000		19,698		30,302
Recreation and culture		-		-		-		-		-		-		-
Urban redevelopment		-		-		-		-		-		-		-
Public transportation		-		-		-		-		-		-		-
Capital outlay		-		-		-		-		-		-		-
Debt service:		-		-		-		-		-		-		-
Principal		-		-		-		-		-		-		-
Interest & fiscal charges		-		-		-		-		-		-		-
Total expenditures		280,000		280,000		301,295		50,000		50,000		19,698		30,302
Excess (deficiency) of revenues over (under) expend		570,000		570,000		551,038		(21,000)		(21,000)		10,418		31,418
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		(570,000)		(570,000)		(791,820)		-		-		-		-
Enterprise		-		-		-		-		-		-		-
Loans issued		-		-		-		-		-		-		-
Total other financing sources (uses)		(570,000)		(570,000)		(791,820)		-		-		-		-
Net change in fund balances		-		-		(240,782)		(21,000)		(21,000)		10,418		31,418
Fund balance (deficit) - beginning of year		152,073		152,073		152,073		73,077		73,077		73,077		-
Fund balance (deficit) - end of year		\$ 152,073		\$ 152,073		\$ (88,709)		\$ 52,077		\$ 52,077		\$ 83,495		\$ 31,418

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, 2010

	Emergency 911				Outdoor Warning System			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final		Variance with Final Budget Positive (Negative)	Original	Final		Variance with Final Budget Positive (Negative)
REVENUES								
Taxes	\$ 1,664,500	\$ 1,664,500	\$ 1,419,521	\$ (244,979)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	10,000	10,000	98,830	88,830	-	-	-	-
Total revenues	1,674,500	1,674,500	1,518,351	(156,149)	-	-	-	-
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	1,729,228	1,559,228	1,560,904	(1,676)	75,000	35,351	17,837	17,514
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	39,649	39,649	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,729,228	1,559,228	1,560,904	(1,676)	75,000	75,000	57,486	17,514
Excess (deficiency) of revenues over (under) expen	(54,728)	115,272	(42,553)	(157,825)	(75,000)	(75,000)	(57,486)	17,514
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	126,500	-	-	-	30,000	20,000	20,000	-
Special revenue	100,000	38,000	-	(38,000)	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	226,500	38,000	-	(38,000)	30,000	20,000	20,000	-
Net change in fund balances	171,772	153,272	(42,553)	(195,825)	(45,000)	(55,000)	(37,486)	17,514
Fund balance (deficit) - beginning of year	123,340	123,340	123,340	-	26,214	26,214	26,214	-
Fund balance (deficit) - end of year	\$ 295,112	\$ 276,612	\$ 80,787	\$ (195,825)	\$ (18,786)	\$ (28,786)	\$ (11,272)	\$ 17,514

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, 2010

	Convention & Visitors Bureau			Neighborhood Stabilization		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ 1,827,345	\$ 1,827,345	\$ (51,941)	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	4,000,000	1,697,928	444,584
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenue	-	-	5,974	-	-	279,898
Total revenues	1,827,345	1,827,345	(45,967)	4,000,000	1,697,928	724,482
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	5,968	-	-	-
Urban redevelopment	1,780,770	1,780,770	1,774,802	-	-	-
Public transportation	-	-	-	4,000,000	2,321,158	(74,776)
Capital outlay	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	1,780,770	1,780,770	5,968	4,000,000	2,321,158	(74,776)
Excess (deficiency) of revenues over (under) expend	46,575	46,575	(39,999)	-	(623,230)	649,706
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	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	46,575	46,575	(39,999)	-	(623,230)	649,706
Fund balance (deficit) - beginning of year	20,745	20,745	-	227,237	227,237	-
Fund balance (deficit) - end of year	\$ 67,320	\$ 67,320	\$ (39,999)	\$ 227,237	\$ (395,993)	\$ 649,706

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, 2010

	Regional Training Center				FTA Transit Capital Escrow			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	75,136	75,136	75,136	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	27,797	27,797	16,525	-	15,000	-	67	67
Total revenues	102,933	102,933	91,661	(11,272)	15,000	-	67	67
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	70,850	73,500	69,179	4,321	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	20,000	20,000	6,093	13,907
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	70,850	73,500	69,179	4,321	20,000	20,000	6,093	13,907
Excess (deficiency) of revenues over (under) expen	32,083	29,433	22,482	(6,951)	(5,000)	(20,000)	(6,026)	13,974
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	49,297	49,297	26,000	(23,297)	-	15,000	15,000	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	(28,000)	(28,000)	(18,399)	9,601	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	21,297	21,297	7,601	(13,696)	-	15,000	15,000	-
Net change in fund balances	53,380	50,730	30,083	(20,647)	(5,000)	(5,000)	8,974	13,974
Fund balance (deficit) - beginning of year	(128,046)	(128,046)	(128,046)	-	11,187	11,187	11,187	-
Fund balance (deficit) - end of year	\$ (74,666)	\$ (77,316)	\$ (97,963)	\$ (20,647)	\$ 6,187	\$ 6,187	\$ 20,161	\$ 13,974

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, 2010

	SE Cass Capital Reserve				Court Forfeits			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	18,389	18,389	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	500	500	160	(340)	100,000	100,000	15,374	(84,626)
Miscellaneous revenue	-	-	-	-	-	-	206	206
Total revenues	500	500	18,549	18,049	100,000	100,000	8,678	8,678
							24,258	(75,742)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	115,000	115,000	107,837	7,163
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	115,000	115,000	107,837	7,163
Excess (deficiency) of revenues over (under) expend	500	500	18,549	18,049	(15,000)	(15,000)	(83,579)	(68,579)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	(100,000)	(38,000)	-	38,000
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(100,000)	(38,000)	-	38,000
Net change in fund balances	500	500	18,549	18,049	(115,000)	(53,000)	(83,579)	(30,579)
Fund balance (deficit) - beginning of year	31,522	31,522	31,522	-	219,145	219,145	219,145	-
Fund balance (deficit) - end of year	\$ 32,022	\$ 32,022	\$ 50,071	\$ 18,049	\$ 104,145	\$ 166,145	\$ 135,566	\$ (30,579)

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, 2010

	Drain Maintenance				Broadway Mall Maintenance			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final		Variance with Final Budget Positive (Negative)	Original	Final		Variance with Final Budget Positive (Negative)
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	50,000	50,000	51,255	1,255
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	-	-	-	-	50,000	50,000	51,255	1,255
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	50,000	50,000	40,134	9,866
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	50,000	50,000	40,134	9,866
Excess (deficiency) of revenues over (under) expend	-	-	-	-	-	-	11,121	11,121
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	-	-	-	-	-	-	(375)	(375)
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	(375)	(375)
Net change in fund balances	-	-	-	-	-	-	10,746	10,746
Fund balance (deficit) - beginning of year	101,164	101,164	101,164	-	42,239	42,239	42,239	-
Fund balance (deficit) - end of year	\$ 101,164	\$ 101,164	\$ 101,164	\$ -	\$ 42,239	\$ 42,239	\$ 52,985	\$ 10,746

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, 2010

	Skyway Maintenance				Winter Lights Maintenance			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Taxes	\$	\$	\$	\$	\$	\$	\$	\$
Special assessments	120,000	120,000	123,446	3,446	30,000	30,000	25,923	(4,077)
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	120,000	120,000	123,446	3,446	30,000	30,000	25,923	(4,077)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	85,000	85,000	83,061	1,939	23,000	23,000	17,906	5,094
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	85,000	85,000	83,061	1,939	23,000	23,000	17,906	5,094
Excess (deficiency) of revenues over (under) expen	35,000	35,000	40,385	5,385	7,000	7,000	8,017	1,017
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	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	35,000	35,000	40,385	5,385	7,000	7,000	8,017	1,017
Fund balance (deficit) - beginning of year	\$ 27,604	\$ 27,604	\$ 27,604	\$ -	\$ (5,953)	\$ (5,953)	\$ (5,953)	\$ -
Fund balance (deficit) - end of year	62,604	62,604	67,989	5,385	1,047	1,047	2,064	1,017

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, 2010

	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	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	16,320	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	87,993	7,694	-	-	-
Charges for services	938,800	863,800	973,253	-	-	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	414	414
Miscellaneous revenue	10,000	10,000	9,685	-	-	-
Total revenues	948,800	961,793	1,104,945	-	414	414
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Public transportation	986,043	895,637	590,156	12,500	12,500	(16,565)
Capital outlay	-	104,227	104,227	-	43,275	(43,275)
Debt service:						
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	986,043	999,864	305,481	12,500	72,340	(59,840)
Excess (deficiency) of revenues over (under) expend	(37,243)	(38,071)	448,633	(12,500)	(71,926)	(59,426)
OTHER FINANCING SOURCES (USES)						
Transfers in:						
General fund	15,000	15,000	-	-	-	-
Special revenue	44,367	44,367	(44,367)	36,000	36,000	-
Debt service	100,000	100,000	(13,400)	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Transfers out:						
General fund	-	-	-	-	-	-
Special revenue	(170,477)	(36,000)	(7,409)	-	-	-
Debt service	(287,142)	(287,142)	(3,972)	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	(298,252)	(163,775)	(232,923)	36,000	36,000	-
Net change in fund balances	(335,495)	(201,846)	177,639	23,500	(35,926)	(59,426)
Fund balance (deficit) - beginning of year	258,862	258,862	258,862	149,417	149,417	-
Fund balance (deficit) - end of year	\$ (76,633)	\$ 57,016	\$ 436,501	\$ 172,917	\$ 113,491	\$ (59,426)

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, 2010

	Parking Surplus Fund			Community Development		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	770,000	770,000	(392,698)
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous revenue	2,000	2,000	(152)	1,000	1,000	(523)
Total revenues	2,000	2,000	(152)	797,000	797,000	(384,681)
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Public transportation	-	-	-	682,279	683,806	266,804
Capital outlay	-	-	9,577	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expen	2,000	2,000	(9,577)	682,279	417,002	266,804
			(11,729)	114,721	(4,683)	(117,877)
OTHER FINANCING SOURCES (USES)						
Transfers in:						
General fund	-	-	-	-	-	-
Special revenue	134,477	-	7,409	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Transfers out:						
General fund	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	134,477	-	7,409	-	-	-
Net change in fund balances	136,477	2,000	(4,320)	114,721	113,194	(117,877)
Fund balance (deficit) - beginning of year	(7,257)	(7,257)	-	58,248	58,248	-
Fund balance (deficit) - end of year	129,220	(5,257)	(4,320)	172,969	171,442	(117,877)

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, 2010

	HUD Home Participating Jurisdiction				HUD Home Program			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	600,000	600,000	355,636	(244,364)	35,000	35,000	-	(35,000)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	2,000	2,000	1,436	(564)	-	-	-	-
Miscellaneous revenue	21,000	21,000	43,054	22,054	213,000	213,000	53,764	(159,236)
Total revenues	623,000	623,000	400,126	(222,874)	248,000	248,000	53,764	(194,236)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	594,025	594,757	411,994	182,763	30,000	30,000	85,814	(55,814)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	594,025	594,757	411,994	182,763	30,000	30,000	85,814	(55,814)
Excess (deficiency) of revenues over (under) expen	28,975	28,243	(11,868)	(40,111)	218,000	218,000	(32,050)	(250,050)
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	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	28,975	28,243	(11,868)	(40,111)	218,000	218,000	(32,050)	(250,050)
Fund balance (deficit) - beginning of year	54,017	54,017	54,017	-	65,224	65,224	65,224	-
Fund balance (deficit) - end of year	\$ 82,992	\$ 82,260	\$ 42,149	\$ (40,111)	\$ 283,224	\$ 283,224	\$ 33,174	\$ (250,050)

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, 2010

	NRI Loan Program				Island Park Maintenance Escrow			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	15,000	15,000	4,994	(10,006)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	12,000	12,000	44,974	32,974	500	500	350	(150)
Miscellaneous revenue	103,500	2,814,630	2,777,830	(36,800)	-	-	-	-
Total revenues	130,500	2,841,630	2,827,798	(13,832)	500	500	350	(150)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	116,307	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	2,711,130	2,711,130	-	-	-	-	-
Interest & fiscal charges	-	-	18,521	(18,521)	-	-	-	-
Total expenditures	33,648	4,289,091	4,191,305	97,786	-	-	-	-
Excess (deficiency) of revenues over (under) expen	96,852	(1,447,461)	(1,363,507)	83,954	500	500	350	(150)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	18,000	18,000	27,472	9,472	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	(104,997)	(104,997)	(104,996)	1	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	1,544,000	1,440,130	(103,870)	-	-	-	-
Total other financing sources (uses)	(86,997)	1,457,003	1,362,606	(94,397)	-	-	-	-
Net change in fund balances	9,855	9,542	(901)	(10,443)	500	500	350	(150)
Fund balance (deficit) - beginning of year	267,021	267,021	267,021	-	89,375	89,375	89,375	-
Fund balance (deficit) - end of year	\$ 276,876	\$ 276,563	\$ 266,120	\$ (10,443)	\$ 89,875	\$ 89,875	\$ 89,725	\$ (150)

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, 2010

	Revenue Stabilization			City Building Repair Escrow		
	Budgeted Amounts		Variance with Final Budget Positive (Negative)	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original	Final		Original	Final	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	86,000	(8)
Investment income	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-
Total revenues	50,000	-	12,120	-	86,000	(8)
EXPENDITURES						
Current:						
General government	-	-	-	94,751	3,097	3,097
Public safety	-	-	-	-	-	(717)
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-
Capital outlay	-	-	-	-	6,654	-
Debt service:						
Principal	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	94,751	9,751	2,380
Excess (deficiency) of revenues over (under) expend	50,000	-	12,120	(94,751)	78,621	2,372
OTHER FINANCING SOURCES (USES)						
Transfers in:						
General fund	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Transfers out:						
General fund	(400,000)	(900,000)	900,000	-	-	-
Special revenue	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-
Total other financing sources (uses)	(400,000)	(900,000)	900,000	-	-	-
Net change in fund balances	(350,000)	(900,000)	912,120	(94,751)	78,621	2,372
Fund balance (deficit) - beginning of year	3,477,558	3,477,558	-	65,543	65,543	-
Fund balance (deficit) - end of year	\$ 3,127,558	\$ 2,577,558	\$ 912,120	\$ (29,208)	\$ 141,792	\$ 2,372

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, 2010

	City Vehicle Reserve			Computer Replacement			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	-	-	233	-	-	-	-
Miscellaneous revenue	50,000	50,000	91,104	-	-	-	-
Total revenues	50,000	50,000	91,337	-	-	-	-
EXPENDITURES							
Current:							
General government	17,000	-	-	20,000	10,000	-	10,000
Public safety	-	-	-	-	-	-	-
Public works	1,419,290	32,467	15,162	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	1,332,263	1,332,263	-	-	-	-
Debt service:							
Principal	63,710	63,710	56,361	-	-	-	-
Interest & fiscal charges	-	-	7,349	-	-	-	-
Total expenditures	1,500,000	1,428,440	1,411,135	20,000	10,000	-	10,000
Excess (deficiency) of revenues over (under) expend	(1,450,000)	(1,378,440)	(1,319,798)	(20,000)	(10,000)	-	10,000
OTHER FINANCING SOURCES (USES)							
Transfers in:							
General fund	1,490,000	1,490,000	1,490,000	-	-	-	-
Special revenue	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	40,000	40,000	40,000	-
Transfers out:							
General fund	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-
Total other financing sources (uses)	1,490,000	1,490,000	1,490,000	40,000	40,000	40,000	-
Net change in fund balances	40,000	111,560	170,202	20,000	30,000	40,000	10,000
Fund balance (deficit) - beginning of year	(195,845)	(195,845)	(195,845)	25,500	25,500	25,500	-
Fund balance (deficit) - end of year	\$ (155,845)	\$ (84,285)	\$ (25,643)	\$ 45,500	\$ 55,500	\$ 65,500	\$ 10,000

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, 2010

	Civic Center Capital Reserve				Other Projects			
	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	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	17,609	17,609
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	245	245
Miscellaneous revenue	-	-	1	1	-	-	10,926	10,926
Total revenues	-	-	-	-	-	-	28,780	28,780
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	424	(424)
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	50,000	50,000	-	50,000	-	-	30,127	(30,127)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	50,000	50,000	-	50,000	-	-	30,551	(30,551)
Excess (deficiency) of revenues over (under) expend	(50,000)	(50,000)	-	50,001	-	-	(1,771)	(1,771)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	20,000	20,000	20,000	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	(14,522)	(14,522)
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,000	20,000	20,000	-	-	-	(14,522)	(14,522)
Net change in fund balances	(30,000)	(30,000)	20,001	50,001	-	-	(16,293)	(16,293)
Fund balance (deficit) - beginning of year	102,187	102,187	102,187	-	31,098	31,098	31,098	-
Fund balance (deficit) - end of year	\$ 72,187	\$ 72,187	\$ 122,188	\$ 50,001	\$ 31,098	\$ 31,098	\$ 14,805	\$ (16,293)

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, 2010

	Baseball Stadium				Totals			
	Budgeted Amounts		Actual Amounts		Budgeted Amounts		Actual Amounts	
	Original	Final	Original	Final	Original	Final	Original	Final
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,370,845	\$ 4,370,845	\$ 4,077,374	\$ (293,471)
Special assessments	-	-	-	-	200,000	200,000	216,944	16,944
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	5,480,136	3,266,057	3,082,271	(183,786)
Charges for services	207,000	207,000	178,267	(28,733)	1,160,800	1,171,800	1,242,506	70,706
Fines and forfeits	-	-	-	-	100,000	100,000	15,374	(84,626)
Investment income	-	-	-	-	68,000	18,000	60,530	42,530
Miscellaneous revenue	-	-	-	-	476,297	3,172,427	3,440,809	268,382
Total revenues	207,000	207,000	178,267	(28,733)	11,856,078	12,299,129	12,135,808	(163,321)
EXPENDITURES								
Current:								
General government	-	-	-	-	131,751	13,097	-	13,097
Public safety	-	-	-	-	1,990,078	1,783,079	1,756,898	26,181
Public works	-	-	-	-	1,699,290	312,467	316,457	(3,990)
Public health and welfare	-	-	-	-	50,000	50,000	19,698	30,302
Recreation and culture	52,500	48,706	48,706	-	2,041,270	2,037,476	1,994,736	42,740
Urban redevelopment	-	-	-	-	5,339,952	5,207,682	4,772,398	435,284
Public transportation	-	-	-	-	1,018,543	928,137	634,891	293,246
Capital outlay	-	85,554	93,927	(8,373)	-	1,568,347	1,619,995	(51,648)
Debt service:								
Principal	-	-	-	-	63,710	2,774,840	2,767,491	7,349
Interest & fiscal charges	-	-	-	-	-	-	25,870	(25,870)
Total expenditures	52,500	134,260	142,633	(8,373)	12,334,594	14,675,125	13,908,434	766,691
Excess (deficiency) of revenues over (under) expend	154,500	72,740	35,634	(37,106)	(478,516)	(2,375,996)	(1,772,626)	603,370
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	81,760	81,760	-	1,730,797	1,691,057	1,667,760	(23,297)
Special revenue	-	-	-	-	314,844	118,367	43,409	(74,958)
Debt service	-	-	-	-	118,000	118,000	114,072	(3,928)
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	40,000	40,000	40,000	-
Transfers out:								
General fund	(86,300)	-	-	-	(514,300)	(928,000)	(32,921)	895,079
Special revenue	-	-	-	-	(270,477)	(74,000)	(43,409)	30,591
Debt service	-	-	-	-	(392,139)	(392,139)	(396,110)	(3,971)
Capital projects	-	-	-	-	(570,000)	(570,000)	(792,195)	(222,195)
Enterprise	(46,200)	-	-	-	(46,200)	-	-	-
Loans issued	-	-	-	-	-	1,544,000	1,440,130	(103,870)
Total other financing sources (uses)	(132,500)	81,760	81,760	-	410,525	1,547,285	2,040,736	493,451
Net change in fund balances	22,000	154,500	117,394	(37,106)	(67,991)	(828,711)	268,110	1,096,821
Fund balance (deficit) - beginning of year	(1,763,630)	(1,763,630)	(1,763,630)	-	3,598,866	3,598,866	3,598,866	-
Fund balance (deficit) - end of year	\$ (1,741,630)	\$ (1,609,130)	\$ (1,646,236)	\$ (37,106)	\$ 3,530,875	\$ 2,770,155	\$ 3,866,976	\$ 1,096,821

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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 34,880,400	\$ 45,715,400	\$ 42,172,060	\$ (3,543,340)
Special assessments	18,183,700	20,483,465	27,360,540	6,877,075
Investment income	725,000	225,000	352,553	127,553
Miscellaneous revenues	-	-	39,104	39,104
Total revenues	53,789,100	66,423,865	69,924,257	3,500,392
EXPENDITURES				
Current:				
Public works	518,000	518,000	771,914	(253,914)
Urban redevelopment	149,478	149,478	149,478	-
Debt Service	28,721,199	36,783,480	37,350,468	(566,988)
Total expenditures	29,388,677	37,450,958	38,271,860	(820,902)
Excess of revenues over expenditures	24,400,423	28,972,907	31,652,397	2,679,490
OTHER FINANCING SOURCES (USES)				
Transfers in	936,295	1,113,020	1,145,464	32,444
Transfers out	(27,714,160)	(26,817,160)	(32,932,705)	(6,115,545)
Loans issued	-	706,671	706,671	-
Bonds issued	-	8,631,166	8,631,166	-
Bond premium	-	439,282	439,282	-
Bond Discount	-	(39,447)	(39,447)	-
Total other financing sources (uses)	(26,777,865)	(15,966,468)	(22,049,569)	(6,083,101)
Net change in fund balances	(2,377,442)	13,006,439	9,602,828	(3,403,611)
Fund balance - beginning of year	57,548,208	57,548,208	57,548,208	-
Fund balance - end of year	\$ 55,170,766	\$ 70,554,647	\$ 67,151,036	\$ (3,403,611)

NONMAJOR ENTERPRISE FUNDS

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 four 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.

Street Lighting – To account for user fee revenues derived from providing street lighting services to the City of Fargo, and all expenses for the operation and maintenance of this function.

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, 2010

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
ASSETS					
Current assets					
Cash	\$ -	\$ -	\$ -	\$ 50	\$ 50
Equity in pooled investments	-	188,462	92,148	135,228	415,838
Receivables (net of allowance for uncollectibles):					
Interest	-	24	12	18	54
Special assessments	-	-	-	15,466	15,466
Accounts	13,517	55,622	165,366	106,944	341,449
Prepaid expenses	-	1,598	497	5,148	7,243
Total current assets	<u>13,517</u>	<u>245,706</u>	<u>258,023</u>	<u>262,854</u>	<u>780,100</u>
Noncurrent assets					
Capital assets					
Machinery and equipment	-	113,623	307,216	959,663	1,380,502
Infrastructure	-	-	25,001,306	-	25,001,306
Less accumulated depreciation	-	(85,308)	(10,181,983)	(786,664)	(11,053,955)
Total noncurrent assets	<u>-</u>	<u>28,315</u>	<u>15,126,539</u>	<u>172,999</u>	<u>15,327,853</u>
Total assets	<u>13,517</u>	<u>274,021</u>	<u>15,384,562</u>	<u>435,853</u>	<u>16,107,953</u>
LIABILITIES					
Current liabilities					
Vouchers payable	2,691	-	88,884	4,084	95,659
Interest payable	-	-	-	-	-
Due to other funds	2,691	-	-	-	2,691
Accrued payroll	301	-	2,051	12,474	14,826
Accrued vacation payable	-	-	8,889	32,093	40,982
Total current liabilities	<u>5,683</u>	<u>-</u>	<u>99,824</u>	<u>48,651</u>	<u>154,158</u>
NET ASSETS					
Invested in capital assets	-	28,315	15,126,539	172,999	15,327,853
Unrestricted	7,834	245,706	158,199	214,203	625,942
Total net assets	<u>\$ 7,834</u>	<u>\$ 274,021</u>	<u>\$ 15,284,738</u>	<u>\$ 387,202</u>	<u>\$ 15,953,795</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, 2010

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
OPERATING REVENUES					
Charges for services	\$ 50,686	\$ 621,293	\$ 1,597,768	\$ 1,154,082	\$ 3,423,829
OPERATING EXPENSES					
Personnel services	12,589	-	169,955	822,013	1,004,557
Other services	4,460	493,140	131,285	446,280	1,075,165
Materials and supplies	29,708	78,185	883,008	141,227	1,132,128
Depreciation	-	21,191	1,055,012	61,692	1,137,895
Total operating expenses	46,757	592,516	2,239,260	1,471,212	4,349,745
Operating income (loss)	3,929	28,777	(641,492)	(317,130)	(925,916)
NONOPERATING REVENUES					
Investment income	13	1,630	207	619	2,469
Total nonoperating revenues	13	1,630	207	619	2,469
Income (loss) before contributions and transfers	3,942	30,407	(641,285)	(316,511)	(923,447)
Capital Contributions	-	-	16,162,659	1,560	16,164,219
Transfers in:					
Enterprise	-	-	-	480,012	480,012
Transfers out:					
General	-	(119,200)	(236,636)	(87,000)	(442,836)
Special revenue	-	-	-	(4,000)	(4,000)
Change in net assets	3,942	(88,793)	15,284,738	74,061	15,273,948
Total net assets - beginning	3,892	362,814	-	313,141	679,847
Total net assets - ending	\$ 7,834	\$ 274,021	\$ 15,284,738	\$ 387,202	\$ 15,953,795

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2010

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 57,798	\$ 593,595	\$ 1,432,402	\$ 1,172,978	\$ 3,249,049
Payments to employees	(10,310)	-	(129,823)	(648,561)	(788,694)
Payments of benefits on behalf of employees	(2,183)	-	(29,191)	(165,814)	(197,188)
Payments to suppliers	(32,403)	(571,374)	(925,907)	(589,053)	(2,118,737)
Net cash provided (used) by operating activities	12,902	22,221	347,481	(230,450)	144,430
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	(119,200)	(236,636)	(91,000)	(446,836)
Transfers from other funds	-	-	-	480,012	480,012
Payments received on interfund borrowing	2,691	-	-	-	2,691
Payments made for interfund borrowing	(15,588)	-	-	-	(15,588)
Net cash provided (used) by noncapital financing activities	(12,897)	(119,200)	(236,636)	389,012	20,279
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	-	-	(18,892)	(54,990)	(66,158)
Net cash provided (used) by capital and related financing activities	-	-	(18,892)	(54,990)	(66,158)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	6	2,220	191	662	3,079
Investments redeemed	-	283,502	-	31,020	314,522
Investments (purchased)	(11)	(188,743)	(92,144)	(135,254)	(416,152)
Net cash provided (used) by investing activities	(5)	96,979	(91,953)	(103,572)	(98,551)
Net change in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents, January 1	-	-	-	50	50
Cash and cash equivalents, December 31	\$ -	\$ -	\$ -	\$ 50	\$ 50
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 3,929	\$ 28,777	\$ (641,492)	\$ (317,130)	\$ (925,916)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	-	21,191	1,055,012	61,692	1,137,895
Change in assets and liabilities					
Accounts receivable	7,112	(27,698)	(165,366)	25,248	(168,428)
Special assessment receivable	-	-	-	(6,352)	(6,352)
Prepaid expenses	-	(49)	(497)	(530)	(1,076)
Accounts payable	1,765	-	88,883	(1,015)	89,633
Vacation payable	-	-	8,889	2,652	11,541
Payroll payable	96	-	2,052	4,985	7,133
Total adjustments	8,973	(6,556)	988,973	86,680	1,070,346
Net cash provided (used) by operating activities	\$ 12,902	\$ 22,221	\$ 347,481	\$ (230,450)	\$ 144,430
Noncash transactions affecting financial position:					
Acquisition of / change in assets through capital contributions and donations	\$ -	\$ -	\$ 16,162,659	\$ -	\$ 16,162,659
Change in fair value of investments	\$ -	\$ (281)	\$ 4	\$ (25)	\$ (302)

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.

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, 2010

	Liability Self Insurance	Health Self Insurance	Total
ASSETS			
Current assets			
Cash	\$ 30,000	\$ -	\$ 30,000
Equity in pooled investments	-	4,438,052	4,438,052
Interest receivable	-	565	565
Accounts receivable	-	247,490	247,490
Total assets	<u>30,000</u>	<u>4,686,107</u>	<u>4,716,107</u>
LIABILITIES			
Current liabilities			
Deferred revenues	-	198,489	198,489
IBNR claim reserve	-	445,946	445,946
Total liabilities	<u>-</u>	<u>644,435</u>	<u>644,435</u>
NET ASSETS			
Unrestricted	<u>30,000</u>	<u>4,041,672</u>	<u>4,071,672</u>
Total net assets	<u><u>\$ 30,000</u></u>	<u><u>\$ 4,041,672</u></u>	<u><u>\$ 4,071,672</u></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, 2010

	Liability Self Insurance	Health Self Insurance	Total
OPERATING REVENUES			
Charges for services	\$ -	\$ 6,141,524	\$ 6,141,524
OPERATING EXPENSES			
Administration	6,439	244,014	250,453
Insurance premiums	162,521	324,250	486,771
Claim settlements	1,084	6,471,881	6,472,965
Claim reserve adjustment	(50,000)	(65,208)	(115,208)
Total operating expenses	120,044	6,974,937	7,094,981
Operating income (loss)	(120,044)	(833,413)	(953,457)
NONOPERATING REVENUES (EXPENSES)			
Investment income (expense)	(1,824)	18,616	16,792
Total nonoperating revenues (expenses)	(1,824)	18,616	16,792
Income (loss) before contributions and transfers	(121,868)	(814,797)	(936,665)
Transfer in:			
General	299,223	-	299,223
Change in net assets	177,355	(814,797)	(637,442)
Total net assets - beginning	(147,355)	4,856,469	4,709,114
Total net assets - ending	\$ 30,000	\$ 4,041,672	\$ 4,071,672

CITY OF FARGO, NORTH DAKOTA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2010

	Liability Self Insurance	Health Self Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 6,103,049	\$ 6,103,049
Payments of benefits on behalf of employees	(1,084)	(6,471,881)	(6,472,965)
Payments to suppliers	(1,414,909)	(570,764)	(1,985,673)
Net cash provided (used) by operating activities	(1,415,993)	(939,596)	(2,355,589)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer to other funds	-	-	-
Transfer from other funds	299,223	-	299,223
Net cash provided by noncapital financing activities	299,223	-	299,223
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	229	29,601	29,830
Investments redeemed	1,117,391	5,353,313	6,470,704
Investments (purchased)	(850)	(4,443,318)	(4,444,168)
Net cash provided by investing activities	1,116,770	939,596	2,056,366
Net change in cash and cash equivalents	-	-	-
Cash and cash equivalents, January 1	30,000	-	30,000
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)	\$ (120,044)	\$ (833,413)	\$ (953,457)
Adjustments to reconcile operating income to net cash provided by operating activities			
Claims reserve adjustment	(50,000)	(65,208)	(115,208)
Change in assets and liabilities			
Accounts receivable	-	(112,866)	(112,866)
Prepaid expenses	162,521	-	162,521
Accounts payable	(1,408,470)	(2,500)	(1,410,970)
Deferred revenues	-	74,391	74,391
Total adjustments	(1,295,949)	(106,183)	(1,402,132)
Net cash provided (used) by operating activities	\$ (1,415,993)	\$ (939,596)	\$ (2,355,589)
Noncash transactions affecting financial position:			
Change in fair value of investments	\$ (850)	\$ (5,266)	\$ (6,116)

FIDUCIARY FUNDS

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, 2010

	Performance Deposits	Park District Special Assessments	Red River Regional Dispatch Center	Total
ASSETS				
Cash and investments	\$ 80,132	\$ -	\$ -	\$ 80,132
Equity in pooled investments	52,139	-	292,331	344,470
Special assessments receivable	-	643,612	-	643,612
Total assets	<u>\$ 132,271</u>	<u>\$ 643,612</u>	<u>\$ 292,331</u>	<u>\$ 1,068,214</u>
LIABILITIES				
Due to other governments	\$ -	\$ 643,612	\$ -	\$ 643,612
Deposits	132,271	-	292,331	424,602
Total liabilities	<u>\$ 132,271</u>	<u>\$ 643,612</u>	<u>\$ 292,331</u>	<u>\$ 1,068,214</u>

**CITY OF FARGO, NORTH DAKOTA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2010**

	Beginning of Year	Additions	Deductions	End of Year
PERFORMANCE DEPOSITS				
ASSETS				
Equity in pooled investments	\$ 43,019	\$ 9,120	\$ -	\$ 52,139
Cash, including time deposits	71,896	8,236	-	80,132
Total assets	\$ 114,915	\$ 17,356	\$ -	\$ 132,271
LIABILITIES				
Deposits	\$ 114,915	\$ 17,356	\$ -	\$ 132,271
Total liabilities	\$ 114,915	\$ 17,356	\$ -	\$ 132,271
PARK DISTRICT SPECIAL ASSESSMENTS				
ASSETS				
Equity in pooled investments	\$ -	\$ 365,300	\$ 365,300	\$ -
Special assessments receivable	974,215	-	330,603	643,612
Total assets	\$ 974,215	\$ 365,300	\$ 695,903	\$ 643,612
LIABILITIES				
Deposits	\$ -	\$ 365,300	\$ 365,300	\$ -
Due to other governments	974,215	-	330,603	643,612
Total liabilities	\$ 974,215	\$ 365,300	\$ 695,903	\$ 643,612
RED RIVER REGIONAL DISPATCH CENTER				
ASSETS				
Equity in pooled investments	\$ 106,800	\$ 2,693,360	\$ 2,507,829	\$ 292,331
Total assets	\$ 106,800	\$ 2,693,360	\$ 2,507,829	\$ 292,331
LIABILITIES				
Deposits	\$ 106,800	\$ 2,693,360	\$ 2,507,829	\$ 292,331
Total liabilities	\$ 106,800	\$ 2,693,360	\$ 2,507,829	\$ 292,331
TOTAL ALL AGENCY FUNDS				
ASSETS				
Equity in pooled investments	\$ 149,819	\$ 3,067,780	\$ 2,873,129	\$ 344,470
Cash, including time deposits	71,896	8,236	-	80,132
Special assessments receivable	974,215	-	330,603	643,612
Total assets	\$ 1,195,930	\$ 3,076,016	\$ 3,203,732	\$ 1,068,214
LIABILITIES				
Due to other governments	\$ 974,215	\$ -	\$ 330,603	\$ 643,612
Deposits	221,715	3,076,016	2,873,129	424,602
Total liabilities	\$ 1,195,930	\$ 3,076,016	\$ 3,203,732	\$ 1,068,214



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**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, 2010

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 15,494,273
Intangible - Right of way	\$ 3,610,323
Buildings	71,050,049
Improvements other than buildings	646,535
Machinery and equipment	39,145,028
Infrastructure	283,203,836
Construction in progress	5,553,526
Total governmental funds capital assets	<u>\$ 418,703,569</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	\$ 16,286,543
Special revenue funds	20,739,431
Capital projects	356,907,084
Enterprise funds	963,177
Federal and state grants	22,644,766
Donated	1,162,569
Total governmental funds capital assets	<u>\$ 418,703,569</u>

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2010

FUNCTION AND ACTIVITY	Land	Right of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General Government:								
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 60,930	\$ -	\$ -	\$ 60,930
City Administrator	-	-	-	-	35,380	-	-	35,380
City Auditor	-	-	-	-	221,735	-	131,208	352,943
Information Technology	-	-	-	-	2,100,343	-	1,868,625	3,968,968
Human Resources	-	-	-	-	32,755	-	10,219	42,974
City Assessor	-	-	-	-	93,903	-	-	93,903
Municipal Court	-	-	-	-	24,392	-	1,578,452	1,602,844
Planning & Development	-	-	-	-	43,623	-	-	43,623
Central Garage	-	-	3,264,354	127,813	768,620	-	-	4,160,788
City Buildings	-	-	1,117,387	17,865	307,753	-	-	1,443,005
Detox Center	-	-	451,732	-	49,404	-	-	501,136
Total	-	-	<u>4,833,474</u>	<u>145,678</u>	<u>3,738,840</u>	-	<u>3,588,504</u>	<u>12,306,495</u>
Public Safety:								
Traffic Engineering	-	-	21,422	-	202,004	-	-	223,426
Street Lighting	-	-	-	-	-	-	-	-
Fire Department	-	-	9,135,695	-	6,359,890	-	-	15,495,585
Police Department	43,000	-	2,133,475	31,654	4,758,285	-	-	6,966,414
Inspections	-	-	-	-	133,293	-	-	133,293
Total	<u>43,000</u>	-	<u>11,290,592</u>	<u>31,654</u>	<u>11,453,472</u>	-	-	<u>22,818,718</u>
Public Works:								
City Engineer	541,877	-	-	-	1,082,952	-	-	1,624,829
Street Department	145,588	3,551,523	473,023	43,104	8,051,464	283,203,836	-	295,468,538
Flood	13,375,303	58,800	-	-	-	-	1,779,550	15,213,652
Total	<u>14,062,768</u>	<u>3,610,323</u>	<u>473,023</u>	<u>43,104</u>	<u>9,134,416</u>	<u>283,203,836</u>	<u>1,779,550</u>	<u>312,307,020</u>
Public Health & Welfare:								
Health Department	-	-	2,004,733	-	374,466	-	-	2,379,199
Total	-	-	<u>2,004,733</u>	-	<u>374,466</u>	-	-	<u>2,379,199</u>
Recreation & Culture:								
Public Library	-	-	13,067,146	-	3,484,284	-	7,806	16,539,236
City Auditorium	-	-	9,602,408	-	402,701	-	-	10,005,109
Convention Bureau	199,505	-	749,851	-	-	-	-	949,356
Baseball Stadium	-	-	5,136,513	61,439	154,231	-	76,427	5,428,610
Total	<u>199,505</u>	-	<u>28,555,918</u>	<u>61,439</u>	<u>4,021,217</u>	-	<u>84,233</u>	<u>32,922,312</u>
Urban Redevelopment								
Home Grants	-	-	605,042	-	-	-	-	605,042
Community Development	83,000	-	3,576,974	28,446	49,798	-	-	3,738,218
Total	<u>83,000</u>	-	<u>4,182,016</u>	<u>28,446</u>	<u>49,798</u>	-	-	<u>4,343,260</u>
Transportation								
Transit	-	-	11,926,700	-	10,233,248	-	22,184	22,182,132
Parking Authority	1,106,000	-	7,783,593	336,214	139,572	-	79,055	9,444,434
Total	<u>1,106,000</u>	-	<u>19,710,293</u>	<u>336,214</u>	<u>10,372,820</u>	-	<u>101,239</u>	<u>31,626,566</u>
Grand Total	<u>\$ 15,494,273</u>	<u>\$ 3,610,323</u>	<u>\$ 71,050,049</u>	<u>\$ 646,535</u>	<u>\$ 39,145,028</u>	<u>\$ 283,203,836</u>	<u>\$ 5,553,526</u>	<u>\$ 418,703,569</u>

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, 2010

FUNCTION AND ACTIVITY	Balance January 1, 2010	Additions & Transfers In	Deletions & Transfers Out	Balance December 31, 2010
GENERAL GOVERNMENT:				
City Commission	\$ 199,835	\$ -	\$ (138,905)	\$ 60,930
City Administrator	-	35,380		35,380
City Auditor	352,943	-	-	352,943
Information Technology	2,776,618	1,192,350	-	3,968,968
Human Resources	32,755	10,219	-	42,974
City Assessor	79,907	42,496	(28,500)	93,903
Municipal Court	30,487	1,595,319	(22,962)	1,602,844
Planning & Development	30,686	12,937	-	43,623
Central Garage	4,171,452	82,627	(93,290)	4,160,788
City Buildings	1,780,122	7,866	(344,983)	1,443,005
Detox Center	482,657	18,479	-	501,136
Total	<u>9,937,462</u>	<u>2,997,674</u>	<u>(628,640)</u>	<u>12,306,495</u>
PUBLIC SAFETY:				
Traffic Engineer	139,776	83,650	-	223,426
Street Lighting	276,800	-	(276,800)	-
Fire Department	14,100,208	1,438,646	(43,269)	15,495,585
Police Department	6,918,036	346,968	(298,590)	6,966,414
Inspections	145,380	17,350	(29,437)	133,293
Total	<u>21,580,200</u>	<u>1,886,614</u>	<u>(648,096)</u>	<u>22,818,718</u>
PUBLIC WORKS:				
City Engineer	1,102,706	671,704	(149,581)	1,624,829
Street Department	303,136,718	17,297,597	(24,965,777)	295,468,538
Flood	7,524,268	7,689,384	-	15,213,652
Total	<u>311,763,692</u>	<u>25,658,685</u>	<u>(25,115,358)</u>	<u>312,307,019</u>
PUBLIC HEALTH & WELFARE:				
Health Department	2,392,228	27,685	(40,714)	2,379,199
Total	<u>2,392,228</u>	<u>27,685</u>	<u>(40,714)</u>	<u>2,379,199</u>
RECREATION & CULTURE:				
Public Library	16,469,402	69,834	-	16,539,236
City Auditorium	9,996,823	8,286	-	10,005,109
Convention Bureau	949,356	-	-	949,356
Baseball Stadium	5,334,683	93,927	-	5,428,610
Total	<u>32,750,264</u>	<u>172,048</u>	<u>-</u>	<u>32,922,312</u>
URBAN REDEVELOPMENT				
Home Grants	605,042	-		605,042
Community Development	3,342,561	395,657	-	3,738,218
	<u>3,947,603</u>	<u>395,657</u>	<u>-</u>	<u>4,343,260</u>
TRANSPORTATION:				
Transit	20,225,027	2,101,709	(144,604)	22,182,132
Parking Authority	9,296,932	147,502	-	9,444,434
Total	<u>29,521,959</u>	<u>2,249,211</u>	<u>(144,604)</u>	<u>31,626,566</u>
Grand Total	<u><u>\$ 411,893,407</u></u>	<u><u>\$ 33,387,574</u></u>	<u><u>\$ (26,577,411)</u></u>	<u><u>\$ 418,703,569</u></u>

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	120
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	125
These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.	
Debt Capacity	140
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.	
Demographic and Economic Information	149
These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.	
Operating Information	153
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 NINE FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Governmental activities									
Invested in capital assets, net of related debt	\$ 142,709,681	\$ 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	83,724,522	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	(26,809,117)	(13,592,579)	(24,461,521)	445,006	7,637,497	4,409,329	(13,355,138)	(33,695,934)	(30,308,995)
Total governmental activities	199,625,086	207,649,387	212,222,513	212,013,211	214,584,182	245,751,743	219,648,408	166,915,012	149,678,262
Business-type activities									
Invested in capital assets, net of related debt	488,520,828	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	34,129,228	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	22,190,520	20,655,890	18,795,131	19,752,324	22,993,008	30,520,724	31,267,494	32,438,098	25,245,345
Total business-type	544,840,576	497,390,419	452,023,009	424,663,929	400,775,380	382,879,965	371,058,079	346,589,578	330,142,298
Primary government									
Invested in capital assets, net of related debt	631,230,509	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	117,853,750	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	(4,618,597)	7,063,311	(5,666,390)	20,197,330	30,630,505	34,930,053	17,912,356	(1,257,836)	(5,063,650)
Total primary government	\$ 744,465,662	\$ 705,039,806	\$ 664,245,522	\$ 636,677,140	\$ 615,359,562	\$ 628,631,708	\$ 590,706,487	\$ 513,504,590	\$ 479,820,560

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002
EXPENSES									
Governmental activities:									
General government	\$ 16,172,223	\$ 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 safety	31,292,462	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 works	56,086,729	61,560,495	66,435,406	53,116,809	35,070,333	28,942,829	30,419,839	26,666,970	23,402,864
Public health & welfare	9,184,914	8,619,558	7,802,377	7,381,740	6,671,796	6,695,429	6,216,803	6,078,364	5,253,080
Recreation & culture	6,176,197	7,290,768	5,877,783	5,564,318	5,257,930	4,433,031	4,119,697	4,095,873	3,881,808
Urban redevelopment	4,986,361	5,270,433	4,901,145	5,530,189	5,330,190	5,310,907	6,338,365	4,589,532	2,201,068
Transportation	7,637,009	8,240,985	6,712,613	5,839,730	5,297,182	4,210,866	4,261,253	4,509,006	4,083,902
General support	1,576,481	1,279,040	1,252,486	1,709,940	1,297,392	1,110,473	1,126,474	979,189	1,292,645
Intergovernmental	-	-	-	-	-	-	185,185	333,333	333,333
Interest and fiscal charges	13,203,253	10,970,999	10,078,666	10,383,847	10,562,600	8,943,842	7,739,764	7,333,221	6,777,064
Total governmental activities expenses	146,315,629	150,592,892	142,948,137	126,033,252	102,434,017	92,349,873	89,891,610	83,942,483	73,159,329
Business-type activities:									
Municipal airport authority	6,920,335	6,380,673	6,340,451	6,492,808	5,630,173	5,575,563	5,039,598	4,724,563	4,687,868
Water	13,378,237	13,172,848	12,739,834	11,186,131	13,690,417	12,011,121	11,337,470	11,248,525	10,868,658
Wastewater	8,114,318	7,282,660	6,810,660	6,759,994	6,280,502	6,088,183	5,781,810	6,112,218	5,566,644
Storm sewer	3,743,309	3,573,700	3,318,002	3,137,414	2,963,669	2,852,773	2,635,020	2,517,738	2,253,407
Solid waste	8,229,701	7,524,388	7,739,012	6,615,557	5,673,508	6,505,547	6,316,798	5,426,961	6,210,997
Fargodome	7,284,833	6,872,075	6,781,837	7,544,366	7,562,959	7,748,926	9,025,485	8,280,932	8,410,092
SE Cass	46,757	66,047	66,979	52,694	66,919	69,321	55,467	56,529	58,047
Vector control	592,516	389,667	589,113	479,179	367,989	550,956	410,804	111,130	-
Street lighting	2,237,468	-	-	-	-	-	-	-	-
Forestry	1,475,962	1,361,803	1,271,640	1,198,305	1,112,526	990,339	1,021,922	924,895	775,133
Total business-type activities expenses	52,023,436	46,623,861	45,657,528	43,466,448	43,348,662	42,392,729	41,624,374	39,403,491	38,830,846
Total primary government expenses	\$ 198,339,065	\$ 197,216,753	\$ 188,605,665	\$ 169,499,700	\$ 145,782,679	\$ 134,742,602	\$ 131,515,984	\$ 123,345,974	\$ 111,990,175
PROGRAM REVENUES									
Governmental activities:									
Charges for services:									
General government	\$ 2,443,507	\$ 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	4,264,740	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	11,163,026	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	2,621,144	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	739,345	676,537	702,866	652,563	731,817	631,439	645,206	602,381	586,512
Urban redevelopment	1,659,901	2,409,435	2,974,370	3,512,005	4,483,915	3,343,959	3,107,679	1,401,233	421,305
Transportation	3,076,024	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	13,938,290	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	57,828,290	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	97,734,267	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 NINE FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Business-type activities:									
Charges for services:									
Airport	6,042,021	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	17,307,253	17,695,424	17,422,765	16,894,612	16,434,832	14,331,669	13,194,829	13,418,217	12,903,193
Wastewater	10,321,247	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	1,485,138	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	9,990,271	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	5,305,298	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	3,423,829	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	4,157,791	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	58,032,848	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	\$ 155,767,115	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700	\$ 163,118,991	\$ 111,905,911	\$ 106,535,062
NET (EXPENSE) REVENUE									
Governmental activities	\$ (48,581,362)	\$ (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	6,009,412	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	\$ (42,571,950)	\$ (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	\$ 19,180,738	\$ 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	40,435,541	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	4,146,643	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	5,031,204	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	3,830,789	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	3,014,501	3,440,226	4,889,864	5,833,229	5,559,410	3,629,600	4,366,395	3,539,110	3,571,750
Miscellaneous	405,694	(85,941)	286,695	254,248	222,665	105,948	283,471	172,685	495,679
Transfers	(35,488,049)	(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	40,557,061	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	601,556	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	3,942,511	3,601,388	(3,064,009)	2,067,151	2,543,953	1,423,862	931,823	1,165,179	1,511,876
Miscellaneous	1,408,629	1,172,864	1,040,667	426,700	30,831	7,284	38,916	117,522	676
Transfers	35,488,049	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	41,440,745	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	\$ 81,997,806	\$ 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	\$ (8,024,301)	\$ (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	47,450,157	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	\$ 39,425,856	\$ 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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General fund										
Reserved	\$ 2,851,707	\$ 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
Unreserved	19,629,816	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
Total general fund	\$ 22,481,523	\$ 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
All other governmental funds										
Reserved	\$ 68,563,005	\$ 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
Unreserved, reported in:										
Special revenue funds	3,373,748	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
Capital projects funds	(47,781,251)	(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)
Total all other governmental funds	\$ 24,155,502	\$ 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

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES										
Taxes	\$ 67,815,586	\$ 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
Special assessments	27,610,188	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
Licenses and permits	2,605,989	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
Intergovernmental revenues	32,971,141	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
Charges for services	18,567,755	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
Fines and forfeits	2,324,097	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
Investment income	3,075,599	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
Miscellaneous revenues	4,224,204	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
Total revenues	159,194,559	147,573,901	108,246,514	104,798,355	108,481,742	106,299,221	118,467,674	88,452,836	91,707,666	68,963,119
EXPENDITURES										
Current:										
General government	12,140,948	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
Public safety	28,244,521	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
Public works	48,548,373	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
Public health & welfare	9,021,360	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
Recreation & culture	5,484,437	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
Urban redevelopment	4,924,389	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
Public transportation	6,171,266	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
General support	1,580,065	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
Unallocated	-	-	-	-	-	-	-	-	-	-
Capital outlay	63,602,202	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
Intergovernmental	-	-	-	689,928	-	-	185,185	333,333	333,333	148,148
Debt service	-	-	-	-	-	-	-	-	-	-
Principal	26,718,154	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
Interest and fiscal charges	13,425,675	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
Total expenditures	219,861,390	227,360,025	187,420,553	147,975,401	133,200,075	120,076,478	135,176,886	122,127,408	113,028,477	97,768,747
Excess of revenues over (under) expenditures	(60,666,831)	(79,786,124)	(79,174,039)	(43,177,046)	(24,718,333)	(13,777,257)	(16,709,212)	(33,674,572)	(21,320,811)	(28,805,628)
OTHER FINANCING SOURCES (USES)										
Transfers in	48,822,131	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
Transfers out	(38,375,335)	(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)
Lease proceeds	-	-	-	-	-	380,000	338,062	-	-	368,000
Loans issued	21,367,174	33,387,993	8,832,714	2,946,737	3,825,000	1,700,000	2,003,000	1,410,812	-	-
Bonds issued	31,070,000	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
Bond premium	439,282	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	(39,447)	-	-	-	(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)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	63,283,805	106,059,944	40,774,632	30,226,240	18,424,986	51,630,995	51,102,173	28,297,347	4,924,658	33,436,438
Net change in fund balances	\$ 2,616,974	\$ 26,273,820	\$ (38,399,407)	\$ (12,950,806)	\$ (6,293,347)	\$ 37,853,738	\$ 34,392,961	\$ (5,377,225)	\$ (16,396,153)	\$ 4,630,810
Debt service as a percentage of noncapital expenditures	25.7%	21.6%	21.7%	22.3%	27.9%	23.4%	22.7%	27.8%	24.2%	30.2%

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002
Function/Programs									
Governmental Activities:									
General government	\$ 3,085,939	\$ 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	8,113,499	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	67,011,130	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	5,912,211	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	941,916	913,567	864,413	2,980,784	1,101,982	688,406	707,708	665,126	1,005,528
Urban redevelopment	4,529,526	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	8,140,046	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	97,734,267	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741	109,346,955	69,444,524	71,020,356
Business-type activities:									
Municipal airport authority	10,025,213	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	17,307,253	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	10,328,132	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	1,485,138	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	10,009,798	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	5,305,298	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	50,686	64,174	61,159	60,261	49,002	43,787	43,378	49,860	44,048
Vector control	621,293	630,597	602,787	591,349	579,482	570,960	561,377	167,385	-
Street lighting	1,744,395	-	-	-	-	-	-	-	-
Forestry	1,155,642	1,041,108	1,001,589	904,912	894,157	865,505	846,203	829,871	684,838
Total business-type activities	58,032,848	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	\$ 155,767,115	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700	\$ 163,118,991	\$ 111,905,911	\$ 106,535,062

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
2010	\$ 19,202,277	\$ 4,146,643	\$ 40,435,541	\$ 1,775,404	\$ 2,255,721	\$ 67,815,586
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

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
2010	\$ 3,706,864,247	\$ 3,057,450	\$ 3,143,371,510	\$ 4,520,080	\$ 76,881,920	\$ (95,175,987)	\$ 6,839,519,220	\$ 3,419,759,611	\$ 323,469,153	58.25
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

(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

CITY OF FARGO, NORTH DAKOTA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

MILL LEVY RATES *																	
CITY OF FARGO							OTHER TAXING ENTITIES							TOTALS BY SCHOOL DISTRICT			
Levy Year	Collect Year	General Revenue	Airport	Assessments **	City Share of Special	Total City of Fargo Mills	School District #1	School District #2	School District #6	Park District	Cass County	State	Soil Conservation District	Flood Control	School District #1	School District #2	School District #6
2010	2011	53.32	2.00	2.83	0.10	58.25	221.59	191.29	170.64	31.39	65.00	1.00	0.90	7.00	385.13	354.83	334.18
2009	2010	53.32	2.00	2.83	0.10	58.25	221.77	132.35	170.64	31.45	62.00	1.00	0.45	6.00	380.92	291.50	329.79
2008	2009	53.32	2.00	2.83	0.10	58.25	296.77	194.72	245.64	31.56	62.00	1.00	0.45	5.40	455.43	353.38	404.30
2007	2008	53.32	2.00	2.83	0.10	58.25	299.99	187.48	248.76	31.85	62.00	1.00	0.35	5.60	459.04	346.53	407.81
2006	2007	52.32	2.00	2.83	0.10	57.25	309.02	-	254.02	32.07	62.00	1.00	0.41	5.50	467.25	-	412.25
2005	2006	54.15	2.00	3.00	0.10	59.25	318.62	-	254.02	32.58	63.00	1.00	0.31	6.00	480.76	-	416.16
2004	2005	53.67	1.99	2.97	0.10	58.73	319.55	-	254.02	32.46	66.00	1.00	0.32	6.00	484.06	-	418.53
2003	2004	55.15	2.00	2.99	0.10	60.24	320.20	-	254.02	32.73	66.00	1.00	0.41	6.00	486.58	-	420.40
2002	2003	55.21	2.00	2.99	0.10	60.30	323.84	-	254.02	32.87	65.80	1.00	0.21	6.00	490.02	-	420.20
2001	2002	55.06	1.99	2.98	0.10	60.13	327.88	-	249.02	32.76	63.44	1.00	0.23	6.00	491.44	-	412.58

* per \$1,000 of taxable value

** City share of special assessments is not subject to the city ordinance imposed mill levy limitation of 64 mills

Source: Cass County

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

**CITY OF FARGO, NORTH DAKOTA
PRINCIPAL PROPERTY TAXPAYERS
2010 AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2010			2001		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
INREIT Properties	53,679,450	1	1.57	-	-	-
West Acres Development Company	\$ 41,921,000	2	1.23	31,192,950	1	1.61
Matrix Properties	25,660,650	3	0.75	13,609,450	5	0.70
Sanford	24,668,000	4	0.72	-	-	-
Osgood Investments	21,019,350	5	0.61	-	-	-
R & B Development	19,493,600	6	0.57	-	-	-
Innovis Health	18,200,650	7	0.53	27,800,000	2	1.43
RCV Ltd partnership/Van Raden	16,019,900	8	0.47	-	-	-
JPR Investments LLC	15,369,600	9	0.45	-	-	-
Wal-Mart Real Estate	14,878,250	10	0.44	-	-	-
Paracelsus Healthcare Corp.	-	-	-	21,641,000	3	1.12
Meritcare	-	-	-	18,579,500	4	0.96
Blue Cross/Blue Shield	-	-	-	12,875,500	6	0.66
Medical Properties	-	-	-	10,483,750	7	0.54
Case Equipment	-	-	-	8,854,700	8	0.46
Anda Construction Co	-	-	-	8,850,200	9	0.46
Holiday Inn	-	-	-	7,442,500	10	0.38
Total attributable to top taxpayers	250,910,450		7.34	161,329,550		8.32
Total of all other properties	3,168,849,161		92.66	1,777,986,178		91.68
	\$ 3,419,759,611		100.00	\$ 1,939,315,728		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
2010	\$ 21,183,386	\$ 5,497,427	25.95%	-	\$ 5,497,427	25.95%
2009	20,324,344	5,448,392	26.81%	13,719,579	19,167,971	94.31%
2008	19,234,312	5,462,763	28.40%	12,815,610	18,278,373	95.03%
2007	18,272,888	5,351,247	29.29%	12,065,538	17,416,785	95.31%
2006	17,053,222	4,417,046	25.90%	11,549,040	15,966,086	93.63%
2005	15,888,706	4,463,294	28.09%	10,690,840	15,154,134	95.38%
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%

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)**

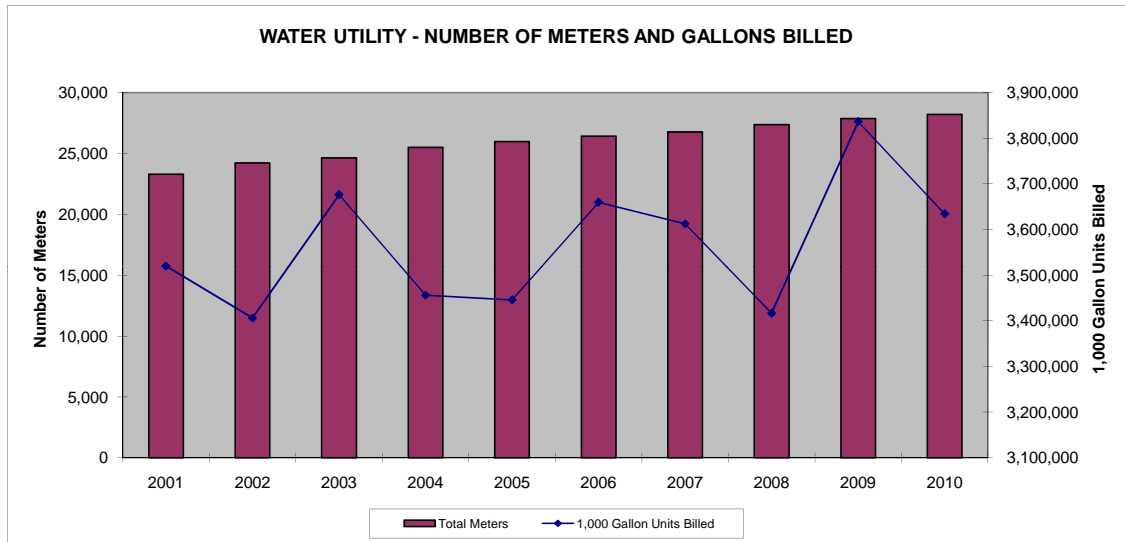
Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2010	213	\$ 37,978,700	29	\$ 35,164,896	12	\$ 30,992,090	2,016	\$ 116,745,415	2,270	\$ 220,881,101
2009	232	36,772,400	40	38,154,470	10	33,230,000	1,937	164,458,121	2,219	272,614,991
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

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)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Residential Customers (1,000 Gallon Units)	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	1,259,759
Commercial Customers (1,000 Gallon Units)	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	2,374,922
Total 1,000 Gallon Units	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	3,634,681
Total Number of Meters	23,309	24,208	24,641	25,509	25,971	26,440	26,760	27,388	27,882	28,209



Source: City Auditor's Office

Required NRMSIR continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA
WATER UTILITY - MAJOR CUSTOMERS
DECEMBER 31, 2010
(UNAUDITED)**

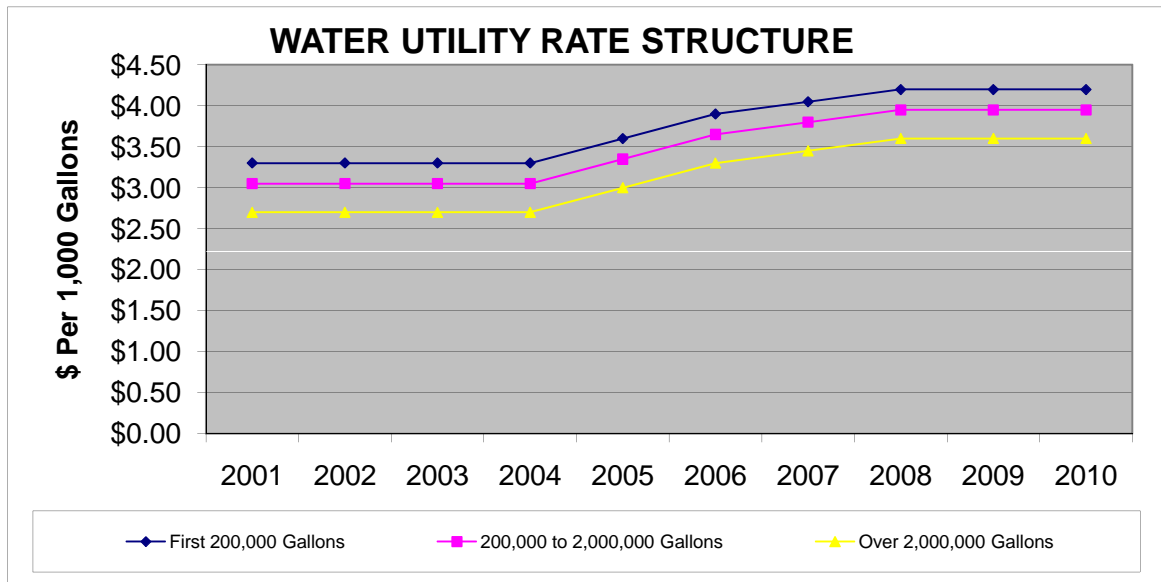
Customer	1,000 Gallon Units
North Dakota State University	203,484
Sanford Health	90,332
Cass Rural Water District	65,157
Cass Clay Creamery	45,522
Holiday Inn	28,296
William Block	24,726
Valley Rental	24,206
Buena Vista Mobile Homes	22,098
Ameripride	21,515
Fargo Park Board	20,067
Innovis	19,872
Pepsi Cola Bottling Co	17,084
Anda Contrustruction	15,084
Case New Holland	14,446
Park Avenue Apartments	<u>13,860</u>
Total Attributable to Major Customers	<u><u>625,749</u></u>
Total Billed Consumption	<u><u>3,634,681</u></u>
Percentage Attributable to to Major Customers	<u><u>17.2%</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)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
First 200,000 Gallons	\$3.30	\$3.30	\$3.30	\$3.30	\$3.60	\$3.90	\$4.05	\$4.20	\$4.20	\$4.20
200,000 Gallons to 2,000,000 Gallons	3.05	3.05	3.05	3.05	3.35	3.65	3.80	3.95	3.95	3.95
Over 2,000,000 Gallons	2.70	2.70	2.70	2.70	3.00	3.30	3.45	3.60	3.60	3.60

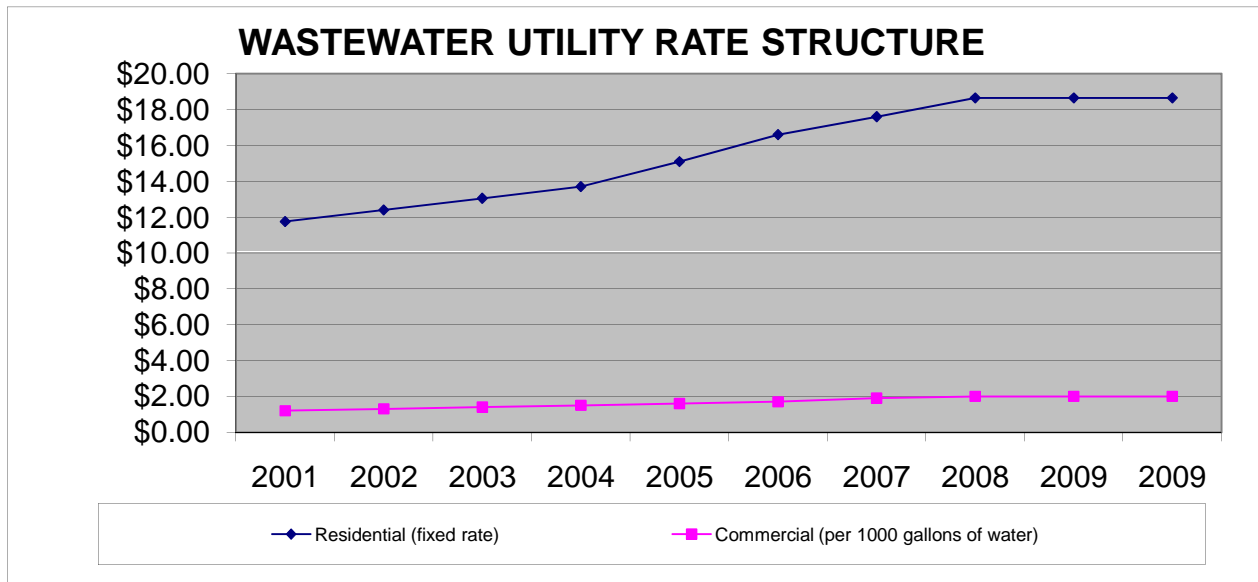


Source: City Auditor's Office

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)

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



Source: City Auditor's Office

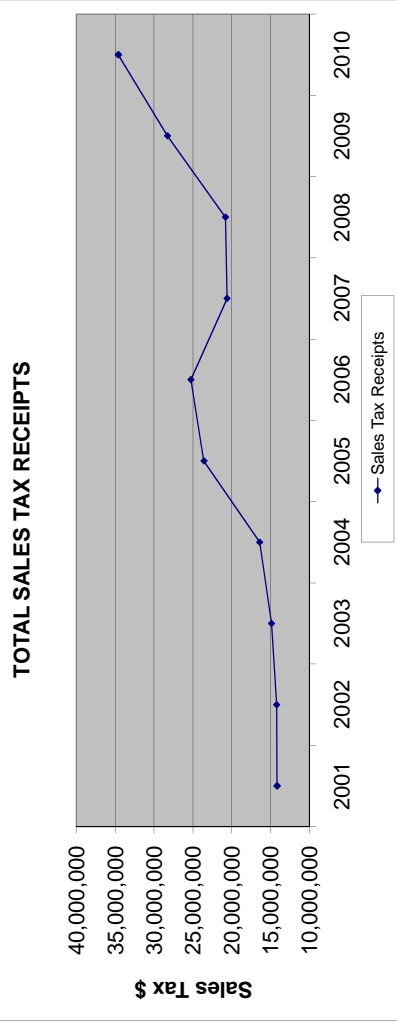
Required NRMSIR continuing disclosure for CUSIPs: 307531

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

Allocation of Receipts:	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
FargoDome Enterprise Fund										
To Street Construction (1)	\$ 7,080,766	\$ 7,109,996	\$ 7,445,545	\$ 8,208,798	\$ 8,510,011	\$ 9,408,632	\$ 10,256,127	\$ 10,414,568	\$ -	\$ -
Subtotal FargoDome	(1,520,192)	-	-	-	-	-	-	-	-	-
	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	3,540,383	2,336,259	-	-	-	-	-	-	-	-
Street Construction Fund (1)	-	-	-	-	-	-	-	-	-	-
From FargoDome	1,520,192	-	-	-	-	-	-	-	-	-
Subtotal Street Construction	1,520,192	-	-	-	-	-	-	-	-	-
Library Expansion Fund (3)	-	-	-	-	6,574,035	6,436,250	104,288	-	-	-
Sales Tax Bond Debt Service (2)	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	13,348,107
Public Utility Infrastructure (4)	-	-	-	-	-	-	-	-	14,179,416	13,106,476
Flood Control (5)	-	-	-	-	-	-	-	-	-	8,148,383
Total Sales Tax Receipts	\$ 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	\$ 34,602,966

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 recycled 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
- (5) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2029 for flood control projects



10 Largest Sales Tax Permit Holders

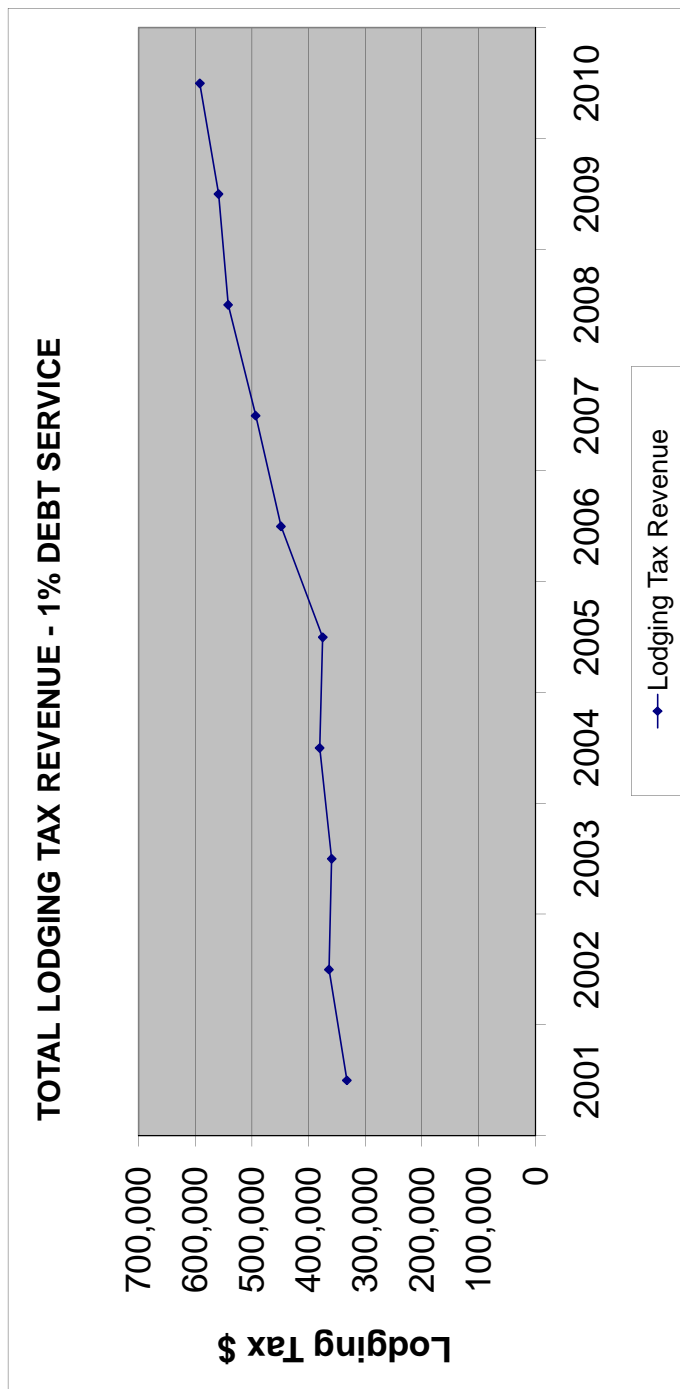
Any retailer in the State or North Dakota must obtain a State sales tax permit. The ten largest permit holders in the city for calendar year 2010, as prepared by the Office of the State Tax Commissioner, collected 19.85% of the Sales Tax collected in the City. In order to determine the ten largest permit 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 NRMSR continuing disclosure for CUSIPs: 307490, 30747M

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Lodging Tax Revenue - Debt Service	\$ 332,346	\$ 363,983	\$ 359,369	\$ 380,470	\$ 375,059	\$ 448,677	\$ 493,352	\$ 541,826	\$ 558,646	\$ 591,797



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>
Designated for Revenue Bond Repayment:		
Ramps:		
Island Park Ramp	377	262
Radisson Hotel	250	229
Ground Transportation Center	200	168
Surface Lots:		
Second Avenue	100	125
Elm Tree	65	20
Main Avenue	77	76
NP Avenue	141	80
4th St	174	174
Civic Center	100	41
3rd St	145	97
3rd Ave & 5th St.	40	43

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>2010</u>	<u>2011</u>	<u>Hourly</u>	<u>Daily Max</u>
Designated for Revenue Bond Repayment:				
Ramps:				
Island Park Ramp	\$50	\$52	\$1	\$5
Radisson Hotel	\$62	\$65	\$1.50	\$7.50
Ground Transportation Center	\$57	\$58	\$1.50	\$7.50
Surface Lots:				
Second Avenue	\$50	\$52	\$1	\$5
Elm Tree	\$62	\$65	\$1.50	\$7.50
Main Avenue	\$50	\$50	N/A	N/A
NP Avenue	\$50	\$52	\$1	\$5
4th St	\$50	\$50	\$1	\$5
Ground Transportation Center	\$57	\$58	N/A	N/A
Civic Center	\$50	\$50	\$1	\$5
3rd St	\$50	\$50	N/A	N/A
3rd Ave & 5th St.	\$62	\$65	N/A	N/A

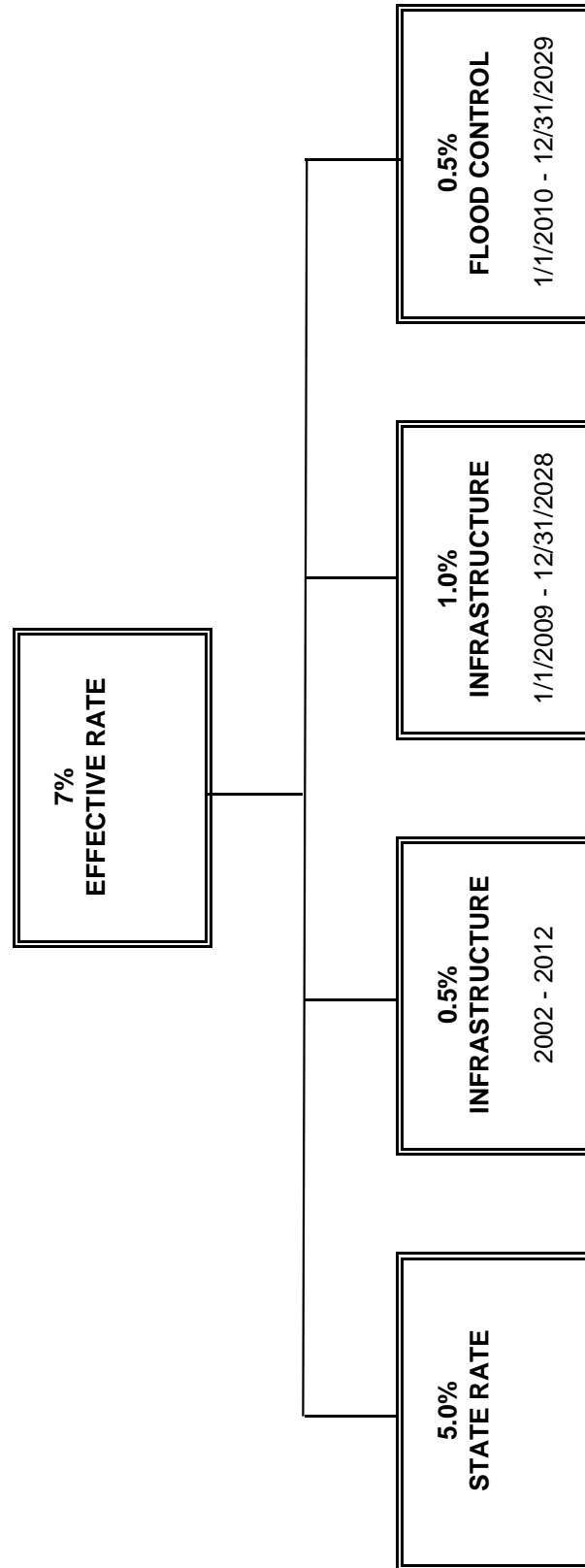
Financial Performance

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

	<u>2010(2)</u>
Revenues	\$1,074,258
Expenditures	\$ 660,212
Net Revenues	\$ 414,046

(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)**



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					
2010	\$ 238,133,281	\$ 2,730,000	\$ 6,200,773	\$ 32,575,000	\$ 57,522,024	\$ 122,128	\$ 33,815,000	\$ 12,202,767	\$ 5,796,128	\$ 3,257,040	\$	\$	392,354,141	n/a	\$ 3,715
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	4.64%	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

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

(2) Source - Population data from FMI 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			
2010	\$ 2,730,000	\$ 6,200,773	\$ -	\$ 8,930,773	2.76%	\$	85
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

(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
2010	105,600	\$ 3,419,759,611	\$ 313,454,054	\$ 67,151,036	\$ 33,815,000	\$ 212,488,018	6.21%	\$ 2,012
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

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 2010

Market Value of all property (1)	\$ 6,839,519,220
Assessed valuation	50% <u>\$ 3,419,759,610</u>
Debt limit (5% of assessed value)	\$ 170,987,981
Debt applicable to limit:	
General Obligation Bonds	2,730,000 (2)
Gross Revenue Debt	4,121,663 (2)
Governmental Lease Payable	119,871 (2)
Less:	
Debt available in related debt service funds	<u>(67,785) (2)</u>
Total net debt applicable to limit	<u>6,903,749</u>
Legal debt margin	<u>\$ 164,084,232</u>

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limit	\$ 170,987,981	\$ 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
Total net debt applicable to limit	6,941,107	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
Legal debt margin	<u>\$ 164,046,874</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	4.23%	5.50%	4.04%	4.85%	6.26%	7.22%	7.79%	8.04%	7.67%	1.88%

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

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

**CITY OF FARGO, NORTH DAKOTA
DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2010
(UNAUDITED)**

Taxing Entity	2010 Taxable Value	General Obligation Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 323,469,156	\$ 238,133,281	100.00%	\$ 238,133,281
Fargo Park District	323,469,156	6,325,000	100.00%	6,325,000
Fargo Public Schools	255,562,235	104,955,000	94.13%	98,794,142
Kindred Public Schools	15,405,566	16,340,000	0.09%	14,706
West Fargo Public Schools	169,182,271	58,855,100	43.60%	25,660,824
Subtotal overlapping debt		186,475,100		130,794,672
Total Direct and Overlapping Debt		\$ 424,608,381		\$ 368,927,953

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, 2010
(UNAUDITED)

Summary of Direct Debt	Gross Debt	Less: Debt Service Funds	Net Direct Debt
Supported by Tax Increment (G.O.)	\$ 2,730,000	\$ -	\$ 2,730,000
Supported by Special Assessments	248,333,281	(29,043,642)	219,289,639
Supported by Revenues	75,263,540	(24,914,156)	50,349,384
Supported by Airport Revenue	9,530,000	(537,018)	8,992,982
Leases Payable	3,379,168	-	3,379,168
Notes Payable	1,675,876	-	1,675,876

Debt Ratios	Net Direct Debt*	Indirect & Net Direct Debt**
To 2010 Assessed Value (\$3,419,759,611)	6.64%	17.35%
Per Capita (2010 - 105,600)	\$ 2,150	\$ 5,618

* 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 144.

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	Coverage	Lease Revenue	Principal	Debt Service	Coverage	NRI Loan Repayments	Principal	Debt Service	Coverage
2010	\$ 27,360,540	\$ 12,765,280	\$ 9,167,699	1.25	\$ 384,237	\$ 210,000	\$ 170,105	1.01	\$ 104,996	\$ 86,175	\$ 18,821	1.00
2009	20,503,315	14,592,491	8,457,758	0.89	393,510	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	381,510	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	391,277	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	369,430	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	-	-	-	-	-	-	-	-

Convention Bureau Revenue Bonds									
Fiscal Year	1% Lodging Tax	Debt Service		Coverage	Less:		Net Available		Coverage
		Principal	Interest		Parking Revenue	Operating Expenditures	Revenue	Debt Service	
2010	n/a	n/a	n/a	n/a	\$ 1,074,258	\$ 660,212	\$ 414,046	\$ 55,000	3.64
2009	n/a	n/a	n/a	n/a	910,807	577,977	332,830	61,539	2.98
2008	541,826	120,000	16,250	3.98	769,484	496,709	272,775	64,114	2.39
2007	493,352	115,000	23,495	3.56	847,631	428,796	418,835	66,364	3.76
2006	448,677	105,000	30,110	3.32	867,811	402,395	465,416	68,569	4.10
2005	375,059	100,000	36,360	2.75	927,098	395,605	531,493	70,706	4.59
2004	380,470	95,000	42,155	2.77	904,512	402,248	502,264	72,546	4.46
2003	359,369	90,000	47,555	2.61	773,581	438,107	335,474	74,306	2.93
2002	363,983	85,000	52,570	2.65	740,377	360,317	380,060	72,343	3.54
2001	332,346	80,000	57,170	2.42	628,101	280,207	347,894	34,909	10

Sales Tax Revenue Bonds				
Fiscal Year	Sales Tax	Debt Service		Coverage
		Principal	Interest	
2010	\$ 15,163,328	\$ 4,910,000	\$ 773,680	2.67
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

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		Coverage	Airport Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2010	\$ 17,533,098	\$ 8,957,643	\$ 8,575,455	\$ 2,685,000	\$ 1,287,694	2.16	\$ 6,722,597	\$ 3,488,605	\$ 3,233,992	\$ 1,010,000	\$ 413,254	2.27
2009	17,934,051	8,462,145	9,471,906	2,195,000	1,415,794	2.62	5,907,184	3,150,752	2,756,432	975,000	447,566	1.94
2008	17,798,504	7,940,224	9,858,280	-	1,105,059	8.92	6,444,752	3,323,596	3,121,156	940,000	239,533	2.65
2007	17,570,378	6,992,730	10,577,648	2,375,000	1,676,758	2.61	6,345,195	3,586,971	2,758,224	595,000	176,145	3.58
2006	17,011,665	8,637,725	8,373,940	2,245,000	1,742,070	2.10	6,110,962	2,963,611	3,147,351	585,000	180,970	4.11
2005	14,793,027	7,303,760	7,479,267	2,140,000	1,865,545	1.87	5,525,505	2,965,961	2,559,544	590,000	193,224	3.27
2004	13,377,984	6,595,861	6,782,123	2,050,000	1,969,870	1.69	6,331,323	2,569,153	3,762,170	-	42,170	89.21
2003	13,598,618	6,388,951	7,209,667	1,950,000	2,067,245	1.79	-	-	-	-	-	-
2002	13,610,068	5,900,554	7,709,514	1,905,000	2,164,745	1.89	-	-	-	-	-	-
2001	14,002,900	5,825,123	8,177,777	1,820,000	2,259,995	2.00	-	-	-	-	-	-

Fiscal Year	FargoDome Sales Tax Revenue Bonds						Clean Renewable Energy Bond					
	FargoDome Sales Tax	Debt Service	Coverage	Sale of by products		Coverage	Airport Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2010	n/a	n/a	-	\$ 426,793	\$ 100,000	3.87	10,200	-	10,200	-	-	-
2009	-	1,810,000	-	196,927	100,000	1.77	11,050	-	11,050	-	-	-
2008	10,364,101	4,595,000	2.14	855,932	100,000	8.08	5,950	-	5,950	-	-	-
2007	10,271,895	4,395,000	2.15	499,818	100,000	4.99	142	-	142	-	-	-
2006	9,696,521	5,630,000	1.56	-	-	-	-	-	-	-	-	-
2005	8,825,107	3,990,000	1.83	-	-	-	-	-	-	-	-	-
2004	8,092,719	3,825,000	1.67	-	-	-	-	-	-	-	-	-
2003	7,502,871	3,370,000	1.65	-	-	-	-	-	-	-	-	-
2002	7,425,429	2,180,000	2.20	-	-	-	-	-	-	-	-	-
2001	6,822,980	2,060,000	2.19	-	-	-	-	-	-	-	-	-

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 2010 Net Revenues Available for Debt Service</u>
2011	\$ 670,000	\$ 95,637	\$ 765,637	21.06
2012	690,000	73,528	763,528	21.12
2013	715,000	50,757	765,757	21.06
2014	745,000	26,448	771,448	20.90

2010 Net Revenues Available for Debt Service

2010 Operating Revenues	\$ 6,042,021
2010 Operating Expenses	6,444,590
Add: Depreciation	2,955,985
Gain on disposal of assets	14,682
Interest Income	64,338
General Property Tax Revenue	601,556
2010 Net Revenues Available for Debt Service	<u>\$ 16,123,172</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)	Personal Income (2)	Per Capita		Level of Education (1)			K - 12 Public		Fargo		State		National		Fargo Labor Force (3)
				Income (2)	Median Age (1)	% High School Grad or Higher	% Bachelor's Degree or higher	School Enrollment (1)	Rate (3)	Unemployment	Rate (3)	Unemployment	Rate (3)				
2010	105,600	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10,455	3.9%	3.9%	9.6%	58,817				
2009	103,428	\$	7,980,697,000	\$	39,883	30.2	93.3%	33.7%	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				

(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
2010	n/a	n/a	n/a	n/a
2009	n/a	n/a	\$ 37,839	\$ 37,390
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, 30747M

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

	2010			2001		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Employer						
Sanford Health*	3,691	1	6.28%	-	-	-
North Dakota State University*	2,401	2	4.08%	3,839	2	6.71%
Noridian/Blue Cross Blue Shield*	1,800	3	3.06%	1,600	3	2.80%
Fargo Public Schools*	1,638	4	2.78%	1,485	5	2.59%
Innovis Health*	1,285	5	2.18%	-	-	-
US Bank	1,030	6	1.75%	1,200	5	2.10%
City of Fargo	897	7	1.53%	-	9	0.00%
Microsoft	854	8	1.45%	1,100	6	1.92%
Fargo VA Medical Center*	830	9	1.41%	689	10	1.20%
Case New Holland	811	10	1.38%	850	7	1.48%
Meritcare	-	-	-	4,300	1	7.51%
Dakota Heartland Health System	-	-	-	800	8	1.40%

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

* - 12/31/2009 data, numbers for 2010 not available at time of publication

Required NRMSIR 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)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
City Administrator	2	2	2	3	3	3	2	2	2	1
Human Resources	11	10	10	10	9	9	10	7	9	9
Information Services	19	18	16	17	18	17	14	16	15	13
Public Information	2	2	2	-	-	-	-	-	-	-
Auditor	17	17	17	17	16	17	17	17	22	24
Municipal Court	8	8	8	8	8	8	8	8	8	8
City Assessor	12	12	11	11	11	14	10	13	11	10
Buildings & Grounds	7	8	8	6	9	10	9	9	11	8
Planning	11	10	11	10	11	9	10	9	9	10
Central Garage	23	27	23	20	25	24	24	22	23	23
City Commission	8	8	8	8	7	8	8	7	7	8
General Support	-	-	-	-	-	-	-	1	1	1
Public safety										
Inspections	21	20	21	19	22	19	18	18	21	19
Traffic Engineering	9	8	8	8	9	8	8	9	5	6
Fire Department	114	116	103	100	99	101	99	95	88	87
Police Department	162	155	150	149	149	144	140	135	128	147
Public works										
City Engineering	49	44	43	38	41	41	41	39	44	44
Streets & Sewers	49	52	48	48	46	49	48	43	43	44
Public health & welfare										
Health	118	120	117	108	119	115	114	108	104	106
Homeless shelter	13	14	12	-	-	-	-	-	-	-
Recreation & culture										
Public Library	50	53	63	41	42	40	40	44	37	37
Civic Memorial Auditorium	18	14	22	24	20	17	11	37	23	11
Urban redevelopment	3	3	3	3	4	4	6	4	5	5
Public transportation	21	21	19	15	7	5	6	6	6	5
Business-type funds										
Airport	19	18	17	16	16	16	16	16	15	16
Water	40	41	41	40	39	37	41	41	45	45
Wastewater	20	20	22	19	18	18	20	20	21	21
Solid waste	52	52	49	48	46	48	50	49	50	52
Storm sewer	5	4	3	3	3	3	2	2	1	1
Street Lighting	2	3	3	3	3	2	2	2	1	1
Forestry	12	10	14	11	12	13	9	14	11	12
Total	897	890	874	803	812	799	783	793	766	774

- Number includes full and part time employees.

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public safety										
Fire										
Number of calls answered	4,485	4,221	4,280	3,886	3,609	4,176	4,333	5,350	5,047	5,037
Number of fire inspections	7,754	6,949	7,216	7,174	7,111	7,204	7,505	8,610	6,469	6,932
Police										
Number of calls for service	47,534	48,062	46,183	44,751	43,478	42,483	39,365	38,189	37,835	38,384
Arrests	11,152	10,117	9,939	10,544	10,730	10,561	10,265	10,105	6,665	n/a
Public works										
Average daily water consumption (gallons)	9,958,030	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
Wastewater avg flow per day (MGD)	13.01	12.86	12.16	11.49	11.51	11.95	11.76	11.17	11.05	12.06
Public health & welfare										
WIC participation	2,606	2,699	2,801	2,261	2,144	2,194	1,856	1,855	1,761	1,763
Nursing visits	194,823	208,124	211,013	210,719	203,347	197,690	196,434	189,252	164,944	123,688
Recreation & culture										
Library circulation	919,845	815,998	830,287	659,139	748,382	852,541	812,174	691,637	691,637	604,908
Civic center attendance	91,115	88,828	112,032	101,382	112,050	117,875	142,890	136,065	125,002	147,442
Fargodome attendance	528,380	486,059	436,294	445,270	409,149	381,507	429,396	441,280	440,013	402,695
Public transportation										
Number of rides										
Fixed route	1,624,637	1,479,646	1,228,464	962,030	899,572	837,281	736,944	617,027	495,658	472,023
Paratransit	57,850	57,428	60,255	50,768	48,989	40,868	39,705	34,850	35,696	36,179
Infrastructure										
New projects assessed	71	32	32	29	42	51	60	45	37	70
Value of new projects	\$ 25,706,180	\$ 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

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

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Area in square miles	48.45	48.45	47.74	46.63	46.35	44.52	44.43	42.41	42.41	37.50
Public safety										
Fire										
Stations	7	6	6	6	6	6	6	5	5	5
Vehicles	28	30	27	25	29	29	21	21	21	20
Police										
Stations	3	3	3	3	3	2	2	2	2	2
Marked cars	38	37	26	33	28	28	32	32	32	27
Public works										
Number of street lights	9,077	8,959	8,514	8,119	7,839	7,926	7,598	7,139	6,815	6,733
Miles of paved streets	371.65	367.16	369.17	363.76	358.78	352.87	347.74	341.60	330.59	324.64
Miles of water mains	436.00	428.02	424.82	411.82	403.98	398.52	393.88	383.38	370.12	363.97
Miles of sanitary sewer	425.40	414.64	404.39	398.01	384.23	357.94	352.17	343.34	332.36	327.39
Miles of storm sewer	395.05	387.88	383.56	369.01	361.04	352.42	346.45	333.24	320.22	307.28
Recreation & culture										
Print materials - Library	491,414	442,536	179,120	167,998	175,076	193,067	162,056	141,180	141,180	136,572
Public transportation										
Buses	26	22	17	18	17	13	16	16	16	16

CITY OF FARGO, NORTH DAKOTA
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2010
(UNAUDITED)

Policy No.	Insurance Broker	Insuring Company	Coverage type / \$ Limits	Term
FBP8341772	Wells Fargo Insurance	Hartford	Boiler & equipment breakdown \$ 100,000,000	1/1/10-1/1/11
1949	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 282,075,458 Building \$ 32,847,227 Contents \$ 53,463,081 Outdoor property	7/1/10-6/30/11
MZI93011434	Wells Fargo Insurance	Firemen's Fund	Buildings & Contents Transit Maintenance Facility \$ 7,000,000 Building \$ 600,000 Contents	10/30/10-10/29/11
AP3387932-10	Northstar Aviation Ins. Inc	National Union	Primary Aircraft Liability \$ 100,000,000	1/1/10-1/1/11
33 2510113449 06	Insure Forward	Fidelity National Insurance Co.	Convention Visitors Bureau Flood - \$500,000 Building/\$185,000 Contents	4/15/10 - 04/15/11
33 2510115112 06	Insure Forward	Fidelity National Insurance Co.	Hector Airport Admin Building Flood - \$500,000 Building/\$78,000 Contents	4/15/10 - 04/15/11
33 2510113446 06	Insure Forward	Fidelity National Insurance Co.	City Hall Flood - \$500,000 Building/\$500,000 Contents	4/15/10 - 04/15/11
G2382520A 004	Dawson Insurance	Westchester Fire Ins Co	Environmental General Liability for Methane Operations \$2,000,000	8/14/10 - 8/14/11
87043898542010	Warner & Company	Harleysville Insurance Company	Main Library Flood - \$500,000 Building/\$500,000 Contents	3/26/10 - 3/25/11
BA230003	Warner & Company	ND Insurance Reserve Fund	Auto Liability - \$500,000 Liability	1/1/10 - 1/1/11
GL333401	Warner & Company	ND Insurance Reserve Fund	General Liability - \$2,000,000	10/29/10 - 10/29/11
IM114700	Warner & Company	ND Insurance Reserve Fund	Mobile Equipment and Trailers: Licensed - \$26,396,503 - Automobiles Unlicensed - \$9,974,304 - Mobile Equipment Fine Arts \$6,000	6/1/10 - 6/1/11
1-17334	No Broker - Direct Writer	FM Global	Portable Radio Equipment \$896,175 Fargodome \$145 MM property, \$100MM flood	11/2/10-11/02/11
33-2510089903-05	Insure Forward	Fidelity National Insurance Program	Fargodome \$500M contents & \$500M building	3/5/10-3/5/11
AIP544731501 and AIX9771239200	Insure Forward	K&K	Fargodome General Liability - \$1MM per event aggregate Excess Liability - \$10MM umbrella	11/1/10-10/31/11
AIA9771239100	Insure Forward	K&K	Auto Insurance	11/1/10 - 11/1/11
EOC967493501	AON Risk Services	Employment Practices Liability	Employment Practices	8/10-7/11



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