



2022

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City of Fargo, North Dakota
for the fiscal year ended
December 31, 2022

Annual Comprehensive Financial Report
Year Ended December 31, 2022
City of Fargo, North Dakota
Prepared by the Finance Department

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Introductory Section
Year Ended December 31, 2022
City of Fargo, North Dakota



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www.FargoND.gov

June 30, 2023

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

We are pleased to submit the City of Fargo's Annual Comprehensive Financial Report for the fiscal year ending December 31, 2022. This report satisfies audit and financial reporting requirements pursuant to North Dakota Century Code 54-10-14 and the Uniform Guidance.

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 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 unmodified "clean" opinion on the City of Fargo's financial statements for the year ended December 31, 2022. The independent auditor's report is located at the front of the financial section of this report. There were no audit findings.

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 are 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 5. This letter of transmittal has been designed to complement the MD&A and should be read in conjunction with it. The MD&A contains a more detailed analysis of changes in financial condition.

CITY OF FARGO PROFILE

The City of Fargo was incorporated in 1875 and is located in the eastern border of North Dakota at the intersection of Interstate Highways I-29 and I-94. This regional economic center continues to expand with a trend of consistent growth over the past several years. Bordering along the Red River, the City sits at the boundary between North Dakota and Minnesota, serving as a primary market area for over 252,000 consumers. The current City population is estimated at 125,967 representing a 19.3% growth since the 2010 census. 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 completed in the past few years. A recent demographic study expects Fargo's population trend to continue to grow for the next several years to approximately 171,000 by 2040.

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, creating committees and task forces, and serving the needs of the community. The Mayor and City Commissioners are elected at-large and serve four-year terms. Dr. Tim Mahoney is the Mayor. He has served as a City Commissioner since 2005, as interim Mayor in December 2014, and was elected Mayor in April 2015, and has served in that capacity since. A municipal election was held in June 2022 to elect a Mayor and two City Commissioners. Mayor Mahoney and Commissioner Piepkorn were both reelected to four-year terms. Denise Kolpack was elected to replace Commissioner Gehrig, who did not run for reelection.

All Department Heads serve on the Mayor's Cabinet, a forum that connects the City's Departments to the issues and priorities of the community. The City Administrator, Michael Redlinger, is the liaison to the City Commission and is responsible for overseeing the day-to-day operations of the City and its twenty-two Departments. Brenda Derrig is the Assistant City Administrator. The City is currently recruiting candidates for its vacant Finance Director position while Susan Thompson, Assistant Finance Director, fills the role of interim.

The City of Fargo provides a full range of governmental services, including public safety; construction and maintenance of infrastructure; public utilities, including water, water reclamation, 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 a preliminary budget by August 10 and a final budget by October 7 of each year. All Departments submit requests to the City's Budget Team, led by the Mayor, during the budget development process each May. The Mayor utilizes a team approach to discuss budget strategy with the City Administrator, Assistant City Administrator, and the Director of Finance. The Mayor is responsible for final decisions related 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) levels. Department Heads may make transfers of appropriations within a Department. Supplemental budget appropriations require approval by the City Commission.

The City of Fargo includes two component units within its financial statements. 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 and is reported as a blended component unit within the activities of the primary government. The Municipal Airport Authority of the City of Fargo was formed for the purpose of operating an airport system that provides domestic air service for the Midwest region and is reported as a discretely presented component unit. Separately issued financial reports for the Municipal Airport Authority are available by contacting the Executive Director, PO Box 2845, Fargo, ND 58108.

AMERICAN RESCUE PLAN IMPACTS AND FUNDING

To offset community impacts resulting from the COVID-19 pandemic, the City of Fargo, as a metropolitan city, was awarded a direct allocation of State and Local Recovery funds through the American Rescue Plan Act funding from the US Treasury. The total allocation of funds was \$20 million, half of which was received in 2021 with the remainder in 2022. These funds have been programmed to cover one-time expenditures. Under guidance from US Treasury, the funds must be obligated by December 31, 2024, and fully spent by December 31, 2026.

FINANCIAL AND ECONOMIC CONDITIONS IN FARGO

Financial Conditions

The median Fargo per capita income continues to rise and is reflective of our strong local economy. Per capita incomes have increased to \$62,021 in 2021 as compared to \$50,725 in 2017 representing a 22.3% increase in income levels over the past five years. Our labor force has increased to 74,948 in 2022 as compared to 70,726 five years ago which represents an 2.5% increase. Fargo's unemployment rate is currently 1.8% while the State of North Dakota is 2.1%.

Continued Growth in Building Permits

Construction activity in Fargo remained strong in 2022. Building permits totaled \$853 million in 2022 compared to \$763 million in 2021. Leading the way were Commercial permits for new construction and remodeling, those categories increased 29% in 2022. Demand for housing remains strong in our community in light of the strength of our local economy, low mortgage rates and overall quality of life we offer.

Sales Taxes Funding Key Infrastructure

Fargo is utilizing sales tax revenues as a primary funding source for key infrastructure projects. All City sales tax resources (2% tax rate) 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 the community from Red River flood events; and improving the highway systems throughout the community. Existing sales tax authorizations expire in 2028, and 2084. In 2016, voters approved a long-term extension of sales tax to 2084 for the Fargo Moorhead Diversion Project, a multi-generational flood-control solution to protect the citizens and economy of the Fargo-Moorhead region.

A more comprehensive review of these statistics is contained in the statistical section of this report.

Fargo's locally imposed sales tax collections totaled \$65.9 million this year as compared to \$60.5 in 2021, a 9.03% increase. We are pleased to show strong, continued growth in sales tax year over year.

MAJOR INITIATIVES FOR THE YEAR

Fargo Moorhead Diversion Channel Project History and Status

The construction of a major flood control project continues to be one of the highest priorities for the metropolitan community. A history of this project, including past and present status, is summarized below.

The United States Army Corps of Engineers (USACE) has studied various alternative flood protection projects for the Fargo-Moorhead area for several years. Following extensive study of flood mitigation alternatives, USACE recommended a large flood diversion channel (to the west of the cities of Fargo and West Fargo) combined with a southern embankment to temporarily store water and control flows, as the preferred technical solution to mitigating flood risk. The project temporarily stores and "stages" water through various control structures to limit the flow of water through Fargo Moorhead, thereby lowering river levels and flood risk significantly. The estimated current project cost is anticipated to exceed \$2.4 billion. These costs will be funded by a combination of various Federal, State and local stakeholders.

In October of 2012 a federal record of decision was approved by the Chief of USACE. This critical step recognized the feasibility, final review, and concurrence to include this project on the Federal Government's approved list of authorized projects. This project was included in the 2013 Water Resources Development Act Bill and has been approved by the U.S. Senate and the House of Representatives.

Work continued in 2015 on securing Federal and State funding for this project. Local officials and the North Dakota and Minnesota Congressional Delegations worked together to help formulate plans for a public-private partnership demonstration project (PPP) as a way to provide long-term funding of this project. In February of 2015, USACE named this project as a federal P3 demonstration project.

In February 2016, USACE approved this project as a federal “new start” project and provided budgetary resources to commence project construction. The Fargo-Moorhead Diversion Authority, along with the City of Fargo and the City of Moorhead, executed a final project participation agreement with USACE in July 2016 that obligates Federal funding.

In November 2016, voters approved a long-term extension of certain sales tax authorizations for the City of Fargo as well as Cass County until 2084. These should provide a sustainable long-term revenue stream that will allow us to finance this project.

During the State of North Dakota’s Legislative session for the 2020-2021 biennium, \$66.5 million was appropriated and the legislative intent for funding through the 2029-2031 biennium was increased to \$750 million.

The State of North Dakota passed HB-1431 during the 2021 Legislative session. This bill was the State’s first bonding bill. This was a significant achievement in approach to addressing the infrastructure needs across the State. The Diversion Authority was included in the bonding bill with a legislative appropriation of \$435 million. This will help reduce project borrowing costs by prioritizing immediate access to capital funding. Previously, the funding plan was to be spread across future legislative sessions.

The City’s success in moving this project along is a result of continued strong partnerships with the Metro Flood Diversion Authority, USACE, and Jacobs Engineering. Funding partners include the State of North Dakota, State of Minnesota, USACE, City of Fargo, and Cass County. Governmental leaders from the Federal, State, and local levels have expended significant efforts in a collaborative manner to continue to advance this project.

Strategic Planning and Long Term Capital Improvement Plans

Strategic planning efforts are ongoing for various City functions and the development of long-term capital improvement plans have been formally adopted for municipal utility infrastructure projects over a twenty-year planning horizon, flood control projects and Departmental capital needs for a five year timeframe. Major infrastructure projects are funded with a variety of sources, however, the major resources available are from sales tax and special assessment revenues.

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 annual comprehensive financial report for the fiscal year ended December 31, 2021. This is the twenty-fourth 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 annual comprehensive 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 annual comprehensive 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 Annual Comprehensive Financial Report could not have been accomplished without the dedicated services of our entire staff. The staff members who were responsible for the achievement of this goal include:

Emily Scholz, Senior Accountant
Carrie Clemens, Accountant
Jordan Corneliusen, Finance Manager
Jessica Houim, Senior Accountant
Lindsey Tester, Accountant

Special thanks are due to the Eide Bailly, LLP and their staff for the technical assistance during the audit and throughout the year. We acknowledge the thorough and professional manner in which they conducted their audit.

Appreciation is expressed to the members of the City Commission, Mayor, City Administrator, Cabinet members, and City staff for their support and commitment to planning and conducting the financial activities of the City in a responsible and progressive manner. The City's financial status is a tribute to that discipline and vision.

Respectfully submitted,



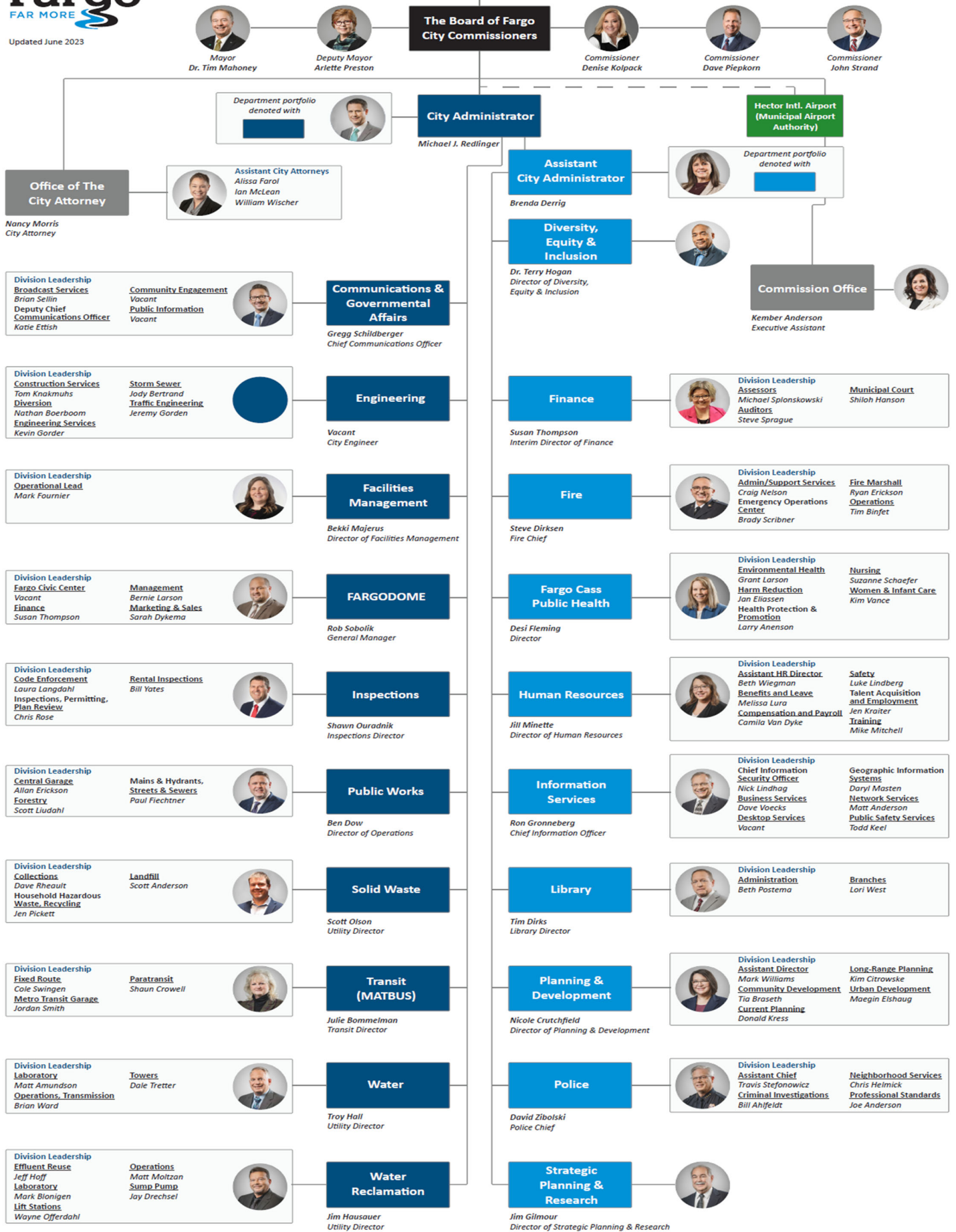
Susan J. Thompson, CPA
Interim Director of Finance



Wyatt Papenfuss
Finance Manager

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Elected Officials		
Dr. Tim Mahoney	Mayor	June 2026
Dave Piepkorn	Commissioner	June 2026
Denice Kolpack	Commissioner	June 2026
Arlette Preston	Commissioner	June 2024
John Strand	Commissioner	June 2024
Appointed Officials		
Michael Redlinger	City Administrator	
Brenda Derrig	Assistant City Administrator	
Susan Thompson	Interim Director of Finance	
Steven Sprague	City Auditor	
Kember Anderson	City Commission Executive Assistant	

THE RESIDENTS OF FARGO





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Fargo
North Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section
Year Ended December 31, 2022
City of Fargo, North Dakota

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Fargo ("the City") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Municipal Airport Authority of the City of Fargo, the discretely presented component unit, as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Municipal Airport Authority of the City of Fargo, are based solely on the report of the other auditors.

Basis for Opinions

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

Change in Reporting Entity

As discussed in Note 14 to the financial statements, the City of Fargo has reclassified the Municipal Airport Authority of the City of Fargo from a blended component unit reported as an enterprise fund, to a discretely presented component unit of the City as of January 1, 2022. Accordingly, a restatement has been made to the business-type activities and discretely presented component unit net position as of January 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standard

As discussed in Notes 1 and 14 to the financial statements, the City of Fargo has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. Accordingly, a restatement has been made to the governmental and business-type activities leases receivable, right-of-use leased assets, leases payable, and deferred inflow of resources related to leases as of January 1, 2022, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; North Dakota Public Employee Retirement System OPEB Plan schedules: schedule of employer's share of net OPEB liability and schedule of employer contributions; North Dakota Public Employee Retirement System Pension plan schedules: schedule of employer's share of net pension liability and schedule of employer contributions; City employees' pension plan schedules: schedule of changes in net pension liability (asset), schedule of employer contributions, schedule of employer's share of net pension liability (asset) and schedule of employer's share of employer contributions; Police Pension Plan schedules: schedule of changes in net pension liability and schedule of employer contributions; and Fargo Firefighters' Relief Association Retirement Plan schedules: schedule of change in net pension liability and schedule of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and Capital Assets Used in the Operation of Governmental Funds sections are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the capital assets section, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Fargo, North Dakota
June 29, 2023

City of Fargo, North Dakota

This page has been reserved for notes

December 31, 2022

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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

Government-wide Statements

The assets and deferred outflows of resources of the City of Fargo exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$1,168,003,128 (net position). Of this amount, the net investment in capital assets and amounts restricted for specific purposes exceed the total net position, resulting in a deficit unrestricted net position of \$145,155,451.

Fund Financial Statements

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$106,033,750, a decrease of \$101,371,218 in comparison with the prior year balance. Of this balance, \$978,306 constitutes unassigned deficit fund balance, \$181,794 assigned fund balance, \$1,000,015 committed fund balance, \$102,869,260 restricted fund balance and \$2,960,987 nonspendable fund balance.

The City's eleven enterprise funds ended the year with net position of \$742,569,157, a decrease of \$185,003 from the prior year balance. Net cash flows from operations were \$20,892,638 while net cash used for noncapital and related financing activities was \$10,364,218, net cash used for capital and related financing activities was \$15,175,785, and net cash from investing activities was \$9,519,103.

The City's unassigned General Fund balance of \$21,955,906 represents 21 percent of the total General Fund expenditures. This is below our management goal of 25 percent.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused 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, economic development, and general support. The business-type activities of the City of Fargo include Water, Water Reclamation, Storm Sewer, Solid Waste, Southeast Cass Sewer, Forestry, Vector Control, Street Lighting, Transit, Civic Memorial Auditorium, and the FargoDome, a multi-use facility.

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 twenty-one 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 eighteen 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. Budgetary comparison statements have been provided to demonstrate compliance with the approved budget.

Proprietary funds

The City of Fargo maintains eleven 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 Water, Water Reclamation, Storm Sewer, Vector Control, Solid Waste, Southeast Cass Sewer, Forestry, Street Lighting, Transit, Civic Memorial Auditorium, and FargoDome activities.

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 Water, Water Reclamation, Storm Sewer, Solid Waste, and FargoDome activities, which are considered major funds of the City of Fargo. Data from the other six enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in 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 City's fiduciary funds consist of pension trust funds and custodial funds. The City's two pension funds, the City Employees' Pension Plan and the Police Pension Plan are reported as pension trust funds. The City has four custodial funds: Park District Special Assessments, Metro Flood Project Diversion Authority, Red River Regional Dispatch Center and Police Custodial Fund.

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.

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 and other post-employment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental and proprietary funds as well as the custodial funds are presented as other supplementary information.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Fargo, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,168,003,128 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (87 percent) reflects its net investment in capital assets (e.g., land, construction in progress, intangibles, buildings, improvements other than buildings, infrastructure, machinery, and equipment, flood control, and right-of-use leased assets); less any related outstanding debt and leases 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 net investment in 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 table presents condensed financial information on the City's net position for the fiscal years ending December 31, 2022 and 2021. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021**	2022	2021
Assets						
Current and other assets	\$ 582,244	\$ 678,004	\$ 81,288	\$ 89,239	\$ 663,532	\$ 767,243
Capital assets	657,371	642,571	958,906	899,029	1,616,277	1,541,600
Total assets	<u>1,239,615</u>	<u>1,320,575</u>	<u>1,040,194</u>	<u>988,268</u>	<u>2,279,809</u>	<u>2,308,843</u>
Deferred Outflows of Resources	<u>73,037</u>	<u>41,331</u>	<u>21,387</u>	<u>12,213</u>	<u>94,424</u>	<u>53,544</u>
Liabilities						
Other liabilities	37,650	35,187	22,751	20,870	60,401	56,057
Long-term liabilities	821,496	818,668	280,030	215,483	1,101,526	1,034,151
Total liabilities	<u>859,146</u>	<u>853,855</u>	<u>302,781</u>	<u>236,353</u>	<u>1,161,927</u>	<u>1,090,208</u>
Deferred Inflows of Resources	<u>28,072</u>	<u>61,686</u>	<u>16,231</u>	<u>21,374</u>	<u>44,303</u>	<u>83,060</u>
Net position						
Net investment in capital assets	302,002	262,441	716,787	698,846	1,018,789	961,287
Restricted	254,938	113,962	39,432	54,448	294,370	168,410
Unrestricted	<u>(131,506)</u>	<u>69,962</u>	<u>(13,650)</u>	<u>(10,540)</u>	<u>(145,156)</u>	<u>59,422</u>
Total net position	<u>\$ 425,434</u>	<u>\$ 446,365</u>	<u>\$ 742,569</u>	<u>\$ 742,754</u>	<u>\$ 1,168,003</u>	<u>\$ 1,189,119</u>

*Governmental activities for the year ended December 31, 2021, have been restated due to the implementation of GASB Statement No. 87

**Business-type activities for the year ended December 31, 2021, have been restated due to the implementation of GASB Statement No. 87 and a change in reporting entity

A portion of the City of Fargo's net position (25 percent) represents resources that are subject to external restrictions on how they may be used.

The net investment in capital assets and amounts restricted for specific purposes exceed the total net position, resulting in a deficit unrestricted net position of \$145,155,451.

Changes in net position

The City's net position decreased by \$21,115,515 as expenses exceeded revenues during the current fiscal year for both governmental and enterprise funds. Much of this is committed to current and future capital infrastructure.

Governmental activities

Governmental activities decreased the City's net position by \$20,930,512 during the current fiscal year, thereby accounting for 99.1 percent of the total decline in the net position of the City.

Revenues decreased by \$56,600,079 or 18.9 percent. This decrease can be attributed to local grant proceeds received from the Cass County Joint Water Resource District to pay off the direct bank loan that the City was holding on behalf of the Metro Flood Diversion in the prior year. Sales tax revenues also increased 4.3 from 2021 to 2022.

Business type activities

Business-type activities decreased the City of Fargo's net position by \$185,003 during the current fiscal year, reducing the total decline in the government's net position. As the City continues to plan for both current and future infrastructure investments, we have been closely monitoring revenues to ensure they exceed expenses.

City of Fargo, North Dakota
Management's Discussion and Analysis
December 31, 2022

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending December 31, 2022 and 2021. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021*	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 22,549	\$ 24,863	\$ 83,211	\$ 76,315	\$ 105,760	\$ 101,178
Operating grants and contributions	16,798	13,034	5,919	12,323	22,717	25,357
Capital grants and contributions	77,889	135,300	756	2,945	78,645	138,245
General revenues						
Taxes	110,957	107,467	-	-	110,957	107,467
Unrestricted intergovernmental	8,037	7,708	-	-	8,037	7,708
Unrestricted investment earnings (losses)	(272)	2,155	(7,363)	5,131	(7,635)	7,286
Miscellaneous	7,008	9,130	1,660	1,418	8,668	10,548
Total revenues	242,966	299,657	84,183	98,132	327,149	397,789
Expenses						
General government	31,446	22,518	-	-	31,446	22,518
Public safety	50,996	41,237	-	-	50,996	41,237
Public works	107,754	88,160	-	-	107,754	88,160
Public health and welfare	18,427	17,627	-	-	18,427	17,627
Recreation and culture	10,503	8,509	-	-	10,503	8,509
Urban redevelopment	1,845	2,483	-	-	1,845	2,483
Transportation	1,905	465	-	-	1,905	465
Economic development	500	501	-	-	500	501
General support and unallocated	1,514	1,380	-	-	1,514	1,380
Interest and fiscal charges	19,405	29,404	-	-	19,405	29,404
Water	-	-	28,103	25,586	28,103	25,586
Water Reclamation	-	-	18,259	16,051	18,259	16,051
Storm sewer	-	-	7,760	7,138	7,760	7,138
Solid waste	-	-	13,821	10,631	13,821	10,631
FargoDome	-	-	15,218	12,392	15,218	12,392
Southeast Cass	-	-	68	56	68	56
Vector control	-	-	259	241	259	241
Street lighting	-	-	4,788	4,541	4,788	4,541
Forestry	-	-	2,492	2,205	2,492	2,205
Transit	-	-	12,733	13,578	12,733	13,578
Civic Memorial Auditorium	-	-	469	405	469	405
Total expenses	244,295	212,284	103,970	92,824	348,265	305,108
Excess (deficiency) before transfers	(1,329)	87,373	(19,787)	5,308	(21,116)	92,681
Transfers	(19,602)	(40,751)	19,602	40,751	-	-
Change in net position	(20,931)	46,622	(185)	46,059	(21,116)	92,681
Beginning net position**	446,365	399,743	742,754	696,695	1,189,119	1,096,438
Ending net position	\$ 425,434	\$ 446,365	\$ 742,569	\$ 742,754	\$ 1,168,003	\$ 1,189,119

*Business-type activities for the year ended December 31, 2021, have been restated due to the in change in reporting entity

**Beginning net position for the year ended December 31, 2021, has been restated due to the implementation of GASB Statement No. 87

Financial Analysis of the City's Funds

As noted earlier, the City of Fargo uses fund accounting to demonstrate compliance with finance-related legal requirements. Some funds are required statutorily while others are established internally to assist management in accounting for certain activities.

Governmental funds

The focus of the City governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financial needs and ability to meet those needs with current revenue streams.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$106,033,750.

Approximately 0.9 percent, or \$978,306, of this combined ending fund balance constitutes unassigned fund deficit. The remainder of fund balance is assigned (\$181,794, 0.2 percent), committed (\$1,000,015, 0.9 percent), restricted (\$102,869,260, 97.0 percent), or nonspendable (\$2,960,987, 2.8 percent).

The General Fund is the primary operating fund of the City of Fargo. At the end of the 2022 fiscal year, the General Fund unassigned fund balance was \$21,955,906, a decrease of \$5,189,089 from the prior year. Unassigned fund balance represents 21 percent of total general fund expenditures, while total fund balance represents 25 percent of that same amount. Management's fund balance goal of 25 percent has not been achieved for this fiscal year.

The City strategically manages reserves above this target to plan for the operating impacts resulting from future growth, including the ability to operate and maintain new capital infrastructure.

Overall General Fund revenues increased by 5 percent compared to the prior year, while total expenditures increased by 9 percent.

The increase in General Fund revenues is directly correlated to increased property tax collections in the current year as the valuation of the City increases with growth.

The debt service fund has a total fund balance of \$94,789,614, all of which is restricted for the payment of future debt service. The net decrease in fund balance during the current year was \$70,962,118 and was the result of crossover refunding of debt during 2022.

The capital projects fund had a net decrease in fund balance of \$21,692,434. Capital project intergovernmental revenues decreased by 29.7 percent in 2022. This decrease is due to a decline in the number of flood capital projects completed this year. The City approves and operates under the guidance of a five year capital improvement plan to deal with the continued need to construct infrastructure and permanent flood protection.

Proprietary (business-type) 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 deficit of the proprietary funds at the end of the year amounted to \$13,649,579. The FargoDome fund was the main proprietary fund that reported a decrease in net position. The FargoDome fund decrease is the result of losses on investments.

Operating revenues of this fund group increased by \$7,048,144, or 9.2 percent. The largest portion of this increase was from the FargoDome fund. FargoDome charges for services increased 72.2 percent from 2021. As the entertainment industry continues to recover from the COVID-19 Pandemic, the number of events taking place at the FargoDome continues to increase.

Operating expenses increased by \$10,342,412, or 11.7 percent. The largest increases occurred in the solid waste fund due to the acceleration of projects related to the landfill expansion and the FargoDome fund due to an increased number of concerts and events held resulting in increased operational costs.

General Fund Budgetary Highlights

The City's low annual average unemployment rate of 1.8 percent and continued positive construction activity of \$854.0 million in valuations both point to a strong, growing economy.

The General fund has two primary revenue sources, property tax and intergovernmental revenues, which count for around 68.9 percent of the budgeted revenues.

The City's expenditures for the year totaled \$104,179,384 or 0.9 percent above final budget. This budgetary deficit was a result of excess expenditures primarily in the general government and public works functions.

Capital Asset and Debt Administration

Capital Assets

The carrying value of the City of Fargo's capital assets for its governmental and business-type activities as of December 31, 2022, amounts to \$1,616,276,381 (net of accumulated depreciation/amortization). This investment in capital assets includes land, intangibles, construction in progress, buildings, improvements, machinery and equipment, infrastructure, right of way, right-of-use leased assets, and flood control projects.

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

- Construction continued on the expansion of the City's Water Reclamation Treatment Facility. In 2022, \$42.4 million was expended on the project which will allow an increase in treatment capacity from 26 MGD to 50 MGD per day. The completion of the expansion is expected to occur in 2023.
- Solid Waste completed numerous improvements to their East Landfill in 2022 with a cost of \$3.2 million.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of December 31, 2022 and 2021. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021*	2022	2021*
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 109,372	\$ 108,100	\$ 36,258	\$ 36,025	\$ 145,630	\$ 144,125
Right of way/Intangibles	12,580	12,580	920	920	13,500	13,500
Construction in progress	2,891	852	140,021	97,530	142,913	98,382
Buildings	99,343	102,335	252,158	256,297	351,501	358,632
Improvements other than buildings	6,316	6,745	29,232	26,178	35,548	32,924
Machinery and equipment	15,028	14,811	30,903	31,826	45,931	46,637
Infrastructure	307,197	291,509	469,370	450,187	776,568	741,695
Flood Control	93,881	93,724	-	-	93,881	93,724
Right-of-use lease assets**	10,762	11,916	43	65	10,805	11,980
Total capital assets	<u>\$ 657,371</u>	<u>\$ 642,571</u>	<u>\$ 958,906</u>	<u>\$ 899,029</u>	<u>\$ 1,616,276</u>	<u>\$ 1,541,599</u>

*Business-type activities for the year ended December 31, 2021, have been restated due to the in change in reporting entity reclassifying the Airport Authority as a component unit

**Right-of-use lease assets have been restated as of December 31, 2021, for implementation of GASB Statement No. 87

Additional information on the City of Fargo's capital assets can be found in Note 6 of this report.

Long Term Liabilities

At the end of the current fiscal year, the City of Fargo had total long-term obligations of \$1,101,526,000, an increase of \$67,375,000 from the prior fiscal year.

Of this amount, \$458,990,000 is refunding improvement bonds (funded by special assessments) for which the government is liable in the event of default by the property owners subject to the assessment.

Notes payable amounted to \$289,531,000 of the total debt. This type of debt will be funded with utility fees and/or sales tax receipts.

The City's net pension liability increased by \$95,748,000 from 2021. Most of this increase was seen in the North Dakota Public Employee Retirement System Pension Plan due to assumption changes.

The following table presents a summary of long term debts as of December 31, 2022 and 2021. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021*	2022	2021*
Improvement bonds	\$ 458,990	\$ 526,910	\$ -	\$ -	\$ 458,990	\$ 526,910
General obligation bonds	29,035	30,750	1,659	1,852	30,694	32,602
Sales tax bonds	54,244	58,226	-	-	54,244	58,226
Taxable annual appropriation bonds	27,835	28,395	-	-	27,835	28,395
Annual appropriation bonds	8,103	-	4,145	4,900	12,248	4,900
Notes payable	66,131	71,545	223,400	180,494	289,531	252,039
Unamortized premiums	35,486	35,601	-	-	35,486	35,601
Financed purchases payable	573	457	2,903	2,512	3,476	2,969
Leases payable**	10,934	11,915	43	65	10,977	11,980
Special assessments	-	-	9,969	10,359	9,969	10,359
Landfill closure/postclosure	-	-	5,824	5,473	5,824	5,473
Compensated absences	4,675	4,892	1,135	1,132	5,810	6,024
Net OPEB liability	2,668	1,249	1,056	454	3,724	1,703
Net pension liability	122,822	48,728	29,896	8,242	152,718	56,970
Total long-term liabilities	<u>\$ 821,496</u>	<u>\$ 818,668</u>	<u>\$ 280,030</u>	<u>\$ 215,483</u>	<u>\$ 1,101,526</u>	<u>\$ 1,034,151</u>

*Business-type activities for the year ended December 31, 2021, have been restated due to the in change in reporting entity.

**Leases payable have been restated as of December 31, 2021, for implementation of GASB Statement No. 87

During the current fiscal year, the City issued debt as detailed below:

- The City issued \$22,855,000 of Refunding Improvement Bonds, Series 2022A at interest rates of 3.0-5.0%. These bonds were issued to finance the cost of construction of improvements within the various improvement districts of the City.
- The City issued \$8,103,000 of Annual Appropriation Bonds, Series 2022D at an interest rate of 3.04%. These bonds were issued to finance the improvements and equipping of public safety and public works facilities.
- The City drew \$46,131,344 on SRF notes payable at interest rates of 0.0-1.50%. These notes were used to finance various infrastructure projects.

The City of Fargo has an "Aa2" rating from Moody's Investors Service for general obligation debt.

Additional information on the City of Fargo's long-term debt can be found in Note 9 of this report.

Economic Factors and Next Year's Budgets and Rates

The City continues to work through the impacts of the COVID-19 pandemic. The 2023 budget is focused on emphasizing smart growth, a commitment to public safety and community equity initiatives, and funding essential infrastructure, while prioritizing the retention of team Fargo. To address inflationary expenses, public service priorities, and costs associated with retaining a quality workforce, the budget included a two mill increase for 2023; the first increase since the 2020 budget. The City has had a stable City mill levy history for the past several years; in fact, despite the increase, mills remain below a high of 56.25 in 2013. The budget also proposes slight increases to water utility rates. The budget includes necessary additional staffing in several city departments, equipment upgrades, and infrastructure needs.

Fargo has a strong tax base fueled by progressive economic activity, steady population growth, continuous activity in the construction sector and street level excellence at reasonable rates. When combined, these factors produce a synergy that makes Fargo a community where people choose to live, work and play.

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, 225 4th Street North, City of Fargo, ND, 58102 or visit the City's web site at www.fargond.gov. The entire report is presented in the Finance department section.

City of Fargo, North Dakota
Statement of Net Position
December 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Assets				
Cash and cash equivalents	\$ 104,825	\$ 13,262,410	\$ 13,367,235	\$ 27,026,106
Investments	29,147,073	-	29,147,073	17,788,063
Equity in pooled investments	50,492,036	2,825,161	53,317,197	-
Receivables (net of allowance for uncollectibles):				
Interest	204,381	8,854	213,235	147,783
Taxes	294,985	-	294,985	11,328
Accounts	5,647,115	7,529,772	13,176,887	964,599
Sales tax	12,761,902	-	12,761,902	-
Special assessments	455,675,642	159,828	455,835,470	-
Intergovernmental	10,122,664	3,035,668	13,158,332	2,732,087
Leases	308,137	5,056,684	5,364,821	7,338,102
Internal balances	(2,873,004)	2,873,004	-	-
Loans	1,847,835	-	1,847,835	-
Inventories	975,865	1,937,688	2,913,553	-
Prepaid items	1,985,122	347,915	2,333,037	149,418
Other current assets	-	-	-	19,645
Property held for resale	2,566,460	-	2,566,460	-
Restricted assets				
Equity in pooled investments	12,982,889	4,819,357	17,802,246	-
Investments	-	39,431,888	39,431,888	-
Capital assets, net of accumulated depreciation/ amortization, where applicable				
Land	109,372,095	36,258,132	145,630,227	8,516,547
Intangible - right-of-way easements	12,579,840	420,036	12,999,876	-
Intangible - water rights	-	500,000	500,000	-
Construction in progress	2,891,324	140,021,216	142,912,540	7,458,705
Buildings	99,342,793	252,158,270	351,501,063	18,417,706
Improvements other than buildings	6,316,292	29,232,100	35,548,392	1,145,060
Machinery and equipment	15,027,980	30,902,541	45,930,521	4,037,446
Infrastructure	307,197,339	469,370,408	776,567,747	81,994,319
Flood control	93,881,234	-	93,881,234	-
Right-of-use leased assets	10,761,821	42,960	10,804,781	-
Total assets	1,239,614,645	1,040,193,892	2,279,808,537	177,746,914
Deferred Outflows of Resources				
Other postemployment benefits	1,175,378	482,893	1,658,271	118,694
Pension plans	71,861,765	20,904,386	92,766,151	3,947,337
Total deferred outflows of resources	73,037,143	21,387,279	94,424,422	4,066,031

City of Fargo, North Dakota
Statement of Net Position
December 31, 2022

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Liabilities				
Vouchers payable	14,392,257	5,604,198	19,996,455	1,018,343
Retainage payable	2,193,145	6,690,250	8,883,395	533,622
Accrued payroll	2,374,876	351,883	2,726,759	96,719
Accrued interest payable	3,764,405	468,115	4,232,520	-
Accrued interest payable from restricted assets	-	1,337,947	1,337,947	-
Special assessments payable	856,866	-	856,866	-
Unearned revenue	13,397,957	8,289,246	21,687,203	3,680
Deposits payable	669,849	9,255	679,104	-
Debt				
Due within one year, other than OPEB and pensions	66,566,747	3,719,233	70,285,980	171,798
Due within one year from restricted assets	-	3,915,000	3,915,000	-
Due in more than one year, other than OPEB and pensions	629,440,175	241,443,733	870,883,908	-
Due in more than one year, net OPEB liability	2,667,584	1,055,922	3,723,506	149,227
Due in more than one year, net pension liability	122,821,942	29,895,735	152,717,677	3,365,045
Total liabilities	859,145,803	302,780,517	1,161,926,320	5,338,434
Deferred Inflows of Resources				
Other postemployment benefits	47,632	14,478	62,110	1,220
Pension plans	27,640,920	11,031,634	38,672,554	1,413,329
Lease related	383,462	5,185,385	5,568,847	7,282,018
Total deferred outflows of resources	28,072,014	16,231,497	44,303,511	8,696,567
Net Position				
Net investment in capital assets	302,002,314	716,786,848	1,018,789,162	120,886,934
Restricted for				
Debt service	242,509,227	-	242,509,227	-
Specific projects and programs	9,516,487	-	9,516,487	-
Capital improvements	2,911,815	39,431,888	42,343,703	-
Unrestricted	(131,505,872)	(13,649,579)	(145,155,451)	46,891,010
Total net position	\$ 425,433,971	\$ 742,569,157	\$ 1,168,003,128	\$ 167,777,944

City of Fargo, North Dakota
Statement of Activities
Year Ended December 31, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Unit Municipal Airport Authority
					Governmental Activities	Business-Type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 31,445,940	\$ 3,678,397	\$ 8,551,531	\$ 92,032	\$ (19,123,980)	\$ -	\$ (19,123,980)	\$ -
Public safety	50,996,226	2,814,884	718,038	-	(47,463,304)	-	(47,463,304)	-
Public works	107,753,842	10,583,127	1,198,953	77,549,913	(18,421,849)	-	(18,421,849)	-
Public health and welfare	18,427,063	3,109,574	5,051,058	-	(10,266,431)	-	(10,266,431)	-
Recreation and culture	10,503,437	120,657	32,748	92,274	(10,257,758)	-	(10,257,758)	-
Urban redevelopment	1,845,378	50,940	1,246,082	-	(548,356)	-	(548,356)	-
Public transportation	1,904,651	2,191,638	-	154,467	441,454	-	441,454	-
Economic development	499,610	-	-	-	(499,610)	-	(499,610)	-
General support	1,514,020	-	-	-	(1,514,020)	-	(1,514,020)	-
Interest and fiscal charges	19,405,200	-	-	-	(19,405,200)	-	(19,405,200)	-
Total governmental activities	244,295,367	22,549,217	16,798,410	77,888,686	(127,059,054)	-	(127,059,054)	-
Business-type activities								
Water	28,103,261	25,679,019	-	111,301	-	(2,312,941)	(2,312,941)	-
Water reclamation	18,259,193	15,530,744	-	-	-	(2,728,449)	(2,728,449)	-
Storm sewer	7,759,663	4,475,090	-	-	-	(3,284,573)	(3,284,573)	-
Solid waste	13,821,122	17,072,793	41,368	-	-	3,293,039	3,293,039	-
FargoDome	15,218,137	10,576,620	-	97,323	-	(4,544,194)	(4,544,194)	-
Southeast Cass	68,197	176,173	-	-	-	107,976	107,976	-
Vector control	259,131	772,218	-	-	-	513,087	513,087	-
Street lighting	4,788,087	3,717,387	-	-	-	(1,070,700)	(1,070,700)	-
Forestry	2,491,783	2,462,210	-	-	-	(29,573)	(29,573)	-
Transit	12,733,347	2,686,482	5,877,696	547,410	-	(3,621,759)	(3,621,759)	-
Civic Memorial Auditorium	468,414	62,599	-	-	-	(405,815)	(405,815)	-
Total business-type activities	103,970,335	83,211,335	5,919,064	756,034	-	(14,083,902)	(14,083,902)	-
Total primary government	\$ 348,265,702	\$ 105,760,552	\$ 22,717,474	\$ 78,644,720	(127,059,054)	(14,083,902)	(141,142,956)	-
Component unit								
Municipal Airport Authority	\$ 13,305,608	\$ 9,959,183	\$ 6,751,662	\$ 4,172,817	-	-	-	7,578,054
General revenues								
Property taxes					33,088,640	-	33,088,640	1,265,421
Sales taxes					66,571,120	-	66,571,120	-
Gross business receipts taxes					6,262,395	-	6,262,395	-
Lodging taxes					2,858,716	-	2,858,716	-
Other taxes					2,176,255	-	2,176,255	-
Unrestricted intergovernmental					8,037,398	-	8,037,398	-
Unrestricted investment earnings (losses)					(271,866)	(7,363,420)	(7,635,286)	704,061
Miscellaneous					7,007,967	1,660,236	8,668,203	1,481,093
Transfers					(19,602,083)	19,602,083	-	-
Total general revenue and transfers					106,128,542	13,898,899	120,027,441	3,450,575
Change in net position					(20,930,512)	(185,003)	(21,115,515)	11,028,629
Net position - beginning, as adjusted (Note 14)					446,364,483	742,754,160	1,189,118,643	156,749,315
Net position - ending					\$ 425,433,971	\$ 742,569,157	\$ 1,168,003,128	\$ 167,777,944

City of Fargo, North Dakota
Balance Sheet - Governmental Funds
December 31, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 104,825	\$ -	\$ -	\$ -	\$ 104,825
Investments	-	29,147,073	-	-	29,147,073
Equity in pooled investments	23,153,163	10,064,395	-	17,274,478	50,492,036
Receivables (net of allowance for uncollectibles)					
Interest	75,314	126,419	2,648	-	204,381
Taxes	282,639	6,116	-	6,230	294,985
Accounts	4,671,414	421,499	-	554,202	5,647,115
Sales tax	-	3,190,476	9,571,426	-	12,761,902
Special assessments	558,634	454,344,853	-	772,155	455,675,642
Intergovernmental	4,350,622	-	5,476,388	295,654	10,122,664
Leases	283,296	-	-	24,841	308,137
Due from other funds	227,741	30,666,841	-	74,930	30,969,512
Advances to other funds	2,166,973	-	8,000,000	-	10,166,973
Loans	-	-	-	1,847,835	1,847,835
Inventories	975,865	-	-	-	975,865
Prepaid items	1,901,334	-	3,868	79,920	1,985,122
Property held for resale	-	-	2,527,499	38,961	2,566,460
Restricted equity in pooled investments	-	12,982,889	-	-	12,982,889
Total assets	\$ 38,751,820	\$ 540,950,561	\$ 25,581,829	\$ 20,969,206	\$ 626,253,416
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ 2,231,897	\$ 383	\$ 11,294,800	\$ 865,177	\$ 14,392,257
Retainage payable	-	-	2,155,463	37,682	2,193,145
Advances from other funds	-	10,166,973	2,873,004	-	13,039,977
Due to other funds	-	-	30,666,841	302,671	30,969,512
Accrued payroll	2,367,485	-	3,390	4,001	2,374,876
Special assessments payable	-	-	20,545	836,321	856,866
Unearned revenue	42,021	-	102,791	13,253,145	13,397,957
Deposits	371,835	-	298,014	-	669,849
Total liabilities	5,013,238	10,167,356	47,414,848	15,298,997	77,894,439
Deferred Inflows of Resources					
Unavailable revenue	3,717,683	435,993,591	832,161	1,398,330	441,941,765
Lease related	303,405	-	-	80,057	383,462
Total deferred inflows of resources	4,021,088	435,993,591	832,161	1,478,387	442,325,227
Fund Balance (Deficit)					
Nonspendable	2,877,199	-	3,868	79,920	2,960,987
Restricted	3,702,580	94,789,614	-	4,377,066	102,869,260
Committed	1,000,015	-	-	-	1,000,015
Assigned	181,794	-	-	-	181,794
Unassigned	21,955,906	-	(22,669,048)	(265,164)	(978,306)
Total fund balance (deficit)	29,717,494	94,789,614	(22,665,180)	4,191,822	106,033,750
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,751,820	\$ 540,950,561	\$ 25,581,829	\$ 20,969,206	\$ 626,253,416

City of Fargo, North Dakota
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2022

Total Fund Balances - Governmental Funds	\$ 106,033,750
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	657,370,718
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are unearned in the funds	441,941,765
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds	45,348,591
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(825,260,853)</u>
Net Position of Governmental Activities	<u><u>\$ 425,433,971</u></u>

City of Fargo, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 39,619,499	\$ 17,784,517	\$ 49,928,340	\$ 3,617,065	\$ 110,949,421
Special assessments	92,032	40,444,009	-	673,695	41,209,736
Licenses and permits	6,689,081	-	-	-	6,689,081
Intergovernmental	19,920,558	6,297,815	20,102,701	10,661,429	56,982,503
Charges for services	16,207,978	-	-	2,045,188	18,253,166
Fines and forfeitures	1,492,657	-	-	429,754	1,922,411
Investment income (loss)	1,316,522	(1,668,344)	79,628	328	(271,866)
Miscellaneous	1,080,447	860,408	376,367	397,936	2,715,158
Total revenues	86,418,774	63,718,405	70,487,036	17,825,395	238,449,610
Expenditures					
Current					
General government	22,264,806	-	129,390	1,199,998	23,594,194
Public safety	43,658,312	-	1,666,226	392,164	45,716,702
Public works	14,218,934	18,030	73,596,019	817,852	88,650,835
Public health and welfare	13,721,335	-	20,787	1,703,170	15,445,292
Recreation and culture	5,306,936	-	2,528	3,876,794	9,186,258
Urban redevelopment	-	185,543	122,053	1,424,679	1,732,275
Public transportation	-	-	-	1,354,731	1,354,731
Economic development	499,610	-	-	-	499,610
General support	1,514,020	-	-	-	1,514,020
Capital outlay	1,404,008	-	71,786,919	1,506,881	74,697,808
Debt service					
Principal	1,561,668	102,936,342	250,965	1,359	104,750,334
Interest and fiscal charges	29,755	24,198,595	179,397	1,894	24,409,641
Total expenditures	104,179,384	127,338,510	147,754,284	12,279,522	391,551,700
Excess (Deficiency) of Revenues over (under) Expenditures	(17,760,610)	(63,620,105)	(77,267,248)	5,545,873	(153,102,090)
Other Financing Sources (Uses)					
Transfers in	11,285,867	3,339,871	22,539,893	770,771	37,936,402
Transfers out	(3,368,490)	(11,103,743)	(206,007)	(6,507,370)	(21,185,610)
Bond proceeds	-	421,859	30,536,141	-	30,958,000
Premium on bonds	-	-	2,213,859	-	2,213,859
Notes payable proceeds	-	-	490,928	-	490,928
Financed purchases proceeds	371,558	-	-	-	371,558
Lease proceeds	384,966	-	-	192,500	577,466
Sale of capital assets	368,269	-	-	-	368,269
Total other financing sources (uses)	9,042,170	(7,342,013)	55,574,814	(5,544,099)	51,730,872
Net Change in Fund Balance	(8,718,440)	(70,962,118)	(21,692,434)	1,774	(101,371,218)
Fund Balance (Deficit), Beginning of Year	38,435,934	165,751,732	(972,746)	4,190,048	207,404,968
Fund Balance (Deficit), End of Year	\$ 29,717,494	\$ 94,789,614	\$ (22,665,180)	\$ 4,191,822	\$ 106,033,750

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
Year Ended December 31, 2022

Net Change in Fund Balances - Total Governmental Funds	\$ (101,371,218)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation/ amortization expense.	14,799,973
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	4,648,128
In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	216,854
In the statement of activities OPEB is measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used.	(221,351)
In the statement of activities the cost of pension benefits earned net of employee contributions is reported as pension expense. In the governmental funds, however, the contributions are reported as expense.	(12,443,182)
In the statement of activities interest expense is recognized as it accrues. In the governmental funds, however, the expenditure is measured by the amount of financial resources used.	972,946
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums 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.	72,467,338
Change in Net Position of Governmental Activities	<u><u>\$ (20,930,512)</u></u>

City of Fargo, North Dakota

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	\$ 39,562,200	\$ 39,562,200	\$ 39,619,499	\$ 57,299
Special assessments	25,000	25,000	92,032	67,032
Licenses and permits	6,044,400	6,044,400	6,689,081	644,681
Intergovernmental	19,380,529	20,679,123	19,920,558	(758,565)
Charges for services	13,087,847	13,552,486	16,207,978	2,655,492
Fines and forfeitures	2,353,500	2,353,500	1,492,657	(860,843)
Investment income	2,660,000	2,660,000	1,316,522	(1,343,478)
Miscellaneous	1,130,560	1,130,560	1,080,447	(50,113)
Total revenues	84,244,036	86,007,269	86,418,774	411,505
Expenditures				
Current				
General government	20,414,969	20,641,791	22,264,806	(1,623,015)
Public safety	45,989,570	46,599,433	43,658,312	2,941,121
Public works	13,760,133	13,797,011	14,218,934	(421,923)
Public health and welfare	13,460,474	14,035,915	13,721,335	314,580
Recreation and culture	5,299,994	5,349,793	5,306,936	42,857
Economic development	497,500	497,500	499,610	(2,110)
General support	1,297,509	1,305,509	1,514,020	(208,511)
Capital outlay	349,210	987,617	1,404,008	(416,391)
Debt service				
Principal	-	-	1,561,668	(1,561,668)
Interest and fiscal charges	-	-	29,755	(29,755)
Total expenditures	101,069,359	103,214,569	104,179,384	(964,815)
Deficiency of Revenues under Expenditures	(16,825,323)	(17,207,300)	(17,760,610)	(553,310)
Other Financing Sources (Uses)				
Transfers in	17,276,857	12,302,472	11,285,867	(1,016,605)
Transfers out	(3,451,534)	(3,075,534)	(3,368,490)	(292,956)
Financed purchase proceeds	-	-	371,558	371,558
Lease proceeds	-	-	384,966	384,966
Sale of capital assets	3,000,000	3,023,395	368,269	(2,655,126)
Total other financing sources (uses)	16,825,323	12,250,333	9,042,170	(3,208,163)
Net Change in Fund Balances	\$ -	\$ (4,956,967)	(8,718,440)	\$ (3,761,473)
Fund Balance, Beginning of Year			38,435,934	
Fund Balance, End of Year			\$ 29,717,494	

City of Fargo, North Dakota

Statement of Net Position

Proprietary Funds

December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ 50	\$ 50	\$ -	\$ 300	\$ 13,261,310	\$ 700	\$ 13,262,410
Equity in pooled investments	871,219	-	260,060	-	-	1,693,882	2,825,161
Receivables (net of allowance for uncollectibles):							
Interest	1	-	-	-	8,850	3	8,854
Accounts	2,177,763	1,664,280	493,041	1,529,335	493,453	1,171,900	7,529,772
Special assessments	103,442	-	-	-	-	56,386	159,828
Intergovernmental	5,938	-	-	-	-	3,029,730	3,035,668
Leases	-	-	-	-	5,045,611	11,073	5,056,684
Due from other funds	1,304,821	-	1,553,053	-	-	-	2,857,874
Advances to other funds	1,394,404	1,478,600	-	-	-	-	2,873,004
Inventories	941,301	-	-	-	88,299	908,088	1,937,688
Prepaid items	60,131	16,333	4,205	70,262	142,280	54,704	347,915
Restricted assets							
Equity in pooled investments	3,806,102	578,937	-	-	434,318	-	4,819,357
Total current assets	10,665,172	3,738,200	2,310,359	1,599,897	19,474,121	6,926,466	44,714,215
Noncurrent Assets							
Restricted assets							
Investments	-	-	-	-	39,431,888	-	39,431,888
Capital assets							
Land	5,591,951	583,744	27,867,907	2,214,530	-	-	36,258,132
Construction in progress	21,987,977	109,345,957	4,793,619	2,899,251	994,412	-	140,021,216
Intangible right of way easements	-	289,090	130,946	-	-	-	420,036
Intangible water rights	500,000	-	-	-	-	-	500,000
Buildings	217,913,062	60,929,919	-	6,038,114	60,958,985	25,338,844	371,178,924
Improvements other than buildings	2,234,852	2,273,326	3,714,279	33,840,903	6,108,486	39,438	48,211,284
Machinery and equipment	13,939,502	21,505,680	8,744,185	23,441,839	26,819,303	20,370,859	114,821,368
Infrastructure	164,145,602	174,376,288	288,397,673	542,604	-	53,154,377	680,616,544
Right-of-use leased assets	-	15,092	-	18,983	12,643	17,924	64,642
Less accumulated depreciation/amortization	(96,359,379)	(91,675,238)	(92,796,026)	(30,182,146)	(67,684,157)	(54,489,537)	(433,186,483)
Total capital assets, net of accumulated depreciation/amortization	329,953,567	277,643,858	240,852,583	38,814,078	27,209,672	44,431,905	958,905,663
Total noncurrent assets	329,953,567	277,643,858	240,852,583	38,814,078	66,641,560	44,431,905	998,337,551
Total assets	340,618,739	281,382,058	243,162,942	40,413,975	86,115,681	51,358,371	1,043,051,766

City of Fargo, North Dakota

Statement of Net Position

Proprietary Funds

December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Outflows of Resources							
Other postemployment benefits	125,516	60,380	20,879	94,313	68,292	113,513	482,893
Pension plans	5,609,601	2,611,925	888,166	4,691,532	2,599,697	4,503,465	20,904,386
Total deferred outflows of resources	5,735,117	2,672,305	909,045	4,785,845	2,667,989	4,616,978	21,387,279
Liabilities							
Current Liabilities							
Vouchers payable	712,628	2,249,092	14,831	1,169,503	624,156	833,988	5,604,198
Retainage payable	113,920	6,218,463	-	266,545	91,322	-	6,690,250
Due to other funds	-	1,152,850	-	1,355,173	-	349,851	2,857,874
Accrued payroll	91,463	38,011	9,690	80,735	50,275	81,709	351,883
Accrued interest payable	34,767	40,935	131,557	188,308	72,492	56	468,115
Current portion of bonds and notes payable	-	-	-	925,985	-	-	925,985
Current portion of special assessments payable	38,965	67,420	151,189	223,171	63,000	2,781	546,526
Current portion of financed purchases payable	1,523	136,443	-	927,805	-	27,089	1,092,860
Current portion of leases payable	-	3,507	-	5,551	4,680	4,993	18,731
Compensated absences	300,218	151,194	48,169	249,409	151,038	235,103	1,135,131
Unearned revenue	-	-	-	-	8,244,728	44,518	8,289,246
Deposits payable	-	-	-	-	9,255	-	9,255
Current liabilities payable from restricted assets							
Current portion of long-term debt	3,140,000	-	-	-	775,000	-	3,915,000
Accrued interest payable	666,102	579,047	-	68,059	24,517	222	1,337,947
Total current liabilities	5,099,586	10,636,962	355,436	5,460,244	10,110,463	1,580,310	33,243,001
Noncurrent Liabilities							
Landfill closure costs	-	-	-	5,824,020	-	-	5,824,020
Long-term debt, net of current portion							
Special assessments payable	839,469	792,989	2,586,552	3,800,344	1,402,058	650	9,422,062
Financed purchases payable	532	460,403	-	1,321,184	-	28,391	1,810,510
Bonds payable	-	-	-	1,463,495	-	-	1,463,495
Annual appropriation bond	-	-	-	-	3,370,000	-	3,370,000
Notes payable	97,935,625	119,241,302	-	2,352,874	-	-	219,529,801
Leases payable	-	7,979	-	7,903	-	7,963	23,845
Net OPEB liability	275,352	132,173	47,642	210,742	151,134	238,879	1,055,922
Net pension liability	8,125,904	3,798,089	1,317,389	6,939,642	3,173,467	6,541,244	29,895,735
Total noncurrent liabilities	107,176,882	124,432,935	3,951,583	21,920,204	8,096,659	6,817,127	272,395,390
Total liabilities	112,276,468	135,069,897	4,307,019	27,380,448	18,207,122	8,397,437	305,638,391

City of Fargo, North Dakota

Statement of Net Position

Proprietary Funds

December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Inflows of Resources							
Other postemployment benefits	3,550	2,290	1,481	1,880	3,100	2,177	14,478
Pension plans	2,805,374	1,415,924	557,322	2,056,234	1,631,212	2,565,568	11,031,634
Lease related	-	-	-	-	5,174,328	11,057	5,185,385
Total deferred inflows resources	<u>2,808,924</u>	<u>1,418,214</u>	<u>558,803</u>	<u>2,058,114</u>	<u>6,808,640</u>	<u>2,578,802</u>	<u>16,231,497</u>
Net Position							
Net investment in capital assets	227,997,453	156,933,815	238,114,842	27,785,766	21,594,934	44,360,038	716,786,848
Restricted for:							
Capital improvement	-	-	-	-	39,431,888	-	39,431,888
Unrestricted	<u>3,271,011</u>	<u>(9,367,563)</u>	<u>1,091,323</u>	<u>(12,024,508)</u>	<u>2,741,086</u>	<u>639,072</u>	<u>(13,649,579)</u>
Total net position	<u>\$ 231,268,464</u>	<u>\$ 147,566,252</u>	<u>\$ 239,206,165</u>	<u>\$ 15,761,258</u>	<u>\$ 63,767,908</u>	<u>\$ 44,999,110</u>	<u>\$ 742,569,157</u>

City of Fargo, North Dakota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Revenues							
Charges for services	\$ 25,679,019	\$ 15,530,744	\$ 4,475,090	\$ 17,072,793	\$ 10,728,619	\$ 9,877,069	\$ 83,363,334
Operating Expenses							
Personnel services	6,406,217	2,847,253	789,199	5,634,913	3,067,198	5,615,618	24,360,398
Other services	4,646,745	4,429,799	197,973	2,678,844	5,892,449	7,761,103	25,606,913
Materials and supplies	6,656,961	2,961,356	221,353	2,317,306	2,662,887	3,290,685	18,110,548
Depreciation/amortization	7,847,571	6,056,208	6,419,581	2,780,350	3,354,794	4,141,191	30,599,695
Total operating expenses	25,557,494	16,294,616	7,628,106	13,411,413	14,977,328	20,808,597	98,677,554
Operating Income (Loss)	121,525	(763,872)	(3,153,016)	3,661,380	(4,248,709)	(10,931,528)	(15,314,220)
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of assets	10,706	(11,423)	(199,586)	50,000	(4,658)	(3,365)	(158,326)
Investment income (expense)	24,729	27,241	-	-	(7,415,443)	53	(7,363,420)
Interest expense and bond fees	(2,545,767)	(1,964,577)	(131,557)	(409,709)	(240,809)	(362)	(5,292,781)
Intergovernmental revenues	111,301	-	-	41,214	97,323	5,877,696	6,127,534
Miscellaneous revenue (expense)	2,709	-	-	83,615	(97,969)	230,385	218,740
Sale of byproducts	-	1,155,999	-	291,978	-	-	1,447,977
Total nonoperating revenues (expenses)	(2,396,322)	(792,760)	(331,143)	57,098	(7,661,556)	6,104,407	(5,020,276)
Income (Loss) before Contributions and Transfers	(2,274,797)	(1,556,632)	(3,484,159)	3,718,478	(11,910,265)	(4,827,121)	(20,334,496)
Transfers in	1,614,400	51,060	-	206,100	-	300,000	2,171,560
Transfers out	(6,080,240)	(4,778,555)	(2,447,900)	(3,233,580)	(50,000)	(2,332,077)	(18,922,352)
Capital contributions from governmental funds	12,803,426	6,852,145	15,087,601	166,224	-	1,443,479	36,352,875
Capital contributions from other governments	-	-	-	-	-	547,410	547,410
Change in Net Position	6,062,789	568,018	9,155,542	857,222	(11,960,265)	(4,868,309)	(185,003)
Total Net Position, Beginning of Year, as Adjusted (Note 14)	225,205,675	146,998,234	230,050,623	14,904,036	75,728,173	49,867,419	742,754,160
Total Net Position, End of Year	\$ 231,268,464	\$ 147,566,252	\$ 239,206,165	\$ 15,761,258	\$ 63,767,908	\$ 44,999,110	\$ 742,569,157

City of Fargo, North Dakota

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Activities							
Receipts from customers and users	\$ 25,753,013	\$ 15,556,318	\$ 4,341,992	\$ 17,015,319	\$ 15,376,214	\$ 9,992,186	\$ 88,035,042
Payments to suppliers	(12,407,965)	(9,886,409)	(414,753)	(4,276,563)	(8,330,695)	(11,553,001)	(46,869,386)
Payments to and on behalf of employees	(5,345,645)	(2,342,443)	(644,287)	(4,818,551)	(2,492,563)	(4,629,529)	(20,273,018)
Net Cash from (Used for) Operating Activities	7,999,403	3,327,466	3,282,952	7,920,205	4,552,956	(6,190,344)	20,892,638
Noncapital Financing Activities							
Transfers to other funds	(6,080,240)	(4,778,555)	(2,447,900)	(3,233,580)	(50,000)	(2,332,077)	(18,922,352)
Transfers from other funds	1,614,400	51,060	-	206,100	-	300,000	2,171,560
Intergovernmental operating grants	105,363	-	-	69,495	97,323	5,766,952	6,039,133
Miscellaneous income	2,709	-	-	83,615	30,748	230,369	347,441
Payments received on interfund borrowing	-	3,554,473	-	-	-	196,976	3,751,449
Payments made for interfund borrowing	(1,304,821)	-	(1,553,053)	(700,120)	-	(193,455)	(3,751,449)
Net Cash from (Used for) Noncapital Financing Activities	(5,662,589)	(1,173,022)	(4,000,953)	(3,574,490)	78,071	3,968,765	(10,364,218)
Capital and Related Financing Activities							
Proceeds from sale of assets	8,445	-	-	-	73,737	25,025	107,207
Proceeds from byproduct sales	-	1,155,999	-	291,978	-	-	1,447,977
Payments received on advances to other funds	129,259	207,440	-	-	-	-	336,699
Payments made for advances to other funds	-	-	-	(106,708)	-	-	(106,708)
Long-term debt proceeds	4,169,003	39,009,432	15,505	2,504,694	-	-	45,698,634
Acquisition of capital assets	(3,309,328)	(42,403,926)	-	(4,878,623)	(1,520,210)	(555,582)	(52,667,669)
Debt service							
Principal	(2,472,316)	(268,364)	(144,460)	(1,740,663)	(822,901)	(35,478)	(5,484,182)
Interest	(2,503,588)	(1,749,173)	(138,118)	(416,393)	(247,708)	(173)	(5,055,153)
Intergovernmental capital grants	-	-	-	-	-	547,410	547,410
Net Cash Used for Capital and Related Financing Activities	(3,978,525)	(4,048,592)	(267,073)	(4,345,715)	(2,517,082)	(18,798)	(15,175,785)
Investing Activities							
Investments redeemed	6,294,304	2,445,844	1,245,134	-	3,158,060	3,931,459	17,074,801
Purchase of investments	(4,677,321)	(578,937)	(260,060)	-	(434,318)	(1,693,882)	(7,644,518)
Interest and dividends from investments	24,728	27,241	-	-	36,801	50	88,820
Net Cash from Investing Activities	1,641,711	1,894,148	985,074	-	2,760,543	2,237,627	9,519,103
Change in Cash and Cash Equivalents	-	-	-	-	4,874,488	(2,750)	4,871,738
Cash and Cash Equivalents, Beginning of Year, as Adjusted	50	50	-	300	8,386,822	3,450	8,390,672
Cash and Cash Equivalents, End of Year	\$ 50	\$ 50	\$ -	\$ 300	\$ 13,261,310	\$ 700	\$ 13,262,410

City of Fargo, North Dakota

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2022

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Reconciliation of Operating Income (Loss) to							
Net Cash from (Used for) Operating Activities							
Operating income (loss)	\$ 121,525	\$ (763,872)	\$ (3,153,016)	\$ 3,661,380	\$ (4,248,709)	\$ (10,931,528)	\$ (15,314,220)
Adjustments to reconcile operating							
income (loss) to net cash from (used for)							
operating activities							
Depreciation/amortization	7,847,571	6,056,208	6,419,581	2,780,350	3,354,794	4,141,191	30,599,695
Changes in assets and liabilities							
Accounts receivable	164,161	25,574	(133,098)	(57,474)	(18,535)	113,243	93,871
Special assessments receivable	(90,167)	-	-	-	-	(12,442)	(102,609)
Inventories	(312,836)	-	-	-	(38,933)	(106,402)	(458,171)
Prepaid expenses	27,834	11,103	1,762	16,542	(24,924)	39,067	71,384
Net pension asset	438,454	173,674	1,021	494,068	-	122,028	1,229,245
Pension related deferred outflows	(2,495,859)	(1,138,317)	(276,392)	(2,166,060)	(928,923)	(1,836,892)	(8,836,443)
OPEB related deferred outflows	(87,610)	(42,444)	(13,597)	(65,713)	(46,796)	(81,344)	(337,504)
Vouchers payable	(711,697)	(3,236,405)	2,811	317,275	213,620	(350,846)	(3,765,242)
Retainage payable	(107,560)	730,048	-	34,715	74,878	(83,032)	649,049
Payroll payable	19,569	5,729	363	20,234	12,115	21,136	79,146
Compensated absences	(11,150)	(4,552)	(13,051)	(13,639)	27,250	18,546	3,404
Unearned revenue	-	-	-	-	4,664,260	14,316	4,678,576
Deposits payable	-	-	-	-	1,870	-	1,870
Landfill closure accruals	-	-	-	351,055	-	-	351,055
Net pension liability	5,916,056	2,760,477	761,943	4,861,690	2,569,742	4,784,284	21,654,192
Net OPEB liability	156,342	75,730	23,996	117,267	83,509	145,160	602,004
Pension related deferred inflows	(2,830,823)	(1,303,959)	(332,120)	(2,398,176)	(1,118,542)	(2,151,598)	(10,135,218)
OPEB related deferred inflows	(44,407)	(21,528)	(7,251)	(33,309)	(23,720)	(41,231)	(171,446)
Net cash from (used for)							
operating activities	<u>\$ 7,999,403</u>	<u>\$ 3,327,466</u>	<u>\$ 3,282,952</u>	<u>\$ 7,920,205</u>	<u>\$ 4,552,956</u>	<u>\$ (6,190,344)</u>	<u>\$ 20,892,638</u>
Supplemental Schedule of Noncash							
Investing and Financing Activities							
Acquisition of capital assets through							
capital contributions and donations	<u>\$ 12,803,426</u>	<u>\$ 6,852,145</u>	<u>\$ 15,087,601</u>	<u>\$ 166,224</u>	<u>\$ -</u>	<u>\$ 1,443,479</u>	<u>\$ 36,352,875</u>
Acquisition of capital assets through debt	<u>\$ 44,115</u>	<u>\$ 704,037</u>	<u>\$ -</u>	<u>\$ 888,445</u>	<u>\$ -</u>	<u>\$ 85,235</u>	<u>\$ 1,721,832</u>

City of Fargo, North Dakota
Statement of Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2022

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 5,725,474	\$ 18,825,402
Equity in pooled investments	-	137,712,890
Receivables (net of allowance for uncollectibles):		
Interest	87,400	314,392
Accounts	15,800	-
Special assessments	-	9,405,939
Intergovernmental	-	58,484,143
Investments, at fair value:		
Mutual funds	108,559,914	-
Exchange-traded products	14,121,940	-
Prepaid items	-	523,862
Total assets	128,510,528	225,266,628
Liabilities		
Vouchers payable	28,588	19,156,483
Retainage payable	-	157,632
Benefits payable	214	-
Deposits payable	-	21,148
Long-term liabilities		
Accrued interest on settlement payable	-	1,600,000
Due in more than one year - note payable	-	1,272,652
Due in more than one year - settlement payable	-	40,000,000
Total liabilities	28,802	62,207,915
Net Position		
Restricted for		
Pension benefits	128,481,726	-
Park district special assessments	-	9,405,939
Metro Flood Project Diversion Authority	-	151,152,516
Red River Regional Dispatch Center	-	2,194,721
Police custodial fund	-	305,537
Total net position	\$ 128,481,726	\$ 163,058,713

City of Fargo, North Dakota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2022

	Pension Trust Funds	Custodial Funds
Additions		
Contributions		
Employer	\$ 4,081,013	\$ -
Employee	1,773,510	-
Total contributions	5,854,523	-
Investment income		
Net increase (decrease) in fair value	(21,492,601)	21,869
Less investment expense	(512,716)	-
Net investment income (loss)	(22,005,317)	21,869
Special assessments collected for other governments	-	1,284,554
Aid from other governments	-	171,027,354
Miscellaneous	-	2,119,458
Member assessments	-	5,571,603
Police funds received into custody	-	247,467
Total additions	(16,150,794)	180,272,305
Deductions		
Pension benefit payments	8,968,937	-
Member contribution refunds	700,544	-
Administrative expenses	116,635	-
Payments of special assessments to other governments	-	2,202,123
Payments for public protection	-	114,645,380
Payments for dispatch center	-	4,997,087
Police funds released from custody	-	642,743
Interest expense	-	800,000
Total deductions	9,786,116	123,287,333
Change in Net Position	(25,936,910)	56,984,972
Net Position, Beginning	154,418,636	106,073,741
Net Position, Ending	\$ 128,481,726	\$ 163,058,713

Note 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:

Basis of Presentation

The financial statements of the City have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting body for governmental accounting and financial reporting. The City follows and implements all applicable GASB standards.

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.

The accompanying financial statements present the City and its component units. Blended component units are entities which are legally separate from the City but which are so intertwined with the City that they are, in substance, the same as the City. Discretely presented component units are entities for which the City is considered to be financially accountable or for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

Blended 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.

Discretely Presented Component Unit

The Municipal Airport Authority of the City of Fargo was formed for the purpose of operating an airport system that provides domestic air service for the Midwest region. The commissioners of the Municipal Airport Authority are appointed by the Mayor of the City of Fargo. Separately issued financial reports are available for the Municipal Airport Authority are available by contacting the Executive Director, PO Box 2845, Fargo ND 58108.

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 position 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide, proprietary fund, and fiduciary 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.

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. For FEMA grant funds, the City considers revenues to be available if they are collected within 90 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 (both certified and uncertified), 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 and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed directly by proprietary funds. Major capital facilities include infrastructure such as streets, sidewalks, street lighting, paving, sanitary storm sewers, water mains, sewer lines, flood control and other projects.

The City reports the following major proprietary funds:

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.

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

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.

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

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 statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is much like that used for proprietary funds. The City's fiduciary funds consist of pension trust funds and custodial funds.

Pension trust funds accumulate resources held in trust for pension payments to qualified beneficiaries. The City acts as Administrator and includes the following pension trust funds in its financial statements:

City Employees' Pension Trust – This fund accounts for the cost-sharing, multiple employer pension plan covering certain eligible employees of the City of Fargo and the Fargo Park District.

Police Pension Trust – This fund accounts for the single employer pension plan covering all full-time employees of the Police department, except for the Chief of Police.

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial funds:

Park District Special Assessments Fund – To account for special assessments collected and administered for the Fargo Park District.

Metro Flood Project Diversion Authority Fund – To account for the collection and disbursement of funds for the Metro Flood Project Diversion Authority.

Red River Regional Dispatch Center Fund – To account for the collection and disbursement of funds for the Red River Regional Dispatch Center Fund.

Police Custodial Fund – To account for deposits of police pending forfeitures, evidence held, and unclaimed property. Once the deposits become property of the City, they are transferred from the custodial fund into the Court Forfeits special revenue fund.

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 are charges to customers for sales and services. Operating expenses for enterprise 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.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with an original maturity of three months or less.

Equity in Pooled Investments and Investments

The City maintains investment pools used by the 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. Five of the investment pools used by the City are managed by the PFM Financial Advisors Group.

Investments for the City are reported at fair value based on the framework established by GASB Statement No. 72, *Fair Value Measurement and Application*.

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 nonspendable fund balance in the applicable governmental funds to indicate 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, excluding City share of special assessments. Total mills levied for 2022 were fifty-five.

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.

Lease Receivables

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

Inventories and Prepaid Items

Depending upon the nature of the item, inventories of supplies for both governmental and business-type funds are valued at cost 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 offset by "nonspendable" fund balance to indicate they are not available for appropriation and are not expendable available financial resources.

Inventories held for resale are reported at lower of cost or net realizable value.

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

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.

Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks, flood control, 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 \$10,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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:

Buildings	10-50 years
Improvements other than buildings	10-20 years
Infrastructure/flood control	20-100 years
Machinery	3-10 years
Equipment	5-10 years
Office equipment	5-10 years
Computer equipment	3-5 years

Right-of-use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right-of-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to please the lease asset into service. Right-of-use leased assets are amortized over the shorter of the lease term or useful live of the underlying asset using the straight-line method. The amortization period varies from 1 to 22 years.

Land, intangible assets, and construction in progress are not depreciated.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount.

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

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

Financed purchase payables represent the City's obligation to make lease payments arising from the agreement. Financed purchase payables are recognized at the agreement commencement date based on the present value of future lease payments expected to be made during the lease term.

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 and proprietary 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.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS), and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS), City Employees' Pension Plan, Police Pension Plan, and Firefighters' Relief Association Retirement Plan and additions to/deductions from the NDPERS, City Employees' Pension Plan, Police Pension Plan, and Firefighters' Relief Association Retirement Plan fiduciary net positions have been determined on the same basis as they are reported by the respective plans, except that NDPERS' fiscal year end is June 30. For this purpose, plan contributions are recognized as of the employer payroll paid dates and benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The City has four items that qualify for reporting in this category. They are the contributions made to pension plans and the other postemployment benefit plan after the measurement date and prior to the fiscal year-end, changes in the net pension liability not included in pension expense, and changes in the other post employments benefits liability not included in OPEB expense, reported in the district-wide statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of items that qualify for reporting in this category.

The City reports unavailable revenues from property taxes, special assessments, loans, and contract receivables on the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on the straight-line basis over the term of the lease. The other items are changes in the net pension liability not included in pension expense and changes in the other post-employment benefits liability not included in OPEB expense reported in the district-wide statement of net position.

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization, reduced by the outstanding balances of any long-term debt or lease attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities related to those assets. Unrestricted net position is the net amount of assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

Fund Balance

Fund balances are classified based on the spending constraints placed upon them. The following classifications describe the relative strength of the spending constraints:

Nonspendable Fund Balance – amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted Fund Balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e. City Commission). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same, or higher, level action to remove or change the constraint.

Assigned Fund Balance – amounts the City intends to use for a specific purpose. Intent can be expressed by the City Commission or by an official or body to which the City Commission delegates the authority.

Unassigned Fund Balance – amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The City Commission establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. An ordinance is the highest level of authority and requires another ordinance to modify or rescind.

Assigned fund balance is established by the City Commission through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital outlay, project construction, debt service, or other purposes).

The City's first priority is to utilize the restricted fund balance. Committed funds will be considered second with assigned fund balance third when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications are eligible to be used.

The Board of City Commissioners has adopted, through policy, a formal revenue stabilization arrangement. The primary funding source for this arrangement is surplus revenues generated by the General fund. The funding status and sufficiency of this arrangement is to be evaluated annually during the budget development process. As defined in the policy establishing this commitment, the specific uses are listed as overall decline of economically sensitive revenues over at least one fiscal period as incorporated into the City's annual budget revenue projections, (or) need for emergency funds as declared by the Mayor for the local share funding of any major natural disaster event.

In the General Fund, the City strives to maintain an unassigned fund balance to be used for cash flow and unanticipated expenditures of 25 percent of the total current year general fund expenditures.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Change in Accounting Entity

As of January 1, 2022, the City has reclassified the Airport Authority as a discretely presented component unit. Previously, the Airport Authority was reported as a blended component unit enterprise fund of the City. The effect of this change in accounting entity is disclosed in Note 14.

Implementation of GASB Statement No. 87

As of January 1, 2022, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right-of-use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. The effect of the implementation of this standard on beginning net position is disclosed in Note 14 and the additional disclosures required by this standard are included in Note 8.

Note 2 - Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

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

Bonds payable	\$ 578,207,000
Notes payable	66,131,505
Unamortized premium	35,486,003
Financed purchases payable	573,405
Leases payable	10,933,906
Compensated absences	4,675,103
Accrued interest	3,764,405
OPEB liability	2,667,584
Net pension liability	<u>122,821,942</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 825,260,853</u></u>

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 position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.” The details of this difference are as follows:

Capital outlay reported in fund financial statements	\$ 74,697,808	
Plus: assets transferred in from enterprise funds	170,816	
Plus: donated/contributed assets	299,810	
Plus: value of asset trades	63,480	
Plus: prior year construction in progress added as asset in current year	<u>789,462</u>	
Capital asset increases per Note 6		\$ 76,021,376
Less: assets transferred out to enterprise funds	(36,352,875)	
Less: assets disposed	(4,373,053)	
Less: prior year construction in progress added as asset in current year	<u>(789,462)</u>	
Capital asset decreases per Note 6		(41,515,390)
Depreciation/amortization expense	(23,045,895)	
Plus: accumulated depreciation on assets transferred in from enterprise funds	<u>(170,816)</u>	
Accumulated depreciation/amortization increases per Note 6		(23,216,711)
Less: accumulated depreciation on assets transferred out to enterprise fund	181,352	
Less: accumulated depreciation/amortization on assets disposed	<u>3,329,346</u>	
Accumulated depreciation/amortization decreases per Note 6		<u>3,510,698</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u>\$ 14,799,973</u>

Another element of that reconciliation states that “The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums 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 difference are as follows:

Issuance of bonded debt	\$ (30,958,000)
Principal payments on bonded debt	97,032,000
Issuance of notes payable	(490,928)
Principal payments on notes payable	5,904,343
Premium on bonded debt issued	(2,213,859)
Amortization of premium on bonded debt	2,328,815
Issuance of financed purchases payable	(371,558)
Principal payments on financed purchases payable	254,893
Issuance of leases payable	(577,466)
Principal payments on leases payable	<u>1,559,098</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 72,467,338</u></u>

Note 3 - Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

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 July 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 August 10.
3. Public hearings are conducted to obtain taxpayer comments prior to the final budget adoption.
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 funds.
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 the current year's budget must be approved by the Finance Committee and the City Commission. Supplemental appropriations granted for the 2022 year include \$697,320, 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 year's budget. General Fund Budget revisions approved for open encumbrances totaled \$181,794 for the year ended December 31, 2022.

Expenditures in Excess of Appropriation

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

General Fund	\$ 964,815
Special Revenue Funds	
City Share of Specials	106,437
Convention and Visitors Bureau	996,466
Regional Training Center	20,711
Court Forfeits	171,209
SWAT	11,202
Skyway Maintenance	26,863
Downtown Business Improvement District	123,928
NRI Loan Program	690
HUD Home Participating Jurisdiction	1,231
Parking Authority	58,544
COVID-19 Emergency	1,666,009
Baseball Stadium	2,446
Debt Service Fund	20,195,358

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

Deficit Fund Balance/Net Position

The following funds had a deficit fund balance/net position at December 31, 2022:

Governmental Funds	
Capital Projects Fund	\$ 22,665,180
Nonmajor Funds	
HUD Home Participating Jurisdiction	29,591
COVID-19 Emergency	93,993
Baseball Stadium	83,425
Proprietary Funds	
Nonmajor Funds	
Forestry	775,184

The Capital Projects Fund deficit will be eliminated through future bond financing and transfers from other funds. Other deficits will be eliminated through future revenues and, if necessary, transfers from other funds.

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$294,369,417 of restricted net position, of which \$53,753,487 is restricted by enabling legislation.

Note 4 - 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 fair 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, 2022, the carrying amount of the City's deposits was \$111,161,666 and the bank balance was \$119,745,937. The City's deposits were secured by FDIC coverage of \$104,354,165 and pledged collateral of \$34,920,566. The carrying amount of the Airport Authority's deposits was \$27,026,106 and the bank balance was \$24,973,919. 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. Per the City's investment policy, custodial credit risk will be minimized by using the following techniques; limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. As of December 31, 2022, the City's deposits were either fully insured or properly collateralized and were held in the City's name, and the Airport Authority's deposits were either fully insured or properly collateralized and were held in the Airport Authority's name.

Investments

The City maintains pooled cash portfolios used by substantially all City funds, excluding the investment of employees' retirement funds, using the pooled deposit and investment concept. These pools are governed by an investment policy established by the City Commission.

Investment policy – The City has an adopted investment policy, conforming with federal, state, and other legal requirements, including the City of Fargo Home Rule Charter, specifically Article 3.B – Powers of the City. This policy sets forth the City's investment objectives as well as authorized and suitable deposits and investments, and serves as a guide to proper diversification, maturity constraints, internal controls, and performance measurement. The foremost objective of the City's investment program as set forth by the investment policy is safety of principal. Investment decisions are made under the assumption that, except under limited circumstances, all investments within the pooled portfolios will be held to maturity.

Allowable deposits and investment include:

- Direct obligations of the United States of America
- Debt securities issued by government sponsored enterprises (GSE's), federal agencies, and federal financing banks
- Direct obligations of the state of North Dakota
- Commercial paper
- Bankers' acceptances
- Negotiable certificates of deposit
- Certificates of deposit and time deposits
- Obligations or notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States
- Investments in money-market funds rated "AAAm" by Standard & Poor's Corporation
- Repurchase agreements that are collateralized only by direct obligation of the U.S. government, GNMA, Fannie Mae, Freddie Mac, FFCB, and FHLB
- Asset-backed securities (ABS) rated a minimum of AA long-term or A-1 short-term, or its equivalent, from any nationally recognized statistical rating organization (NRSRO).

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, 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 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>.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The chart below summarizes the City's investments using segmented time distribution. The City's investment policy limits investing funds primarily in short- and intermediate-term liquid securities of high credit quality to ensure adequate liquidity and minimize the impact of changes in interest rates. Portfolios are structured so that securities mature concurrent with cash needs to meet anticipated demands.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As outlined above, city policy limits the type of investments allowed to reduce the amount of credit risk to the portfolio. The chart below summarizes the credit quality of the City’s investment holdings.

Investment Type	Credit Rating	Fair Value	Maturities (in Years)				
			Not Applicable	< 1	1 - 5	> 5 - 10	>10
Primary Government							
Corporate Bonds	AAA	\$ 11,020,243	\$ -	\$ 594,285	\$ 10,425,958	\$ -	\$ -
Corporate Bonds	AA2	1,059,459	-	327,941	731,518	-	-
Corporate Bonds	AA3	601,243	-	-	601,243	-	-
Corporate Bonds	A1	5,779,684	-	791,411	4,988,273	-	-
Corporate Bonds	A2	3,452,468	-	713,335	2,739,133	-	-
Corporate Bonds	A3	1,144,308	-	-	1,144,308	-	-
Money Market Funds	AAAm	2,461,540	2,461,540	-	-	-	-
Money Market Funds	N/A	56,557,906	56,557,906	-	-	-	-
Municipal Bond	AAA	1,421,552	-	-	1,421,552	-	-
Municipal Bond	AA3	746,695	-	-	746,695	-	-
U.S. Agencies	AAA	15,717,266	-	6,157,040	9,430,827	129,399	-
U.S. Agencies	N/A	4,945,997	-	378,073	1,136,786	1,726,180	1,704,958
U.S. Treasury Note	AAA	53,880,450	-	28,298,034	25,582,416	-	-
U.S. Treasury Bill	N/A	1,973,920	-	1,973,920	-	-	-
Bond Mutual Funds	N/A	44,278,769	-	10,086,862	5,596,669	28,595,238	-
Corporate Commercial Paper	N/A	3,973,120	-	3,973,120	-	-	-
Equity Mutual Funds	N/A	64,281,145	64,281,145	-	-	-	-
Equity Exchange Traded Funds	N/A	14,121,940	14,121,940	-	-	-	-
External Investment Pool*	N/A	39,431,888	39,431,888	-	-	-	-
		<u>\$ 326,849,593</u>	<u>\$ 176,854,419</u>	<u>\$ 53,294,021</u>	<u>\$ 64,545,378</u>	<u>\$ 30,450,817</u>	<u>\$ 1,704,958</u>
Airport Authority Component Unit							
US Treasury Bills	Aaa	\$ 13,736,185	\$ -	\$ 4,404,757	\$ 9,331,428	\$ -	\$ -
Federal Agency Discount Note	P-1	860,434	-	860,434	-	-	-
Commercial Paper	P-1	3,191,444	-	3,191,444	-	-	-
		<u>\$ 17,788,063</u>	<u>\$ -</u>	<u>\$ 8,456,635</u>	<u>\$ 9,331,428</u>	<u>\$ -</u>	<u>\$ -</u>

* The weighted average maturity of the portion of the external investment pool subject to maturity is 6.43 years.

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’s investment policy diversifies the portfolios by limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities). Investments in a single issuer shall not exceed 5 percent of the City’s portfolio for any of the following types in total: commercial paper, corporate obligations or notes, bankers’ acceptances, and negotiable CD’s.

The City’s investment policy also has limits on the following allowable deposits and investments: direct obligations of the State of North Dakota shall not exceed 5 percent of the City’s portfolio, investments in money market funds rated “AAAm” by Standard & Poor’s shall not exceed 25 percent of the City’s portfolio, repurchase agreements shall not exceed 25 percent of the City’s portfolio, and aggregate Asset-backed securities may not exceed 25% of the portfolio at the time of purchase. None of the established limits were exceeded as of December 31, 2022.

Fair Value – The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in active markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table presents the assets measure at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2022:

	Total	Level 1	Level 2	Level 3
Primary Government				
Pooled Investments				
U.S. Government and Agency Securities	\$ 76,517,633	\$ 76,517,633	\$ -	\$ -
Money Market Mutual Funds	59,019,446	59,019,446	-	-
Corporate Bonds	23,057,405	-	23,057,405	-
Corporate Commercial Paper	3,973,120	-	3,973,120	-
Municipal Bonds	2,168,247	-	2,168,247	-
	<u>\$ 164,735,851</u>	<u>\$ 135,537,079</u>	<u>\$ 29,198,772</u>	<u>\$ -</u>
Pension Investments				
Bond Mutual Funds	\$ 44,278,769	\$ -	\$ 44,278,769	\$ -
Equity Mutual Funds	64,281,145	-	64,281,145	-
Equity Exchange Traded Funds	14,121,940	-	14,121,940	-
	<u>\$ 122,681,854</u>	<u>\$ -</u>	<u>\$ 122,681,854</u>	<u>\$ -</u>
Airport Authority Component Unit				
US Treasury Bills	\$ 13,736,185	\$ 13,736,185	\$ -	\$ -
Federal Agency Discount Note	860,434	860,434	-	-
Commercial Paper	3,191,444	3,191,444	-	-
	<u>\$ 17,788,063</u>	<u>\$ 17,788,063</u>	<u>\$ -</u>	<u>\$ -</u>

U.S. Government and Agency securities, money market mutual funds, and certificates of deposit classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for these securities. Corporate bonds, municipal bonds, corporate commercial paper, bond and equity mutual funds classified in Level 2 of the fair value hierarchy are valued using techniques such as quoted prices for similar investments in active and inactive markets as well as inputs other than quoted prices that are observable for these assets.

Deposits and investments are included in the financial statements of the primary government as follows:

Cash and cash equivalents	
Statement of net position	\$ 13,367,235
Statement of fiduciary net position	24,550,876
Investments	
Statement of net position	29,147,073
Statement of fiduciary net position	122,681,854
Equity in pooled investments	
Statement of net position	52,951,998
Statement of fiduciary net position	137,712,890
Restricted equity in pooled investments	
Statement of net position	18,167,445
Restricted investments	
Statement of net position	39,431,888
	<u>\$ 438,011,259</u>
Deposits	\$ 111,161,666
Investments	<u>326,849,593</u>
	<u>\$ 438,011,259</u>

Note 5 - Loans Receivable

Loans receivable as of December 31, 2022, were as follows:

Loan Program	Interest Rate	Maturity Date	Amount
Community Development	0%	Non-Repayment	\$ 214,509
Neighborhood Revitalization Initiative (NRI)	3%	Due upon Sale	7,000
HUD HOME	0%	August 2040	468,043
HUD HOME	0%	Non-Repayment	859,078
HUD HOME	0%	Due upon Sale	290,000
Bridge Loan	0%		9,205
			<u>\$ 1,847,835</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.

Of these loans, \$1,073,587 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 are not met, payment is required.

Note 6 - Capital Assets

Governmental activities capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 108,099,779	\$ 1,812,316	\$ 540,000	\$ 109,372,095
Intangible right-of-way easements	12,579,840	-	-	12,579,840
Construction in progress	852,044	2,828,742	789,462	2,891,324
Total capital assets, not being depreciated/amortized	121,531,663	4,641,058	1,329,462	124,843,259
Capital assets, being depreciated/amortized				
Buildings	133,812,514	246,775	-	134,059,289
Improvements other than buildings	8,513,854	96,755	-	8,610,609
Machinery and equipment	53,834,598	4,492,536	2,227,564	56,099,570
Infrastructure	483,456,852	64,848,989	37,958,364	510,347,477
Flood control	98,345,299	1,117,797	-	99,463,096
Right-of-use leased assets	11,915,538	577,466	-	12,493,004
Total capital assets, being depreciated/amortized	789,878,655	71,380,318	40,185,928	821,073,045
Less accumulated depreciation/amortization for				
Buildings	31,477,536	3,238,960	-	34,716,496
Improvements other than buildings	1,768,600	525,717	-	2,294,317
Machinery and equipment	39,023,516	3,953,283	1,905,209	41,071,590
Infrastructure	191,948,314	12,807,313	1,605,489	203,150,138
Flood control	4,621,607	960,255	-	5,581,862
Right-of-use leased assets	-	1,731,183	-	1,731,183
Total accumulated depreciation/amortization	268,839,573	23,216,711	3,510,698	288,545,586
Total capital assets, being depreciated/amortized, net	521,039,082	48,163,607	36,675,230	532,527,459
Governmental Activities Capital Assets, Net	\$ 642,570,745	\$ 52,804,665	\$ 38,004,692	\$ 657,370,718

Depreciation/amortization increases include \$170,816 of accumulated depreciation on assets transferred from the business-type activities.

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

Governmental activities	
General government	\$ 1,973,482
Public safety	2,856,498
Public works	15,920,740
Public health and welfare	472,273
Recreation and culture	606,730
Urban development	70,546
Transportation	<u>1,145,626</u>
Total depreciation/amortization expense - governmental activities	<u><u>\$ 23,045,895</u></u>

Business-type activities capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 36,024,957	\$ 233,175	\$ -	\$ 36,258,132
Intangible right-of-way easements	420,036	-	-	420,036
Intangible water rights	500,000	-	-	500,000
Construction in progress	<u>97,529,999</u>	<u>59,258,562</u>	<u>16,767,345</u>	<u>140,021,216</u>
Total capital assets, not being depreciated/amortized	<u>134,474,992</u>	<u>59,491,737</u>	<u>16,767,345</u>	<u>177,199,384</u>
Capital assets, being depreciated/amortized				
Buildings	367,519,971	3,755,453	96,500	371,178,924
Improvements other than buildings	43,446,485	4,797,862	33,063	48,211,284
Machinery and equipment	111,734,316	6,439,483	3,352,431	114,821,368
Infrastructure	648,292,721	33,208,982	885,159	680,616,544
Right-of-use leased assets	<u>64,642</u>	<u>-</u>	<u>-</u>	<u>64,642</u>
Total capital assets, being depreciated/amortized	<u>1,171,058,135</u>	<u>48,201,780</u>	<u>4,367,153</u>	<u>1,214,892,762</u>
Less accumulated depreciation/amortization for				
Buildings	111,222,611	7,893,011	94,968	119,020,654
Improvements other than buildings	17,268,026	1,739,708	28,550	18,979,184
Machinery and equipment	79,908,019	7,333,457	3,322,649	83,918,827
Infrastructure	198,105,956	13,793,189	653,009	211,246,136
Right-of-use leased assets	<u>-</u>	<u>21,682</u>	<u>-</u>	<u>21,682</u>
Total accumulated depreciation/amortization	<u>406,504,612</u>	<u>30,781,047</u>	<u>4,099,176</u>	<u>433,186,483</u>
Total capital assets, being depreciated/amortized, net	<u>764,553,523</u>	<u>17,420,733</u>	<u>267,977</u>	<u>781,706,279</u>
Business-Type Activities Capital Assets, Net	<u><u>\$ 899,028,515</u></u>	<u><u>\$ 76,912,470</u></u>	<u><u>\$ 17,035,322</u></u>	<u><u>\$ 958,905,663</u></u>

Depreciation/amortization increases include \$181,352 of accumulated depreciation on assets transferred from the governmental activities.

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

Business-type activities	
Water	\$ 7,847,571
Water Reclamation	6,056,208
Storm Sewer	6,419,581
Street Lighting	2,129,448
Solid Waste	2,780,350
Forestry	123,726
Transit	1,719,877
Civic Memorial Auditorium	168,140
FargoDome	3,354,794
	<u>3,354,794</u>
Total depreciation/amortization expense - business-type activities	<u>\$ 30,599,695</u>

Airport Authority component unit capital asset activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Airport Authority Component Unit				
Capital assets, not being depreciated/amortized				
Land	\$ 8,516,547	\$ -	\$ -	\$ 8,516,547
Construction in progress	590,340	7,365,595	497,230	7,458,705
Total capital assets, not being depreciated/amortized	<u>9,106,887</u>	<u>7,365,595</u>	<u>497,230</u>	<u>15,975,252</u>
Capital assets, being depreciated/amortized				
Buildings	33,543,778	390,948	-	33,934,726
Improvements other than buildings	2,676,347	-	-	2,676,347
Machinery and equipment	14,406,754	992,799	-	15,399,553
Infrastructure	140,081,488	-	-	140,081,488
Total capital assets, being depreciated/amortized	<u>190,708,367</u>	<u>1,383,747</u>	<u>-</u>	<u>192,092,114</u>
Less accumulated depreciation/amortization for				
Buildings	14,774,651	742,369	-	15,517,020
Improvements other than buildings	1,417,350	113,937	-	1,531,287
Machinery and equipment	10,587,970	774,137	-	11,362,107
Infrastructure	54,456,002	3,631,167	-	58,087,169
Total accumulated depreciation/amortization	<u>81,235,973</u>	<u>5,261,610</u>	<u>-</u>	<u>86,497,583</u>
Total capital assets, being depreciated/amortized, net	<u>109,472,394</u>	<u>(3,877,863)</u>	<u>-</u>	<u>105,594,531</u>
Airport Authority Component Unit Capital Assets, Net	<u>\$ 118,579,281</u>	<u>\$ 3,487,732</u>	<u>\$ 497,230</u>	<u>\$ 121,569,783</u>

Note 7 - Unearned Revenues/Deferred Inflows of Resources

Governmental funds report unearned 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 unavailable relates to special assessments receivable which will be used to pay off refunding improvement and sidewalk bonds. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue in the governmental funds were as follows:

	Deferred Inflows of Resources - Unavailable Revenues	Unearned Revenues	Total
Delinquent property taxes receivable	\$ 212,247	\$ -	\$ 212,247
Special assessments receivable	437,105,502	-	437,105,502
Grant resources held and grant items receivable	1,136,348	12,324,370	13,460,718
Loans/contracts/accounts receivable	3,487,668	1,073,587	4,561,255
Total unavailable revenues of governmental funds	<u>\$ 441,941,765</u>	<u>\$ 13,397,957</u>	<u>\$ 455,339,722</u>

Note 8 - Leases**Lessor Activities**

The City has accrued a receivable for the use of a building, water tower, stadium space, suites, and land. The remaining receivable for these leases was \$5,364,821 for the year ended December 31, 2022. Deferred inflows related to this lease were \$5,568,847 as of December 31, 2022. Interest revenue from leases was \$44,873 for the year ended December 31, 2022. Principal receipts of \$1,581,164 were recognized during the fiscal year. The interest rates on the leases range from 0.2383 to 0.5517 percent. Final receipt is expected in fiscal year 2025.

The Airport Authority component unit has accrued a receivable for substantially all airport facilities, including ground, land, office space, and building. The remaining receivable for these leases was \$7,338,102 for the year ended December 31, 2022. Deferred inflows related to this lease were \$7,282,018 as of December 31, 2022. Interest revenue recognized on this lease was \$219,369 for the year ended December 31, 2022. Principal receipts of \$1,172,591 were recognized during the fiscal year. The interest rate on the leases was 3.0%. Final receipt is expected in fiscal year 2089.

Lessee Activities

The City has entered into lease agreements for the use of various building spaces and office equipment. The City is required to make principal and interest payments through 2044. The lease liability was valued using discount rates of 0.2383 to 2.3657%. For leases with no interest rate stated, the City utilized its incremental borrowing rate for valuing the lease. The total amount of right-of-use leased assets, and the related accumulated amortization was \$12,557,646 and \$1,752,865, as of December 31, 2022, respectively. The City recognized amortization expense of \$1,752,865 and interest expense of \$13,336 related to leases during the year ended December 31, 2022. Governmental activities leases payable are liquidated by the general fund, capital projects fund, and parking authority fund. Business-type activities leases payable are liquidated by the water reclamation fund, solid waste fund, and public transportation fund.

The future principal and interest lease payments as of December 31, 2022, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 1,582,275	\$ 150,703	\$ 18,731	\$ 234
2024	650,596	142,170	11,977	164
2025	658,277	135,122	5,591	113
2026	367,513	128,615	325	100
2027	345,866	123,028	330	94
2028-2032	1,859,602	528,699	1,729	392
2033-2037	1,993,575	373,701	1,870	251
2038-2042	2,421,685	191,980	2,023	97
2043-2044	1,054,517	17,599	-	-
	<u>\$ 10,933,906</u>	<u>\$ 1,791,617</u>	<u>\$ 42,576</u>	<u>\$ 1,445</u>

Note 9 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2022:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Improvement bonds	\$ 526,910,000	\$ 22,855,000	\$ 90,775,000	\$ 458,990,000	\$ 43,775,000
General obligation bonds	30,750,000	-	1,715,000	29,035,000	1,780,000
Sales tax revenue bonds	58,226,000	-	3,982,000	54,244,000	4,161,000
Taxable annual appropriation bonds	28,395,000	-	560,000	27,835,000	600,000
Annual appropriation bonds	-	8,103,000	-	8,103,000	433,000
Total bonds payable	<u>644,281,000</u>	<u>30,958,000</u>	<u>97,032,000</u>	<u>578,207,000</u>	<u>50,749,000</u>
Notes payable					
State revolving fund notes	49,703,272	490,928	4,920,000	45,274,200	5,073,000
Direct bank loan	3,049,948	-	362,632	2,687,316	367,800
Mercantile Parking Ramp	2,000,000	-	-	2,000,000	-
BND infrastructure loan	12,128,783	-	420,435	11,708,348	428,891
Tax increment revenue notes	4,662,917	-	201,276	4,461,641	1,078,712
Total notes payable	<u>71,544,920</u>	<u>490,928</u>	<u>5,904,343</u>	<u>66,131,505</u>	<u>6,948,403</u>
Unamortized premium	35,600,959	2,213,859	2,328,815	35,486,003	2,373,092
Financed purchases payable	456,740	371,558	254,893	573,405	238,874
Leases payable	11,915,538	577,466	1,559,098	10,933,906	1,582,275
Compensated absences	4,891,957	4,675,103	4,891,957	4,675,103	4,675,103
	<u>\$ 768,691,114</u>	<u>\$ 39,286,914</u>	<u>\$ 111,971,106</u>	<u>\$ 696,006,922</u>	<u>\$ 66,566,747</u>
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 1,852,348	\$ -	\$ 192,868	\$ 1,659,480	\$ 195,985
Annual appropriation bonds	4,900,000	-	755,000	4,145,000	775,000
Total bonds payable	<u>6,752,348</u>	<u>-</u>	<u>947,868</u>	<u>5,804,480</u>	<u>970,985</u>
Notes payable					
State revolving fund notes	179,594,385	45,640,416	2,435,000	222,799,801	3,570,000
Direct bank loan	900,000	-	300,000	600,000	300,000
Total notes payable	<u>180,494,385</u>	<u>45,640,416</u>	<u>2,735,000</u>	<u>223,399,801</u>	<u>3,870,000</u>
Financed purchases payable	2,512,254	1,654,298	1,263,182	2,903,370	1,092,860
Leases payable	64,642	-	22,066	42,576	18,731
Special assessments	10,358,902	125,752	516,066	9,968,588	546,526
Landfill closure/postclosure	5,472,965	351,055	-	5,824,020	-
Compensated absences	1,131,727	1,135,131	1,131,727	1,135,131	1,135,131
	<u>\$ 206,787,223</u>	<u>\$ 48,906,652</u>	<u>\$ 6,615,909</u>	<u>\$ 249,077,966</u>	<u>\$ 7,634,233</u>

The following is a summary of changes in long-term debt of the Airport Authority component unit for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Airport Authority Component Unit Compensated absences	\$ 265,070	\$ 72,194	\$ 165,466	\$ 171,798	\$ 171,798

Bonds Payable

At December 31, 2022, the City had the following bond issuances outstanding:

	Final Maturity	Interest Rate	Original Issue	Principal Outstanding
Governmental Activities:				
Improvement bonds (special assessment debt)				
2012 Series A Refunding - crossover refunding of Series 2003D, 2004C, and 2004E	5/1/2029	3.00 - 4.00%	\$ 34,180,000	\$ 3,820,000
2013 Series C - infrastructure system construction	5/1/2039	2.00 - 4.50%	16,705,000	580,000
2014 Series E Refunding - current refunding of Series 2010B	5/1/2035	2.00 - 5.00%	19,440,000	13,660,000
2014 Series F - infrastructure system construction	5/1/2039	2.00 - 5.00%	40,445,000	27,695,000
2014 Series G - infrastructure system construction	5/1/2039	2.00 - 4.25%	8,355,000	6,445,000
2015 Series A Refunding - crossover refunding of Series 2006B and 2007B	5/1/2031	2.00 - 5.00%	18,250,000	11,765,000
2015 Series B Refunding - crossover refunding of Series 2008E	5/1/2033	2.50 - 5.00%	15,235,000	9,600,000
2015 Series D - infrastructure system construction	5/1/2041	3.00 - 5.00%	34,675,000	27,065,000
2016 Series B Refunding - crossover refunding of Series 2009C	5/1/2034	2.00 - 5.00%	27,485,000	21,565,000
2016 Series C - infrastructure system construction	5/1/2042	2.00 - 5.00%	41,745,000	33,075,000
2017 Series C - infrastructure system construction	5/1/2043	2.00 - 5.00%	38,525,000	29,375,000
2017 Series D Refunding - crossover refunding of Series 2013C	5/1/2039	3.00 - 5.00%	11,340,000	11,340,000
2018 Series D - infrastructure system construction	5/1/2044	2.70 - 5.00%	42,965,000	39,240,000
2019 Series A - infrastructure system construction	5/1/2042	3.00 - 5.00%	37,260,000	34,325,000
2019 Series B Refunding - crossover refunding of Series 2011A	5/1/2036	1.80 - 2.90%	13,940,000	13,130,000
2020 Series B - infrastructure system construction	5/1/2045	2.00 - 5.00%	29,565,000	28,265,000
2020 Series C Refunding - crossover refunding of Series 2011C, 2012A, 2014D, and 2014F	5/1/2023	1.50 - 2.30%	91,015,000	88,345,000

City of Fargo, North Dakota
Notes to Financial Statements
December 31, 2022

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
2021 Series A - infrastructure system construction	5/1/2046	2.00 - 5.00%	\$ 37,310,000	\$ 36,845,000
2022 Series A - Infrastructure system construction	5/1/2047	3.00 - 5.00%	22,855,000	22,855,000
Total improvement bonds			<u>581,290,000</u>	<u>458,990,000</u>
General obligation bonds				
2009 Series B - fire station and fire truck	5/1/2029	2.00 - 4.00%	\$ 2,875,000	\$ 1,225,000
2015 Series E - Roberts Commons parking ramp	12/1/2035	1.00 - 3.85%	10,230,000	7,545,000
2016 Series A - City Hall building	7/1/2036	2.00 - 5.00%	25,640,000	20,265,000
Total general obligation bonds			<u>\$ 38,745,000</u>	<u>\$ 29,035,000</u>
Sales tax revenue bonds				
2013 Series A - flood mitigation projects	6/1/2033	3.00 - 4.00%	\$ 51,375,000	\$ 33,055,000
2014 Series B - flood mitigation projects	6/1/2032	2.00 - 5.00%	32,512,000	21,189,000
Total sales tax revenue bonds			<u>\$ 83,887,000</u>	<u>\$ 54,244,000</u>
Taxable annual appropriation bonds				
2018 Series E - Block Nine project	5/1/2044	3.30 - 4.47%	\$ 17,315,000	\$ 16,410,000
2020 Series A - Mercantile parking ramp	12/1/2045	2.15 - 3.69%	11,525,000	11,425,000
Total taxable appropriation bonds			<u>\$ 28,840,000</u>	<u>\$ 27,835,000</u>
Annual appropriation bonds				
2022 Series D - fire station and fire truck	5/1/2037	3.04%	<u>\$ 8,103,000</u>	<u>\$ 8,103,000</u>
Total governmental activities			<u>\$ 740,865,000</u>	<u>\$ 578,207,000</u>
Business-Type Activities				
Qualified Energy Conservation Bond - conversion of landfill gas to compressed natural gas for use in landfill generator	5/1/2030	4.85%	\$ 2,875,000	\$ 1,659,480
2017 Annual Appropriation Bond - FargoDome video board upgrade	11/1/2027	1.75 - 3.85%	7,810,000	4,145,000
Total business-type activities			<u>\$ 10,685,000</u>	<u>\$ 5,804,480</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, 2022, consist of two issues backed and serviced by sales tax (sales tax infrastructure bonds) and one issue backed and serviced by Solid Waste utility revenues (qualified energy conservation bond).

Improvement bonds (special assessment debt) 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.

General obligation bonds are recorded in the governmental activities in the government-wide statement and are backed by the full faith and credit of the City. These bonds are payable from the debt service funds primarily through property tax levies.

Sales tax infrastructure bonds are recorded in the governmental activities in the government-wide statement and are backed and serviced by sales tax revenues. These bonds are payable from the debt service funds primarily through sales tax levies.

Taxable annual appropriation bonds are recorded in the governmental activities in the government-wide statement and are paid from the debt service fund. These bonds are paid through annual appropriations made by the City.

Annual appropriation bonds are recorded in the governmental activities and the FargoDome fund. Annual appropriation bonds of the governmental activities are paid from the debt service fund through annual appropriations made by the City.

The qualified energy conservation bond is recorded in the solid waste fund and paid through pledged future landfill tipping fees.

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. As of December 31, 2022, the statutory limit for the City was \$373,181,005 providing a debt margin of \$326,639,046. This calculation can be found in the statistical section of this report.

City of Fargo, North Dakota

Notes to Financial Statements

December 31, 2022

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2022, are as follows:

Years Ending December 31,	Improvement Bonds		General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 43,775,000	\$ 21,722,564	\$ 1,780,000	\$ 927,301	\$ 4,161,000	\$ 2,132,265
2024	18,380,000	10,144,681	1,860,000	851,778	4,350,000	1,944,390
2025	22,310,000	10,552,561	1,940,000	771,921	4,547,000	1,747,890
2026	25,625,000	10,770,289	2,030,000	687,528	4,740,000	1,552,640
2027	24,365,000	10,131,491	2,080,000	637,888	4,936,000	1,359,120
2028-2032	118,860,000	38,877,190	10,675,000	2,317,124	27,870,000	3,604,160
2033-2037	105,840,000	21,829,943	8,670,000	662,335	3,640,000	72,800
2038-2042	76,615,000	8,324,363	-	-	-	-
2043-2047	23,220,000	981,044	-	-	-	-
	<u>\$ 458,990,000</u>	<u>\$ 133,334,126</u>	<u>\$ 29,035,000</u>	<u>\$ 6,855,875</u>	<u>\$ 54,244,000</u>	<u>\$ 12,413,265</u>

Years Ending December 31,	Taxable Annual Appropriation Bond		Annual Appropriation Bond		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 600,000	\$ 1,077,479	\$ 433,000	\$ 239,750	\$ 50,749,000	\$ 26,099,359
2024	620,000	1,057,474	448,000	226,358	25,658,000	14,224,681
2025	645,000	1,036,063	461,000	212,542	29,903,000	14,320,977
2026	740,000	1,013,094	475,000	198,314	33,610,000	14,221,865
2027	815,000	986,838	490,000	183,646	32,686,000	13,298,983
2028-2032	5,410,000	4,408,774	2,682,000	682,024	165,497,000	49,889,272
2033-2037	6,560,000	3,276,782	3,114,000	242,349	127,824,000	26,084,209
2038-2042	7,985,000	1,820,297	-	-	84,600,000	10,144,660
2043-2047	4,460,000	268,276	-	-	27,680,000	1,249,320
	<u>\$ 27,835,000</u>	<u>\$ 14,945,077</u>	<u>\$ 8,103,000</u>	<u>\$ 1,984,983</u>	<u>\$ 578,207,000</u>	<u>\$ 169,533,326</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of December 31, 2022, are as follows:

Years Ending December 31,	Revenue Bonds		Annual Appropriation Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 195,985	\$ 75,732	\$ 775,000	\$ 147,103	\$ 970,985	\$ 222,835
2024	199,152	66,150	800,000	122,536	999,152	188,686
2025	202,370	56,413	830,000	95,256	1,032,370	151,669
2026	205,640	46,519	855,000	65,708	1,060,640	112,227
2027	208,963	36,465	885,000	34,073	1,093,963	70,538
2028-2030	647,370	47,432	-	-	647,370	47,432
	<u>\$ 1,659,480</u>	<u>\$ 328,711</u>	<u>\$ 4,145,000</u>	<u>\$ 464,676</u>	<u>\$ 5,804,480</u>	<u>\$ 793,387</u>

Pledged Revenues

The City has pledged future sales tax revenues, net of specified operating expenses, to repay \$83.887 million in sales tax revenue bonds issued in 2013 and 2014. Proceeds from the bonds were used to finance the construction and installation of flood mitigation projects. Principal and interest paid for the current year was \$6,293,915. Net sales tax revenue totaled \$8,239,793 for the year.

The City has pledged future general fund appropriations to repay \$2.875 million in development bonds issued in 2009. Proceeds from the bond were used to finance the capital and equipment costs related to the construction of a new fire station in southwest Fargo. Principal and interest paid for the current year was \$190,363. Net general fund appropriations totaled \$190,363 for the year.

The City has pledged future landfill tipping fee revenue to repay \$2.875 million in qualified energy conservation taxable revenue bonds. Proceeds from the bond were used to finance the acquisition, installation and construction of equipment and facilities for the conversion of landfill gas to compressed natural gas. Principal and interest paid for the current year was \$282,578. Net landfill tipping fee revenue totaled \$9,852,673 for the year.

Notes Payable

At December 31, 2022, the City had the following notes payable outstanding:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Governmental Activities:				
SRLF Water Tower	9/1/2027	2.50%	\$ 2,270,000	\$ 795,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	640,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	28,455,000
SRLF Transmission Lines South Side System	9/1/2029	2.82%	14,110,422	4,355,000
SRLF Water Reclamation Clarifier Improvements	9/1/2029	0.50%	699,374	295,000
SRLF Water Reclamation Stabilization Ponds	9/1/2030	2.50%	4,071,140	1,950,000
SRLF Regional Storm Water Pond - Construction	9/1/2052	1.50%	10,500,000	8,309,200
SRLF Regional Storm Water Pond - Engineering	9/1/2052	1.50%	500,000	475,000
TIF Revenue Notes	5/1/2038	5.00 - 6.00%	4,821,633	4,461,641
Direct Bank Loan - Fargo Cass Public Health Expansion and Relocation Project and Red River Regional Dispatch Center Project	4/8/2029	2.85%	6,000,000	2,687,316
Mercantile Parking Garage	11/22/2029	0.00%	2,000,000	2,000,000
BND Infrastructure Loan	5/1/2044	2.00%	15,000,000	11,708,348
Total governmental activities			<u>\$ 125,327,569</u>	<u>\$ 66,131,505</u>
Business-Type Activities				
SRLF Water Reclamation Construction Loan	9/1/2052	1.50%	\$ 126,500,000	\$ 101,954,390
SRLF Water Reclamation Engineering Loan	9/1/2052	1.50%	20,229,000	17,286,912
SRLF Water Treatment Plant	9/1/2048	1.50%	98,000,000	89,875,000
SRLF Water Supply and Treatment	9/1/2050	1.50%	23,950,000	11,200,625
SRLF Leachate Collection Construction Loan	9/1/2032	1.50%	2,272,917	2,272,917
SRLF Leachate Collection Engineering Loan	9/1/2032	0.00%	209,957	209,957
Direct Bank Loan - Baling Facility	12/1/2024	1.63%	3,000,000	600,000
Total business-type activities			<u>\$ 274,161,874</u>	<u>\$ 223,399,801</u>

The City has obtained financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance expansion of the water reclamation treatment facility, water treatment plant, storm sewer system, 45th street corridor interceptor project, north side sewer service facility project, transmission lines south side system project, a water tower project, clarifier improvements to the water reclamation system, a water reclamation stabilization pond project, a regional stormwater pond, and leachate collection project. SRLF notes payable recorded in the governmental activities are payable from the debt service fund. SRLF notes payable recorded in the business-type activities are payable from the water, water reclamation, and solid waste funds.

The City has issued nine increment revenue notes subject to development agreements for housing and commercial 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. These notes are paid from the debt service fund.

The City has obtained financing through direct bank loans to finance the Fargo Cass Public Health Expansion and Relocation project, the Red River Regional Dispatch Center project, the Solid Waste Baling Facility, and the Mercantile Parking Ramp. Direct bank loans recorded in the governmental activities are payable from the debt service fund. The Solid Waste Baling Facility note is recorded in the solid waste fund.

The City has obtained financing through the Bank of North Dakota to finance construction costs of Improvement District projects. This note is paid from the debt service fund.

The annual requirements to amortize the notes payable outstanding of December 31, 2022, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 6,948,403	\$ 1,358,499	\$ 3,870,000	\$ 3,812,159
2024	6,197,803	1,214,636	3,923,714	3,746,817
2025	6,164,638	1,066,765	3,699,970	3,670,507
2026	6,343,688	915,002	3,780,232	3,602,089
2027	6,507,049	758,785	3,865,724	3,532,141
2028-2032	19,914,096	1,824,627	34,944,074	16,243,719
2033-2037	4,668,933	1,005,777	40,911,916	12,937,817
2038-2042	5,206,467	604,916	44,996,393	9,293,340
2043-2047	3,055,044	204,490	49,522,327	5,270,507
2048-2052	1,125,384	34,115	33,885,451	1,411,982
	<u>\$ 66,131,505</u>	<u>\$ 8,987,612</u>	<u>\$ 223,399,801</u>	<u>\$ 63,521,078</u>

Financed Purchases Payable

Financed purchases payable consists of direct borrowing financing agreements for the purchase of various pieces of machinery and equipment. Financed purchases payable of the governmental activities are paid by the general fund. Financed purchases payable of the business-type activities are paid by the water, water reclamation, solid waste, and forestry funds.

The annual requirements to amortize the financed purchases payable as of December 31, 2022, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 238,874	\$ 23,284	\$ 1,092,860	\$ 104,915
2024	192,586	13,642	797,733	63,693
2025	141,945	5,825	614,499	35,267
2026	-	-	377,579	14,923
2027	-	-	20,699	606
	<u>\$ 573,405</u>	<u>\$ 42,751</u>	<u>\$ 2,903,370</u>	<u>\$ 219,404</u>

Leases Payable

Leases payable consists of long-term leases as described in Note 8. Leases payable of the governmental activities are liquidated by the general fund, capital projects fund, and parking authority fund. Leases payable of the business-type activities are liquidated by the water reclamation fund, solid waste fund, and public transportation fund.

Special Assessments

The business-type activities record a long-term liability for special assessments payable for the activity's share of City infrastructure projects on the same basis as would be assessed to private landowners.

The annual requirements to amortize the special assessments as of December 31, 2022, are as follows:

Years Ending December 31,	Special Assessments	
	Principal	Interest
2023	\$ 546,526	\$ 468,113
2024	542,180	443,288
2025	547,882	416,756
2026	570,259	389,837
2027	591,598	361,770
2028-2032	2,887,616	1,369,125
2033-2037	2,441,964	726,359
2038-2042	1,582,715	235,004
2043-2047	257,848	15,512
	<u>\$ 9,968,588</u>	<u>\$ 4,425,764</u>

Landfill Closure/Postclosure

Landfill Closure/Postclosure liability consists of expected future obligations relating to the municipal landfill. See Note 19 for additional information.

Compensated Absences

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 terminated their service with the City or with the use of annual leave throughout the year.

Within the governmental activities, the General Fund has typically been used in prior years to liquidate the bulk of the liability for compensated absences. Smaller amounts have typically been liquidated by Community Development, HUD HOME, HUD HOME Participating Jurisdiction, and Parking Authority Special Revenue Funds.

Compensated absences for the business-type activities are liquidated from the fund in which they are earned.

Note 10 - Other Post-Employments Benefit Plan

North Dakota Public Employees Retirement System

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. . Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022, the City reported a liability of \$3,723,506 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the City's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2022, the City's proportion was 3.10212 percent, which was a decrease of 0.05505 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized OPEB expense of \$651,254. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,273	\$ 32,020
Changes of assumptions	937,908	-
Net difference between projected and actual investment earnings on OPEB plan investments	501,357	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	111,422	30,090
City contributions subsequent to the measurement date	19,311	-
	<u>\$ 1,658,271</u>	<u>\$ 62,110</u>

The \$19,311 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023.

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

2023	\$ 421,896
2024	396,713
2025	336,420
2026	421,821

At December 31, 2022, the Airport Authority component unit reported a liability of \$149,227 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Airport Authority component unit's proportion of the net OPEB liability was based on the Airport Authority component unit's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2022, the Airport Authority component unit's proportion was 0.11815 percent.

For the year ended December 31, 2022, the Airport Authority component unit recognized OPEB expense of \$37,283. At December 31, 2022, the Airport Authority component unit reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,362	\$ 1,220
Changes of assumptions	35,723	-
Net difference between projected and actual investment earnings on earnings on pension plan investments	19,095	-
Changes in proportion and differences between employer contributions and contributions and proportionate share of contributions	53,106	-
Airport Authority contributions subsequent to the measurement date	7,408	-
	<u>\$ 118,694</u>	<u>\$ 1,220</u>

The \$7,408 reported as deferred outflows of resources related to OPEB resulting from Airport Authority component unit contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023.

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

2023	\$ 28,547
2024	27,552
2025	25,753
2026	28,214

Actuarial Assumptions

The total OPEB liability in the July 1, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	5.75%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
Domestic Fixed Income	35%	0.50%
International Equities	26%	6.25%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.39%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2022, calculated using the discount rate of 5.39%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
City's proportionate share of the net OPEB liability	\$ 4,752,831	\$ 3,723,506	\$ 2,859,415
Airport Authority's proportionate share of the net OPEB liability	\$ 181,023	\$ 149,227	\$ 108,908

Note 11 - Defined Benefit 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 (NDPERS) Main System, Employees' Pension Plan, Police Pension Plan, and the Fargo Firefighters' Relief Association Retirement Plan. The Airport Authority component unit contributes to two separate pension plans, the NDPERS Main System and NDPERS Law Enforcement System. 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. Details regarding this fund are described below.

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.

For the year ended December 31, 2022 the City reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
NDPERS - Main System	\$ 64,486,570	\$ 96,138,322	\$ 37,903,391	\$ 13,639,698
City of Fargo Pension Plan	7,573,405	9,259,660	285,366	1,514,110
Police Pension Plan	11,544,497	24,111,754	371,727	4,332,425
Firefighters' Relief Association	9,161,679	23,207,941	112,070	3,872,170
Total all plans	<u>\$ 92,766,151</u>	<u>\$ 152,717,677</u>	<u>\$ 38,672,554</u>	<u>\$ 23,358,403</u>

For the year ended December 31, 2022 the Airport Authority Component Unit reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense
NDPERS - Main System	\$ 3,417,450	\$ 3,023,892	\$ 1,159,754	\$ 801,733
NDPERS - Law Enforcement System	529,887	341,153	253,575	85,523
Total all plans	<u>\$ 3,947,337</u>	<u>\$ 3,365,045</u>	<u>\$ 1,413,329</u>	<u>\$ 887,256</u>

North Dakota Public Employees Retirement System - Main System

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System 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). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, 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.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

1 to 12 months of service	Greater of one percent of monthly salary or \$25
13 to 24 months of service	Greater of two percent of monthly salary or \$25
25 to 36 months of service	Greater of three percent of monthly salary or \$25
Longer than 36 months of service	Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a liability of \$96,138,322 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2022, the Employer's proportion was 3.33806 percent, which was a decrease of 0.02291 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the City recognized pension expense of \$13,639,698. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 501,486	\$ 1,836,408
Changes of assumptions	57,492,132	35,641,939
Net difference between projected and actual investment earnings on pension plan investments	3,518,641	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,299,637	425,044
City contributions subsequent to the measurement date	1,674,674	-
	<u>\$ 64,486,570</u>	<u>\$ 37,903,391</u>

The \$1,674,674 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

2023	\$ 7,384,656
2024	8,209,298
2025	483,683
2026	8,830,868

At December 31, 2022, the Airport Authority component unit reported a liability of \$2,974,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport Authority component unit's proportion of the net pension liability was based on the Airport Authority component unit's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2022, the Airport Authority component unit's proportion was 0.10330 percent.

For the year ended December 31, 2022, the Airport Authority component unit recognized pension expense of \$801,733. At December 31, 2022, the Airport Authority component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,518	\$ 56,827
Changes of assumptions	1,779,073	1,102,927
Net difference between projected and actual investment earnings on pension plan investments	108,883	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,465,049	-
Airport Authority contributions subsequent to the measurement date	48,927	-
	<u>\$ 3,417,450</u>	<u>\$ 1,159,754</u>

The \$48,927 reported as deferred outflows of resources related to pensions resulting from Airport Authority component unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

2023	\$ 619,381
2024	656,578
2025	421,074
2026	511,736

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	5.10%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City and Airport Authority component unit's proportionate shares of the net pension liability calculated using the discount rate of 5.10 percent, as well as what the proportionate shares of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

	1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
City's proportionate share of the net pension liability	\$ 126,895,972	\$ 96,138,322	\$ 70,887,356
Airport Authority's proportionate share of the net pension liability	\$ 3,926,749	\$ 2,974,965	\$ 2,193,583

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NDPERS Law Enforcement Retirement System

The following brief description of the Law Enforcement System is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

The Law Enforcement System is a cost-sharing multiple-employer defined benefit pension plan that covers peace officers and correctional officers employed by participating political subdivisions. Effective August 1, 2015, the plan will include National Guard Security Officers and Firefighters. The Law Enforcement System provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System 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 (55) with three or more years of service. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members first enrolled in the plan after December 31, 2019 the multiplier was reduced from 2.0% to 1.75%. The plan permits early retirement at ages 50-55 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, 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.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service in the Law Enforcement System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Law Enforcement System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERs in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Contribution rates for the Law Enforcement System are established as follows:

<u>Plan</u>	<u>Member Contribution Rate</u>	<u>Employer Contribution Rate</u>
Law Enforcement with previous service		
Political subdivisions	5.50%	9.81%
State	6.00%	9.81%
National Guard	5.50%	9.81%
Law enforcement without previous service	5.50%	7.93%

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

1 to 12 months of service	Greater of one percent of monthly salary or \$25
13 to 24 months of service	Greater of two percent of monthly salary or \$25
25 to 36 months of service	Greater of three percent of monthly salary or \$25
Longer than 36 months of service	Greater of four percent of monthly salary or \$25

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the Airport Authority component unit reported a liability of \$341,153 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Airport Authority component unit's proportion of the net pension liability was based on the Airport Authority component unit's share of covered payroll/contributions in the Law Enforcement System pension plan relative to the covered payroll/contributions of all participating Law Enforcement System employers. At June 30, 2022 the Airport Authority component unit's proportion was 4.93580 percent.

For the year ended December 31, 2022, the Airport Authority component unit recognized pension expense of \$85,523. At December 31, 2022, the Airport Authority component unit reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,226	\$ 22,851
Changes of assumptions	414,644	230,724
Net difference between projected and actual investment earnings on pension plan investments	40,216	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	25,243	-
Airport Authority contributions subsequent to the measurement date	29,558	-
	<u>\$ 529,887</u>	<u>\$ 253,575</u>

The \$29,558 reported as deferred outflows of resources related to pensions resulting from Airport Authority component unit contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023.

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

2023	\$ 52,692
2024	59,274
2025	37,630
2026	52,483
2027	44,675

Actuarial Assumptions

The total pension liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	5.10%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Airport Authority component unit's proportionate share of the net pension liability calculated using the discount rate of 5.10 percent, as well as what the Airport Authority component unit's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

	1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
Airport Authority's proportionate share of the net pension liability	\$ 541,507	\$ 341,153	\$ 130,688

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

City of Fargo Pension Plan**Plan Description**

The City of Fargo Employees' Pension plan is a cost-sharing multiple employer public employee retirement system. The plan is integrated with social security and therefore, is considered a supplemental plan. All full-time City and Park District employees not covered by another plan are eligible for participation in the Employees' Pension Plan. As of January 1, 2008, all newly hired employees 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 December 31, 2021 (date of most recent actuarial study) is as follows:

Retirees and beneficiaries currently receiving pension payments	260
Terminated vested	63
Active plan members	216

Employees under a discounted annuity formula 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 65 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 and 65 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.

Plan Administration

Management of the plan consists of 8 members; the Mayor, City Attorney, City Auditor, Director of Finance, and 4 at large members elected by all plan members. Elected members serve 2-year terms.

Contributions

Participating employees contribute to the plan at a rate of 6.5% of salary and the employers contribute at a rate of 8.0% of regular salary for all employees. The contribution rates are established by local ordinance, and the employer's 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.

Actuarial Methods and Assumptions

The City's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions.

Discount rate	7.00%
Expected return on plan assets	7.00%
Inflation rate	2.50%
Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Mortality	PubG-2010 General mortality tables with generational projection using scale MP-2021

Long-term Expected Investment Return

The long-term expected rate of return on pension plan investments was selected by the City. This assumption is based on the Plan's current investment policy and forward-looking capital market assumptions provided by the Plan's investment advisor. It uses a building-block method in which best-estimates of expected future "real" rates of return (expected returns net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio's long-term expected real rate of return. Expected inflation (2.50%) is added to the portfolio real rate of return to determine the portfolio nominal rate of return.

The best-estimates of expected future asset class returns were provided by the Plan's investment advisor. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

The table below summarizes the assumed nominal rates of return for each major asset class included in the pension plan's target asset allocation as of the measurement date.

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return
Domestic equity	42.00%	7.60%
International equity	16.00%	7.30%
Emerging markets equity	7.00%	7.70%
Core fixed income	17.50%	3.90%
Investment grade corporate	8.75%	4.40%
High yield	4.38%	5.00%
Emerging markets debt	4.38%	4.90%
Totals	100.00%	

Schedule of Changes in Net Pension Liability (Asset)

The following chart summarize the changes in the key items during the year:

	Increase (Decrease)			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	City of Fargo Proportionate Share
Balances at January 1, 2022	\$ 63,025,289	\$ 67,175,679	\$ (4,150,390)	\$ (3,684,301)
Changes from the Prior Year				
Service cost	439,416	-	439,416	389,894
Interest cost	4,289,214	-	4,289,214	3,805,820
Contributions - employer	-	1,505,941	(1,505,941)	(1,334,563)
Contributions - employee	-	311,597	(311,597)	(276,480)
Net investment income	-	(11,645,771)	11,645,771	10,333,293
Other additions	-	37,077	(37,077)	(32,898)
Benefit payments	(4,380,452)	(4,380,452)	-	-
Administrative expense	-	(66,376)	66,376	58,895
Net Changes	348,178	(14,237,984)	14,586,162	12,943,961
Balances at December 31, 2022	\$ 63,373,467	\$ 52,937,695	\$ 10,435,772	\$ 9,259,660

The following presents the net pension liability of the City calculated using a discount rate of 7.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan net pension liability	\$ 16,603,077	\$ 10,435,772	\$ 5,127,463
City's proportionate share of the net pension liability	\$ 14,731,910	\$ 9,259,660	\$ 4,549,598

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of \$1,514,110. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 20,407
Changes of assumptions	621,575	91,303
Net difference between projected and actual earnings on pension plan investments	6,825,743	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	126,087	173,656
Total	<u>\$ 7,573,405</u>	<u>\$ 285,366</u>

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

Year Ended December 31,	Pension Expense
2023	\$ 616,199
2024	1,573,425
2025	2,209,736
2026	2,888,679

Reserves

The plan fiduciary net position at December 31, 2022, is \$52,937,695 and the entire amount is reserved for employee pension benefits.

The City 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.

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 in the plan on December 31, 2021, (date of most recent actuarial study) is as follows:

Retirees and beneficiaries currently receiving	
pension payments	120
Fully vested members contributing	83
Non vested members contributing	117
Terminated vested employees	15

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 participant's 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.

Plan Administration

Management of the plan consists of 5 members; the Director of Finance is the member designated by the Board of City Commissioners and 4 members are elected by and from the members of the police department who are currently being assessed. Elected members serve 4-year terms.

Contributions

Employees contribute at a rate of 10.0% of salary. The City contributes at a rate of 15.65% of salary for members employed prior to April 1, 1986, and a rate of 14.20% 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.

Actuarial Methods and Assumptions

The City's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021.

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions.

Discount rate	7.00%
Expected return on plan assets	7.00%
Payroll growth rate	2.75%
Inflation rate	2.50%
Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Mortality	PubS-2010 Safety mortality tables with generational projection using scale MP-2021

Long-term Expected Investment Return

The long-term expected rate of return on pension plan investments was selected by the City. This assumption is based on the Plan's current investment policy and forward-looking capital market assumptions provided by the Plan's investment advisor. It uses a building-block method in which best-estimates of expected future "real" rates of return (expected returns net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio's long-term expected real rate of return. Expected inflation (2.50%) is added to the portfolio real rate of return to determine the portfolio nominal rate of return.

The best-estimates of expected future asset class returns were provided by the Plan's investment advisor. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

The table below summarizes the assumed nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date, with adjustment for the Plan's inflation assumption.

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return
Domestic equity - large cap	42.00%	6.74%
Domestic equity - small/mid cap	13.00%	6.98%
International equity - developed	7.00%	6.69%
International equity - emerging market	4.00%	7.55%
Core fixed income	14.00%	3.89%
High yield fixed income	19.00%	5.64%
Cash	1.00%	2.80%
Totals	100.00%	

Schedule of Changes in Net Pension Liability

The following chart summarize the changes in the key items during the year:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at January 1, 2022	\$ 95,682,190	\$ 87,242,957	\$ 8,439,233
Changes from the Prior Year			
Service cost	2,570,081	-	2,570,081
Interest cost	6,692,543	-	6,692,543
Contributions - employer	-	2,537,994	(2,537,994)
Contributions - employee	-	1,461,913	(1,461,913)
Net investment income	-	(10,359,545)	10,359,545
Benefit payments	(5,289,029)	(5,289,029)	-
Administrative expense	-	(50,259)	50,259
Net Changes	3,973,595	(11,698,926)	15,672,521
Balances at December 31, 2022	<u>\$ 99,655,785</u>	<u>\$ 75,544,031</u>	<u>\$ 24,111,754</u>

The following presents the net pension liability of the City calculated using a discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 37,621,229	\$ 24,111,754	\$ 12,967,829

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of \$4,332,425. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 720,506	\$ 153,922
Changes of assumptions	2,500,972	217,805
Net difference between projected and actual earnings on pension plan		
pension plan	<u>8,323,019</u>	<u>-</u>
Total	<u><u>\$ 11,544,497</u></u>	<u><u>\$ 371,727</u></u>

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

Year Ended December 31,	Pension Expense
2023	\$ 809,731
2024	2,412,962
2025	3,639,158
2026	3,950,968
2027	359,951

Reserves

The plan fiduciary net position at December 31, 2022, is \$75,544,031 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 required to enroll in the plan.

Membership on December 31, 2021, (date of most recent actuarial study) in the plan is as follows:

Active plan members	119
Deferred vested	8
Retirees, disabled, and beneficiaries	89

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.

Plan Administration

Management of the plan consists of a 7 member Board of Trustees, with a President, Vice-President, Secretary-Treasurer, and four (4) Trustees-at-large. One of the Trustees can be the Chief of the Fargo Fire Department. At each annual meeting of the Association, Trustees shall be elected by the voting membership for a term of two (2) years each to succeed those Trustees whose terms are expiring.

Contributions

Participating employees contribute to the plan at a rate of 10.4% of salary and the City contributes at a rate of 15.65% for pre-1986 employees and 14.20% 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.

Actuarial Methods and Assumptions

The City's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions.

Discount rate	7.00%
Expected return on plan assets	7.00%
Payroll growth rate	3.50%
Inflation rate	2.50%
Actuarial cost method	Entry age normal
Asset valuation method	Fair value of assets
Mortality	PubS-2010 Safety mortality tables with generational projection using scale MP-2021

Long-term Expected Investment Return

The long-term expected rate of return on pension plan investments was selected by the City. This assumption is based on the Plan's current investment policy and forward-looking capital market assumptions provided by the Plan's investment advisor. It uses a building-block method in which best-estimates of expected future "real" rates of return (expected returns net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio's long-term expected real rate of return. Expected inflation (2.50%) is added to the portfolio real rate of return to determine the portfolio nominal rate of return.

The best-estimates of expected future asset class returns were provided by the Plan's investment advisor. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

The table below summarizes the assumed nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date, with adjustment for the Plan's inflation assumption.

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return
Domestic equity - large cap	42.00%	6.74%
Domestic equity - small/mid cap	13.00%	6.98%
International equity - developed	7.00%	6.69%
International equity - emerging market	4.00%	7.55%
Core fixed income	14.00%	3.89%
High yield fixed income	19.00%	5.64%
Cash	1.00%	2.80%
Totals	100.00%	

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.

Schedule of Changes in Net Pension Liability

The following chart summarize the changes in the key items during the year:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at January 1, 2022	\$ 64,109,518	\$ 49,495,982	\$ 14,613,536
Changes from the Prior Year			
Service cost	1,582,364	-	1,582,364
Interest cost	4,494,874	-	4,494,874
Contributions - employer	-	2,447,627	(2,447,627)
Contributions - employee	-	1,020,779	(1,020,779)
Net investment income	-	(5,935,182)	5,935,182
Benefit payments	(2,958,782)	(2,958,782)	-
Administrative expense	-	(50,391)	50,391
Net Changes	3,118,456	(5,475,949)	8,594,405
Balances at December 31, 2022	<u>\$ 67,227,974</u>	<u>\$ 44,020,033</u>	<u>\$ 23,207,941</u>

The following presents the net pension liability of the City calculated using a discount rate of 7.00%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City's proportionate share of the net pension liability	\$ 32,346,915	\$ 23,207,941	\$ 15,648,321

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2022, the City recognized pension expense of \$3,872,170. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,937,460	\$ -
Changes of assumptions	2,245,827	112,070
Net difference between projected and actual earnings on pension plan investments	<u>4,978,392</u>	<u>-</u>
Total	<u><u>\$ 9,161,679</u></u>	<u><u>\$ 112,070</u></u>

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

Year Ended December 31,	Pension Expense
2023	\$ 1,394,150
2024	2,149,115
2025	2,614,354
2026	2,595,435
2027	296,555

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.

Note 12 - Interfund Activity

Interfund receivables/payables are used when a fund has a cash deficit, as well as for other short-term amounts owed between funds.

Due to:	Due from:					Total
	Capital Projects Fund	Nonmajor Governmental Funds	Water Reclamation Fund	Solid Waste Fund	Nonmajor Enterprise Funds	
General Fund	\$ -	\$ 227,741	\$ -	\$ -	\$ -	\$ 227,741
Debt Service Fund	30,666,841	-	-	-	-	30,666,841
Nonmajor Governmental Fund	-	74,930	-	-	-	74,930
Water Fund	-	-	1,152,850	-	151,971	1,304,821
Storm Sewer Fund	-	-	-	1,355,173	197,880	1,553,053
	<u>\$ 30,666,841</u>	<u>\$ 302,671</u>	<u>\$ 1,152,850</u>	<u>\$ 1,355,173</u>	<u>\$ 349,851</u>	<u>\$ 33,827,386</u>

Interfund advances are used to account for long-term advances between funds. A summary of the City's interfund advances is as follows:

	Original Amount	Amount Repaid	Balance at December 31, 2022
Advanced by General Fund			
To Debt Service Fund			
Cash advance	<u>\$ 2,166,973</u>	<u>\$ -</u>	<u>\$ 2,166,973</u>
Advanced by Capital Projects Fund			
To Debt Service Fund			
Cash advance	<u>8,000,000</u>	<u>-</u>	<u>8,000,000</u>
Advanced by Water Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	390,000	149,069	240,931
Border States Facility Equipment	550,000	155,657	394,343
Border States Facility Building	<u>872,524</u>	<u>113,394</u>	<u>759,130</u>
Total Water Fund advances	<u>1,812,524</u>	<u>418,120</u>	<u>1,394,404</u>
Advanced by Water Reclamation Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	390,000	149,070	240,930
Border States Facility Building	<u>1,422,524</u>	<u>184,854</u>	<u>1,237,670</u>
Total Water Reclamation Fund advances	<u>1,812,524</u>	<u>333,924</u>	<u>1,478,600</u>
	<u>\$ 13,792,021</u>	<u>\$ 752,044</u>	<u>\$ 13,039,977</u>

The Debt Service advance from the General Fund will be repaid in 2023 through property tax revenues.

The Debt Service advance from the Capital Projects Fund will be repaid in 2023 upon completion of the construction project.

The Solid Waste equipment advance will be repaid to the Water Reclamation fund over a five-year period with future utility rate revenue.

The Civic Center HVAC retrofit advance will be repaid to the Water and Water Reclamation funds over a five-year period with future general fund budget appropriations transfers.

The Border States facility acquisition will be repaid to the Water and Water Reclamation funds over a twenty-year period with future general fund budget appropriation transfers.

Interfund Transfers

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.

The following interfund transfers occurred during the year ended December 31, 2022:

	Transfer in				
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Water Fund
Transfer out					
General Fund	\$ -	\$ 2,397,989	\$ 831,040	\$ 88,401	\$ -
Debt Service Fund	-	-	11,001,633	102,110	-
Capital Projects Fund	23,395	2,352	-	180,260	-
Nonmajor Governmental Fund	2,500,000	939,530	2,000,000	400,000	667,840
Water Fund	2,577,315	-	2,556,365	-	946,560
Water Reclamation Fund	1,490,771	-	3,287,784	-	-
Storm Sewer Fund	464,027	-	1,983,873	-	-
Solid Waste Fund	2,681,150	-	552,430	-	-
FargoDome Fund	50,000	-	-	-	-
Nonmajor Enterprise Funds	1,499,209	-	326,768	-	-
Total	<u>\$ 11,285,867</u>	<u>\$ 3,339,871</u>	<u>\$ 22,539,893</u>	<u>\$ 770,771</u>	<u>\$ 1,614,400</u>

	Transfer in			Total
	Water Reclamation Fund	Solid Waste Fund	Nonmajor Enterprise Funds	
Transfer out				
General Fund	\$ 51,060	\$ -	\$ -	\$ 3,368,490
Debt Service Fund	-	-	-	11,103,743
Capital Projects Fund	-	-	-	206,007
Nonmajor Governmental Fund	-	-	-	6,507,370
Water Fund	-	-	-	6,080,240
Water Reclamation Fund	-	-	-	4,778,555
Storm Sewer Fund	-	-	-	2,447,900
Solid Waste Fund	-	-	-	3,233,580
FargoDome Fund	-	-	-	50,000
Nonmajor Enterprise Funds	-	206,100	300,000	2,332,077
Total	<u>\$ 51,060</u>	<u>\$ 206,100</u>	<u>\$ 300,000</u>	<u>\$ 40,107,962</u>

Transfers from the general fund were made to fund debt service payments and to fund certain projects of the special revenue and capital projects funds.

Transfers from the debt service fund consist of excess sales tax proceeds allocated to fund various capital projects.

Transfers from the nonmajor governmental funds were made to fund debt service payments and to allocate ARPA funding to funds experiencing COVID-19 related revenue loss.

Transfers from the enterprise funds primarily relate to funding capital projects and subsidizing operations of the general fund per approved budgets.

Note 13 - Fund Balances

The City classified fund balances within the governmental funds as follows at December 31, 2022:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Inventory	\$ 975,865	\$ -	\$ -	\$ -	\$ 975,865
Prepaid items	1,901,334	-	3,868	79,920	1,985,122
Total nonspendable	2,877,199	-	3,868	79,920	2,960,987
Restricted					
City share of specials	-	-	-	105,370	105,370
Community development	-	-	-	8	8
Convention and visitors bureau	-	-	-	38,511	38,511
Court forfeits	-	-	-	293,913	293,913
Debt service	-	94,789,614	-	-	94,789,614
Downtown business improvement district	-	-	-	162,366	162,366
Fire	393,160	-	-	-	393,160
Health	2,029,066	-	-	-	2,029,066
Highway and streets	1,150,394	-	-	-	1,150,394
Noxious weeds	-	-	-	68,722	68,722
NRI loan program	-	-	-	167,768	167,768
Opioid abatement	-	-	-	173,351	173,351
Parking authority	-	-	-	2,683,569	2,683,569
Parking repair and replacement	-	-	-	278,910	278,910
Police	129,960	-	-	-	129,960
Regional training center	-	-	-	307,954	307,954
Skyway maintenance	-	-	-	80,410	80,410
SWAT	-	-	-	16,214	16,214
Total restricted	3,702,580	94,789,614	-	4,377,066	102,869,260
Committed					
Revenue stabilization	1,000,015	-	-	-	1,000,015
Assigned					
2023 budget	181,794	-	-	-	181,794
Unassigned	21,955,906	-	(22,669,048)	(265,164)	(978,306)
Total Fund Balances	\$ 29,717,494	\$ 94,789,614	\$ (22,665,180)	\$ 4,191,822	\$ 106,033,750

Note 14 - Adjustment of Beginning Net Position

Change in Reporting Entity

As of January 1, 2022, the Municipal Airport Authority of the City of Fargo is performing all operational functions of the entity. Prior to that date and through December 31, 2021, the City was providing the majority of these functions and operated them in the same manner it operated its own programs and departments. Due to this the City is changing the reporting of the Municipal Airport Authority of the City of Fargo from a blended component unit reported as an enterprise fund, to a discretely presented component unit of the City as of January 1, 2022. This constitutes a change in reporting entity and the effects of the restatement on net position as previously reported are as follows:

	Business-Type Activities	Discretely Presented Component Unit	Airport Enterprise Fund
Net Position at December 31, 2021, as previously reported	\$ 899,503,475	\$ -	\$ 156,749,315
Reclassification of Municipal Airport Authority of the City of Fargo	(156,749,315)	156,749,315	(156,749,315)
Net Position at January 1, 2022, as adjusted	<u>\$ 742,754,160</u>	<u>\$ 156,749,315</u>	<u>\$ -</u>

Adoption of New Standard

As of January 1, 2022, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. Beginning net position was restated to retroactively adopt the provisions of GASB Statement No. 87 as follows:

	Governmental Activities	Business-Type Activities
Net Position at December 31, 2021, as previously reported and after the adjustment for the change in reporting entity for the business-type activities	\$ 446,364,483	\$ 742,754,160
Recognition of right to use leased asset	11,915,538	64,642
Recognition of lease receivables	578,022	21,115
Recognition of lease liability	(11,915,538)	(64,642)
Recognition of deferred inflows from leases	(578,022)	(21,115)
Net Position at January 1, 2022, as adjusted	<u>\$ 446,364,483</u>	<u>\$ 742,754,160</u>

Note 15 - 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 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 the primary property insurance carrier. The City's general liability coverage is provided by the North Dakota Insurance Reserve Fund. Other commercial insurance is also purchased for boiler, specialty equipment floaters, aircraft liability coverage and flood coverage for certain locations required by FEMA. 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.

Note 16 - Conduit Debt

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, 2022, there are seven of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is \$144,330,000. Neither the State of North Dakota nor the City of Fargo has 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.

Note 17 - Joint Power Agreement with other Governmental Entities**Red River Regional Dispatch Center (RRRDC)**

In 2008, the City entered into a joint powers agreement with the City of Fargo, North Dakota, City of Moorhead, Minnesota, Clay County of Minnesota, and Cass County of North Dakota, to establish a framework that allows for the joint operation of dispatch functions by the named entities. 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.

Effective January 1, 2015 the joint powers agreement was amended as a result of the countywide vote in November 2014, which ended the City of West Fargo and City of Fargo collections of emergency communication system fees on an individual city-wide basis. Cass County emergency fee collection, which is collected per user by the county, is expected to be sufficient to cover the contribution for the City of Fargo, West Fargo and Cass County. Cass County has agreed to pay all valid billings from vendors of emergency service communication system funds for all users in Cass County.

Effective January 1, 2015, the cost share formula was amended as follows:

City of Fargo – 0%
City of Moorhead – 18.2%
Cass County – 71.8%
Clay County – 10%
City of West Fargo – 0%

Members of the RRRDC may elect to withdraw from participation in the Agreement upon giving a six-month written notice. Additional financial information may be obtained by contacting: Attn: Director, Red River Regional Dispatch Center, 300 NP Avenue, Suite 206, Fargo, ND 58102.

Metro Flood Diversion Authority

In June of 2010, the City of Fargo, North Dakota; City of Moorhead, Minnesota; Clay County of Minnesota; Cass County of North Dakota; the Cass County Joint Water Resource District; and the Buffalo Red River Watershed District entered into a joint powers agreement for the purpose of building and operating a flood diversion channel along the Red River of the North to reduce the flood risk of the stakeholder communities and counties. The Diversion Authority and its members worked with the United States Army Corps of Engineers on the FM Metro Flood Risk Management Feasibility Study to develop the flood diversion channel project plan.

In June of 2016, the joint powers agreement was revised to exclude the Buffalo Red River Watershed District.

This joint powers agreement will continue to be in full force and effect until it is terminated upon unanimous approval of the members to this Agreement. Additional information regarding the authority may be obtained by contacting: Flood Diversion Board of Authority, 207 Fourth Street North, Fargo, ND 58102.

Note 18 - Litigation

The City generally follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or determinable in amount. In the opinion of City Counsel and management, such claims against the City not covered by insurance, would not materially affect the financial condition of the City at December 31, 2022.

Note 19 - Commitments and Contingencies

Grants and Grants Receivable

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.

Construction Commitments

As of December 31, 2022, the City had commitments on various construction contracts totaling approximately \$90,600,000.

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 23.1) impact the operation of the landfill.

The City of Fargo operates under a permit through the North Dakota Department of Environmental Quality. This current permit includes Cells 1-25. Cells 1-17 are in an area referred to as the West Landfill, Cells 18-25 are in on adjacent land that was a former landfill and is referred to as the East Landfill. The East Landfill will be reclaimed as it is developed, with existing waste being removed and placed within permit approved and constructed cells. The volume of existing waste in place has been included in the volume of waste in place.

The current landfill site design consists of Cells 1-25 on approximately 174 acres of land. The City has constructed all or portions of 19 cells to date, which vary in surface area from 4 to 10 acres. The cell depths range up to 35' below existing grade, varying based on their footprint location. Final elevations of cells range from 40' to 92' 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 design capacity, final closure can be performed, which involves placement of 4' un-compacted clay-rich soils, in which 4" of yard waste compost is incorporated into the top 12", and 6" of topsoil.

Cells 1 through 14 are presently fully constructed and mostly filled. Cells 15 through 19 are fully constructed and partially filled. Based upon design capacity, the facility is 59.72% full (acres), and based upon present utilization rates; the remaining capacity is estimated at 21.40 years. The estimated liability for landfill closure and post closure care is \$5,824,020 as of December 31, 2022. Per the City's solid waste permit (SW-260), the City is allowed a maximum of 80 acres of open landfill area at any one time and is required to calculate closure cost based on having 80 acres of landfill area to close. 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, 2022. 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 33.1-20-14-02 through 33.1-20-14-07. Because the City is able to meet the financial test, the restriction of cash in a landfill assurance fund is not required.

Metro Flood Diversion Project

The Diversion Project is the first project of the U.S. Army Corps of Engineers to use a public private partnership approach to project delivery. The City of Fargo is one of three non-federal sponsors of the project along with the City of Moorhead (Minnesota) and the Metro Flood Diversion Authority. The Authority is a joint powers entity established by a joint powers agreement between the cities of Fargo and Moorhead, the counties of Clay (Minnesota) and Cass (North Dakota), and the Cass County Joint Water Resource District. Although the Project's status carries with it all of the authority, immunities and limitations of liability associated with such federal authorization and implementation, given the level of the City of Fargo's involvement in the Project, there is a reasonable likelihood that the City will be named as a defendant in one or more claims or lawsuits related to the Project, its design, construction, financing, operations and/or maintenance. To the extent such claims would not be covered by insurance, they would not materially affect the financial condition of the City.

Note 20 - Tax Abatements

Per GASB Statement No. 77, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to tax a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of December 31, 2022, the City of Fargo provided tax abatements in the form of property tax exemptions for certain new residential properties, improvements made to existing commercial and residential buildings, new and expanding businesses, tax increment financing, properties in the Renaissance Zone, and daycare facilities.

The property tax exemption for certain single family, condominium, & townhouse residential properties, N.D.C.C. §57-02-08 (35) & (42), allows for newly constructed homes, excluding land, to be exempt for up to two years, up to a maximum of \$150,000 of the home's value. This is available to homes owned and occupied for the first time as well as unoccupied homes still owned by the builder.

The property tax exemption for improvements made to existing commercial and residential buildings, N.D.C.C. §57-02.2, allows for value added resulting from the improvements made to the property to be exempt from assessment and taxation for up to five years from the date of commencement of making the improvements. This incentive is to encourage the investment of private capital in improvements to buildings, thereby encouraging the production of wealth, improving the volume of employment, enhancing living conditions, and preserving and increasing the property tax base.

The property tax incentive for new or expanding businesses, N.D.C.C. §40-57.1, provides for property tax exemptions as well as payments in lieu of taxes to revenue-producing, primary sector enterprises. This incentive allows for a new or expanding business to be granted a property tax exemption for up to five years or a payment in lieu of tax option for up to twenty years. This is to encourage activities in the public interest by assisting in establishing industrial plants, expanding and retaining existing businesses, and to help promote economic activities within the state and thereby increasing production of wealth and adding to the volume of employment.

Tax increment financing, N.D.C.C. §40-58-20, allows for providing a property tax exemption to provide assistance in a development or urban renewal area for the development of commercial or industrial property or for the elimination and prevention of the development or spread of slums and blight.

The Renaissance Zone property tax exemption, N.D.C.C. §40-63, is for commercial and residential properties located within a renaissance zone and allows for the buildings to be exempt for up to five years. A renaissance zone is a geographic area, proposed by a city, and designated by the State Department of Commerce. This incentive is to encourage the purchase, lease, rehabilitation, or historical preservation or renovation of properties within the zone.

The property tax exemption for daycare facilities, N.D.C.C. §57-02-08(36) may exempt buildings used to provide early childhood services by a corporation, limited liability company, or organization licensed under chapter 50-11.1 or used primarily as an adult day care center. This incentive is to assist and encourage the adequacy of facilities in the community that provide early childhood and adult day care services.

Taxes abated during the year ended December 31, 2022, were as follows:

<u>Tax Abatement Program</u>	<u>Amount</u>
Residential New Construction - School District #1	\$ 166,821
Residential New Construction - School District #6	53,723
Remodeling - Residential - School District #1	36,318
Remodeling - Residential - School District #6	26
Remodeling - Commercial - School District #1	25,671
Remodeling - Commercial - School District #6	5,130
New Industry Exemption & Payment in Lieu - School District #1	590,023
New Industry Exemption & Payment in Lieu - School District #6	263,109
Traditional Tax Increment Financing	208,275
Renaissance Zone - Commercial - School District #1	486,838
Renaissance Zone - Residential - School District #1	62,808
Daycare, Fire Protection - Commercial - School District #1	47,731
Daycare, Fire Protection - Commercial - School District #6	31,134
	<u>\$ 1,977,607</u>

Note 21 - Subsequent Events

On January 23, 2023, the Board of City Commissioners approved a resolution authorizing the issuance of \$52,590,000 Refunding Improvement Bonds, Series 2023A, to finance the construction of infrastructure improvements within various improvement districts. The bonds closed on February 22, 2023.

City of Fargo, North Dakota

This page has been reserved for notes

December 31, 2022

Required Supplementary Information
December 31, 2022

City of Fargo, North Dakota

Schedule of Employer's Share of Net OPEB Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportionate Share (Percentage) of the Net OPEB Liability (Asset)	Employer's Proportionate Share (Amount) of the Net OPEB Liability (Asset)	Employer's Covered Payroll	Employer's Proportionate Share of the Net OPEB Liability as a Percentage of its Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	3.102121%	\$ 3,723,506	\$ 32,026,452	11.63%	56.28%
2021	3.157168%	\$ 1,755,931	\$ 34,421,272	5.10%	76.63%
2020	3.121050%	\$ 2,625,420	\$ 35,579,046	7.38%	63.38%
2019	3.074660%	\$ 2,469,528	\$ 34,308,827	7.20%	71.66%
2018	2.966889%	\$ 2,336,627	\$ 32,464,199	7.20%	61.89%
2017	2.753670%	\$ 2,178,183	\$ 29,790,331	7.31%	59.78%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Schedule of Employer's Contributions
Last 10 Fiscal Years *

Fiscal Year Ending	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 389,799	\$ 394,438	\$ (4,639)	\$ 32,026,452	1.23%
2021	\$ 413,925	\$ 444,411	\$ (30,486)	\$ 34,421,272	1.29%
2020	\$ 417,979	\$ 377,645	\$ 40,334	\$ 35,579,046	1.06%
2019	\$ 399,013	\$ 388,634	\$ 10,379	\$ 34,308,827	1.13%
2018	\$ 380,787	\$ 364,381	\$ 16,406	\$ 32,464,199	1.12%
2017	\$ 346,291	\$ 334,824	\$ 11,467	\$ 29,790,331	1.12%

*GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

Notes to the Schedule of Employer's Share of Net OPEB Liability and Schedule of Employer's Contributions**2022***Changes of benefit terms.*

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions.

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

2021*Changes of benefit terms*

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

2020*Changes of benefit terms*

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

Changes of assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 valuation:

- The investment return assumption was lowered from 7.25% to 6.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

2019

Changes of Benefit Terms

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

Changes of assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.50% to 7.25%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

2018

Changes of Benefit Terms

None

Changes of assumptions

Amounts reported in 2018 reflect actuarial assumption changes effective July 1, 2018 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

City of Fargo, North Dakota

Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions
North Dakota Public Employees Retirement System Pension Plan
December 31, 2022

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2022	3.3381%	\$ 96,138,322	\$ 38,749,407	248.1%	54.5%
6/30/2021	3.3610%	\$ 35,031,450	\$ 38,059,358	92.0%	78.3%
6/30/2020	3.2946%	\$ 103,648,318	\$ 36,343,235	285.2%	48.9%
6/30/2019	3.2941%	\$ 38,609,013	\$ 34,264,052	112.7%	71.7%
6/30/2018	3.1562%	\$ 53,264,757	\$ 32,424,454	164.3%	62.8%
6/30/2017	2.9125%	\$ 46,812,999	\$ 29,731,782	157.5%	70.5%
6/30/2016	2.7426%	\$ 26,729,038	\$ 27,638,652	96.7%	70.5%
6/30/2015	2.6118%	\$ 17,759,740	\$ 23,267,898	76.3%	77.2%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years*

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2022	\$ 3,373,059	\$ 3,373,059	\$ -	\$ 47,374,424	7.12%
12/31/2021	\$ 2,500,163	\$ 2,500,163	\$ -	\$ 35,114,649	7.12%
12/31/2020	\$ 2,693,322	\$ 2,693,322	\$ -	\$ 37,827,556	7.12%
12/31/2019	\$ 2,500,366	\$ 2,500,366	\$ -	\$ 35,117,500	7.12%
12/31/2018	\$ 2,371,434	\$ 2,371,434	\$ -	\$ 33,306,657	7.12%
12/31/2017	\$ 2,189,026	\$ 2,189,026	\$ -	\$ 30,744,747	7.12%
12/31/2016	\$ 2,012,946	\$ 2,012,946	\$ -	\$ 28,271,713	7.12%
12/31/2015	\$ 1,776,751	\$ 1,776,751	\$ -	\$ 24,954,368	7.12%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions**2021***Changes of benefit terms*

The interest rate earned on member contributions decreased from 6.50 percent to 6.00 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

2021*Changes of benefit terms*

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

2020*Changes of benefit terms*

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

Changes of assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.5% to 7.0%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020 valuation
- Mortality table updates were made for the July 1, 2020 valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

2019

Changes of benefit terms

The interest rate earned on member contributions will decrease from 7.25 percent to 7.00 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

Changes of assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.75% to 7.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

2018

Changes of benefit terms

None

Changes of assumptions

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2018 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2017

Changes of benefit terms

None

Changes of assumptions

Amounts reported in 2018 reflect actuarial assumption changes effective July 1, 2017 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2016

Changes of benefit terms

None

Changes of assumptions

Amounts reported in 2017 reflect actuarial assumption changes effective July 1, 2016 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2015

Changes of benefit terms

None

Changes of assumptions

Amounts reported in 2016 reflect actuarial assumption changes effective July 1, 2015 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
City Employees' Pension Plan
December 31, 2022

**Schedule of Changes in Net Pension Liability (Asset)
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 439,416	\$ 533,945	\$ 365,929	\$ 401,832	\$ 432,671	\$ 469,907	\$ 487,463	\$ 529,173	\$ 557,997
Interest	4,289,214	4,296,324	4,245,644	4,191,703	4,113,116	4,019,115	4,000,397	4,014,233	3,646,552
Difference between expected and actual experience	-	(50,217)	-	(333,799)	74,079	409,699	232,443	(297,322)	138,298
Changes of assumption	-	1,529,548	(307,341)	-	(111,771)	(280,032)	(1,434,752)	174,274	3,112,904
Benefit payments, including refunds of member contributions	(4,380,452)	(4,020,015)	(3,526,401)	(3,433,240)	(3,353,355)	(3,216,427)	(2,803,193)	(2,644,555)	(2,404,469)
Net change in total pension liability	348,178	2,289,585	777,831	826,496	1,154,740	1,402,262	482,358	1,775,803	5,051,282
Beginning of year	63,025,289	60,735,704	59,957,873	59,131,377	57,976,637	56,574,375	56,092,017	54,316,214	49,264,932
End of year	<u>\$ 63,373,467</u>	<u>\$ 63,025,289</u>	<u>\$ 60,735,704</u>	<u>\$ 59,957,873</u>	<u>\$ 59,131,377</u>	<u>\$ 57,976,637</u>	<u>\$ 56,574,375</u>	<u>\$ 56,092,017</u>	<u>\$ 54,316,214</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 1,505,941	\$ 2,106,906	\$ 2,355,393	\$ 2,233,282	\$ 2,213,651	\$ 2,035,460	\$ 1,955,478	\$ 1,946,591	\$ 1,782,708
Contributions - employee	311,597	386,154	452,023	450,243	481,258	503,548	564,107	596,282	626,300
Net investment income	(11,645,771)	7,916,223	8,741,227	9,229,281	(2,841,329)	6,769,009	2,590,225	122,865	2,220,334
Benefit payments, including refunds of member contributions	(4,380,452)	(4,020,015)	(3,526,401)	(3,433,240)	(3,353,355)	(3,216,427)	(2,803,193)	(2,644,555)	(2,404,469)
Administrative expense	(66,376)	(48,235)	(52,226)	(56,158)	(50,056)	(55,719)	(50,264)	(43,830)	(48,178)
Other	37,077	1,055	1,055	-	-	6,149	4,209	-	-
Net change in plan fiduciary net position	(14,237,984)	6,342,088	7,971,071	8,423,408	(3,549,831)	6,042,020	2,260,562	(22,647)	2,176,695
Beginning of year	67,175,679	60,833,591	52,862,520	44,439,112	47,988,943	41,946,923	39,686,361	39,709,008	37,532,313
End of year	<u>\$ 52,937,695</u>	<u>\$ 67,175,679</u>	<u>\$ 60,833,591</u>	<u>\$ 52,862,520</u>	<u>\$ 44,439,112</u>	<u>\$ 47,988,943</u>	<u>\$ 41,946,923</u>	<u>\$ 39,686,361</u>	<u>\$ 39,709,008</u>
Net Pension Liability (Asset)	<u>\$ 10,435,772</u>	<u>\$ (4,150,390)</u>	<u>\$ (97,887)</u>	<u>\$ 7,095,353</u>	<u>\$ 14,692,265</u>	<u>\$ 9,987,694</u>	<u>\$ 14,627,452</u>	<u>\$ 16,405,656</u>	<u>\$ 14,607,206</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.53%	106.59%	100.16%	88.17%	75.15%	82.77%	74.14%	70.75%	73.11%
Covered Employee Payroll	\$ 18,914,478	\$ 17,882,104	\$ 19,752,588	\$ 20,322,191	\$ 20,993,347	\$ 21,459,747	\$ 21,788,871	\$ 22,786,760	\$ 23,051,797
Contributions as a Percent of Covered Payroll	7.96%	11.78%	11.92%	10.99%	10.54%	9.49%	8.97%	8.54%	7.73%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	55.17%	-23.21%	-0.50%	34.91%	69.99%	46.54%	67.13%	72.00%	63.37%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

City of Fargo, North Dakota
Schedule of Employer Contributions
City Employees' Pension Plan
December 31, 2022

**Schedule of Employer Contributions
Last 10 Fiscal Years ***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 1,274,016	\$ 2,204,263	\$ 2,204,263	\$ 2,639,134	\$ 1,745,338	\$ 2,262,115	\$ 2,324,774	\$ 1,980,838	\$ 1,596,560
Contributions in relation to the ADC	<u>1,505,941</u>	<u>2,106,906</u>	<u>2,355,393</u>	<u>2,233,282</u>	<u>2,213,651</u>	<u>2,035,460</u>	<u>1,955,478</u>	<u>1,946,591</u>	<u>1,782,708</u>
Contribution deficiency (excess)	<u>\$ (231,925)</u>	<u>\$ 97,357</u>	<u>\$ (151,130)</u>	<u>\$ 405,852</u>	<u>\$ (468,313)</u>	<u>\$ 226,655</u>	<u>\$ 369,296</u>	<u>\$ 34,247</u>	<u>\$ (186,148)</u>

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Fargo, North Dakota

Schedule of Employer's Share of Net Pension Liability (Asset) and Schedule of Employer's Contributions

City Employees' Pension Plan

December 31, 2022

Schedule of Employer's Share of Net Pension Liability
Last 10 Fiscal Years*

Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	Employer's Covered-Payroll (b)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Payroll (a/b)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/2022	88.73%	\$ 9,259,660	\$ 16,791,538	55.14%	83.53%
12/31/2021	88.77%	\$ (3,684,301)	\$ 15,815,811	-23.30%	106.59%
12/31/2020	88.77%	\$ (86,894)	\$ 17,601,166	-0.49%	100.16%
12/31/2019	88.93%	\$ 6,309,897	\$ 17,964,987	35.12%	88.17%
12/31/2018	87.85%	\$ 12,907,155	\$ 18,565,983	69.52%	75.15%
12/31/2017	89.27%	\$ 8,916,014	\$ 19,132,995	46.60%	82.77%
12/31/2016	89.96%	\$ 13,158,856	\$ 19,189,598	68.57%	74.14%
12/31/2015	89.44%	\$ 14,673,219	\$ 20,056,043	73.16%	70.75%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

Schedule of Employer's Contributions
Last 10 Fiscal Years*

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered-Payroll (c)	Contributions as a Percentage of Covered-Payroll (b/c)
12/31/2022	\$ 1,130,488	\$ 1,098,813	\$ 31,675	\$ 16,791,538	6.54%
12/31/2021	\$ 1,956,724	\$ 2,023,398	\$ (66,674)	\$ 15,815,811	12.79%
12/31/2020	\$ 1,956,724	\$ 2,274,111	\$ (317,387)	\$ 17,601,166	12.92%
12/31/2019	\$ 2,346,982	\$ 19,381,785	\$ (17,034,803)	\$ 17,964,987	107.89%
12/31/2018	\$ 1,745,338	\$ 2,012,265	\$ (266,927)	\$ 18,565,983	10.84%
12/31/2017	\$ 2,019,390	\$ 1,809,129	\$ 210,261	\$ 19,132,995	9.46%
12/31/2016	\$ 2,091,367	\$ 1,770,290	\$ 321,077	\$ 19,189,598	9.23%
12/31/2015	\$ 1,771,662	\$ 1,792,333	\$ (20,671)	\$ 20,056,043	8.94%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend in compiled, the City will present information for those years for which information is available.

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2022

**Schedule of Changes in Net Pension Liability
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 2,570,081	\$ 2,392,318	\$ 2,469,074	\$ 2,285,820	\$ 2,188,283	\$ 2,014,929	\$ 1,894,349	\$ 1,655,230	\$ 1,463,698
Interest	6,692,543	6,404,086	6,054,419	5,686,744	5,454,684	5,225,129	4,995,916	4,750,232	4,417,408
Difference between expected and actual experience	-	254,789	-	888,233	(390,727)	23,450	586,409	838,127	519,099
Changes of assumption	-	2,991,523	726,402	-	(179,362)	(284,113)	(568,315)	1,610,242	986,369
Benefit payments, including refunds of member contributions	(5,289,029)	(4,600,860)	(4,099,421)	(3,845,938)	(4,093,222)	(3,879,726)	(3,855,050)	(3,185,308)	(3,095,609)
Net change in total pension liability	3,973,595	7,441,856	5,150,474	5,014,859	2,979,656	3,099,669	3,053,309	5,668,523	4,290,965
Beginning of year	95,682,190	88,240,334	83,089,860	78,075,001	75,095,345	71,995,676	68,942,367	63,273,844	58,982,879
End of year	<u>\$ 99,655,785</u>	<u>\$ 95,682,190</u>	<u>\$ 88,240,334</u>	<u>\$ 83,089,860</u>	<u>\$ 78,075,001</u>	<u>\$ 75,095,345</u>	<u>\$ 71,995,676</u>	<u>\$ 68,942,367</u>	<u>\$ 63,273,844</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 2,537,994	\$ 3,188,248	\$ 3,274,581	\$ 3,107,627	\$ 2,996,110	\$ 2,907,142	\$ 2,599,313	\$ 2,338,069	\$ 2,516,258
Contributions - employee	1,461,913	1,428,983	1,490,856	1,326,151	1,264,771	1,181,265	1,119,749	1,052,344	997,513
Net investment income	(10,359,545)	7,150,085	10,994,087	12,107,073	(2,881,346)	7,898,700	3,264,292	(75,555)	2,636,103
Benefit payments, including refunds of member contributions	(5,289,029)	(4,600,860)	(4,099,421)	(3,845,938)	(4,093,222)	(3,879,726)	(3,855,050)	(3,185,308)	(3,095,609)
Administrative expense	(50,259)	(33,709)	(41,779)	(39,744)	(39,274)	(38,609)	(35,889)	(35,797)	(38,021)
Other	-	-	-	-	-	-	26,185	-	-
Net change in plan fiduciary net position	(11,698,926)	7,132,747	11,618,324	12,655,169	(2,752,961)	8,068,772	3,118,600	93,753	3,016,244
Beginning of year	87,242,957	80,110,210	68,491,886	55,836,717	58,589,678	50,520,906	47,402,306	47,308,553	44,292,309
End of year	<u>\$ 75,544,031</u>	<u>\$ 87,242,957</u>	<u>\$ 80,110,210</u>	<u>\$ 68,491,886</u>	<u>\$ 55,836,717</u>	<u>\$ 58,589,678</u>	<u>\$ 50,520,906</u>	<u>\$ 47,402,306</u>	<u>\$ 47,308,553</u>
Net Pension Liability	<u>\$ 24,111,754</u>	<u>\$ 8,439,233</u>	<u>\$ 8,130,124</u>	<u>\$ 14,597,974</u>	<u>\$ 22,238,284</u>	<u>\$ 16,505,667</u>	<u>\$ 21,474,770</u>	<u>\$ 21,540,061</u>	<u>\$ 15,965,291</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.80%	91.18%	90.79%	82.43%	71.52%	78.02%	70.17%	68.76%	74.77%
Covered Employee Payroll	\$ 15,407,413	\$ 13,295,371	\$ 14,564,739	\$ 13,305,433	\$ 12,669,718	\$ 11,604,167	\$ 10,882,568	\$ 10,312,350	\$ 10,050,543
Contributions as a Percent of Covered Payroll	16.47%	23.98%	22.48%	23.36%	23.65%	25.05%	23.89%	22.67%	25.04%
Net Pension Liability as a Percentage of Covered Payroll	156.49%	63.47%	55.82%	109.71%	175.52%	142.24%	197.33%	208.88%	158.85%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Fargo, North Dakota
Schedule of Employer Contributions
Police Pension Plan
December 31, 2022

**Schedule of Employer Contributions
Last 10 Fiscal Years ***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 2,951,945	\$ 3,481,047	\$ 3,481,047	\$ 3,743,822	\$ 2,987,966	\$ 3,331,157	\$ 3,205,550	\$ 2,422,703	\$ 2,059,933
Contributions in relation to the ADC	<u>2,537,994</u>	<u>3,188,248</u>	<u>3,274,581</u>	<u>3,107,627</u>	<u>2,996,110</u>	<u>2,907,142</u>	<u>2,599,313</u>	<u>2,338,069</u>	<u>2,516,258</u>
Contribution deficiency (excess)	<u>\$ 413,951</u>	<u>\$ 292,799</u>	<u>\$ 206,466</u>	<u>\$ 636,195</u>	<u>\$ (8,144)</u>	<u>\$ 424,015</u>	<u>\$ 606,237</u>	<u>\$ 84,634</u>	<u>\$ (456,325)</u>

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City will present information for those years for which information is available.

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Relief Association Retirement Plan
December 31, 2022

**Schedule of Changes in Net Pension Liability
Last 10 Fiscal Years***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 1,582,364	\$ 1,351,503	\$ 1,226,111	\$ 1,153,327	\$ 1,139,344	\$ 1,065,668	\$ 1,033,817	\$ 942,970	\$ 882,740
Interest	4,494,874	4,198,672	3,911,808	3,713,542	3,552,233	3,285,670	3,107,060	3,020,513	2,656,719
Difference between expected and actual experience	-	1,402,629	-	457,524	244,951	2,074,434	1,380,692	164,724	(114,152)
Changes of assumption	-	2,015,570	1,458,532	-	(46,847)	(133,772)	(537,815)	783,502	3,642,866
Benefit payments, including refunds of member contributions	(2,958,782)	(2,840,147)	(2,690,035)	(2,634,931)	(2,722,482)	(2,655,413)	(2,448,614)	(2,391,530)	(2,164,096)
Net change in total pension liability	3,118,456	6,128,227	3,906,416	2,689,462	2,167,199	3,636,587	2,535,140	2,520,179	4,904,077
Beginning of year	64,109,518	57,981,291	54,074,875	51,385,413	49,218,214	45,581,627	43,046,487	40,526,308	35,622,231
End of year	<u>\$ 67,227,974</u>	<u>\$ 64,109,518</u>	<u>\$ 57,981,291</u>	<u>\$ 54,074,875</u>	<u>\$ 51,385,413</u>	<u>\$ 49,218,214</u>	<u>\$ 45,581,627</u>	<u>\$ 43,046,487</u>	<u>\$ 40,526,308</u>
Plan Fiduciary Net Position									
Contributions - employer	\$ 2,447,627	\$ 2,467,028	\$ 2,625,101	\$ 2,465,168	\$ 2,486,861	\$ 2,139,153	\$ 1,916,012	\$ 1,889,722	\$ 1,661,219
Contributions - employee	1,020,779	922,596	949,539	860,908	825,550	779,473	769,780	744,739	723,023
Net investment income	(5,935,182)	3,728,930	6,208,207	6,921,391	(1,646,760)	4,665,107	1,711,824	(54,881)	1,417,654
Benefit payments, including refunds of member contributions	(2,958,782)	(2,840,147)	(2,690,035)	(2,634,931)	(2,722,482)	(2,655,413)	(2,448,614)	(2,391,530)	(2,164,096)
Administrative expense	(50,391)	(46,448)	(55,492)	(49,233)	(60,285)	(60,855)	(45,295)	(52,707)	(64,290)
Net change in plan fiduciary net position	(5,475,949)	4,231,959	7,037,320	7,563,303	(1,117,116)	4,867,465	1,903,707	135,343	1,573,510
Beginning of year	49,495,982	45,264,023	38,226,703	30,663,400	31,780,516	26,913,051	25,009,344	24,874,001	23,300,491
End of year	<u>\$ 44,020,033</u>	<u>\$ 49,495,982</u>	<u>\$ 45,264,023</u>	<u>\$ 38,226,703</u>	<u>\$ 30,663,400</u>	<u>\$ 31,780,516</u>	<u>\$ 26,913,051</u>	<u>\$ 25,009,344</u>	<u>\$ 24,874,001</u>
Net Pension Liability	<u>\$ 23,207,941</u>	<u>\$ 14,613,536</u>	<u>\$ 12,717,268</u>	<u>\$ 15,848,172</u>	<u>\$ 20,722,013</u>	<u>\$ 17,437,698</u>	<u>\$ 18,668,576</u>	<u>\$ 18,037,143</u>	<u>\$ 15,652,307</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.48%	77.21%	78.07%	70.69%	59.67%	64.57%	59.04%	58.10%	61.38%
Covered Employee Payroll	\$ 9,586,689	\$ 8,869,450	\$ 8,658,216	\$ 8,118,061	\$ 7,966,082	\$ 7,487,808	\$ 7,362,577	\$ 7,129,995	\$ 6,813,000
Contributions as a Percent of Covered Payroll	25.53%	27.81%	30.32%	30.37%	31.22%	28.57%	26.02%	26.50%	24.38%
Net Pension Liability as a Percentage of Covered Payroll	242.09%	164.76%	146.88%	195.22%	260.13%	232.88%	253.56%	252.98%	229.74%

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City of Fargo, North Dakota
Schedule of Employer Contributions
Firefighters' Relief Association Retirement Plan
December 31, 2022

**Schedule of Employer Contributions
Last 10 Fiscal Years ***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 3,050,964	\$ 3,004,925	\$ 3,004,925	\$ 2,934,543	\$ 2,484,690	\$ 2,466,528	\$ 2,312,759	\$ 1,995,062	\$ 1,542,399
Contributions in relation to the ADC	<u>2,447,627</u>	<u>2,467,028</u>	<u>2,625,101</u>	<u>2,465,168</u>	<u>2,486,861</u>	<u>2,139,153</u>	<u>1,916,012</u>	<u>1,889,722</u>	<u>1,661,219</u>
Contribution deficiency (excess)	<u>\$ 603,337</u>	<u>\$ 537,897</u>	<u>\$ 379,824</u>	<u>\$ 469,375</u>	<u>\$ (2,171)</u>	<u>\$ 327,375</u>	<u>\$ 396,747</u>	<u>\$ 105,340</u>	<u>\$ (118,820)</u>

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City of Fargo, North Dakota

This page has been reserved for notes

December 31, 2022

Other Supplementary Information
December 31, 2022

City of Fargo, North Dakota

City of Fargo, North Dakota

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Debt Service Fund
December 31, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 14,453,500	\$ 14,453,500	\$ 17,784,517	\$ 3,331,017
Special assessments	45,126,600	45,126,600	40,444,009	(4,682,591)
Intergovernmental	-	5,182,170	6,297,815	1,115,645
Investment income	369,000	369,000	(1,668,344)	(2,037,344)
Miscellaneous	811,602	811,602	860,408	48,806
Total revenues	<u>60,760,702</u>	<u>65,942,872</u>	<u>63,718,405</u>	<u>(2,224,467)</u>
Expenditures				
Current				
Public works	-	-	18,029	(18,029)
Urban redevelopment	-	-	185,543	(185,543)
Debt service				
Principal	77,762,114	81,715,114	102,936,342	(21,221,228)
Interest and fiscal charges	24,222,463	25,428,038	24,198,596	1,229,442
Total expenditures	<u>101,984,577</u>	<u>107,143,152</u>	<u>127,338,510</u>	<u>(20,195,358)</u>
Deficiency of Revenues under Expenditures	(41,223,875)	(41,200,280)	(63,620,105)	(22,419,825)
Other Financing Sources (Uses)				
Transfers in	3,849,298	3,854,703	3,339,871	(514,832)
Transfers out	(8,327,020)	(8,356,020)	(11,103,743)	(2,747,723)
Bond proceeds	-	-	421,859	421,859
Total other financing sources (uses)	<u>(4,477,722)</u>	<u>(4,501,317)</u>	<u>(7,342,013)</u>	<u>(2,840,696)</u>
Net Change in Fund Balances	<u>\$ (45,701,597)</u>	<u>\$ (45,701,597)</u>	(70,962,118)	<u>\$ (25,260,521)</u>
Fund Balance, Beginning of Year			165,751,732	
Fund Balances, End of Year			<u>\$ 94,789,614</u>	

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The City of Fargo utilizes the following special revenue funds:

City Share of Specials - 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. Resources are derived from property tax revenue.

Noxious Weeds - This fund is used to account for the City's weed eradication programs. Resources are derived from property tax revenue.

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.

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.

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.

SWAT – This fund is used to account for the operations of the Red River Valley SWAT (Special Weapons and Tactics) Team. This program operates on annual contributions from the City of West Fargo, the City of Moorhead, Cass County, Clay County, NDSU, and the City of Fargo.

Skyway Maintenance - This fund is used to account for maintenance of the Fargo skyway system. Resources are derived from special assessment revenue.

Downtown Business Improvement District – This fund is used to account for acquisition and maintenance of the City's Downtown Business Improvement District. Resources are derived from special assessment revenue.

NRI Loan Program - This fund is used to account for revolving loan activity relating to the City's Neighborhood Revitalization Initiative. Resources are derived from both private and public financing.

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 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.

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.

Parking Authority - This fund is used to account for the operations and maintenance of the City owned parking facilities. The City owns and operates nine parking facilities in the Downtown area. Resources are derived from parking fee service charges.

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

COVID-19 Emergency – This fund is used to account for the COVID-19 pandemic emergency costs. Resources are derived from federal, state, and local resources.

American Rescue Plan – This fund is used to account for the American Rescue Plan funding. Resources are derived from the US Department of Treasury.

Baseball Stadium - This fund is used to account for the operations of the baseball stadium located on the NDSU campus. Resources are derived from private suites.

Opioid Abatement - This fund is used to account for the payments derived from the National Settlements with opioid manufacturers. The dollars must be used for the abatement of the opioid epidemic.

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Assets					
Equity in pooled investments	\$ 828,589	\$ 68,722	\$ 24,406	\$ 311,069	\$ 292,189
Receivables (Net of allowance for uncollectibles)					
Taxes	6,230	-	-	-	-
Accounts	-	-	228,274	1,250	1,724
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Leases	-	-	-	-	-
Due from other funds	74,930	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	298	-
Property held for resale	-	-	-	-	-
Total assets	\$ 909,749	\$ 68,722	\$ 252,680	\$ 312,617	\$ 293,913
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ -	\$ 213,696	\$ 4,365	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued payroll	-	-	-	-	-
Special assessments payable	799,933	-	473	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	799,933	-	214,169	4,365	-
Deferred Inflows of Resources					
Unavailable revenue	4,446	-	-	-	-
Lease related	-	-	-	-	-
Total deferred inflows of resources	4,446	-	-	-	-
Fund Balance					
Nonspendable	-	-	-	298	-
Restricted	105,370	68,722	38,511	307,954	293,913
Unassigned	-	-	-	-	-
Total fund balance	105,370	68,722	38,511	308,252	293,913
Total liabilities, deferred inflows of resources, and fund balances	\$ 909,749	\$ 68,722	\$ 252,680	\$ 312,617	\$ 293,913

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	SWAT	Skyway Maintenance	Downtown Business Improvement District	NRI Loan Program	Community Development
Assets					
Equity in pooled investments	\$ 18,163	\$ 53,915	\$ 44,163	\$ 133,345	\$ -
Receivables (Net of allowance for uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special assessments	-	90,966	672,591	-	-
Intergovernmental	-	-	-	-	114,466
Leases	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans	-	-	-	7,000	214,509
Prepaid items	-	1,922	-	-	-
Property held for resale	-	-	-	38,961	-
Total assets	\$ 18,163	\$ 146,803	\$ 716,754	\$ 179,306	\$ 328,975
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ 1,949	\$ 11,247	\$ 39,372	\$ 1,750	\$ 56,452
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	45,363
Accrued payroll	-	-	-	-	2,014
Special assessments payable	-	-	-	2,788	-
Unearned revenue	-	-	-	-	214,509
Total liabilities	1,949	11,247	39,372	4,538	318,338
Deferred Inflows of Resources					
Unavailable revenue	-	53,224	515,016	7,000	10,629
Lease related	-	-	-	-	-
Total deferred inflows of resources	-	53,224	515,016	7,000	10,629
Fund Balance					
Nonspendable	-	1,922	-	-	-
Restricted	16,214	80,410	162,366	167,768	8
Unassigned	-	-	-	-	-
Total fund balance	16,214	82,332	162,366	167,768	8
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,163	\$ 146,803	\$ 716,754	\$ 179,306	\$ 328,975

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	COVID-19 Emergency
Assets					
Equity in pooled investments	\$ -	\$ 56,860	\$ 2,658,982	\$ 426,092	\$ -
Receivables (Net of allowance for uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	205,279	-	-
Special assessments	-	-	8,598	-	-
Intergovernmental	-	7,330	-	-	173,858
Leases	-	-	-	-	-
Due from other funds	-	-	-	-	-
Loans	87,195	1,529,926	-	9,205	-
Prepaid items	-	-	19,545	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 87,195	\$ 1,594,116	\$ 2,892,404	\$ 435,297	\$ 173,858
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ 93,221	\$ 117,102	\$ 139,969	\$ 40,110
Retainage payable	-	-	-	7,213	-
Due to other funds	-	-	-	-	227,741
Accrued payroll	-	560	1,427	-	-
Special assessments payable	-	-	29,994	-	-
Unearned revenue	53,460	805,618	-	-	-
Total liabilities	53,460	899,399	148,523	147,182	267,851
Deferred Inflows of Resources					
Unavailable revenue	33,735	724,308	40,767	9,205	-
Lease related	-	-	-	-	-
Total deferred inflows of resources	33,735	724,308	40,767	9,205	-
Fund Balance (Deficit)					
Nonspendable	-	-	19,545	-	-
Restricted	-	-	2,683,569	278,910	-
Unassigned	-	(29,591)	-	-	(93,993)
Total fund balance (deficit)	-	(29,591)	2,703,114	278,910	(93,993)
Total liabilities, deferred inflows of resources, and fund balances	\$ 87,195	\$ 1,594,116	\$ 2,892,404	\$ 435,297	\$ 173,858

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2022

	American Rescue Plan	Baseball Stadium	Opioid Abatement	Total Nonmajor Special Revenue Funds
Assets				
Equity in pooled investments	\$ 12,299,680	\$ -	\$ 58,303	\$ 17,274,478
Receivables (Net of allowance for uncollectibles)				
Taxes	-	-	-	6,230
Accounts	-	2,627	115,048	554,202
Special assessments	-	-	-	772,155
Intergovernmental	-	-	-	295,654
Leases	-	24,841	-	24,841
Due from other funds	-	-	-	74,930
Loans	-	-	-	1,847,835
Prepaid items	55,249	2,906	-	79,920
Property held for resale	-	-	-	38,961
	<u>\$ 12,354,929</u>	<u>\$ 30,374</u>	<u>\$ 173,351</u>	<u>\$ 20,969,206</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Vouchers payable	\$ 144,902	\$ 1,042	\$ -	\$ 865,177
Retainage payable	30,469	-	-	37,682
Due to other funds	-	29,567	-	302,671
Accrued payroll	-	-	-	4,001
Special assessments payable	-	3,133	-	836,321
Unearned revenue	12,179,558	-	-	13,253,145
	<u>12,354,929</u>	<u>33,742</u>	<u>-</u>	<u>15,298,997</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	1,398,330
Lease related	-	80,057	-	80,057
	<u>-</u>	<u>80,057</u>	<u>-</u>	<u>1,478,387</u>
Fund Balance (Deficit)				
Nonspendable	55,249	2,906	-	79,920
Restricted	-	-	173,351	4,377,066
Unassigned	(55,249)	(86,331)	-	(265,164)
	<u>-</u>	<u>(83,425)</u>	<u>173,351</u>	<u>4,191,822</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,354,929</u>	<u>\$ 30,374</u>	<u>\$ 173,351</u>	<u>\$ 20,969,206</u>

City of Fargo, North Dakota
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Revenues					
Taxes	\$ 695,514	\$ 62,835	\$ 2,858,716	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	40,999	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	429,754
Investment income	-	-	-	-	-
Miscellaneous	1,818	-	-	26,405	7,513
Total revenues	697,332	62,835	2,858,716	67,404	437,267
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	58,218	231,209
Public works	801,837	-	-	-	-
Public health and welfare	-	15,982	-	-	-
Recreation and culture	-	-	2,878,450	-	-
Urban redevelopment	-	-	-	-	-
Public transportation	-	-	-	-	-
Capital outlay	-	-	-	62,493	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	801,837	15,982	2,878,450	120,711	231,209
Excess (Deficiency) of Revenues Over (Under) Expenditures	(104,505)	46,853	(19,734)	(53,307)	206,058
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Lease proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net Change in Fund Balances	(104,505)	46,853	(19,734)	(53,307)	206,058
Fund Balance, Beginning of Year	209,875	21,869	58,245	361,559	87,855
Fund Balances, End of Year	\$ 105,370	\$ 68,722	\$ 38,511	\$ 308,252	\$ 293,913

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	SWAT	Skyway Maintenance	Downtown Business Improvement District	NRI Loan Program	Community Development
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	92,274	581,421	-	-
Intergovernmental	51,673	-	-	-	777,161
Charges for services	-	-	-	6,000	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	4,916	12,180	-	-	16,070
Total revenues	56,589	104,454	581,421	6,000	793,231
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	102,737	-	-	-	-
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	683
Recreation and culture	-	120,863	658,928	-	-
Urban redevelopment	-	-	-	9,340	790,017
Public transportation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	102,737	120,863	658,928	9,340	790,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(46,148)	(16,409)	(77,507)	(3,340)	2,531
Other Financing Sources (Uses)					
Transfers in	45,401	-	43,000	-	-
Transfers out	-	-	-	-	-
Lease proceeds	-	-	-	-	-
Total other financing sources (uses)	45,401	-	43,000	-	-
Net Change in Fund Balances	(747)	(16,409)	(34,507)	(3,340)	2,531
Fund Balance, Beginning of Year	16,961	98,741	196,873	171,108	(2,523)
Fund Balances, End of Year	\$ 16,214	\$ 82,332	\$ 162,366	\$ 167,768	\$ 8

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	COVID-19 Emergency
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	450,325	-	-	1,685,034
Charges for services	-	-	1,981,688	-	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	64,665	4,062	-	-
Total revenues	-	514,990	1,985,750	-	1,685,034
Expenditures					
Current					
General government	-	-	-	-	(619,650)
Public safety	-	-	-	-	-
Public works	-	-	-	-	(632,238)
Public health and welfare	-	-	-	-	1,666,009
Recreation and culture	-	-	-	-	-
Urban redevelopment	-	625,322	-	-	-
Public transportation	-	-	1,165,551	189,180	-
Capital outlay	-	-	192,500	-	1,251,888
Debt service					
Principal	-	-	1,359	-	-
Interest and fiscal charges	-	-	1,894	-	-
Total expenditures	-	625,322	1,361,304	189,180	1,666,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(110,332)	624,446	(189,180)	19,025
Other Financing Sources (Uses)					
Transfers in	-	-	76,844	605,526	-
Transfers out	-	-	(1,339,530)	-	-
Lease proceeds	-	-	192,500	-	-
Total other financing sources (uses)	-	-	(1,070,186)	605,526	-
Net Change in Fund Balances	-	(110,332)	(445,740)	416,346	19,025
Fund Balance, Beginning of Year	-	80,741	3,148,854	(137,436)	(113,018)
Fund Balances, End of Year	\$ -	\$ (29,591)	\$ 2,703,114	\$ 278,910	\$ (93,993)

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2022

	American Rescue Plan	Baseball Stadium	Opioid Abatement	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 3,617,065
Special assessments	-	-	-	673,695
Intergovernmental	7,656,237	-	-	10,661,429
Charges for services	-	57,500	-	2,045,188
Fines and forfeits	-	-	-	429,754
Investment income	-	328	-	328
Miscellaneous	-	86,956	173,351	397,936
Total revenues	7,656,237	144,784	173,351	17,825,395
Expenditures				
Current				
General government	1,819,648	-	-	1,199,998
Public safety	-	-	-	392,164
Public works	648,253	-	-	817,852
Public health and welfare	20,496	-	-	1,703,170
Recreation and culture	-	218,553	-	3,876,794
Urban redevelopment	-	-	-	1,424,679
Public transportation	-	-	-	1,354,731
Capital outlay	-	-	-	1,506,881
Debt service				
Principal	-	-	-	1,359
Interest and fiscal charges	-	-	-	1,894
Total expenditures	2,488,397	218,553	-	12,279,522
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,167,840	(73,769)	173,351	5,545,873
Other Financing Sources (Uses)				
Transfers in	-	-	-	770,771
Transfers out	(5,167,840)	-	-	(6,507,370)
Lease proceeds	-	-	-	192,500
Total other financing sources (uses)	(5,167,840)	-	-	(5,544,099)
Net Change in Fund Balances	-	(73,769)	173,351	1,774
Fund Balance, Beginning of Year	-	(9,656)	-	4,190,048
Fund Balances, End of Year	\$ -	\$ (83,425)	\$ 173,351	\$ 4,191,822

City of Fargo, North Dakota

Combining Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	City Share of Specials				Noxious Weed			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ 697,000	\$ 697,000	\$ 695,514	\$ (1,486)	\$ 63,000	\$ 63,000	\$ 62,835	\$ (165)
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	1,818	1,818	-	-	-	-
Total revenues	<u>697,000</u>	<u>697,000</u>	<u>697,332</u>	<u>332</u>	<u>63,000</u>	<u>63,000</u>	<u>62,835</u>	<u>(165)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	679,000	695,400	801,837	(106,437)	-	-	-	-
Public health and welfare	-	-	-	-	46,750	46,750	15,982	30,768
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>679,000</u>	<u>695,400</u>	<u>801,837</u>	<u>(106,437)</u>	<u>46,750</u>	<u>46,750</u>	<u>15,982</u>	<u>30,768</u>
Excess (Deficiency) of Revenues over (under) Expenditures	18,000	1,600	(104,505)	(106,105)	16,250	16,250	46,853	30,603
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 18,000</u>	<u>\$ 1,600</u>	<u>(104,505)</u>	<u>\$ (106,105)</u>	<u>\$ 16,250</u>	<u>\$ 16,250</u>	<u>46,853</u>	<u>\$ 30,603</u>
Fund Balance, Beginning of Year			209,875				21,869	
Fund Balances, End of Year			<u>\$ 105,370</u>				<u>\$ 68,722</u>	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Convention and Visitors Bureau				Regional Training Center			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ 1,881,984	\$ 1,881,984	\$ 2,858,716	\$ 976,732	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	40,999	40,999	40,999	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	25,456	25,456	26,405	949
Total revenues	<u>1,881,984</u>	<u>1,881,984</u>	<u>2,858,716</u>	<u>976,732</u>	<u>66,455</u>	<u>66,455</u>	<u>67,404</u>	<u>949</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	100,000	100,000	58,218	41,782
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	1,881,984	1,881,984	2,878,450	(996,466)	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	62,493	(62,493)
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>1,881,984</u>	<u>1,881,984</u>	<u>2,878,450</u>	<u>(996,466)</u>	<u>100,000</u>	<u>100,000</u>	<u>120,711</u>	<u>(20,711)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	(19,734)	(19,734)	(33,545)	(33,545)	(53,307)	(19,762)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	33,545	33,545	-	(33,545)
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,545</u>	<u>33,545</u>	<u>-</u>	<u>(33,545)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(19,734)</u>	<u>\$ (19,734)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(53,307)</u>	<u>\$ (53,307)</u>
Fund Balance, Beginning of Year			58,245				361,559	
Fund Balances, End of Year			<u>\$ 38,511</u>				<u>\$ 308,252</u>	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Court Forfeits				SWAT			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	46,133	46,133	51,673	5,540
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	304,000	429,754	125,754	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	7,513	7,513	-	-	4,916	4,916
Total revenues	100,000	304,000	437,267	133,267	46,133	46,133	56,589	10,456
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	100,000	60,000	231,209	(171,209)	127,247	91,535	102,737	(11,202)
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	100,000	60,000	231,209	(171,209)	127,247	91,535	102,737	(11,202)
Excess (Deficiency) of Revenues over (under) Expenditures	-	244,000	206,058	(37,942)	(81,114)	(45,402)	(46,148)	(746)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	50,000	50,000	45,401	(4,599)
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	50,000	50,000	45,401	(4,599)
Net Change in Fund Balances	\$ -	\$ 244,000	206,058	\$ (37,942)	\$ (31,114)	\$ 4,598	(747)	\$ (5,345)
Fund Balance, Beginning of Year			87,855				16,961	
Fund Balances, End of Year			\$ 293,913				\$ 16,214	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Skyway Maintenance				Downtown Business Improvement District			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	120,000	120,000	92,274	(27,726)	535,000	535,000	581,421	46,421
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	12,180	12,180	-	-	-	-
Total revenues	120,000	120,000	104,454	(15,546)	535,000	535,000	581,421	46,421
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	166,000	94,000	120,863	(26,863)	535,000	535,000	658,928	(123,928)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	166,000	94,000	120,863	(26,863)	535,000	535,000	658,928	(123,928)
Excess (Deficiency) of Revenues over (under) Expenditures	(46,000)	26,000	(16,409)	(42,409)	-	-	(77,507)	(77,507)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	43,000	43,000	43,000	-
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	43,000	43,000	43,000	-
Net Change in Fund Balances	\$ (46,000)	\$ 26,000	(16,409)	\$ (42,409)	\$ 43,000	\$ 43,000	(34,507)	\$ (77,507)
Fund Balance, Beginning of Year			98,741				196,873	
Fund Balances, End of Year			\$ 82,332				\$ 162,366	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	NRI Loan Program				Community Development			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	773,298	773,298	777,161	3,863
Charges for services	3,000	3,000	6,000	3,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	2,500	2,500	-	(2,500)	100	100	-	(100)
Miscellaneous	36,000	36,000	-	(36,000)	6,900	6,900	16,070	9,170
Total revenues	41,500	41,500	6,000	(35,500)	780,298	780,298	793,231	12,933
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	683	(683)
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	8,650	8,650	9,340	(690)	858,923	858,923	790,017	68,906
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	8,650	8,650	9,340	(690)	858,923	858,923	790,700	68,223
Excess (Deficiency) of Revenues over (under) Expenditures	32,850	32,850	(3,340)	(36,190)	(78,625)	(78,625)	2,531	81,156
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 32,850	\$ 32,850	(3,340)	\$ (36,190)	\$ (78,625)	\$ (78,625)	2,531	\$ 81,156
Fund Balance, Beginning of Year			171,108				(2,523)	
Fund Balances, End of Year			\$ 167,768				\$ 8	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2022

	HUD Home Program				HUD Home Participating Jurisdiction			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	1,300,000	1,300,000	-	(1,300,000)	468,708	468,708	450,325	(18,383)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	1,000	1,000	-	(1,000)
Miscellaneous	10,000	10,000	-	(10,000)	100,000	100,000	64,665	(35,335)
Total revenues	1,310,000	1,310,000	-	(1,310,000)	569,708	569,708	514,990	(54,718)
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	1,300,000	1,300,000	-	1,300,000	624,091	624,091	625,322	(1,231)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,300,000	1,300,000	-	1,300,000	624,091	624,091	625,322	(1,231)
Excess (Deficiency) of Revenues over (under) Expenditures	10,000	10,000	-	(10,000)	(54,383)	(54,383)	(110,332)	(55,949)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 10,000	\$ 10,000	-	\$ (10,000)	\$ (54,383)	\$ (54,383)	(110,332)	\$ (55,949)
Fund Balance, Beginning of Year			-				80,741	
Fund Balances, End of Year			\$ -				\$ (29,591)	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Parking Authority				Parking Repair and Replacement			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	2,229,826	2,229,826	1,981,688	(248,138)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	505,000	505,000	4,062	(500,938)	-	-	-	-
Total revenues	<u>2,734,826</u>	<u>2,734,826</u>	<u>1,985,750</u>	<u>(749,076)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	1,302,760	1,302,760	1,165,551	137,209	95,000	196,680	189,180	7,500
Capital outlay	-	-	192,500	(192,500)	-	-	-	-
Debt service								
Principal	-	-	1,359	(1,359)	-	-	-	-
Interest and fiscal charges	-	-	1,894	(1,894)	-	-	-	-
Total expenditures	<u>1,302,760</u>	<u>1,302,760</u>	<u>1,361,304</u>	<u>(58,544)</u>	<u>95,000</u>	<u>196,680</u>	<u>189,180</u>	<u>7,500</u>
Excess (Deficiency) of Revenues over (under) Expenditures	1,432,066	1,432,066	624,446	(807,620)	(95,000)	(196,680)	(189,180)	7,500
Other Financing Sources (Uses)								
Transfers in	15,000	15,000	76,844	61,844	400,000	400,000	605,526	205,526
Transfers out	(6,475,309)	(1,480,714)	(1,339,530)	141,184	-	-	-	-
Lease proceeds	-	-	192,500	192,500	-	-	-	-
Total other financing sources (uses)	<u>(6,460,309)</u>	<u>(1,465,714)</u>	<u>(1,070,186)</u>	<u>395,528</u>	<u>400,000</u>	<u>400,000</u>	<u>605,526</u>	<u>205,526</u>
Net Change in Fund Balances	<u>\$ (5,028,243)</u>	<u>\$ (33,648)</u>	<u>(445,740)</u>	<u>\$ (412,092)</u>	<u>\$ 305,000</u>	<u>\$ 203,320</u>	<u>416,346</u>	<u>\$ 213,026</u>
Fund Balance, Beginning of Year			3,148,854				(137,436)	
Fund Balances, End of Year			<u>\$ 2,703,114</u>				<u>\$ 278,910</u>	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	COVID-19 Emergency				American Rescue Plan			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	1,685,034	1,685,034	10,102,517	10,019,495	7,656,237	(2,363,258)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	1,685,034	1,685,034	10,102,517	10,019,495	7,656,237	(2,363,258)
Expenditures								
Current								
General government	-	-	(619,650)	619,650	4,539,000	4,776,578	1,819,648	2,956,930
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	(632,238)	632,238	2,400,000	1,548,325	648,253	900,072
Public health and welfare	-	-	1,666,009	(1,666,009)	-	-	20,496	(20,496)
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	1,251,888	(1,251,888)	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	1,666,009	(1,666,009)	6,939,000	6,324,903	2,488,397	3,836,506
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	19,025	19,025	3,163,517	3,694,592	5,167,840	1,473,248
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(4,500,000)	(4,500,000)	(5,167,840)	(667,840)
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(4,500,000)	(4,500,000)	(5,167,840)	(667,840)
Net Change in Fund Balances	\$ -	\$ -	19,025	\$ 19,025	\$ (1,336,483)	\$ (805,408)	-	\$ 805,408
Fund Balance, Beginning of Year			(113,018)				-	
Fund Balances, End of Year			\$ (93,993)				\$ -	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual

Nonmajor Governmental Funds

Year Ended December 31, 2022

	Baseball Stadium				Opioid Abatement			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	216,000	216,000	57,500	(158,500)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	328	328	-	-	-	-
Miscellaneous	-	-	86,956	86,956	-	-	173,351	173,351
Total revenues	216,000	216,000	144,784	(71,216)	-	-	173,351	173,351
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	328,500	216,107	218,553	(2,446)	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	328,500	216,107	218,553	(2,446)	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(112,500)	(107)	(73,769)	(73,662)	-	-	173,351	173,351
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	(40,000)	(40,000)	-	40,000	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(40,000)	(40,000)	-	40,000	-	-	-	-
Net Change in Fund Balances	\$ (152,500)	\$ (40,107)	(73,769)	\$ (33,662)	\$ -	\$ -	173,351	\$ 173,351
Fund Balance, Beginning of Year			(9,656)				-	
Fund Balances, End of Year			\$ (83,425)				\$ 173,351	

City of Fargo, North Dakota

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2022

	Total			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 2,641,984	\$ 2,641,984	\$ 3,617,065	\$ 975,081
Special assessments	655,000	655,000	673,695	18,695
Intergovernmental	12,731,655	12,648,633	10,661,429	(1,987,204)
Charges for services	2,448,826	2,448,826	2,045,188	(403,638)
Fines and forfeits	100,000	304,000	429,754	125,754
Investment income	3,600	3,600	328	(3,272)
Miscellaneous	683,356	683,356	397,936	(285,420)
Total revenues	<u>19,264,421</u>	<u>19,385,399</u>	<u>17,825,395</u>	<u>(1,560,004)</u>
Expenditures				
Current				
General government	4,539,000	4,776,578	1,199,998	3,576,580
Public safety	327,247	251,535	392,164	(140,629)
Public works	3,079,000	2,243,725	817,852	1,425,873
Public health and welfare	46,750	46,750	1,703,170	(1,656,420)
Recreation and culture	2,911,484	2,727,091	3,876,794	(1,149,703)
Urban redevelopment	2,791,664	2,791,664	1,424,679	1,366,985
Public transportation	1,397,760	1,499,440	1,354,731	144,709
Capital outlay	-	-	1,506,881	(1,506,881)
Debt service				
Principal	-	-	1,359	(1,359)
Interest and fiscal charges	-	-	1,894	(1,894)
Total expenditures	<u>15,092,905</u>	<u>14,336,783</u>	<u>12,279,522</u>	<u>2,057,261</u>
Excess (Deficiency) of Revenues over (under) Expenditures	4,171,516	5,048,616	5,545,873	497,257
Other Financing Sources (Uses)				
Transfers in	541,545	541,545	770,771	229,226
Transfers out	(11,015,309)	(6,020,714)	(6,507,370)	(486,656)
Lease proceeds	-	-	192,500	192,500
Total other financing sources (uses)	<u>(10,473,764)</u>	<u>(5,479,169)</u>	<u>(5,544,099)</u>	<u>(64,930)</u>
Net Change in Fund Balances	<u>\$ (6,302,248)</u>	<u>\$ (430,553)</u>	<u>1,774</u>	<u>\$ 432,327</u>
Fund Balance, Beginning of Year			4,190,048	
Fund Balances, End of Year			<u>\$ 4,191,822</u>	

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 the following nonmajor enterprise funds:

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.

Transit - To account for user fee revenues derived from providing transit services to the public, and all expenses for the operation and maintenance of this function.

Civic Memorial Auditorium – To account for the operation of the Fargo Civic Center which is a facility used to host trade shows, sporting events, entertainment events, meetings and community events. The Fargo Civic Center has a maximum capacity of 3,000.

City of Fargo, North Dakota

Combining Balance Sheet

Nonmajor Enterprise Funds

December 31, 2022

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 700	\$ -	\$ 700
Equity in pooled investments	80,308	567,443	833,172	-	212,959	-	1,693,882
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	-	3	3
Accounts	20,602	85,746	610,104	316,571	137,983	894	1,171,900
Special assessments	-	-	-	56,386	-	-	56,386
Intergovernmental	-	-	-	-	3,029,730	-	3,029,730
Leases	-	-	-	-	-	11,073	11,073
Inventories	-	-	477,576	-	430,512	-	908,088
Prepaid items	-	97	670	2,213	51,724	-	54,704
Total current assets	100,910	653,286	1,921,522	375,170	3,863,608	11,970	6,926,466
Noncurrent Assets							
Capital assets							
Buildings	-	-	-	-	17,154,365	8,184,479	25,338,844
Improvements other than buildings	-	-	-	-	20,473	18,965	39,438
Machinery and equipment	-	53,232	460,624	1,694,066	17,731,520	431,417	20,370,859
Infrastructure	-	-	53,154,377	-	-	-	53,154,377
Right-of-use assets	-	-	-	-	17,924	-	17,924
Less accumulated depreciation/amortization	-	(53,232)	(25,713,103)	(1,320,928)	(22,352,719)	(5,049,555)	(54,489,537)
Total capital assets, net of accumulated depreciation/amortization	-	-	27,901,898	373,138	12,571,563	3,585,306	44,431,905
Total noncurrent assets	-	-	27,901,898	373,138	12,571,563	3,585,306	44,431,905
Total assets	100,910	653,286	29,823,420	748,308	16,435,171	3,597,276	51,358,371
Deferred Outflows of Resources							
OPEB	-	-	17,640	27,512	67,529	832	113,513
Pensions	-	-	643,340	1,258,498	2,531,777	69,850	4,503,465
Total deferred outflows of resources	-	-	660,980	1,286,010	2,599,306	70,682	4,616,978

City of Fargo, North Dakota

Combining Balance Sheet

Nonmajor Enterprise Funds

December 31, 2022

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Liabilities							
Current Liabilities							
Vouchers payable	1,236	-	132,244	3,601	649,469	47,438	833,988
Due to other funds	-	-	-	151,971	-	197,880	349,851
Accrued payroll	468	-	13,747	19,377	48,117	-	81,709
Accrued interest payable	-	-	-	-	56	-	56
Current portion of special assessments payable	-	-	-	-	2,781	-	2,781
Current portion of financed purchases payable	-	-	-	27,089	-	-	27,089
Current portion of leases payable	-	-	-	-	4,993	-	4,993
Accrued vacation payable	-	-	68,669	51,338	115,096	-	235,103
Unearned revenue	-	-	-	-	44,518	-	44,518
Current liabilities payable from restricted assets							
Accrued interest payable	-	-	-	222	-	-	222
Total current liabilities	1,704	-	214,660	253,598	865,030	245,318	1,580,310
Noncurrent Liabilities							
Long-term debt, net of deferred refundings							
Special assessments payable	-	-	-	-	650	-	650
Financed purchases payable	-	-	-	28,391	-	-	28,391
Leases payable	-	-	-	-	7,963	-	7,963
Net OPEB liability	-	-	28,065	61,180	146,610	3,024	238,879
Net pension liability	-	-	784,351	1,828,144	3,815,376	113,373	6,541,244
Total noncurrent liabilities	-	-	812,416	1,917,715	3,970,599	116,397	6,817,127
Total liabilities	1,704	-	1,027,076	2,171,313	4,835,629	361,715	8,397,437
Deferred Inflows of Resources							
OPEB plans	-	-	519	1,071	512	75	2,177
Pension plans	-	-	522,267	637,118	1,387,567	18,616	2,565,568
Lease related	-	-	-	-	-	11,057	11,057
Total deferred inflows resources	-	-	522,786	638,189	1,388,079	29,748	2,578,802
Net Position							
Net investment in capital assets	-	-	27,901,898	317,658	12,555,176	3,585,306	44,360,038
Unrestricted	99,206	653,286	1,032,640	(1,092,842)	255,593	(308,811)	639,072
Total net position	\$ 99,206	\$ 653,286	\$ 28,934,538	\$ (775,184)	\$ 12,810,769	\$ 3,276,495	\$ 44,999,110

City of Fargo, North Dakota
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
December 31, 2022

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Revenues							
Charges for services	\$ 176,173	\$ 772,218	\$ 3,717,387	\$ 2,462,210	\$ 2,686,482	\$ 62,599	\$ 9,877,069
Operating Expenses							
Personnel services	27,812	-	903,858	1,458,457	3,186,798	38,693	5,615,618
Other services	1,853	203,654	343,590	694,031	6,510,375	7,600	7,761,103
Materials and supplies	38,532	55,477	1,411,191	215,347	1,316,157	253,981	3,290,685
Depreciation/amortization	-	-	2,129,448	123,726	1,719,877	168,140	4,141,191
Total operating expenses	68,197	259,131	4,788,087	2,491,561	12,733,207	468,414	20,808,597
Operating Income (Loss)	107,976	513,087	(1,070,700)	(29,351)	(10,046,725)	(405,815)	(10,931,528)
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of assets	-	-	-	14,720	(18,085)	-	(3,365)
Investment income	-	-	-	-	-	53	53
Interest expense and bond fees	-	-	-	(222)	(140)	-	(362)
Intergovernmental revenues	-	-	-	-	5,877,696	-	5,877,696
Miscellaneous revenue	-	-	4,951	1,650	206,833	16,951	230,385
Total nonoperating revenues (expenses)	-	-	4,951	16,148	6,066,304	17,004	6,104,407
Income (Loss) before Contributions and Transfers	107,976	513,087	(1,065,749)	(13,203)	(3,980,421)	(388,811)	(4,827,121)
Transfers in	-	-	-	300,000	-	-	300,000
Transfers out	-	(1,106,100)	(863,492)	(362,485)	-	-	(2,332,077)
Capital contributions from governmental funds	-	-	1,443,479	-	-	-	1,443,479
Capital contributions from other governments	-	-	-	-	547,410	-	547,410
Change in Net Position	107,976	(593,013)	(485,762)	(75,688)	(3,433,011)	(388,811)	(4,868,309)
Total Net Position, Beginning of Year	(8,770)	1,246,299	29,420,300	(699,496)	16,243,780	3,665,306	49,867,419
Total Net Position, End of Year	\$ 99,206	\$ 653,286	\$ 28,934,538	\$ (775,184)	\$ 12,810,769	\$ 3,276,495	\$ 44,999,110

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
December 31, 2022

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Activities							
Receipts from customers and users	\$ 176,010	\$ 765,612	\$ 3,633,276	\$ 2,408,805	\$ 2,946,778	\$ 61,705	\$ 9,992,186
Payments to suppliers	(41,561)	(258,053)	(1,854,024)	(908,118)	(8,260,979)	(230,266)	(11,553,001)
Payments to and on behalf of employees	(27,529)	-	(732,584)	(1,223,629)	(2,608,393)	(37,394)	(4,629,529)
Net cash from (used for) Operating Activities	106,920	507,559	1,046,668	277,058	(7,922,594)	(205,955)	(6,190,344)
Noncapital Financing Activities							
Transfers to other funds	-	(1,106,100)	(863,492)	(362,485)	-	-	(2,332,077)
Transfers from other funds	-	-	-	300,000	-	-	300,000
Intergovernmental operating grants	-	-	-	-	5,766,952	-	5,766,952
Miscellaneous income	-	-	4,951	1,650	206,833	16,935	230,369
Payments received on interfund borrowing	-	-	-	-	-	196,976	196,976
Payments made for interfund borrowing	(26,612)	-	-	(166,843)	-	-	(193,455)
Net Cash from (Used for) Noncapital Financing Activities	(26,612)	(1,106,100)	(858,541)	(227,678)	5,973,785	213,911	3,968,765
Capital and Related Financing Activities							
Proceeds from sale of assets	-	-	-	14,720	10,305	-	25,025
Acquisition of capital assets	-	-	-	(34,345)	(510,481)	(10,756)	(555,582)
Debt service							
Principal	-	-	-	(29,755)	(5,723)	-	(35,478)
Interest	-	-	-	-	(173)	-	(173)
Intergovernmental capital grants	-	-	-	-	547,410	-	547,410
Net Cash from (Used for) Capital and Related Financing Activities	-	-	-	(49,380)	41,338	(10,756)	(18,798)
Investing Activities							
Investments redeemed	-	1,165,984	645,045	-	2,120,430	-	3,931,459
Purchase of investments	(80,308)	(567,443)	(833,172)	-	(212,959)	-	(1,693,882)
Interest and dividends from investments	-	-	-	-	-	50	50
Net Cash from (Used for) Investing Activities	(80,308)	598,541	(188,127)	-	1,907,471	50	2,237,627
Change in Cash and Cash Equivalents	-	-	-	-	-	(2,750)	(2,750)
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	700	2,750	3,450
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 700	\$ -	\$ 700

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
December 31, 2022

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Reconciliation of Operating Income (Loss) to Net cash from (used for) Operating Activities							
Operating income (loss)	\$ 107,976	\$ 513,087	\$ (1,070,700)	\$ (29,351)	\$ (10,046,725)	\$ (405,815)	\$ (10,931,528)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities							
Depreciation/amortization	-	-	2,129,448	123,726	1,719,877	168,140	4,141,191
Changes in assets and liabilities							
Accounts receivable	(163)	(6,606)	(84,111)	(40,963)	245,980	(894)	113,243
Special assessments receivable	-	-	-	(12,442)	-	-	(12,442)
Inventories	-	-	(68,191)	-	(38,211)	-	(106,402)
Prepaid expenses	-	1,078	5,045	3,751	28,553	640	39,067
Net pension asset	-	-	726	84,735	36,567	-	122,028
Pension related deferred outflows	-	-	(278,080)	(517,617)	(1,032,946)	(2,249)	(1,830,892)
OPEB related deferred outflows	-	-	(13,874)	(18,821)	(48,526)	(123)	(81,344)
Vouchers payable	(1,176)	-	(36,097)	(2,491)	(341,757)	30,675	(350,846)
Retainage payable	-	-	-	-	(83,032)	-	(83,032)
Payroll payable	283	-	3,972	4,056	12,825	-	21,136
Compensated absences	-	-	7,779	6,579	4,188	-	18,546
Unearned revenue	-	-	-	-	14,316	-	14,316
Net pension liability	-	-	767,360	1,243,457	2,767,245	6,222	4,784,284
Net OPEB liability	-	-	24,758	33,587	86,595	220	145,160
Pension related deferred inflows	-	-	(334,335)	(591,608)	(1,222,947)	(2,708)	(2,151,598)
OPEB related deferred inflows	-	-	(7,032)	(9,540)	(24,596)	(63)	(41,231)
Net cash from (used for) Operating Activities	<u>\$ 106,920</u>	<u>\$ 507,559</u>	<u>\$ 1,046,668</u>	<u>\$ 277,058</u>	<u>\$ (7,922,594)</u>	<u>\$ (205,955)</u>	<u>\$ (6,190,344)</u>
Supplemental Schedule of Noncash Investing and Financing Activities							
Acquisition of capital assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,443,479</u>
Acquisition of capital assets through debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,235</u>

The City acts as Administrator and includes the following pension trust funds as fiduciary funds in its financial statements:

City Employees' Pension Trust – This plan is a cost-sharing, multiple employer plan covering certain eligible employees of the City of Fargo and the Fargo Park District.

Police Pension Trust – This plan is a single employer plan covering all full-time employees of the Police department, except for the Chief of Police.

City of Fargo, North Dakota
Statement of Fiduciary Net Position
Pension Trust Funds
December 31, 2022

	City Employees' Pension Trust	Police Pension Trust	Total
Assets			
Cash and cash equivalents	\$ 2,509,180	\$ 3,216,294	\$ 5,725,474
Receivables (net of allowance for uncollectibles):			
Interest	-	87,400	87,400
Accounts	15,800	-	15,800
Investments, at fair value:			
Mutual funds	50,441,221	58,118,693	108,559,914
Exchange-traded products	-	14,121,940	14,121,940
	<u>52,966,201</u>	<u>75,544,327</u>	<u>128,510,528</u>
Liabilities			
Vouchers payable	28,292	296	28,588
Benefits payable	214	-	214
	<u>28,506</u>	<u>296</u>	<u>28,802</u>
Net Position			
Restricted for			
Pension benefits	<u>\$ 52,937,695</u>	<u>\$ 75,544,031</u>	<u>\$ 128,481,726</u>

City of Fargo, North Dakota
Statement of Changes in Fiduciary Net Position
Pension Trust Funds
December 31, 2022

	City Employees' Pension Trust	Police Pension Trust	Total
Additions			
Contributions			
Employer	\$ 1,543,019	\$ 2,537,994	\$ 4,081,013
Employee	311,597	1,461,913	1,773,510
Total contributions	1,854,616	3,999,907	5,854,523
Investment income (loss)			
Net increase (decrease) in fair value	(11,447,303)	(10,045,298)	(21,492,601)
Less investment expense	(198,469)	(314,247)	(512,716)
Net investment income (loss)	(11,645,772)	(10,359,545)	(22,005,317)
Total additions	(9,791,156)	(6,359,638)	(16,150,794)
Deductions			
Pension benefit payments	4,222,275	4,746,662	8,968,937
Member contribution refunds	158,177	542,367	700,544
Administrative expenses	66,376	50,259	116,635
Total deductions	4,446,828	5,339,288	9,786,116
Change in Net Position	(14,237,984)	(11,698,926)	(25,936,910)
Net Position, Beginning	67,175,679	87,242,957	154,418,636
Net Position, Ending	\$ 52,937,695	\$ 75,544,031	\$ 128,481,726

Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

The City has the following custodial funds:

Park District Special Assessments Fund – To account for special assessments collected and administered for the Fargo Park District.

Metro Flood Project Diversion Authority Fund – To account for the collection and disbursement of funds for the Metro Flood Project Diversion Authority.

Red River Regional Dispatch Center Fund – To account for the collection and disbursement of funds for the Red River Regional Dispatch Center Fund.

Police Custodial Fund – To account for deposits of police pending forfeitures, evidence held, and unclaimed property. Once the deposits become property of the City, they are transferred from the custodial fund into the Court Forfeits special revenue fund.

City of Fargo, North Dakota
Combining Statement of Fiduciary Net Position
Custodial Funds
December 31, 2022

	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Police Custodial	Total
Assets					
Cash and cash equivalents	\$ -	\$ 18,825,402	\$ -	\$ -	\$ 18,825,402
Equity in pooled investments	1,423	135,209,980	2,195,950	305,537	137,712,890
Receivables (net of allowance for uncollectibles):					
Interest	-	314,392	-	-	314,392
Special assessments	9,405,939	-	-	-	9,405,939
Intergovernmental	-	58,484,143	-	-	58,484,143
Prepaid items	-	523,862	-	-	523,862
Total assets	9,407,362	213,357,779	2,195,950	305,537	225,266,628
Liabilities					
Vouchers payable	-	19,155,254	1,229	-	19,156,483
Retainage payable	-	157,632	-	-	157,632
Deposits payable	1,423	19,725	-	-	21,148
Debt					
Accrued interest on settlement payable	-	1,600,000	-	-	1,600,000
Due in more than one year - note payable	-	1,272,652	-	-	1,272,652
Due in more than one year - settlement payable	-	40,000,000	-	-	40,000,000
Total liabilities	1,423	62,205,263	1,229	-	62,207,915
Net Position					
Restricted for					
Park district special assessments	9,405,939	-	-	-	9,405,939
Metro Flood Project Diversion Authority	-	151,152,516	-	-	151,152,516
Red River Regional Dispatch Center	-	-	2,194,721	-	2,194,721
Police custodial fund	-	-	-	305,537	305,537
Total net position	\$ 9,405,939	\$ 151,152,516	\$ 2,194,721	\$ 305,537	\$ 163,058,713

City of Fargo, North Dakota
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2022

	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Police Custodial	Total
Additions					
Investment income					
Net increase in fair value	\$ -	\$ 21,869	\$ -	\$ -	\$ 21,869
Special assessments collected for other governments	1,284,554	-	-	-	1,284,554
Aid from other governments	-	171,027,354	-	-	171,027,354
Miscellaneous	-	2,112,744	6,714	-	2,119,458
Member assessments	-	-	5,571,603	-	5,571,603
Police funds received into custody	-	-	-	247,467	247,467
Total additions	1,284,554	173,161,967	5,578,317	247,467	180,272,305
Deductions					
Payments of special assessments to other governments	2,202,123	-	-	-	2,202,123
Payments for public protection	-	114,645,380	-	-	114,645,380
Payments for dispatch center	-	-	4,997,087	-	4,997,087
Police funds released from custody	-	-	-	642,743	642,743
Interest expense	-	800,000	-	-	800,000
Total deductions	2,202,123	115,445,380	4,997,087	642,743	123,287,333
Change in Net Position	(917,569)	57,716,587	581,230	(395,276)	56,984,972
Net Position, Beginning	10,323,508	93,435,929	1,613,491	700,813	106,073,741
Net Position, Ending	\$ 9,405,939	\$ 151,152,516	\$ 2,194,721	\$ 305,537	\$ 163,058,713

Capital Assets Used in the Operation of Governmental Funds
Year Ended December 31, 2022

City of Fargo, North Dakota

City of Fargo, North Dakota
Comparative Schedules by Source
Capital Assets Used in the Operation of Governmental Funds
December 31, 2022

Governmental Funds Capital Assets

Land	\$ 109,372,095
Intangible - Rights of way	12,579,840
Buildings	134,059,289
Improvements other than buildings	8,610,609
Machinery and equipment	56,099,570
Infrastructure	510,347,477
Flood Control	99,463,096
Right-of-use leased assets	12,493,004
Construction in progress	<u>2,891,324</u>
Total	<u><u>\$ 945,916,304</u></u>

Investments in Governmental Capital Assets by Source

General fund	\$ 44,379,416
Special revenue funds	7,786,049
Debt service funds	70,093
Capital projects funds	831,678,103
Enterprise funds	3,331,309
Federal and state grants	14,549,051
Donated	<u>44,122,283</u>
Total	<u><u>\$ 945,916,304</u></u>

City of Fargo, North Dakota
Schedule by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2022

	Land	Rights of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Flood Control	Right-of-Use Leased Assets	Construction in Progress	Total
General Government										
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 513,413	\$ -	\$ -	\$ 3,149	\$ -	\$ 516,562
City Administrator	-	-	-	205,195	58,074	-	-	3,930	158,535	425,734
City Auditor	-	-	-	-	233,919	-	-	-	-	233,919
Information Technology	-	-	-	-	5,778,479	-	-	-	-	5,778,479
Public Information	-	-	180,220	-	2,051,605	-	-	29,810	408,889	2,670,524
Human Resources	-	-	-	-	171,273	-	-	-	-	171,273
City Assessor	-	-	-	-	190,272	-	-	3,223	-	193,495
Municipal Court	-	-	1,783,004	-	158,970	-	-	16,194	-	1,958,168
Planning & Development	70,093	-	-	3,457,224	120,645	-	-	3,930	-	3,651,892
Central Garage	-	-	4,279,350	127,813	1,567,686	-	-	-	-	5,974,849
City Buildings	-	-	28,967,407	7,866	710,207	-	-	-	458,952	30,144,432
Total General Government	70,093	-	35,209,981	3,798,098	11,554,543	-	-	60,236	1,026,376	51,719,327
Public Safety										
Traffic Engineering	-	-	-	-	362,111	-	-	-	-	362,111
Fire Department	436,448	-	11,846,137	20,932	10,350,678	-	-	6,229	349,896	23,010,320
Emergency Management	-	-	-	-	1,039,978	-	-	-	-	1,039,978
Police Department	43,000	-	5,461,389	31,654	7,131,200	-	-	2,139,255	62,493	14,868,991
Inspections	-	-	-	-	837,924	-	-	-	-	837,924
Total Public Safety	479,448	-	17,307,526	52,586	19,721,891	-	-	2,145,484	412,389	40,119,324
Public Works										
City Engineer	12,169,235	3,737,416	-	-	2,476,448	-	-	27,178	-	18,410,277
Street Department	817,500	4,588,892	3,890,379	587,965	15,337,907	509,098,453	-	1,154,158	617,784	536,093,038
Flood	92,650,863	4,253,532	-	134,240	956,920	1,249,024	99,463,096	8,648,565	-	207,356,240
Total Public Works	105,637,598	12,579,840	3,890,379	722,205	18,771,275	510,347,477	99,463,096	9,829,901	617,784	761,859,555
Public Health & Welfare										
Health Department	857,805	-	13,295,621	556,196	1,549,333	-	-	1,545	-	16,260,500
Recreation & Culture										
Public Library	-	-	13,230,681	-	3,637,313	-	-	263,338	-	17,131,332
Convention Bureau	199,505	-	749,851	-	-	-	-	-	-	949,356
Baseball Stadium	-	-	5,266,692	365,549	389,223	-	-	-	669,709	6,691,173
Total Recreation & Culture	199,505	-	19,247,224	365,549	4,026,536	-	-	263,338	669,709	24,771,861
Urban Development										
Home Grants	-	-	605,042	-	-	-	-	-	-	605,042
Community Development	189,153	-	3,942,108	28,446	34,650	-	-	-	-	4,194,357
Total Urban Development	189,153	-	4,547,150	28,446	34,650	-	-	-	-	4,799,399
Transportation										
Parking Authority	1,938,493	-	40,561,408	3,087,529	441,342	-	-	192,500	165,066	46,386,338
Total Governmental Funds	\$ 109,372,095	\$ 12,579,840	\$ 134,059,289	\$ 8,610,609	\$ 56,099,570	\$ 510,347,477	\$ 99,463,096	\$ 12,493,004	\$ 2,891,324	\$ 945,916,304

City of Fargo, North Dakota
Schedule of Changes by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2022

	Balance January 1, 2022, as restated	Additions	Transfers	Deletions	Balance December 31, 2022
General Government					
City Commission	\$ 516,562	\$ -	\$ -	\$ -	\$ 516,562
City Administrator	182,248	243,486	-	-	425,734
City Auditor	185,641	48,278	-	-	233,919
Information Technology	5,295,360	619,651	(136,532)	-	5,778,479
Public Information	1,955,771	611,797	136,532	(33,576)	2,670,524
Human Resources	171,273	-	-	-	171,273
City Assessor	176,417	24,828	-	(7,750)	193,495
Municipal Court	1,755,918	202,250	-	-	1,958,168
Planning & Development	3,651,892	-	-	-	3,651,892
Central Garage	5,842,375	193,759	(55,135)	(6,150)	5,974,849
City Buildings	29,579,708	564,724	-	-	30,144,432
Total General Government	49,313,165	2,508,773	(55,135)	(47,476)	51,719,327
Public Safety					
Traffic Engineering	362,111	-	-	-	362,111
Fire Department	22,188,585	957,199	22,995	(158,459)	23,010,320
Emergency Management	1,039,978	-	-	-	1,039,978
Police Department	16,635,560	889,554	(2,419,820)	(236,303)	14,868,991
Inspections	767,799	104,482	-	(34,357)	837,924
Total Public Safety	40,994,033	1,951,235	(2,396,825)	(429,119)	40,119,324
Public Works					
City Engineer	18,019,872	504,951	(31,943)	(82,603)	18,410,277
Street Department	506,076,072	30,825,594	2,415,047	(3,223,675)	536,093,038
Flood	205,838,761	2,057,479	-	(540,000)	207,356,240
Total Public Works	729,934,705	33,388,024	2,383,104	(3,846,278)	761,859,555
Public Health & Welfare					
Health Department	16,241,824	-	68,856	(50,180)	16,260,500
Recreation & Culture					
Public Library	17,066,427	64,905	-	-	17,131,332
City Auditorium	-	-	-	-	-
Convention Bureau	949,356	-	-	-	949,356
Baseball Stadium	6,072,038	619,135	-	-	6,691,173
Total Recreation & Culture	24,087,821	684,040	-	-	24,771,861
Urban Development					
Home Grants	605,042	-	-	-	605,042
Community Development	4,194,357	-	-	-	4,194,357
Total Urban Development	4,799,399	-	-	-	4,799,399
Transportation					
Parking Authority	46,039,371	346,967	-	-	46,386,338
Total Transit	46,039,371	346,967	-	-	46,386,338
Capital Assets Constructed for Enterprise Funds	-	36,352,875	-	(36,352,875)	-
Total Governmental Funds	\$ 911,410,318	\$ 75,231,914	\$ -	\$ (40,725,928)	\$ 945,916,304

Statistical Section

Year Ended December 31, 2022

City of Fargo, North Dakota

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

Financial Trends – These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.

Revenue Capacity – 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 – 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 – 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 – 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 annual comprehensive financial reports for the relevant year.

City of Fargo, North Dakota
Components of Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 189,087,362	\$ 206,472,245	\$ 181,249,168	\$ 138,920,327	\$ 155,724,812	\$ 133,461,710	\$ 182,947,036	\$ 152,409,494	\$ 262,441,361	\$ 302,002,314
Restricted	94,565,364	86,385,806	36,575,596	71,485,506	15,592,239	62,858,162	121,144,992	170,048,177	113,961,612	254,937,529
Unrestricted	416,679	13,702,900	3,384,329	2,038,090	4,169,926	68,861,992	56,770,481	77,285,201	69,961,510	(131,505,872)
Total Governmental Activities Net Position	<u>284,069,405</u>	<u>306,560,951</u>	<u>221,209,093</u>	<u>212,443,923</u>	<u>175,486,977</u>	<u>265,181,864</u>	<u>360,862,509</u>	<u>399,742,872</u>	<u>446,364,483</u>	<u>425,433,971</u>
Business-Type Activities										
Net investment in capital assets	554,814,340	580,624,402	632,351,653	708,548,590	763,810,437	707,758,594	754,735,747	769,927,969	817,425,266	716,786,848
Restricted	39,793,330	47,453,013	42,919,415	38,133,351	46,242,709	44,229,649	50,570,951	53,325,855	54,448,303	39,431,888
Unrestricted	36,016,908	36,694,655	36,550,855	39,460,589	48,823,670	41,061,711	26,429,639	17,143,800	27,629,906	(13,649,579)
Total Business-Type Activities Net Position	<u>630,624,578</u>	<u>664,772,070</u>	<u>711,821,923</u>	<u>786,142,530</u>	<u>858,876,816</u>	<u>793,049,954</u>	<u>831,736,337</u>	<u>840,397,624</u>	<u>899,503,475</u>	<u>742,569,157</u>
Primary Government										
Net investment in capital assets	743,901,702	787,096,647	813,600,821	847,468,917	919,535,249	841,220,304	937,682,783	922,337,463	1,079,866,627	1,018,789,162
Restricted	134,358,694	133,838,819	79,495,011	109,618,857	61,834,948	107,087,811	171,715,943	223,374,032	168,409,915	294,369,417
Unrestricted	36,433,587	50,397,555	39,935,184	41,498,679	52,993,596	109,923,703	83,200,120	94,429,001	97,591,416	(145,155,451)
Total Primary Government Net Position	<u>\$ 914,693,983</u>	<u>\$ 971,333,021</u>	<u>\$ 933,031,016</u>	<u>\$ 998,586,453</u>	<u>\$ 1,034,363,793</u>	<u>\$ 1,058,231,818</u>	<u>\$ 1,192,598,846</u>	<u>\$ 1,240,140,496</u>	<u>\$ 1,345,867,958</u>	<u>\$ 1,168,003,128</u>

Note: Effective January 1, 2022, the Municipal Airport Authority is reported as a discretely presented component unit rather than a blended component unit in the business-type activities of the primary government. Amounts prior to this date have not been restated.

City of Fargo, North Dakota
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General government	\$ 12,980,379	\$ 15,657,870	\$ 16,818,838	\$ 17,776,492	\$ 18,745,925	\$ 21,121,650	\$ 22,172,478	\$ 24,328,279	\$ 22,520,224	\$ 31,445,940
Public safety	33,861,695	34,415,785	37,826,165	39,029,094	38,539,794	40,386,651	40,099,055	39,366,726	41,257,161	50,996,226
Public works	69,082,966	73,315,688	103,297,687	122,801,345	88,777,599	85,922,794	83,187,071	90,683,363	88,160,036	107,753,842
Public health & welfare	9,682,135	9,937,389	11,683,089	11,442,822	12,950,823	13,636,149	12,966,788	21,646,822	17,626,615	18,427,063
Recreation & culture	7,497,540	8,222,506	8,151,402	8,424,874	8,624,606	9,393,133	9,448,369	8,869,345	12,416,140	10,503,437
Urban redevelopment	1,293,873	2,534,044	2,117,333	1,849,153	4,673,263	1,530,806	1,380,054	1,740,816	2,482,461	1,845,378
Public transportation	9,448,794	9,670,550	10,045,459	9,941,816	10,320,580	12,157,449	13,177,659	13,541,248	13,477,911	1,904,651
Economic development	-	-	-	-	-	-	-	100,000	501,956	499,610
General support	1,214,200	1,002,608	1,200,135	1,057,122	1,151,575	1,192,789	1,069,637	1,228,890	1,380,060	1,514,020
Interest and fiscal charges	17,090,585	18,545,356	19,670,971	21,917,557	22,260,570	22,968,482	23,184,117	24,412,629	29,404,274	19,405,200
Total governmental activities expenses	<u>162,152,167</u>	<u>173,301,796</u>	<u>210,811,079</u>	<u>234,240,275</u>	<u>206,044,735</u>	<u>208,309,903</u>	<u>206,685,228</u>	<u>225,918,118</u>	<u>229,226,838</u>	<u>244,295,367</u>
Business-Type Activities										
Municipal airport authority*	7,908,632	8,299,826	8,483,692	8,823,490	8,981,905	10,309,142	10,600,697	10,359,737	11,015,664	-
Water	14,474,710	14,112,129	14,200,256	15,000,452	17,416,843	20,414,032	23,384,899	25,684,536	25,585,590	28,103,261
Water Reclamation	9,279,582	8,956,040	9,814,203	9,907,111	10,796,934	11,061,329	14,760,568	14,193,049	16,051,317	18,259,193
Storm sewer	4,525,630	4,737,663	5,082,586	5,283,166	5,679,382	6,029,507	6,326,433	6,986,738	7,137,768	7,759,663
Solid waste	9,856,134	9,889,337	10,798,649	11,111,432	10,674,156	11,606,061	10,947,670	11,755,799	10,631,087	13,821,122
FargoDome	7,868,558	8,236,303	7,893,940	8,399,909	9,394,765	10,680,289	11,310,794	9,442,827	12,391,698	15,218,137
Southeast Cass	67,763	73,926	54,315	49,345	90,210	59,253	79,715	99,473	56,240	68,197
Vector control	445,567	397,296	335,279	379,561	331,429	429,203	453,082	390,044	241,544	259,131
Street lighting	2,644,451	2,779,110	3,024,018	3,216,418	3,349,777	3,502,155	4,283,578	4,527,542	4,541,580	4,788,087
Forestry	1,630,661	1,603,197	1,720,593	1,770,157	1,923,056	2,059,976	2,085,546	2,179,408	2,204,551	2,491,783
Transit	-	-	-	-	-	-	-	-	13,578,079	12,733,347
Civic Memorial Auditorium	-	-	-	-	-	-	-	-	405,109	468,414
Total business-type activities expenses	<u>58,701,688</u>	<u>59,084,827</u>	<u>61,407,531</u>	<u>63,941,041</u>	<u>68,638,457</u>	<u>76,150,947</u>	<u>84,232,982</u>	<u>85,619,153</u>	<u>103,840,227</u>	<u>103,970,335</u>
Total Primary Government Expenses	<u>\$ 220,853,855</u>	<u>\$ 232,386,623</u>	<u>\$ 272,218,610</u>	<u>\$ 298,181,316</u>	<u>\$ 274,683,192</u>	<u>\$ 284,460,850</u>	<u>\$ 290,918,210</u>	<u>\$ 311,537,271</u>	<u>\$ 333,067,065</u>	<u>\$ 348,265,702</u>

*Effective January 1, 2022, the Municipal Airport Authority is reported as a discretely presented component unit rather than a blended component unit in the business-type activities of the primary government. Amounts prior to this date have not been restated.

City of Fargo, North Dakota
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 2,953,292	\$ 3,548,664	\$ 3,166,528	\$ 2,916,943	\$ 2,960,802	\$ 3,274,293	\$ 2,920,609	\$ 2,750,524	\$ 3,178,041	\$ 3,678,397
Public safety	5,467,052	8,337,597	6,247,357	6,119,964	6,240,462	6,238,735	5,071,568	6,675,823	6,700,909	2,814,884
Public works	9,708,531	11,731,930	13,399,541	15,343,800	10,530,618	11,747,317	9,825,876	8,972,236	8,477,310	10,583,127
Public health & welfare	2,802,846	2,839,283	3,026,151	2,946,313	3,030,070	2,865,791	2,933,469	2,380,936	4,278,481	3,109,574
Recreation & culture	764,587	777,310	475,257	647,217	518,632	526,085	461,689	180,898	229,113	120,657
Urban redevelopment	465,744	82,815	229,405	637,583	183,000	249,471	34,920	459,849	239,816	50,940
Transportation	3,589,903	3,876,963	4,023,455	3,982,718	4,304,515	4,651,756	4,864,224	3,857,806	1,758,864	2,191,638
Operating grants and contributions	11,957,140	10,523,934	9,661,729	11,034,507	10,040,237	9,673,151	11,563,442	38,966,469	13,034,155	16,798,410
Capital grants and contributions	68,048,195	76,383,369	86,152,387	138,364,227	91,019,352	94,765,470	152,986,975	96,585,425	135,299,804	77,888,686
Total governmental activities program revenues	105,757,290	118,101,865	126,381,810	181,993,272	128,827,688	133,992,069	190,662,772	160,829,966	173,196,493	117,236,313
Business-Type Activities										
Charges for services										
Municipal airport authority*	7,546,237	8,641,627	8,546,795	8,296,226	8,583,335	9,309,037	10,190,031	6,722,634	9,914,685	-
Water	19,051,936	18,311,211	19,134,802	21,779,615	23,706,110	23,888,031	22,744,596	23,773,689	26,123,374	25,679,019
Water Reclamation	11,046,790	10,176,950	10,328,605	10,526,541	10,714,193	10,961,261	11,276,502	12,266,270	14,491,086	15,530,744
Storm sewer	1,588,515	1,582,079	1,602,497	1,634,581	1,663,088	1,690,018	2,988,746	3,032,860	3,095,185	4,475,090
Solid waste	11,181,542	12,310,654	11,850,605	12,504,724	14,905,074	14,975,672	15,213,314	17,156,780	17,032,533	17,072,793
FargoDome	5,447,421	6,442,044	6,069,576	6,578,942	5,792,841	5,773,223	6,451,080	1,837,932	6,231,388	10,576,620
Other activities	3,740,032	3,824,210	3,923,673	4,019,445	4,350,101	4,525,857	6,376,936	6,386,087	9,341,628	9,877,069
Operating grants and contributions	-	-	-	-	-	-	-	4,143,971	16,901,948	5,919,064
Capital grants and contributions	3,975,726	3,774,958	4,230,097	13,366,847	6,218,700	2,319,135	41,057,302	11,428,686	28,172,899	756,034
Total business-type activities program revenues	63,578,199	65,063,733	65,686,650	78,706,921	75,933,442	73,442,234	116,298,507	86,748,909	131,304,726	89,886,433
Total Primary Government Program Revenues	\$ 169,335,489	\$ 183,165,598	\$ 192,068,460	\$ 260,700,193	\$ 204,761,130	\$ 207,434,303	\$ 306,961,279	\$ 247,578,875	\$ 304,501,219	\$ 207,122,746
Net Revenue (Expense)										
Governmental Activities	\$ (56,394,877)	\$ (55,199,931)	\$ (84,429,269)	\$ (52,247,003)	\$ (77,217,047)	\$ (74,317,834)	\$ (16,022,456)	\$ (65,088,152)	\$ (56,030,345)	\$ (127,059,054)
Business-Type Activities	4,876,511	5,978,906	4,279,119	14,765,880	7,294,985	(2,708,713)	32,065,525	1,129,756	27,464,499	(14,083,902)
Total Primary Government Net Revenue (Expense)	\$ (51,518,366)	\$ (49,221,025)	\$ (80,150,150)	\$ (37,481,123)	\$ (69,922,062)	\$ (77,026,547)	\$ 16,043,069	\$ (63,958,396)	\$ (28,565,846)	\$ (141,142,956)

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City of Fargo, North Dakota
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 21,988,667	\$ 22,618,520	\$ 24,076,015	\$ 26,065,359	\$ 28,283,311	\$ 29,435,063	\$ 31,360,332	\$ 31,722,101	\$ 34,242,887	\$ 33,088,640
Sales taxes	47,107,737	48,336,282	50,988,474	51,109,289	47,653,443	48,185,965	51,732,825	49,146,842	63,840,808	66,571,120
Gross business receipts taxes	4,789,001	5,177,263	4,943,429	4,839,170	5,108,969	5,264,571	5,074,870	4,920,360	5,401,665	6,262,395
Lodging taxes	2,310,646	2,556,722	2,408,710	2,339,795	2,286,414	2,300,096	2,353,102	1,268,373	2,295,974	2,858,716
Other taxes	2,907,258	2,953,800	1,874,754	1,762,599	1,737,382	1,713,618	1,772,002	1,563,737	1,686,063	2,176,255
Unrestricted intergovernmental	8,404,341	9,446,998	8,778,310	6,112,343	5,768,743	6,741,796	7,258,781	6,365,987	7,708,324	8,037,398
Unrestricted investment earnings (losses)	2,677,208	3,141,709	2,722,190	3,786,334	5,219,212	5,942,482	7,852,248	6,138,825	2,155,149	(271,866)
Miscellaneous	855,955	205,642	699,233	245,370	2,048,000	415,705	463,526	1,483,134	9,039,654	7,007,967
Transfers	(16,294,658)	(23,562,793)	(48,659,781)	(52,778,426)	(57,845,373)	63,983,425	3,835,415	1,359,156	(23,718,568)	(19,602,083)
Total governmental activities	<u>74,746,155</u>	<u>70,874,143</u>	<u>47,831,334</u>	<u>43,481,833</u>	<u>40,260,101</u>	<u>163,982,721</u>	<u>111,703,101</u>	<u>103,968,515</u>	<u>102,651,956</u>	<u>106,128,542</u>
Business-Type Activities										
Property taxes	664,036	692,977	744,009	840,443	941,291	1,009,429	1,065,589	1,159,827	1,248,941	-
Unrestricted investment earnings	5,597,897	2,715,512	407,886	3,842,990	5,539,034	(1,874,911)	8,139,904	5,225,915	5,238,431	(7,363,420)
Miscellaneous	1,581,978	1,197,304	1,270,719	2,092,868	1,113,603	1,730,758	1,250,780	2,504,945	1,435,412	1,660,236
Transfers	16,294,658	23,562,793	48,659,781	52,778,426	57,845,373	(63,983,425)	(3,835,415)	(1,359,156)	23,718,568	19,602,083
Total business-type activities	<u>24,138,569</u>	<u>28,168,586</u>	<u>51,082,395</u>	<u>59,554,727</u>	<u>65,439,301</u>	<u>(63,118,149)</u>	<u>6,620,858</u>	<u>7,531,531</u>	<u>31,641,352</u>	<u>13,898,899</u>
Total Primary Government	<u>\$ 98,884,724</u>	<u>\$ 99,042,729</u>	<u>\$ 98,913,729</u>	<u>\$ 103,036,560</u>	<u>\$ 105,699,402</u>	<u>\$ 100,864,572</u>	<u>\$ 118,323,959</u>	<u>\$ 111,500,046</u>	<u>\$ 134,293,308</u>	<u>\$ 120,027,441</u>
Change in Net Position										
Governmental Activities	\$ 18,351,278	\$ 15,674,212	\$ (36,597,935)	\$ (8,765,170)	\$ (36,956,946)	\$ 89,664,887	\$ 95,680,645	\$ 38,880,363	\$ 46,621,611	\$ (20,930,512)
Business-Type Activities	29,015,080	34,147,492	55,361,514	74,320,607	72,734,286	(65,826,862)	38,686,383	8,661,287	59,105,851	(185,003)
Total Primary Government Change in Net Position	<u>\$ 47,366,358</u>	<u>\$ 49,821,704</u>	<u>\$ 18,763,579</u>	<u>\$ 65,555,437</u>	<u>\$ 35,777,340</u>	<u>\$ 23,838,025</u>	<u>\$ 134,367,028</u>	<u>\$ 47,541,650</u>	<u>\$ 105,727,462</u>	<u>\$ (21,115,515)</u>

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City of Fargo, North Dakota
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 3,193,345	\$ 3,077,850	\$ 3,458,674	\$ 3,407,591	\$ 3,639,923	\$ 4,080,149	\$ 3,254,912	\$ 4,562,747	\$ 3,787,630	\$ 2,877,199
Restricted	1,408,205	2,933,454	2,724,557	2,913,219	3,170,287	3,054,111	3,299,447	5,515,852	5,423,514	3,702,580
Committed	3,311,267	3,273,816	3,255,360	2,581,150	1,405,918	1,000,016	1,000,016	1,000,015	1,000,015	1,000,015
Assigned	1,542,711	2,063,907	696,289	1,639,608	1,531,414	542,423	598,370	234,832	1,079,780	181,794
Unassigned	22,428,922	25,881,011	29,041,175	28,854,936	28,099,032	26,862,322	25,531,980	34,629,546	27,144,995	21,955,906
Total General Fund	<u>\$ 31,884,450</u>	<u>\$ 37,230,038</u>	<u>\$ 39,176,055</u>	<u>\$ 39,396,504</u>	<u>\$ 37,846,574</u>	<u>\$ 35,539,021</u>	<u>\$ 33,684,725</u>	<u>\$ 45,942,992</u>	<u>\$ 38,435,934</u>	<u>\$ 29,717,494</u>
All Other Governmental Funds										
Nonspendable	\$ 1,309,969	\$ 191,946	\$ 164,444	\$ 34,352	\$ 26,858	\$ 25,926	\$ 22,384	\$ 767,462	\$ 96,618	\$ 83,788
Restricted	105,306,381	134,026,444	180,217,679	155,484,797	83,337,552	76,935,852	97,388,036	195,339,825	170,181,200	99,166,680
Unassigned	(11,865,327)	281,528	(1,233,295)	(1,508,396)	(12,693,722)	(2,567,558)	(1,457,368)	(8,968,773)	(1,308,784)	(22,934,212)
Total All Other Governmental Funds	<u>\$ 94,751,023</u>	<u>\$ 134,499,918</u>	<u>\$ 179,148,828</u>	<u>\$ 154,010,753</u>	<u>\$ 70,670,688</u>	<u>\$ 74,394,220</u>	<u>\$ 95,953,052</u>	<u>\$ 187,138,514</u>	<u>\$ 168,969,034</u>	<u>\$ 76,316,256</u>

City of Fargo, North Dakota
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 79,112,438	\$ 81,677,930	\$ 84,314,320	\$ 86,124,681	\$ 85,022,900	\$ 86,748,354	\$ 92,278,548	\$ 88,698,627	\$ 107,554,930	\$ 110,949,421
Special assessments	28,217,162	33,035,969	26,817,909	37,005,479	38,133,231	38,646,930	43,926,433	48,726,546	54,980,777	41,209,736
Licenses and permits	3,672,166	7,224,633	4,990,708	4,832,453	4,628,182	5,198,720	4,493,214	5,737,598	6,055,986	6,689,081
Intergovernmental	47,217,292	48,117,275	57,016,153	62,477,689	31,049,211	48,717,857	49,907,681	76,296,854	111,814,176	56,982,503
Charges for services	18,309,587	20,670,015	22,189,233	23,956,424	18,926,090	19,298,417	17,989,560	16,295,423	15,757,005	18,253,166
Fines and forfeitures	2,615,896	2,309,818	2,460,352	2,341,248	2,191,577	2,172,109	1,950,589	1,662,365	1,737,919	1,922,411
Investment income (losses)	2,677,209	3,141,709	2,722,189	3,786,337	5,219,212	5,942,482	7,852,247	6,138,828	2,155,150	(271,866)
Miscellaneous	2,306,385	1,773,931	1,721,220	2,104,307	3,641,141	3,160,450	2,285,814	2,345,312	12,224,206	2,715,158
Total revenues	184,128,135	197,951,280	202,232,084	222,628,618	188,811,544	209,885,319	220,684,086	245,901,553	312,280,149	238,449,610
Expenditures										
General government	13,369,708	14,737,626	15,246,262	16,407,262	16,856,505	17,703,650	19,366,846	20,270,944	20,524,873	23,594,194
Public safety	31,456,126	33,369,095	33,451,426	36,082,072	36,998,027	37,747,717	39,058,816	41,617,827	43,750,709	45,716,702
Public works	58,425,075	63,871,726	92,616,311	111,640,200	76,318,240	72,031,169	69,421,244	73,333,640	73,502,413	88,650,835
Public health & welfare	9,600,626	9,772,583	10,995,285	10,848,965	11,579,236	11,416,597	11,660,635	17,845,112	17,008,134	15,445,292
Recreation & culture	6,759,915	7,487,173	7,260,040	7,579,386	7,675,423	8,205,305	8,520,434	7,203,951	8,113,958	9,186,258
Urban redevelopment	1,229,670	2,475,041	2,043,111	1,784,835	4,606,638	1,438,043	1,293,763	1,621,118	2,407,756	1,732,275
Public transportation	7,699,061	7,790,355	8,032,340	7,996,823	8,295,435	9,636,184	10,542,775	10,314,110	1,471,837	1,354,731
Economic development	-	-	-	-	-	-	-	100,000	501,956	499,610
General support	1,214,200	1,002,608	1,200,135	1,057,122	1,151,575	1,192,789	1,069,637	1,228,890	1,380,060	1,514,020
Capital outlay	65,404,888	79,884,239	91,605,305	121,451,027	125,327,223	81,234,761	78,807,560	69,742,369	73,804,992	74,697,808
Debt service										
Principal	27,353,897	46,567,553	22,888,927	99,578,791	115,922,066	44,419,181	28,786,345	34,571,644	121,616,276	104,750,334
Interest and fiscal charges	17,469,622	19,319,856	20,075,289	22,049,844	24,847,595	24,957,276	25,168,282	26,399,498	31,733,985	24,409,641
Total expenditures	239,982,788	286,277,855	305,414,431	436,476,327	429,577,963	309,982,672	293,696,337	304,249,103	395,816,949	391,551,700

City of Fargo, North Dakota
Changes in Fund Balances of Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Excess (Deficiency) of Revenues over (under) Expenditures	(55,854,653)	(88,326,575)	(103,182,347)	(213,847,709)	(240,766,419)	(100,097,353)	(73,012,251)	(58,347,550)	(83,536,800)	(153,102,090)
Other Financing Sources (Uses)										
Transfers in	48,232,207	50,428,758	33,963,296	27,850,260	27,716,989	39,711,889	40,399,483	41,539,919	41,361,158	37,936,402
Transfers out	(36,515,024)	(40,841,318)	(27,934,670)	(14,081,833)	(15,134,537)	(16,519,651)	(18,347,905)	(17,733,637)	(29,052,595)	(21,185,610)
Bonds issued (net of premium and discounts)	76,491,481	175,902,545	143,584,189	175,161,659	143,251,272	78,282,762	70,406,209	137,714,247	45,322,999	33,171,859
Notes payable issued	-	-	-	-	-	-	-	-	-	490,928
Financed purchase proceeds	-	244,935	164,456	-	42,700	38,332	259,000	270,750	228,700	371,558
Lease proceeds	-	-	-	-	-	-	-	-	-	577,466
Payment to refunding bond agent	(10,695,000)	(53,710,000)	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	368,269
Total other financing sources (uses)	77,513,664	132,024,920	149,777,271	188,930,086	155,876,424	101,513,332	92,716,787	161,791,279	57,860,262	51,730,872
Net Change in Fund Balances	<u>\$ 21,659,011</u>	<u>\$ 43,698,345</u>	<u>\$ 46,594,924</u>	<u>\$ (24,917,623)</u>	<u>\$ (84,889,995)</u>	<u>\$ 1,415,979</u>	<u>\$ 19,704,536</u>	<u>\$ 103,443,729</u>	<u>\$ (25,676,538)</u>	<u>\$ (101,371,218)</u>
Debt Service as a Percentage of Noncapital Expenditures	25.7%	31.9%	20.1%	38.6%	46.3%	30.3%	25.1%	26.0%	47.6%	40.8%

City of Fargo, North Dakota
Program Revenues by Function/Program
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues										
Governmental Activities										
General government	\$ 3,727,768	\$ 4,572,894	\$ 3,396,977	\$ 3,388,698	\$ 3,383,996	\$ 3,791,309	\$ 3,474,653	\$ 3,674,162	\$ 4,389,983	\$ 12,321,960
Public safety	6,467,611	9,015,911	7,073,142	7,587,684	7,351,510	7,061,916	6,240,611	23,818,438	7,839,261	3,532,922
Public works	78,027,652	87,673,073	97,619,054	153,229,840	100,569,567	103,639,312	162,464,447	103,469,103	143,166,748	89,331,993
Public health & welfare	6,090,635	6,403,493	6,677,501	6,664,336	6,968,921	6,747,855	7,063,507	14,671,639	13,283,578	8,160,632
Recreation & culture	909,441	1,421,032	644,517	836,724	700,382	843,185	652,854	428,365	374,999	245,679
Urban redevelopment	1,056,476	1,448,840	1,847,404	1,542,512	1,772,556	1,220,520	1,117,960	1,542,039	2,136,166	1,297,022
Transportation	9,477,706	7,566,621	9,123,215	8,743,478	8,080,756	10,717,972	9,648,740	13,226,220	2,005,758	2,346,105
Total governmental activities program revenues	<u>105,757,289</u>	<u>118,101,864</u>	<u>126,381,810</u>	<u>181,993,272</u>	<u>128,827,688</u>	<u>134,022,069</u>	<u>190,662,772</u>	<u>160,829,966</u>	<u>173,196,493</u>	<u>117,236,313</u>
Business-Type Activities										
Municipal airport authority*	11,471,963	12,391,585	12,764,183	21,662,496	14,787,035	11,465,172	11,444,202	21,961,182	22,779,169	-
Water	19,051,936	18,311,211	19,134,802	21,779,615	23,706,110	24,051,031	23,964,846	24,036,459	26,133,589	25,790,320
Water Reclamation	11,046,790	10,176,950	10,328,605	10,526,541	10,714,193	10,961,261	15,316,392	12,266,270	14,492,331	15,530,744
Storm sewer	1,558,515	1,582,079	1,602,497	1,634,581	1,663,088	1,690,018	37,148,343	3,032,860	3,801,017	4,475,090
Solid waste	11,181,542	12,310,654	11,850,605	12,505,301	14,920,074	14,975,672	15,213,314	17,156,780	17,043,834	17,114,161
FargoDome	5,447,421	6,442,044	6,069,576	6,578,942	5,792,841	5,773,223	6,481,080	1,909,271	11,068,002	10,673,943
Southeast Cass	88,414	55,593	41,399	28,554	32,224	38,588	43,652	58,998	185,600	176,173
Vector control	646,742	660,007	678,189	697,221	716,353	727,430	739,646	748,016	756,459	772,218
Street lighting	1,669,511	1,696,469	1,753,908	1,812,382	1,877,197	1,986,450	3,869,189	3,514,060	3,590,139	3,717,387
Forestry	1,385,365	1,437,141	1,462,886	1,481,288	1,724,327	1,773,389	2,077,843	2,065,013	2,357,032	2,462,210
Transit	-	-	-	-	-	-	-	-	25,131,990	9,111,588
Civic	-	-	-	-	-	-	-	-	3,965,564	62,599
Total business-type activities program revenues	<u>63,548,199</u>	<u>65,063,733</u>	<u>65,686,650</u>	<u>78,706,921</u>	<u>75,933,442</u>	<u>73,442,234</u>	<u>116,298,507</u>	<u>86,748,909</u>	<u>131,304,726</u>	<u>89,886,433</u>
Total Primary Government Program Revenues	<u>\$ 169,305,488</u>	<u>\$ 183,165,597</u>	<u>\$ 192,068,460</u>	<u>\$ 260,700,193</u>	<u>\$ 204,761,130</u>	<u>\$ 207,464,303</u>	<u>\$ 306,961,279</u>	<u>\$ 247,578,875</u>	<u>\$ 304,501,219</u>	<u>\$ 207,122,746</u>

* Effective January 1, 2022, the Municipal Airport Authority is reported as a discretely presented component unit rather than a blended component unit in the business-type activities of the primary government. Amounts prior to this date have not been restated.

City of Fargo, North Dakota
General Government Tax Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Business Tax</u>	<u>Sales Tax</u>	<u>Lodging Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2022	\$ 33,080,935	\$ 6,262,395	\$ 66,571,120	\$ 2,858,716	\$ 2,176,255	\$ 110,949,421
2021	34,340,421	5,401,665	63,840,808	2,295,974	1,676,062	107,554,930
2020	31,799,316	4,920,360	49,146,842	1,268,373	1,563,737	88,698,628
2019	31,345,749	5,074,870	51,732,825	2,353,102	1,772,002	92,278,548
2018	29,284,104	5,264,571	48,185,965	2,300,096	171,3618	86,748,354
2017	28,236,693	5,108,969	47,653,443	2,286,413	1,737,382	85,022,900
2016	26,073,828	4,839,170	51,109,289	2,339,795	1,762,599	86,124,681
2015	24,098,953	4,943,429	50,988,474	2,408,710	1,874,754	84,314,320
2014	22,653,864	5,177,263	48,336,282	2,556,722	2,953,800	81,677,931
2013	21,997,795	4,789,001	47,107,737	2,310,646	2,907,259	79,112,438

Note: The Other category includes the following revenues: Telephone tax, homestead credit, veteran's tax, cigarette tax, fire premium tax, gaming tax, and PILOT revenue.

City of Fargo, North Dakota

Sales Tax Receipts

Last Ten Fiscal Years

(Cash Basis of Accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Allocation of Receipts:										
Infrastructure (1)	\$ 10,806,389	\$ 11,528,271	\$ 13,018,973	\$ 12,481,805	\$ 6,008,839	\$ 6,004,775	\$ 6,202,932	\$ 6,465,123	\$ 7,557,091	\$ 8,239,793
Public Utility (1)	13,102,714	13,313,638	13,018,973	12,481,804	12,017,677	12,009,551	12,405,863	12,930,246	15,114,183	16,479,587
Flood Control (1)(2)(3)	20,202,834	23,651,664	26,037,946	24,963,610	30,044,193	30,023,876	31,014,659	32,325,614	37,785,457	41,198,967
Total Sales Tax Receipts	<u>\$ 44,111,937</u>	<u>\$ 48,493,573</u>	<u>\$ 52,075,892</u>	<u>\$ 49,927,219</u>	<u>\$ 48,070,709</u>	<u>\$ 48,038,202</u>	<u>\$ 49,623,454</u>	<u>\$ 51,720,983</u>	<u>\$ 60,456,731</u>	<u>\$ 65,918,347</u>

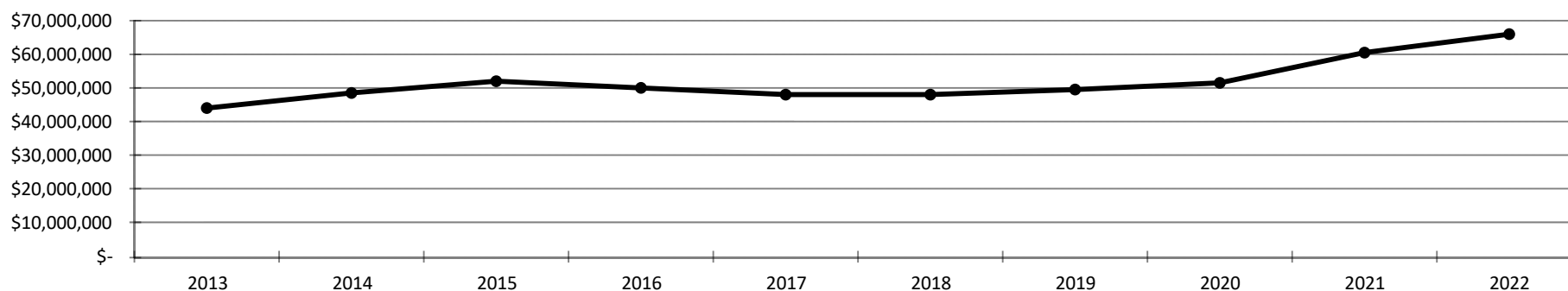
Receipts are shown net of state administrative fee.

(1) Beginning in 2009 a 1 cent sales tax was authorized through December 2028 for infrastructure capital improvement funding related primarily to an approved utility infrastructure master plan

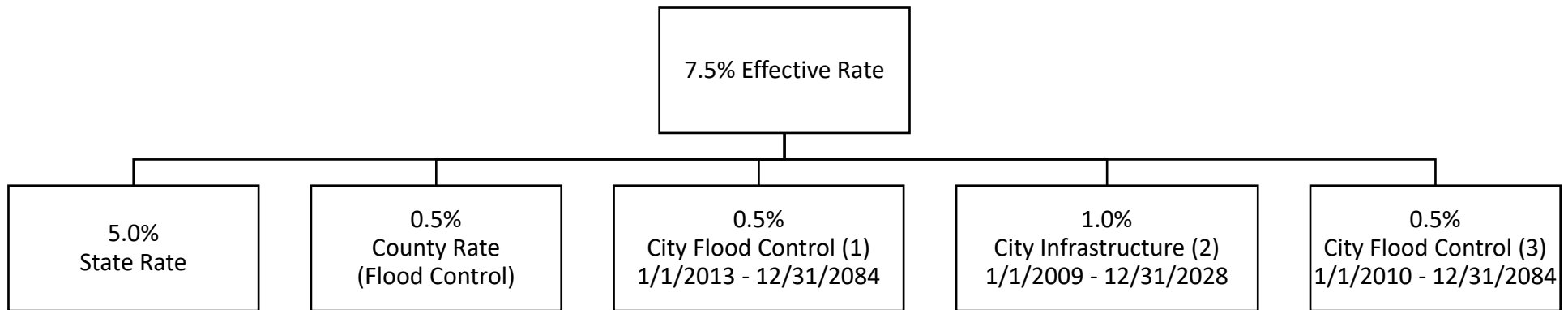
(2) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2084 for flood risk protection, mitigation, and reduction.

(3) Beginning in 2013 a 1/2 cent sales tax was authorized through December 2032 for infrastructure improvements including flood protection, after January 1, 2017, all proceeds were redirected to flood protection, mitigation and reduction. In November 2016, the citizens of Fargo voted to extend the sales tax to expire December 2084 or earlier if all debt and obligations related to the flood control projects have been retired.

Total Sales Tax Receipts



Source: City Auditors Office and Office of the ND State Tax Commissioner
Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F



(1) The City uses this tax for infrastructure improvements including flood protection; after January 1, 2017 all proceeds are redirected to flood protection, mitigation and reduction.

(2) The City of Fargo will use this sales tax for infrastructure capital improvements which may include the following: streets and traffic management; water supply and treatment needs, including construction or expansion of water treatment facilities; water distribution system needs; sewage treatment and collection system needs, including construction or expansion of sewage treatment facilities and flood protection projects.

(3) This sales tax is utilized by the City of Fargo for flood risk protection, mitigation and reduction.

City of Fargo, North Dakota
Taxable Sales and Purchases by State NAICS Category (in thousands)
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Construction	\$ 121,777	\$ 119,922	\$ 118,725	\$ 105,475	\$ 85,077	\$ 80,788	\$ 87,293	\$ 89,940	\$ 88,529	\$ 105,909
Manufacturing	154,645	189,713	179,881	160,397	138,143	156,593	156,024	157,105	170,655	192,007
Wholesale Trade	527,446	546,741	479,306	408,786	382,305	352,940	353,018	349,572	415,081	489,422
Retail Trade	1,251,316	1,264,918	1,271,354	1,237,373	1,196,038	1,207,261	1,187,251	1,180,813	1,336,816	1,300,097
Transportation and Warehousing	3,166	4,185	3,566	3,703	4,810	5,274	6,272	4,954	4,964	8,090
Information Industries	17,080	19,702	20,529	20,235	20,406	21,883	20,194	13,852	17,594	19,931
Financial, Insurance, Real Estate, Rental, and Leasing	93,327	100,771	93,348	72,262	65,304	62,741	64,465	50,776	74,442	88,720
Professional, Scientific, Technology, and Management Services	24,260	24,027	21,936	19,953	19,323	20,868	20,652	18,597	21,141	23,604
Educational, Health Care, and Social Services	29,370	26,464	37,643	37,380	32,342	33,584	81,241	80,434	125,646	159,838
Arts, Entertainment, and Recreation	24,760	27,254	27,308	32,026	27,299	30,644	33,995	14,199	22,006	36,940
Accommodation and Food Service	379,938	409,666	419,240	416,835	410,254	417,610	426,718	328,611	440,764	478,419
Other Services	50,751	50,272	46,657	46,427	41,304	42,896	38,572	37,341	44,241	51,841
Miscellaneous	13,061	14,190	19,267	17,753	16,750	16,060	16,284	17,844	17,140	20,838
Total	<u>\$ 2,690,897</u>	<u>\$ 2,797,825</u>	<u>\$ 2,738,760</u>	<u>\$ 2,578,605</u>	<u>\$ 2,439,355</u>	<u>\$ 2,449,142</u>	<u>\$ 2,491,979</u>	<u>\$ 2,344,038</u>	<u>\$ 2,779,019</u>	<u>\$ 2,975,656</u>

Source: North Dakota Office of State Tax Commissioner

City of Fargo, North Dakota
Market, Assessed, and Taxable Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Residential	Agricultural	Commercial	Railroad	Other Utilities	Less: Incremental Value	Estimated (True & Full) Market Value	Assessed Value (1)	Taxable Value (2)	Total Direct Tax Rate
2022	\$ 7,354,155,936	\$ 2,913,600	\$ 7,523,141,800	\$ 10,693,680	\$ 140,058,160	\$ (103,722,991)	\$ 14,927,240,185	\$ 7,463,620,093	\$ 709,660,276	55.00
2021	6,700,335,418	2,139,900	7,036,933,000	9,740,540	126,535,000	(101,186,790)	13,774,497,068	6,887,248,534	655,291,882	53.00
2020	6,453,459,098	2,158,400	6,630,600,800	8,861,000	128,510,260	(176,797,589)	13,046,791,969	6,523,395,985	620,144,629	53.00
2019	6,168,675,008	2,183,600	6,342,575,459	8,119,840	130,586,580	(146,967,279)	12,505,173,208	6,252,586,604	594,470,390	53.00
2018	5,974,373,574	2,330,700	5,984,366,500	7,126,140	107,394,840	(360,641,830)	11,714,949,924	5,857,474,962	556,125,077	51.00
2017	5,636,656,118	2,407,400	5,709,368,000	7,204,400	99,946,260	(338,195,157)	11,117,387,021	5,558,693,511	527,912,051	51.00
2016	5,130,713,752	2,891,600	5,342,197,200	6,455,800	110,797,860	(294,755,529)	10,298,300,683	5,149,150,342	489,481,255	53.00
2015	4,640,747,077	3,005,900	4,703,499,495	6,088,160	96,224,260	(252,550,425)	9,197,014,467	4,598,507,234	436,837,979	55.00
2014	4,235,747,016	3,655,120	4,066,383,200	5,823,820	84,829,680	(235,985,692)	8,160,453,144	4,080,226,572	387,008,093	57.25
2013	4,012,709,775	3,265,100	3,666,459,320	5,664,700	77,865,780	(161,713,089)	7,604,251,586	3,802,125,793	360,271,576	57.25

(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 MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years

Levy Year	Collection Year	Mill Levy Rates*													Totals by School District		
		City of Fargo					Other Taxing Entities										
		General Revenue	Airport	City Share of Special Assessments**	Special Levies	Total City Tax Capacity Rate	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
2022	2023	51.90	2.00	1.10	0.00	55.00	154.38	152.42	136.10	38.09	47.85	1.00	0.49	4.69	301.50	299.54	283.22
2021	2022	49.90	2.00	1.10	0.00	53.00	154.38	95.21	143.16	33.85	48.60	1.00	0.49	4.69	296.01	236.84	284.79
2020	2021	49.90	2.00	1.10	0.00	53.00	154.38	101.53	139.45	29.60	48.77	1.00	0.44	4.93	292.12	239.27	277.19
2019	2020	49.90	2.00	1.10	0.00	53.00	154.38	99.46	137.26	28.67	49.90	1.00	0.38	5.11	292.44	237.52	275.32
2018	2019	47.90	2.00	1.10	0.00	51.00	154.13	105.93	133.31	27.83	48.90	1.00	0.48	5.26	288.60	240.40	267.78
2017	2018	47.90	2.00	1.10	0.00	51.00	154.13	113.73	129.27	27.80	45.61	1.00	0.45	5.50	285.49	245.09	260.63
2016	2017	49.90	2.00	1.10	0.00	53.00	154.35	124.08	133.29	28.61	53.76	1.00	0.39	6.40	297.51	267.24	276.45
2015	2016	51.90	2.00	1.10	0.00	55.00	166.35	126.88	139.71	29.52	58.32	1.00	0.63	6.50	317.32	277.85	290.68
2014	2015	54.15	2.00	1.00	0.10	57.25	165.35	133.05	142.20	30.71	63.67	1.00	0.44	7.00	325.42	293.12	302.27
2013	2014	54.15	2.00	1.00	0.10	57.25	165.35	137.51	142.20	30.74	63.67	1.00	0.70	7.00	325.71	297.87	302.56

* 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 MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Sterling Properties (formerly INREIT)	\$ 251,149,200	1	3.36%	\$ 62,194,900	1	1.64%
Sanford	176,347,600	2	2.36%	34,439,200	3	0.91%
Dakota UPREIT	130,827,100	3	1.75%	-	N/A	N/A
West Acres Development Company	124,053,900	4	1.66%	47,949,200	2	1.26%
Preylock Fargo (Amazon)	119,401,800	5	1.60%	-	N/A	
Comstock Land Company	81,468,800	6	1.09%	-	N/A	N/A
Adams Investment Ltd. Partnership	81,468,800	7	1.09%	-	N/A	
Enclave/Retreat & Encore @ Urban Plains	70,109,900	8	0.94%	-	N/A	
Great Plains Software	62,394,500	9	0.84%	-	N/A	N/A
Innovis Health	56,003,600	10	0.75%	18,198,500	8	0.48%
Matrix Properties	-	N/A	N/A	26,530,150	4	0.70%
Osgood Investments	-	N/A	N/A	20,951,550	5	0.55%
R & B Development	-	N/A	N/A	19,582,200	6	0.52%
Wal-Mart Real Estate	-	N/A	N/A	19,175,350	7	0.50%
Van Raden/RCV Ltd Partnership	-	N/A	N/A	17,760,000	9	0.47%
JPR Investments	-	N/A	N/A	16,456,850	10	0.43%
Total attributable to top taxpayers	1,153,225,200		15.45%	283,237,900		7.45%
Total of all other properties	6,310,394,893		84.55%	3,518,887,893		92.55%
	<u>\$ 7,463,620,093</u>		<u>100.00%</u>	<u>\$ 3,802,125,793</u>		<u>100.00%</u>

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

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Property Tax Levies and Collections
Last Ten Fiscal Years

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
2022	\$ 40,696,619	\$ 4,434,117	10.90%	\$ -	\$ 4,434,117	10.90%
2021	36,320,566	5,092,586	14.02%	29,206,769	34,299,355	94.44%
2020	35,482,579	7,950,141	22.41%	25,578,047	33,528,188	94.49%
2019	33,765,795	3,903,997	11.56%	28,328,896	32,232,893	95.46%
2018	33,447,420	7,630,249	22.81%	25,373,388	33,003,637	98.67%
2017	31,586,925	9,132,902	28.91%	21,009,037	30,141,939	95.43%
2016	30,267,785	7,104,488	23.47%	21,877,178	28,981,666	95.75%
2015	28,012,985	7,034,130	25.11%	19,815,987	26,850,117	95.85%
2014	26,036,427	5,892,963	22.63%	18,960,421	24,853,384	95.46%
2013	23,964,157	4,924,969	20.55%	17,998,400	22,923,369	95.66%

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
March 2 - April 30	3.00%
May 1 - June 30	an additional 3%
July 1 - October 15	an additional 3%
October 16 - December 31	an additional 3%
January 1	12% annual rate

Source: County Auditors Office

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Delinquent Property Tax Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Delinquent Taxes Collected</u>	<u>Total Collections</u>	<u>Collections as a Percentage of Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as a Percentage of Levy</u>
2022	\$ 196,825	\$ 4,434,117	10.90%	\$ 294,985	0.72%
2021	1,271,884	34,299,355	94.44%	335,921	0.92%
2020	353,639	33,528,188	94.49%	402,336	1.13%
2019	323,756	32,232,893	95.46%	507,466	1.50%
2018	199,534	33,003,637	98.67%	461,929	1.38%
2017	133,236	30,141,939	95.43%	282,259	0.89%
2016	178,552	28,981,666	95.75%	245,133	0.81%
2015	203,665	26,850,117	95.85%	244,633	0.87%
2014	205,187	24,853,384	95.46%	287,782	1.11%
2013	216,366	22,923,369	95.66%	300,177	1.25%

Source: Cass County Auditors Office

City of Fargo, North Dakota
Special Assessments Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Special Assessments Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Special Assessments
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2022	\$ 39,463,391	\$ 3,607,808	9.14%	\$ -	\$ 3,607,808	9.14%	\$ -
2021	38,099,705	3,884,783	10.20%	33,719,319	37,604,102	98.70%	427,305
2020	37,809,484	7,299,483	19.31%	30,190,821	37,490,304	99.16%	165,353
2019	35,934,663	2,862,551	7.97%	32,740,317	35,602,868	99.08%	13,158
2018	34,362,056	6,575,340	19.14%	27,688,279	34,263,619	99.71%	-
2017	32,166,352	8,072,103	25.09%	24,009,553	32,081,656	99.74%	-
2016	29,347,696	6,583,191	22.43%	22,752,771	29,335,962	99.96%	-
2015	25,074,877	6,096,259	24.31%	18,976,808	25,073,067	99.99%	-
2014	25,147,316	5,779,384	22.98%	18,484,299	24,263,683	96.49%	-
2013	22,649,269	3,757,745	16.59%	18,785,355	22,543,100	99.53%	-

Source: Cass County Auditors Office

City of Fargo, North Dakota
Summary of Building Permits Issued
Last Ten Fiscal Years

Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	Number	Value	Number	Value	Number	Value	Number	Value	Number	Value
2022	376	\$ 115,654,764	145	\$ 324,186,462	7	\$ 39,799,200	1,414	\$ 374,325,463	1,942	\$ 853,965,889
2021	379	115,677,974	78	250,440,874	6	63,930,000	1,684	333,294,978	2,147	763,343,826
2020	386	108,333,733	64	136,734,323	15	110,395,603	1,682	364,787,533	2,147	720,251,192
2019	268	68,393,961	53	86,207,856	2	1,940,000	1,704	224,673,878	2,027	381,215,695
2018	278	73,167,154	63	119,031,408	26	92,097,292	1,764	230,802,890	2,131	515,098,744
2017	318	79,983,547	61	106,436,485	14	68,378,598	2,121	220,015,776	2,514	474,814,406
2016	369	103,364,854	61	82,030,623	29	77,798,646	2,084	230,596,081	2,543	493,790,204
2015	366	90,050,759	82	60,341,584	27	76,040,603	1,985	274,312,784	2,460	500,745,730
2014	312	75,353,306	79	516,998,923	44	148,775,000	1,953	271,008,516	2,388	1,012,135,745
2013	411	82,346,838	64	76,140,336	29	84,674,999	1,887	134,605,425	2,391	377,767,598

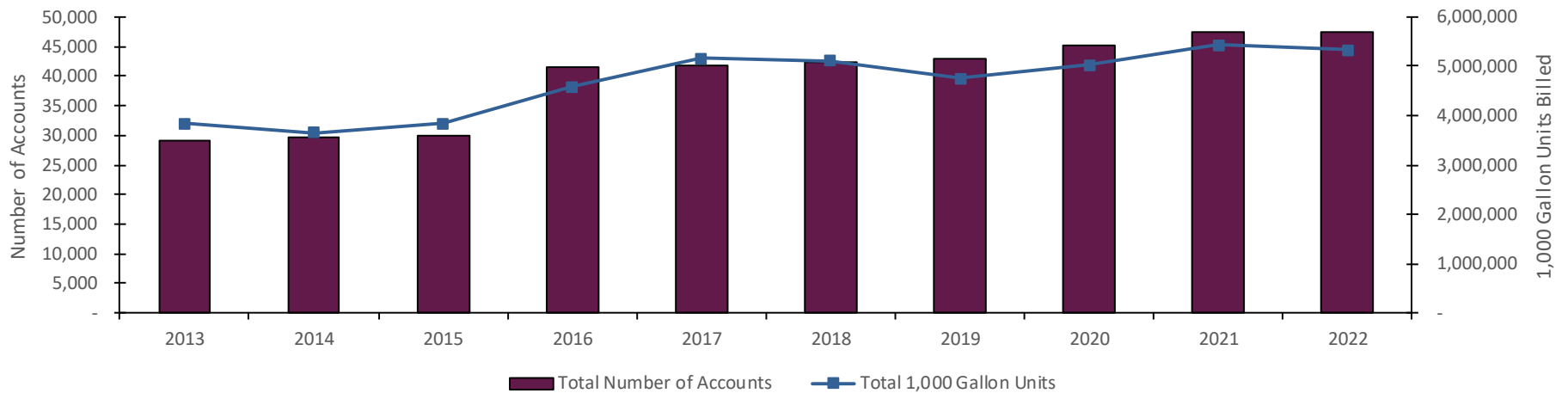
Source: City of Fargo Building Inspector

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Water Utility Billed Consumption
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residential Customers (1,000 Gallon Units)	1,323,864	1,178,140	1,239,102	1,292,389	1,343,577	1,352,441	1,144,070	1,255,648	1,408,963	1,253,291
Commercial Customers (1,000 Gallon Units)	2,511,811	2,468,018	2,604,483	2,678,618	2,860,390	2,754,660	2,675,536	2,701,537	2,751,088	2,815,120
Other Communities (1,000 Gallon Units)	-	-	-	619,527	963,249	1,005,826	931,971	1,061,659	1,268,986	1,261,544
Total 1,000 Gallon Units	3,835,675	3,646,158	3,843,585	4,590,534	5,167,216	5,112,927	4,751,577	5,018,844	5,429,037	5,329,955
Total Number of Accounts	29,027	29,525	30,001	41,449	41,804	42,478	43,030	45,054	47,463	47,545

Water Utility - Number of Accounts and Gallons Billed



Source: City Auditor's Office

Note: In 2016 the City of Fargo became a wholesale water supplier to the City of West Fargo, effective June 2016.

City of Fargo, North Dakota
Water Utility Major Customers
December 31, 2022

<u>Customer</u>	<u>1,000 Gallon Units</u>
City of West Fargo (1)	1,261,544
Cass Rural Water	331,937
Goldmark	226,178
North Dakota State University	139,372
Sanford Health	105,502
Valley Rental	67,531
BMI	50,619
Cass Clay Creamery	48,929
Fargo Public Schools	31,757
Hegenes Management	31,119
Fargo Park District	30,127
Campbell Property Management	29,605
William Block	26,897
Edge of Osgood	21,268
Case New Holland	<u>19,695</u>
Total Attributable to Major Customers	<u><u>2,422,080</u></u>
Total Billed Consumption	<u><u>5,329,955</u></u>
Percentage Attributable to Major Customers	<u><u>45.4%</u></u>

(1) The City of Fargo started providing water to all of West Fargo in June 2016.
Source: City Auditor's Office

City of Fargo, North Dakota
Utility Rate Structure
Last Ten Fiscal Years

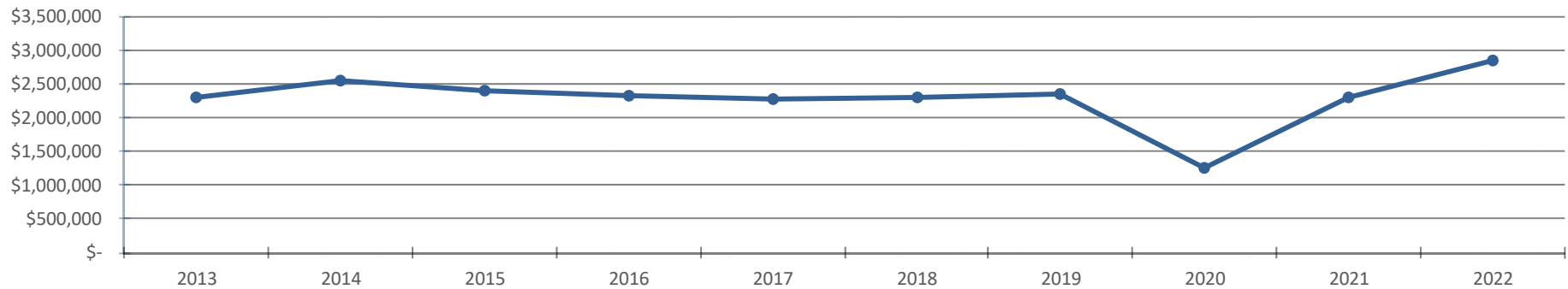
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Water (per 1,000 gallons)										
First 200,000 Gallons	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40
200,000 to 2,000,000 gallons	4.00	4.00	4.00	4.00	4.00	4.15	4.15	4.15	4.15	4.15
Over 2,000,000 Gallons	3.65	3.65	3.65	3.65	3.65	3.75	3.75	3.75	3.75	3.75
Waste Water										
Residential (fixed rate)	19.00	16.00	16.00	16.00	16.00	16.50	16.50	16.50	19.00	19.00
Commercial (per 1,000 gallons)	2.05	2.05	2.05	2.05	2.05	2.10	2.10	2.10	2.20	2.20
Garbage										
Small (48 gallon)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Medium (65 gallon)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Large (96 gallon)	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Recycling	N/A	N/A	N/A	N/A	3.00	3.00	3.00	4.00	4.00	4.00
Storm Sewer										
Residential	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00
Commercial	15.00	15.00	15.00	15.00	15.00	15.00	8.00	8.00	8.00	12.00
Forestry	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.48	4.48
Mosquito	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Street Lights										
Residential	2.50	2.50	2.50	2.50	2.50	2.50	3.50	3.50	3.50	3.50
Commercial	8.00	8.00	8.00	8.00	8.00	8.00	16.00	16.00	16.00	16.00

Source: City Auditor's Office

City of Fargo, North Dakota
Lodging Tax Revenue
Last Ten Fiscal Years

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Lodging Tax Revenue										
2% Operating	\$ 1,540,920	\$ 1,705,336	\$ 1,606,176	\$ 1,559,922	\$ 1,522,443	\$ 1,533,398	\$ 1,568,735	\$ 845,562	\$ 1,530,649	\$ 1,905,811
1% Capital	<u>769,726</u>	<u>851,386</u>	<u>802,535</u>	<u>779,872</u>	<u>761,222</u>	<u>766,699</u>	<u>784,367</u>	<u>422,791</u>	<u>765,325</u>	<u>952,905</u>
Total Lodging Tax Revenue	<u>\$ 2,310,646</u>	<u>\$ 2,556,722</u>	<u>\$ 2,408,711</u>	<u>\$ 2,339,794</u>	<u>\$ 2,283,665</u>	<u>\$ 2,300,097</u>	<u>\$ 2,353,102</u>	<u>\$ 1,268,353</u>	<u>\$ 2,295,974</u>	<u>\$ 2,858,716</u>

Total Lodging Tax Revenue



Source: City Auditors Office

City of Fargo, North Dakota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Governmental Activities									
	Special Assessment Bonds	Other General Obligation Debt	Gross Revenue Debt	Sales Tax Bonds	Taxable Annual Appropriation Bonds	Annual Appropriation Bonds	Notes Payable	Financed Purchases Payable	Leases Payable	Unamortized Premium
2022	\$458,990,000	\$ 29,035,000	\$ -	\$54,244,000	\$ 27,835,000	\$ 8,103,000	\$ 66,131,505	\$ 573,405	\$10,933,906	\$ 35,486,003
2021	526,910,000	30,750,000	-	58,226,000	28,395,000	-	71,544,920	456,740	-	35,600,959
2020	549,200,000	32,405,000	-	62,039,000	28,840,000	-	123,321,973	383,120	-	34,292,608
2019	450,485,000	33,995,000	-	65,696,000	17,315,000	-	130,127,690	226,051	-	31,255,233
2018	418,055,000	35,515,000	-	69,215,000	17,315,000	-	118,260,400	174,518	-	30,589,507
2017	409,335,000	36,980,000	-	72,609,000	-	-	179,727,693	221,267	-	31,341,672
2016	415,715,000	37,910,000	-	75,889,000	-	-	144,462,044	254,398	-	30,814,050
2015	386,760,000	12,390,000	-	79,063,000	-	-	126,954,821	322,749	-	25,609,116
2014	332,360,000	2,285,000	-	82,142,000	-	-	72,962,978	231,179	-	21,522,490
2013	299,160,000	2,400,000	100,036	57,040,000	-	-	68,709,176	165,679	-	9,115,418

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

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

City of Fargo, North Dakota
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	Business-type Activities						Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Revenue Bonds	Notes Payable	Special Assessments	Financed Purchases Payable	Leases Payable	Unamortized Premium			
2022	\$ 5,804,480	\$223,399,801	\$ 9,968,588	\$2,903,370	\$ 42,576	\$ -	\$933,450,634	n/a	\$ 7,410
2021	6,752,348	180,494,385	10,358,902	2,512,254	-	-	952,001,508	6.09%	7,444
2020	7,777,149	146,454,330	10,794,379	2,046,863	-	-	997,554,422	6.90%	7,918
2019	8,778,931	127,700,446	10,849,169	2,017,877	-	-	878,446,397	6.50%	7,047
2018	9,762,743	100,101,771	14,215,945	1,638,398	-	-	814,843,282	6.30%	6,527
2017	10,728,632	3,309,253	12,689,133	1,550,898	-	-	758,492,548	6.20%	6,199
2016	7,258,473	3,900,000	8,269,708	3,379,814	-	-	727,852,487	6.07%	6,027
2015	11,258,659	2,700,000	6,727,823	4,625,543	-	-	656,411,711	5.62%	5,538
2014	16,785,000	7,993,000	6,916,821	4,848,864	-	452,028	548,499,360	4.91%	4,734
2013	20,595,000	5,754,000	6,599,787	5,944,453	-	601,743	476,185,292	4.53%	4,249

City of Fargo, North Dakota
 Ratios of General Bonded Debt Outstanding
 Last 10 Fiscal Years

Year	Other General Obligation Debt	Gross Revenue Debt	Total	Percentage of Market Value of Property	Per Capita (1)
2022	\$ 29,035,000	\$ -	\$ 29,035,000	0.19%	\$ 230
2021	30,750,000	-	30,750,000	0.22%	240
2020	32,405,000	-	32,405,000	0.25%	257
2019	33,995,000	-	33,995,000	0.27%	273
2018	35,515,000	-	35,515,000	0.30%	284
2017	36,980,000	-	36,980,000	0.33%	302
2016	37,910,000	-	37,910,000	0.37%	314
2015	12,390,000	-	12,390,000	0.13%	105
2014	2,285,000	-	2,285,000	0.03%	20
2013	2,400,000	100,036	2,500,036	0.03%	22

(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

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
2022	125,967	\$ 7,463,620,093	\$ 619,497,483	\$ 242,509,227	\$ 5,804,480	\$ 371,183,776	4.97%	\$ 2,947
2021	127,880	6,887,248,534	686,634,307	79,776,298	6,752,348	600,105,661	8.71%	\$ 4,693
2020	125,990	6,523,395,985	714,553,757	138,499,891	7,777,149	568,276,717	8.71%	\$ 4,510
2019	124,662	6,252,586,604	607,525,164	95,473,525	8,778,931	503,272,708	8.05%	\$ 4,037
2018	124,844	5,857,474,962	580,452,250	30,936,317	9,762,743	539,753,190	9.21%	\$ 4,323
2017	122,359	5,558,693,511	560,994,304	10,617,978	10,728,632	539,647,694	9.71%	\$ 4,410
2016	120,762	5,149,150,343	567,586,523	49,091,269	7,258,473	511,236,781	9.93%	\$ 4,233
2015	118,523	4,598,507,234	515,080,775	16,996,377	11,258,659	486,825,739	10.59%	\$ 4,107
2014	115,863	4,080,226,572	455,546,518	38,512,874	17,237,028	399,796,616	9.80%	\$ 3,451
2013	112,075	3,802,125,793	389,012,197	77,905,850	21,196,743	289,909,604	7.62%	\$ 2,587

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

(2) Source – Cass County Auditor

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for 2022

Market Value of All Property (1)		\$ 14,927,240,185
		50%
Assessed Valuation		<u>\$ 7,463,620,093</u>
Debt Limit (5% of Assessed Value)		\$ 373,181,005
Debt applicable to limit		
City's share of special assessments (2)	\$ 16,051,226	
Debt supported solely by taxes (2)	29,035,000	
Governmental lease and financed purchase obligations (2)	11,507,311	
Debt available in related debt service funds(2)	<u>882,328</u>	
Total net debt applicable to limit		<u>57,475,865</u>
Legal debt margin		<u><u>\$ 315,705,140</u></u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 190,160,290	\$ 204,011,329	\$ 229,925,362	\$ 257,457,517	\$ 277,934,676	\$ 292,873,748	\$ 312,629,330	\$ 326,169,799	\$ 344,362,427	\$ 373,181,005
Total net debt applicable to limit	<u>10,762,778</u>	<u>10,949,030</u>	<u>22,174,224</u>	<u>49,759,291</u>	<u>53,840,734</u>	<u>55,309,257</u>	<u>54,440,883</u>	<u>50,219,709</u>	<u>48,911,077</u>	<u>57,475,865</u>
Legal debt margin	<u>\$ 179,397,512</u>	<u>\$ 193,062,299</u>	<u>\$ 207,751,138</u>	<u>\$ 207,698,226</u>	<u>\$ 224,093,942</u>	<u>\$ 237,564,491</u>	<u>\$ 258,188,447</u>	<u>\$ 275,950,090</u>	<u>\$ 295,451,350</u>	<u>\$ 315,705,140</u>
Total net debt applicable to the limit as a percentage of debt limit	5.66%	5.37%	9.64%	19.33%	19.37%	18.89%	17.41%	15.40%	14.20%	15.40%

(1) Source – Cass County Auditor

(2) Source – City Auditors Office

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Computation of Direct and Overlapping Debt
Last Ten Fiscal Years

Taxing Entity	2022 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 709,660,276	\$ 680,397,913	100.00%	\$ 680,397,913
Cass County	1,134,765,773	-	63.08%	-
Fargo Park District	709,660,276	55,570,000	100.00%	55,570,000
Fargo Public Schools	499,129,719	77,914,370	89.26%	69,546,367
Kindred Public Schools	34,174,869	18,442,086	0.04%	7,377
West Fargo Public Schools	511,926,682	267,184,926	42.16%	112,645,165
Subtotal overlapping debt		419,111,382		237,768,909
Total Direct and Overlapping Debt		\$ 1,099,509,295		\$ 918,166,822

Source: The individual entity specified.

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

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

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Summary of Direct Debt and Debt Ratios
Last Ten Fiscal Years

Direct Debt as of December 31, 2022	Amount	Per Capita (125,967)	Percent of Market Value (\$14,927,240,185)
General Obligation Bonds Supported by Property Tax	\$ 29,056,191	\$ 231	0.19%
Improvement (Special Assessment) Bonds	437,338,310	3,472	2.93%
Revenue Bonds	84,361,449	670	0.57%
Financed Purchases Payable	3,476,775	28	0.02%
Notes Payable	4,461,641	35	0.03%
City Share of Special Assessments	9,968,588	79	0.07%
Overlapping Debt	419,111,382	3,327	2.81%
Total	<u>\$ 987,774,336</u>	<u>\$ 7,842</u>	<u>6.62%</u>

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Special Assessment Bonds				
	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ 41,209,736	\$ 20,340,000	\$ 14,537,131	\$ 34,877,131	1.18
2021	54,980,777	20,635,000	17,390,796	38,025,796	1.45
2020	48,726,546	19,455,000	17,770,522	37,225,522	1.31
2019	43,926,433	17,435,000	15,804,696	33,239,696	1.32
2018	38,646,930	15,335,000	15,394,480	30,729,480	1.26
2017	38,133,231	14,250,000	15,703,700	29,953,700	1.27
2016	37,005,479	13,985,000	14,561,616	28,546,616	1.30
2015	26,817,909	13,850,000	13,431,966	27,281,966	0.98
2014	33,035,969	11,810,000	11,159,663	22,969,663	1.44
2013	28,217,162	11,770,000	12,014,553	23,784,553	1.19

Note:

At the end of 2022, there was \$37,622,230 in prepaid special assessments that can be used to make debt service payments.
At the end of 2021, there was \$51,024,851 in prepaid special assessments that can be used to make debt service payments.
At the end of 2020, there was \$39,553,617 in prepaid special assessments that can be used to make debt service payments.
At the end of 2019, there was \$34,534,157 in prepaid special assessments that can be used to make debt service payments.
At the end of 2018, there was \$30,278,380 in prepaid special assessments that can be used to make debt service payments.
At the end of 2017, there was \$22,850,773 in prepaid special assessments that can be used to make debt service payments.
At the end of 2016, there was \$16,848,334 in prepaid special assessments that can be used to make debt service payments.
At the end of 2015, there was \$25,971,050 in prepaid special assessments that can be used to make debt service payments.
At the end of 2014, there was \$30,263,636 in prepaid special assessments that can be used to make debt service payments.
At the end of 2013, there was \$28,062,003 in prepaid special assessments that can be used to make debt service payments.

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

SRLF Storm Sewer Project Notes Payable					
Year	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ -	\$ -	\$ -	\$ -	N/A
2021	-	-	-	-	N/A
2020	65,790	110,000	2,750	112,750	0.58
2019	69,674	110,000	5,500	115,500	0.60
2018	114,402	110,000	8,250	118,250	0.97
2017	117,211	105,000	10,875	115,875	1.01
2016	131,218	105,000	13,500	118,500	1.11
2015	113,343	100,000	16,000	116,000	0.98
2014	77,574	100,000	18,500	118,500	0.65
2013	64,883	95,000	20,875	115,875	0.56

Note: Final payment on this note was made in 2020

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Sales Tax Revenue Bonds				
	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ 7,552,698	\$ 3,982,000	\$ 2,311,915	\$ 6,293,915	1.20
2021	7,556,148	3,813,000	\$2,483,790	6,296,790	1.20
2020	7,553,418	3,657,000	2,637,515	6,294,515	1.20
2019	7,551,678	3,519,000	2,774,065	6,293,065	1.20
2018	7,555,260	3,394,000	2,902,050	6,296,050	1.20
2017	7,554,672	3,280,000	3,015,560	6,295,560	1.20
2016	10,412,492	3,174,000	3,118,500	6,292,500	1.65
2015	12,747,118	3,079,000	3,217,930	6,296,930	2.02
2014	24,168,140	7,410,000	2,848,951	10,258,951	2.36
2013	20,609,635	5,580,000	1,591,026	7,171,026	2.87

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Sales Tax Note Payable - Direct Bank Loan - FM Diversion Financing*				
	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ -	\$ -	\$ -	\$ -	N/A
2021	32,344,357	50,250,000	203,930	50,453,930	0.64
2020	23,163,359	-	585,424	585,424	39.57
2019	24,781,337	-	1,393,067	1,393,067	17.79
2018	22,560,969	-	1,095,209	1,095,209	20.60
2017	22,228,730	-	606,737	606,737	36.64
2016	16,324,568	-	100,573	100,573	162.32
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A
2013	-	-	-	-	N/A

*Includes notes payable and temporary sales tax revenue
Note: Final payment was made on this note in 2021

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	SRLF Notes Payable				
	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ 16,642,780	\$ 4,920,000	\$ 1,037,230	\$ 5,957,230	2.79
2021	15,956,556	4,780,000	1,150,876	5,930,876	2.69
2020	12,299,310	4,375,000	1,261,083	5,636,083	2.18
2019	12,957,605	4,250,000	1,368,117	5,618,117	2.31
2018	12,046,492	4,132,409	2,054,132	6,186,541	1.95
2017	13,303,870	4,120,422	2,124,443	6,244,865	2.13
2016	12,775,522	4,980,000	1,726,812	6,706,812	1.90
2015	12,747,118	4,851,075	1,581,750	6,432,825	1.98
2014	12,084,070	4,725,000	1,649,348	6,374,348	1.90
2013	17,665,401	4,604,374	1,679,810	6,284,184	2.81

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

	Parking Revenue Bonds						
Year	Parking Revenue	Less: Operating Expenditures	Net Available Revenue	Principal	Debt Service Interest	Total	Coverage
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2021	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	N/A
2019	-	-	-	-	-	-	N/A
2018	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	N/A
2013	1,282,636	540,165	742,471	765,000	10,089	775,089	0.96

Note: Final payment on these bonds was made in 2013.

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Lease Revenue Bonds				
	Lease Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ -	\$ -	\$ -	\$ -	N/A
2021	-	-	-	-	N/A
2020	-	-	-	-	N/A
2019	-	-	-	-	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A
2013	1,611,020	3,005,000	96,020	3,101,020	0.52

Note: Final payment on these bonds was made in 2013.

City of Fargo, North Dakota
Pledged Revenue Coverage – Governmental Activities
Last Ten Fiscal Years

Year	Housing Revenue Bonds					Coverage
	NRI Loan Repayments	Debt Service			Total	
		Principal	Interest			
2022	\$ -	\$ -	\$ -	\$ -	N/A	
2021	-	-	-	-	N/A	
2020	-	-	-	-	N/A	
2019	-	-	-	-	N/A	
2018	-	-	-	-	N/A	
2017	-	-	-	-	N/A	
2016	-	-	-	-	N/A	
2015	-	-	-	-	N/A	
2014	100,036	100,036	-	100,036	1.00	
2013	50,000	50,000	-	50,000	1.00	

Note: Final payment on these bonds was made in 2014.

City of Fargo, North Dakota
Pledged Revenue Coverage – Business-Type Activities
Last Ten Fiscal Years

Year	Water Revenue Bonds						
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
2021	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	N/A
2019	-	-	-	-	-	-	N/A
2018	-	-	-	-	-	-	N/A
2017	23,706,110	13,030,159	10,675,951	3,840,000	100,800	3,940,800	2.71
2016	21,779,615	10,558,497	11,221,118	3,650,000	201,600	3,851,600	2.91
2015	19,134,802	9,604,660	9,530,142	3,470,000	393,225	3,863,225	2.47
2014	18,311,211	9,459,296	8,851,915	3,295,000	575,400	3,870,400	2.29
2013	19,051,936	9,704,611	9,347,325	3,130,000	748,388	3,878,388	2.41

Note: Final payment on these bonds made in 2017

Year	SRLF Notes Payable						
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2022	\$ 25,679,019	\$ 17,709,923	\$ 7,969,096	\$ 2,435,000	2,005,959	\$ 4,440,959	1.79
2021	26,123,374	15,382,850	10,740,524	2,375,000	1,929,530	4,304,530	2.50
2020	23,773,689	15,589,543	8,184,146	2,315,000	1,963,007	4,278,007	1.91
2019	22,744,596	14,876,113	7,868,483	1,000,000	1,911,785	2,911,785	2.70
2018	23,888,031	14,268,537	9,619,494	-	737,169	737,169	13.05
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	N/A
2014	-	-	-	-	-	-	N/A
2013	-	-	-	-	-	-	N/A

City of Fargo, North Dakota
Pledged Revenue Coverage – Business-Type Activities
Last Ten Fiscal Years

	SRLF Notes Payable						
Year	Water Reclamation Revenue	Less: Expenditures	Net Available Revenue	Debt Service			
				Principal	Interest	Total	Coverage
2022	\$ 15,530,744	\$ 10,238,408	\$ 5,292,336	\$ -	1,273,962	\$ 1,273,962	4.15
2021	14,491,086	8,904,750	5,586,336	-	765,690	765,690	7.30
2020	12,266,270	7,744,391	4,521,879	-	452,033	452,033	10.00
2019	11,276,502	9,220,282	2,056,220	-	95,660	95,660	21.50
2018	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	10,328,605	5,559,656	4,768,949	4,993,000	72,815	5,065,815	0.94
2014	10,176,950	4,866,238	5,310,712	761,000	140,327	901,327	5.89
2013	11,046,790	5,252,745	5,794,045	741,000	155,411	896,411	6.46
	Clean Renewable Energy Bond						
Year	Sale of Byproducts	Debt Service			Total	Coverage	
		Principal	Interest				
2022	\$ -	\$ -	\$ -	\$ -	-	N/A	
2021	145,980	100,000	850		100,850	1.45	
2020	175,783	100,000	1,700		101,700	1.73	
2019	27,474	100,000	2,550		102,550	0.27	
2018	177,869	100,000	3,400		103,400	1.72	
2017	341,470	100,000	4,250		104,250	3.28	
2016	337,527	100,000	5,100		105,100	3.21	
2015	335,117	100,000	5,950		105,950	3.16	
2014	316,396	100,000	6,800		106,800	2.96	
2013	416,658	100,000	7,650		107,650	3.87	

Note: Final payment on these bonds made in 2021

City of Fargo, North Dakota
Pledged Revenue Coverage – Business-Type Activities
Last Ten Fiscal Years

Year	Qualified Energy Conservation Bonds				
	Tipping Fee Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2022	\$ 9,852,673	\$ 192,868	\$ 85,162	\$ 278,030	35.44
2021	9,990,370	189,801	94,442	284,243	35.15
2020	10,350,021	186,782	103,574	290,356	35.65
2019	8,903,000	183,812	112,561	296,373	30.04
2018	8,781,299	180,889	121,405	302,294	29.05
2017	9,218,332	178,012	130,108	308,120	29.92
2016	7,517,651	103,356	148,938	252,294	29.80
2015	-	-	-	-	N/A
2014	-	-	-	-	N/A
2013	-	-	-	-	N/A

City of Fargo, North Dakota
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Level of Education (1)		Median Age (1)	K-12 Public School Enrollment (1)	Unemployment Rate (3)			Fargo Labor Force (3)
				% High School Grad or Higher	% Bachelor's Degree or Higher			City of Fargo	State of North Dakota	United States	
2022	125,967	n/a (4)	n/a (4)	n/a (4)	n/a (4)	n/a (4)	11,364	1.8%	2.1%	3.6%	74,948
2021	127,880	15,637,671,000	62,021	94.1%	43.5%	31.8	11,296	2.2%	3.0%	3.7%	72,514
2020	125,990	14,457,643,000	58,158	94.6%	40.9%	31.4	11,204	3.2%	4.8%	6.5%	73,397
2019	124,662	13,521,155,000	54,932	94.3%	40.0%	31.0	11,368	1.8%	2.2%	3.4%	69,702
2018	124,844	12,939,269,000	52,712	93.9%	39.5%	31.2	11,242	2.2%	2.4%	3.7%	68,195
2017	122,359	12,242,900,000	50,725	93.8%	38.8%	30.7	11,317	2.2%	2.6%	3.9%	70,726
2016	120,762	11,992,967,000	50,364	93.9%	38.2%	31.0	11,175	2.2%	3.2%	4.9%	69,230
2015	118,523	11,688,827,000	49,987	94.6%	38.0%	30.7	11,157	2.2%	2.7%	5.3%	65,665
2014	115,863	11,166,605,000	48,914	94.7%	38.6%	29.5	11,026	2.5%	2.8%	6.2%	65,038
2013	112,075	10,509,203,000	47,023	93.7%	35.3%	31.7	10,903	3.0%	2.9%	7.4%	61,896

(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

(4) 2022 information was not available as of the date our financial statements were issued.

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Retail Sales and Estimated Buying Income – Cass County
Last Ten Fiscal Years
(Unaudited)

Year	Retail Sales	Effective Buying Income (EBI)	Median Household EBI	
			Fargo MSA	North Dakota
2022	\$ 11,509,730,000	\$ 7,024,266,000	\$ 63,346	\$ 63,773
2021	10,158,772,000	7,092,440,000	61,543	62,792
2020	9,189,477,000	6,307,429,000	57,120	56,424
2019	5,679,415,000	6,274,069,000	57,602	56,623
2018	5,433,331,000	5,529,837,000	54,109	55,194
2017	4,368,865,000	5,363,344,000	50,722	53,172
2016	4,788,922,000	5,172,302,000	49,082	52,472
2015	4,946,200,000	4,556,037,000	46,208	49,198
2014	4,839,445,000	4,231,840,000	45,276	46,365
2013	2,862,674,000	3,667,475,000	42,550	40,911

Source: Demographics USA, Survey of Buying Power
Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota

Principal Employers

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees (1)	Rank	Percentage of Total County Employment	Employees (2)	Rank	Percentage of Total County Employment
Sanford Health	9,229	1	12.31%	6,739	1	10.89%
North Dakota State University	2,267	2	3.02%	2,339	2	3.78%
Fargo Public Schools	2,153	3	2.87%	1,762	3	2.85%
West Fargo Public Schools	2,031	4	2.71%	N/A	-	N/A
Innovis Health/Essentia Health	1,946	5	2.60%	967	7	1.56%
Marvin Windows	1,800	6	2.40%	N/A	-	N/A
Fargo VA Health Care System	1,440	7	1.92%	870	8	1.41%
Coborns Inc.	1,215	8	1.62%	N/A	-	N/A
City of Fargo	1,021	9	1.36%	773	10	1.25%
Wex Health	863	10	1.15%	N/A	-	N/A
Noridian/Blue Cross Blue Shield	N/A	-	N/A	1,345	4	2.17%
Case New Holland	N/A	-	N/A	1,055	5	1.70%
US Bank - Service Center	N/A	-	N/A	975	6	1.58%
Microsoft	N/A	-	N/A	870	9	1.41%
Total	23,965		31.98%	17,695		28.59%

Sources: (1) North Dakota Labor Market Information

(1) Survey of Individual employers

(2) Fargo Moorhead Chamber of Commerce

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747N, 30748F

City of Fargo, North Dakota
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
City Administrator	1	1	1	2	2	3	3	3	3	3
Human Resources	6	6	6	7	8	8	8	8	9	9
Information Services	23	23	23	24	24	24	24	24	24	24
Public Information	2	2	2	2	2	3	4	4	7	10
Auditor	15	15	15	15	15	15	15	15	15	19
Municipal Court	8	8	8	8	8	8	8	8	8	7
City Assessor	11	11	11	11	11	11	11	11	11	12
Buildings & Grounds	7	7	7	13	13	14	14	15	15	18
Planning	11	12	13	14	15	13	14	14	14	14
Central Garage	23	23	23	23	23	24	24	24	24	24
City Commission	8	8	8	8	8	8	8	9	10	9
Public safety										
Inspections	20	20	21	22	23	23	24	25	25	26
Traffic Engineering	9	9	11	11	11	11	6	6	6	6
Fire Department	117	121	121	122	122	122	123	124	124	128
Police Department	169	172	180	187	197	204	205	209	209	213
Public works										
City Engineering	37	37	41	42	42	43	42	42	42	42
Streets & Sewers	51	51	54	55	55	55	55	57	58	60
Public health & welfare										
Health	112	114	117	116	116	112	112	111	110	110
Homeless Shelter	16	18	18	19	20	20	21	21	21	23
Recreation & culture										
Public Library	48	49	49	50	51	52	54	54	54	55
Urban redevelopment	2	2	2	2	2	2	2	3	3	3
Business-type funds										
Airport	16	16	26	27	27	27	28	28	28	*
Water	44	45	46	47	48	52	52	54	54	55
Water Reclamation	20	20	20	20	20	20	20	20	21	21
Storm Sewer	5	5	5	5	5	5	5	5	5	5
Solid Waste	50	50	50	50	50	50	50	49	49	49
Fargodome	20	21	21	21	23	23	23	25	25	25
Street Lighting	2	2	2	2	2	2	7	7	7	7
Forestry	10	11	11	11	11	11	11	12	12	12
Transit	21	22	21	23	25	25	25	25	30	31
Civic Memorial Auditorium	6	6	6	4	4	4	4	3	1	1
Total	890	907	939	963	983	994	1,002	1,015	1,024	1,021

Number includes budgeted full-time equivalent (FTE) positions

*Effective January 1, 2022, the Airport is no longer reported as a business-type fund

City of Fargo, North Dakota
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Fire										
Number of calls answered	6,984	7,196	9,336	10,483	10,711	11,014	11,563	12,930	13,490	14,559
Number of fire inspections	6,552	6,470	6,437	6,005	6,007	6,956	6,245	6,375	6,522	6,611
Police										
Number of calls for service	62,836	65,682	74,516	78,784	89,162	89,565	93,590	77,477	82,317	83,174
Arrests	6,067	6,063	6,907	7,412	7,076	6,592	6,492	5,039	5,086	5,465
Public works										
Average daily water consumption (gallons)	10,508,699	9,989,474	10,530,370	12,576,805	14,156,756	14,008,019	13,018,019	13,750,258	14,874,074	14,602,616
Water Reclamation average flow per day (MG)	13.39	12.84	12.17	12.72	11.81	11.78	13.00	14.64	15.32	15.68
Public health & welfare										
WIC participation	2,702	2,701	2,970	2,908	2,975	2,773	2,619	2,517	2,468	2,642
Nursing visits	214,637	152,266*	144,985*	148,719*	145,353*	146,465*	157,786*	138,237	177,744*	140,669*
Recreation & culture										
Library circulation	997,492	1,000,024	1,004,966	987,851	992,711	1,026,953	1,047,165	692,372	849,325	912,525
Civic center attendance	88,355	91,660	48,945	46,001	37,240	33,963	32,740	9,979	23,025	30,700
Fargodome attendance	539,285	550,330	565,914	593,489	539,428	522,883	535,224	100,208	462,950	431,534
Public transportation										
Number of rides										
Fixed route	1,682,267	1,751,824	1,600,610	1,483,667	1,419,067	1,440,766	1,336,401	855,848	1,098,670	1,180,821
Paratransit	53,403	53,893	51,513	52,394	52,509	52,665	53,350	37,137	52,802	55,422
Public information										
Web site										
Total Sessions	1,269,295	1,272,993	1,378,527	1,239,551	1,078,806	993,435	1,234,414	1,499,449	1,491,319	1,345,690
Users	716,763	745,192	759,584	653,841	565,904	448,066	640,287	838,552	791,757	736,431
Page views	3,216,029	3,017,692	3,110,926	2,751,964	2,635,927	2,424,353	2,646,277	2,991,319	3,048,779	2,626,443
Pages per visit	2.50	2.37	2.26	2.22	2.44	2.44	2.14	1.99	2.04	1.95
Infrastructure										
New projects assessed	51	43	38	53	55	45	44	45	48	40
Value of new projects	\$ 27,096,674	\$ 42,278,237	\$ 34,950,435	\$ 77,220,449	\$ 58,787,981	\$ 46,058,863	\$ 40,214,225	\$ 46,058,863	\$ 25,187,472	\$ 26,651,696

* Amount does not include correctional health clinical nursing visits.

City of Fargo, North Dakota
Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Area in square miles	48.80	48.84	49.22	49.22	49.22	49.22	49.22	49.22	49.22	49.22
Public Safety										
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Vehicles	31	31	31	23	20	17	17	15	16	20
Police										
Stations	2	1	2	2	2	2	2	2	3	3
Marked cars	41	41	44	44	48	47	47	47	53	53
Public Works										
Number of street lights	10,113	10,402	11,091	11,622	12,086	12,759	13,255	13,622	14,047	14,229
Miles of paved streets	407.43	464.39	525.47	590.04	615.35	651.04	669.47	687.67	706.11	736.34
Miles of water mains	459.93	472.90	484.03	490.01	495.22	504.72	509.31	515.84	523.35	526.50
Miles of sanitary sewer	443.30	453.99	460.87	466.28	473.46	468.06	471.13	454.98	459.05	464.57
Miles of storm sewer	429.74	442.51	455.86	464.51	470.96	494.18	501.71	508.48	515.51	525.43
Recreation & Culture										
Library Collection	282,462	298,344	305,539	274,536	275,981	271,187	313,604	321,390	319,151	318,992
Public Transportation										
Buses	32	32	29	29	31	46	43	44	45	46

