



2023 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City of Fargo, North Dakota
for the fiscal year ended
December 31, 2023



Annual Comprehensive Financial Report
Year Ended December 31, 2023

City of Fargo, North Dakota

Prepared by the Finance Department

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Introductory Section
Year Ended December 31, 2023
City of Fargo, North Dakota



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June 26, 2024

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, 2023. 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, 2023. 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 137,226 representing an 8.9% growth since the 2020 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 on June 11 2024, in which John Strand and Michelle Turnberg were elected to serve a four year term on the City Commission.

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 serves as the Assistant City Administrator.

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, Director of Human Resources, 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 are available for the Municipal Airport Authority 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 \$64,468 in 2022 as compared to \$52,712 in 2018 representing a 22.3% increase in income levels over the past five years. Our labor force has increased to 73,301 in 2023 as compared to 68,195 five years ago which represents an 7.5% increase. Fargo's unemployment rate is currently 1.6% while the State of North Dakota is 1.8%.

Continued Growth in Building Permits

After soaring to record highs during the low interest rate environment through 2022, construction activity in Fargo slowed slightly in 2023, but still ranks as the second highest annual permit activity. Building permits totaled \$784 million in 2023 compared to \$853 million in 2022. Residential construction permits were only down 5%, with commercial and multi-family down 20% and 15%, respectively. Demand for housing remains strong in our community in light of the strength of our local economy 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 \$69.1 million in 2023 as compared to \$65.9 in 2022, a 4.89% increase. We are pleased to show strong and favorable growth in sales tax year over year.

MAJOR INITIATIVES FOR THE YEAR

Enterprise Resource Planning (ERP)

Following a request for proposal and a thorough, cross-departmental evaluation process, the City of Fargo selected a new Enterprise Resource Planning system to begin implementing in late 2023. The new system will replace a legacy accounting, payroll, and human resource management program. The financial management module is slated to be live 2025 with the new payroll and Human Capital Management systems coming online in 2026. This new software will provide modern technology for ease and efficiency of financial analysis, reporting, payroll processing, and personnel management.

Forward-Looking Initiatives

The City of Fargo prioritizes forward-looking initiatives to effectively plan for long-term growth and community protection. Examples include an ongoing city-wide Growth Plan with collaborations between residents, business owners, and planning experts; major facility expansion at Hector International Airport; construction of Fargo Fire Station. 8; and the addition of a southside Fargo Parks Sports Complex. The city is also constructing a super water tower. At a 2.5 million gallon capacity, it is the largest in the state of North Dakota. Two climate-related initiatives, the Flood Diversion Channel and Water Supply Project, are designed to protect generations of Fargo residents.

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 Metro Flood 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 for future generations of North Dakotans 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. Construction of the project remains on schedule and will provide comprehensive flood protection for the Fargo-Moorhead-West Fargo metropolitan area when complete.

Red River Valley Water Supply Project (RRVWSP)

The need for the RRVWSP arose from the drought-prone Red River and supported studies that show a severe drought, similar to that of the 1930s, will likely repeat by the year 2050. With continued growth and industrial development, the project is needed to mitigate against drought conditions that would cause costly water shortages, foster economic development by meeting municipal, industrial, and rural water demands, and promote environmental sustainability. Based on a 2021 estimate, the financial impact of a drought similar to the one Fargo, North Dakota experienced in the 1930s is 33 billion over a ten-year period.

The original project was conceived as a federal, state, and local project. Without federal authorization in place, local leaders and stakeholders began to look for a state and local option to complete the highly needed project. At a cost in excess of \$1.3 billion, the project benefits from the state of North Dakota's significant funding over seven biennia. State funding includes required local matches ranging from 10 to 30 percent; however, various state of North Dakota long-term, low-interest loan programs have been made available for the local match. The City of Fargo has modeled their local share repayment via water utility rates over the next forty years.

After completing multiple studies and examining countless alternatives, a route for the project was determined. The project will bring Missouri River water from the McClusky Canal in central North Dakota, to the Sheyenne River, closely running along the Hwy 200 corridor. The route for the RRVWSP is flexible, environmentally friendly and reliable. The project has a route that is adaptable to different growth patterns, and the Sheyenne and Red Rivers will provide increased water delivery capacity to the systems compared to a pipeline. Using the river conveyance will enhance return flow capture allowing reuse of the RRVWSP water. The project was expanded to include central North Dakota, in response to the 2015 legislative session. The state and local project version of the project will benefit users along the pipeline route throughout central North Dakota and ultimately the Red River Valley.

Construction began with the transmission pipeline in June 2022. Additional land acquisition, final design, and construction of remaining project features are expected to be complete by 2029.

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, 2022. This is the twenty-fifth 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

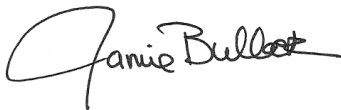
Special thanks are due to the Eide Bailly, LLP and their staff for the technical assistance during the audit and throughout the year. We acknowledge the thorough and professional manner in which they conducted their audit.

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
Director of Finance



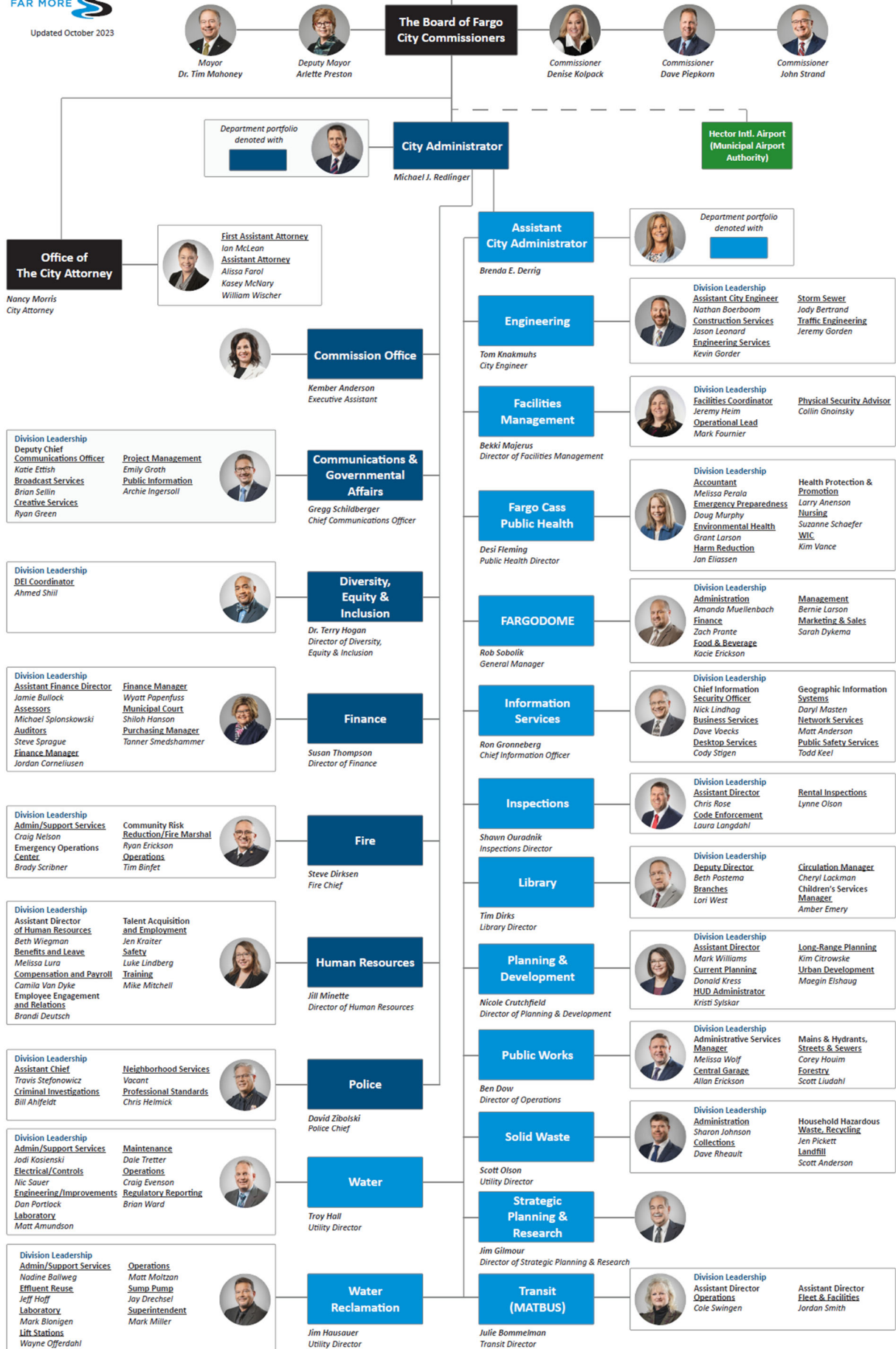
Jamie Bullock, CPA
Assistant Finance Director



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	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, 2022

Christopher P. Morrill

Executive Director/CEO

Financial Section
Year Ended December 31, 2023
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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, 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, 2023, 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, a discretely presented component unit, which represents 100% of the assets, net position, and revenues of the discretely presented component unit, as of December 31, 2023. 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.

Adoption of New Accounting Standard

As discussed in Notes 1 and 15 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No.96, *Subscription-Based IT Arrangements (SBITAs)*, for the year ended December 31, 2023. Accordingly, a restatement has been made to the governmental and business-type activities subscription-based IT assets and SBITAs payable, and governmental and general fund prepaid expenses/expenditures as of January 1, 2023, to restate beginning net position and general fund fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis; North Dakota Public Employee Retirement System OPEB Plan schedules: schedule of employer's share of net OPEB liability and related ratios and schedule of employer contributions; North Dakota Public Employee Retirement System Pension plan schedules: schedule of employer's share of net pension liability and related ratios 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 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining 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 GAAS. 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
June 26, 2024

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, 2023. 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 \$1,261,115,150 (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 \$83,255,268.

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 \$145,097,912, an increase of \$39,910,739 in comparison with the prior year balance. Of this balance, \$21,471,851 constitutes unassigned fund balance, \$183,690 assigned fund balance, \$1,000,015 committed fund balance, \$119,159,598 restricted fund balance and \$3,282,758 nonspendable fund balance.

The City's eleven enterprise funds ended the year with net position of \$772,715,060, an increase of \$30,145,903 from the prior year balance. Net cash flows from operations were \$19,711,574 while net cash used for noncapital and related financing activities was \$12,808,749, net cash used for capital and related financing activities was \$11,789,523, and net cash used for investing activities was \$373,807.

The City's unassigned General Fund balance of \$21,788,774 represents 20 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 \$1,261,115,150 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (81 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, right-of-use lease assets, and subscription-based IT assets); less any related outstanding debt, leases, and software based IT arrangements 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, 2023 and 2022. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	\$ 664,151	\$ 581,397	\$ 83,433	\$ 81,289	\$ 747,584	\$ 662,686
Capital assets	675,973	659,129	1,011,026	959,007	1,686,999	1,618,136
Total assets	<u>1,340,124</u>	<u>1,240,526</u>	<u>1,094,459</u>	<u>1,040,296</u>	<u>2,434,583</u>	<u>2,280,822</u>
Deferred Outflows of Resources	<u>54,164</u>	<u>73,037</u>	<u>15,443</u>	<u>21,387</u>	<u>69,607</u>	<u>94,424</u>
Liabilities						
Other liabilities	29,625	37,650	18,003	22,751	47,628	60,401
Long-term liabilities	835,123	822,407	299,033	280,132	1,134,156	1,102,539
Total liabilities	<u>864,748</u>	<u>860,057</u>	<u>317,036</u>	<u>302,883</u>	<u>1,181,784</u>	<u>1,162,940</u>
Deferred Inflows of Resources	<u>41,140</u>	<u>28,072</u>	<u>20,151</u>	<u>16,231</u>	<u>61,291</u>	<u>44,303</u>
Net Position						
Net investment						
in capital assets	285,141	302,002	734,018	716,787	1,019,159	1,018,789
Restricted	277,968	254,938	47,243	39,432	325,211	294,370
Unrestricted	(74,709)	(131,506)	(8,546)	(13,650)	(83,255)	(145,156)
Total net position	<u>\$ 488,400</u>	<u>\$ 425,434</u>	<u>\$ 772,715</u>	<u>\$ 742,569</u>	<u>\$ 1,261,115</u>	<u>\$ 1,168,003</u>

A portion of the City of Fargo's net position (26 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 \$83,255,268.

Changes in Net Position

The City's net position increased by \$93,112,022 as revenues exceeded expenses 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 increased the City's net position by \$62,966,119 during the current fiscal year, thereby accounting for 67.6 percent of the total growth in the net position of the City.

Revenues increased by \$92,014,537 or 37.9 percent. This increase can be attributed to the City receiving Prairie Dog Funds from the State of North Dakota which are to be used for essential infrastructure projects within the Capital Projects fund. Sales tax revenues also increased 4.0 from 2022 to 2023.

Business-type Activities

Business-type activities increased the City of Fargo's net position by \$30,145,903 during the current fiscal year, increasing the total growth 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, 2023

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending December 31, 2023 and 2022. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program revenues						
Charges for services	\$ 30,409	\$ 22,549	\$ 93,572	\$ 83,211	\$ 123,981	\$ 105,760
Operating grants and contributions	18,546	16,798	5,842	5,919	24,388	22,717
Capital grants and contributions	146,199	77,889	7,889	756	154,088	78,645
General revenues						
Taxes	118,948	110,957	-	-	118,948	110,957
Unrestricted intergovernmental	9,299	8,037	-	-	9,299	8,037
Unrestricted investment earnings (losses)	11,079	(272)	5,757	(7,363)	16,836	(7,635)
Miscellaneous	501	7,008	1,666	1,660	2,167	8,668
Total revenues	334,981	242,966	114,726	84,183	449,707	327,149
Expenses						
General government	31,312	31,446	-	-	31,312	31,446
Public safety	50,978	50,996	-	-	50,978	50,996
Public works	111,124	107,754	-	-	111,124	107,754
Public health and welfare	16,166	18,427	-	-	16,166	18,427
Recreation and culture	10,774	10,503	-	-	10,774	10,503
Urban redevelopment	3,849	1,845	-	-	3,849	1,845
Transportation	2,551	1,905	-	-	2,551	1,905
Economic development	552	500	-	-	552	500
General support and unallocated	735	1,514	-	-	735	1,514
Interest and fiscal charges	20,801	19,405	-	-	20,801	19,405
Water	-	-	29,926	28,103	29,926	28,103
Water Reclamation	-	-	18,292	18,259	18,292	18,259
Storm sewer	-	-	8,471	7,760	8,471	7,760
Solid waste	-	-	13,800	13,821	13,800	13,821
FargoDome	-	-	16,138	15,218	16,138	15,218
Southeast Cass	-	-	58	68	58	68
Vector control	-	-	275	259	275	259
Street lighting	-	-	4,759	4,788	4,759	4,788
Forestry	-	-	2,447	2,492	2,447	2,492
Transit	-	-	13,219	12,733	13,219	12,733
Civic Memorial Auditorium	-	-	368	469	368	469
Total expenses	248,842	244,295	107,753	103,970	356,595	348,265
Excess (Deficiency) before Transfers	86,139	(1,329)	6,973	(19,787)	93,112	(21,116)
Transfers	(23,173)	(19,602)	23,173	19,602	-	-
Change in Net Position	62,966	(20,931)	30,146	(185)	93,112	(21,116)
Beginning Net Position	425,434	446,365	742,569	742,754	1,168,003	1,189,119
Ending Net Position	\$ 488,400	\$ 425,434	\$ 772,715	\$ 742,569	\$ 1,261,115	\$ 1,168,003

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. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for discretionary use, as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Commission.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$145,097,912.

Approximately 14.8 percent, or \$21,471,851, of this combined ending fund balance constitutes unassigned fund deficit. The remainder of fund balance is assigned (\$183,690, 0.1 percent), committed (\$1,000,015, 0.7 percent), restricted (\$119,159,598, 82.1 percent), or nonspendable (\$3,282,758, 2.3 percent).

The General Fund is the primary operating fund of the City of Fargo. At the end of the 2023 fiscal year, the General Fund unassigned fund balance was \$21,788,774, a decrease of \$167,132 from the prior year. Unassigned fund balance represents 20 percent of total general fund expenditures, while total fund balance represents 22 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 17 percent compared to the prior year, while total expenditures increased by 7 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. Additionally, investment income increased due to higher interest rate earnings on short-term investments.

The debt service fund has a total fund balance of \$85,437,202, all of which is restricted for the payment of current and future debt service obligations. The net decrease in fund balance during the current year was \$9,352,412 as a result of scheduled bond payments in 2023.

The capital projects fund had a net increase in fund balance of \$48,956,944. Capital project intergovernmental revenues increased by 96.1 percent in 2023. This increase is due to additional State funds received from the Prairie Dog Fund. These dollars are programmed in to future year infrastructure plans.

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 \$8,546,166. The Solid Waste Fund continues to restrict a significant portion of the cash balance to meet the City's future landfill closure and post-closure obligations.

Operating revenues of this fund group increased by \$10,183,024, or 12.2 percent. The largest portion of this increase was in the Water and Water Reclamation Utility Funds as a result of rate increase during 2023 that will be used to support both the current and future needs of our region's utility needs.

Operating expenses increased by \$2,319,493, or 2.3 percent. The increase can be attributed to rising costs of materials and supplies across all funds.

General Fund Budgetary Highlights

The City's low annual average unemployment rate of 1.6 percent and continued positive construction activity of \$783.6 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 67.2 percent of the budgeted revenues.

The City's expenditures for the year totaled \$111,118,964 or 1.2 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, 2023, amounts to \$1,686,999,611 (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 lease assets, subscription-based IT 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 2023, \$19.7 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 2025.
- Multiple Storm Sewer Lift Stations were completed in 2023 resulting in \$12.9 million of additions within the Capital Project Funds.
- As the City continues to grow, construction began on Fire Station 8 along 33rd Street South with an expected completion in the fall of 2024. \$3.0 Million was expended on this project in 2023.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of December 31, 2023 and 2022. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 110,660	\$ 109,372	\$ 37,482	\$ 36,258	\$ 148,142	\$ 145,630
Right of way/Intangibles	12,580	12,580	920	920	13,500	13,500
Construction in progress	3,484	2,891	157,828	140,021	161,312	142,912
Buildings	98,546	99,344	243,852	252,158	342,398	351,502
Improvements other than buildings	6,685	6,316	31,398	29,232	38,083	35,548
Machinery and equipment	16,065	15,028	30,369	30,903	46,434	45,931
Infrastructure	323,000	307,197	508,522	469,370	831,522	776,567
Flood Control	94,376	93,881	-	-	94,376	93,881
Right-of-use lease assets	8,857	10,762	345	43	9,202	10,805
Subscription-based IT assets*	1,720	1,758	310	102	2,030	1,860
Total capital assets	\$ 675,973	\$ 659,129	\$ 1,011,026	\$ 959,007	\$ 1,686,999	\$ 1,618,136

*Subscription-based IT assets have been restated as of December 31, 2022, for implementation of GASB Statement No. 96

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 \$1,134,155,334, an increase of approximately \$31.6 million from the prior fiscal year.

Of this amount, \$506,650,000 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 \$311,787,799 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 decreased by approximately \$35.1 million from 2022. This decrease is a result of assumption changes in both the North Dakota Public Employee Retirement System Pension Plan and City Employees' Pension Plan.

The following table presents a summary of long term debts as of December 31, 2023 and 2022. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Improvement bonds	\$ 506,650	\$ 458,990	\$ -	\$ -	\$ 506,650	\$ 458,990
General Obligation Bonds	27,255	29,035	1,463	1,659	28,718	30,694
Sales Tax Bonds	50,083	54,244	-	-	50,083	54,244
Taxable Annual Appropriation Bonds	27,235	27,835	-	-	27,235	27,835
Annual Appropriation Bonds	7,670	8,103	3,370	4,145	11,040	12,248
Notes Payable	60,624	66,131	251,164	223,400	311,788	289,531
Unamortized Premiums	40,389	35,486	-	-	40,389	35,486
Financed Purchases Payable	695	573	3,614	2,903	4,309	3,476
Leases Payable	9,161	10,934	346	43	9,507	10,977
SBITAs Payable*	887	911	314	102	1,201	1,013
Special Assessments	-	-	9,630	9,969	9,630	9,969
Landfill Closure/Postclosure	-	-	6,232	5,824	6,232	5,824
Compensated Absences	5,117	4,675	1,276	1,135	6,393	5,810
Net OPEB liability	2,395	2,668	942	1,056	3,337	3,724
Net Pension Liability	96,962	122,822	20,682	29,896	117,644	152,718
Total long-term liabilities	\$ 835,123	\$ 822,407	\$ 299,033	\$ 280,132	\$ 1,134,156	\$ 1,102,539

*SBITAs payable have been restated as of December 31, 2022, for implementation of GASB Statement No. 96

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

- The City issued \$91,435,000 of Refunding Improvement Bonds, Series 2023A and 2023D at interest rates of 3.6-4.5%. These bonds were issued to finance the cost of construction of improvements within the various improvement districts of the City.
- The City drew \$175,659,879 on State Revolving Fund notes payable at interest rates of 0.0-1.50%. These notes were used to finance various infrastructure projects within the enterprise utility funds. Of the amount drawn, \$5,985,038 was forgiven and included as capital contributions from other governments in the current year.

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 10 of this report.

Economic Factors and Next Year's Budgets and Rates

The 2024 budget is focused on a commitment to public safety, ongoing evaluation of revenues and expenditures, and recruiting, retaining, and rewarding staff. Progress continues on the Metro Flood Diversion Channel and the Red River Valley Supply Project. Both projects will effectively flood-proof and drought-proof our community.

The 2024 City of Fargo budget value of a mill increased from 714,400 to 802,300 per mill. In order to sustain the existing services of the City, the general mill levy for the 2024 budget was 55.00 mills, an increase of 2.00 mills from 2023. The total general appropriation for the 2024 budget is \$119 million, an increase of \$8 million from 2023.

Fargo continues to have 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. The City continues to invest in infrastructure that keeps retail vibrant and in partnerships throughout the region that create ongoing economic opportunities for our residents. The City maintains a commitment to caring, preparing, collaborating, growing, serving, and honoring the community. 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 was designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. 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, 2023

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Assets				
Cash and cash equivalents	\$ 80,481	\$ 8,001,905	\$ 8,082,386	\$ 36,724,867
Investments	1,238,870	-	1,238,870	18,604,702
Equity in pooled investments	98,445,936	4,476,765	102,922,701	-
Receivables (net of allowance for uncollectibles):				
Interest	499,708	19,876	519,584	157,476
Taxes	396,129	-	396,129	14,080
Accounts	7,213,016	7,778,416	14,991,432	1,663,952
Sales tax	12,867,496	-	12,867,496	-
Special assessments	505,310,031	151,220	505,461,251	-
Intergovernmental	10,544,440	4,330,939	14,875,379	3,273,176
Leases	2,853,508	4,383,698	7,237,206	6,675,964
Internal balances	(2,639,331)	2,639,331	-	-
Loans	1,507,141	-	1,507,141	-
Inventories	1,068,759	2,573,625	3,642,384	-
Prepaid items	2,213,999	358,152	2,572,151	124,373
Property held for resale	2,505,784	-	2,505,784	-
Restricted assets				
Equity in pooled investments	20,044,794	5,694,833	25,739,627	-
Investments	-	43,024,223	43,024,223	-
Capital assets, net of accumulated depreciation/ amortization, where applicable				
Land	110,660,110	37,482,124	148,142,234	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	3,483,855	157,827,442	161,311,297	23,140,814
Buildings	98,546,435	243,852,255	342,398,690	18,161,762
Improvements other than buildings	6,685,306	31,398,011	38,083,317	1,034,233
Machinery and equipment	16,064,606	30,368,880	46,433,486	3,423,551
Infrastructure	323,000,131	508,521,977	831,522,108	84,569,009
Flood control	94,375,755	-	94,375,755	-
Right-of-use lease assets	8,857,187	345,197	9,202,384	-
Subscription-based IT assets	1,719,981	310,483	2,030,464	-
Total assets	<u>1,340,123,967</u>	<u>1,094,459,388</u>	<u>2,434,583,355</u>	<u>206,084,506</u>
Deferred Outflows of Resources				
Other postemployment benefits	867,186	354,342	1,221,528	80,099
Pension plans	53,297,103	15,088,398	68,385,501	2,602,754
Total deferred outflows of resources	<u>54,164,289</u>	<u>15,442,740</u>	<u>69,607,029</u>	<u>2,682,853</u>

City of Fargo, North Dakota
Statement of Net Position
December 31, 2023

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Liabilities				
Vouchers payable	16,072,724	6,353,008	22,425,732	1,472,340
Retainage payable	2,433,799	7,107,484	9,541,283	914,201
Accrued payroll	2,634,458	422,341	3,056,799	95,703
Accrued interest payable	3,942,131	465,465	4,407,596	-
Accrued interest payable from restricted assets	-	1,475,824	1,475,824	-
Special assessments payable	943,862	-	943,862	-
Unearned revenue	3,015,945	2,163,447	5,179,392	3,680
Deposits payable	582,186	15,410	597,596	-
Debt				
Due within one year, other than OPEB and pensions	43,044,133	3,632,033	46,676,166	205,818
Due within one year from restricted assets	-	4,219,152	4,219,152	-
Due in more than one year, other than OPEB and pensions	692,721,659	269,557,371	962,279,030	-
Due in more than one year, net OPEB liability	2,395,204	942,307	3,337,511	110,113
Due in more than one year, net pension liability	96,961,736	20,681,739	117,643,475	1,999,444
Total liabilities	<u>864,747,837</u>	<u>317,035,581</u>	<u>1,181,783,418</u>	<u>4,801,299</u>
Deferred Inflows of Resources				
Other postemployment benefits	240,568	94,954	335,522	13,663
Pension plans	38,122,576	15,506,598	53,629,174	1,834,159
Lease related	2,777,185	4,549,935	7,327,120	6,507,905
Total deferred outflows of resources	<u>41,140,329</u>	<u>20,151,487</u>	<u>61,291,816</u>	<u>8,355,727</u>
Net Position				
Net investment in capital assets	285,140,975	734,017,889	1,019,158,864	137,931,715
Restricted for				
Debt service	239,958,092	4,219,114	244,177,206	-
Specific projects and programs	9,199,783	-	9,199,783	-
Capital improvements	28,810,341	43,024,223	71,834,564	-
Unrestricted	(74,709,102)	(8,546,166)	(83,255,268)	57,678,618
Total net position	<u>\$ 488,400,090</u>	<u>\$ 772,715,060</u>	<u>\$ 1,261,115,150</u>	<u>\$ 195,610,333</u>

City of Fargo, North Dakota
Statement of Activities
Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Discretely Presented Component Unit Municipal Airport Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 31,311,666	\$ 3,406,959	\$ 10,855,795	\$ 218,913	\$ (16,829,999)	\$ -	\$ (16,829,999)	\$ -
Public safety	50,978,430	9,576,431	1,017,236	100,910	(40,283,853)	-	(40,283,853)	-
Public works	111,123,823	10,705,559	-	145,591,474	45,173,210	-	45,173,210	-
Public health and welfare	16,166,025	2,695,595	3,950,114	-	(9,520,316)	-	(9,520,316)	-
Recreation and culture	10,773,925	238,705	236,101	87,771	(10,211,348)	-	(10,211,348)	-
Urban redevelopment	3,849,279	1,237,729	2,486,676	-	(124,874)	-	(124,874)	-
Public transportation	2,551,227	2,548,133	-	199,476	196,382	-	196,382	-
Economic development	551,888	-	-	-	(551,888)	-	(551,888)	-
General support	735,202	-	-	-	(735,202)	-	(735,202)	-
Interest and fiscal charges	20,800,580	-	-	-	(20,800,580)	-	(20,800,580)	-
Total governmental activities	<u>248,842,045</u>	<u>30,409,111</u>	<u>18,545,922</u>	<u>146,198,544</u>	<u>(53,688,468)</u>	<u>-</u>	<u>(53,688,468)</u>	<u>-</u>
Business-type activities								
Water	29,926,232	29,109,021	-	3,009,618	-	2,192,407	2,192,407	-
Water reclamation	18,291,822	18,234,249	-	4,348,770	-	4,291,197	4,291,197	-
Storm sewer	8,470,933	4,564,710	316,697	-	-	(3,589,526)	(3,589,526)	-
Solid waste	13,799,489	18,527,610	58,974	154,829	-	4,941,924	4,941,924	-
FargoDome	16,138,415	12,806,595	-	-	-	(3,331,820)	(3,331,820)	-
Southeast Cass	57,509	184,460	-	-	-	126,951	126,951	-
Vector control	275,338	785,498	-	-	-	510,160	510,160	-
Street lighting	4,759,193	3,727,682	-	-	-	(1,031,511)	(1,031,511)	-
Forestry	2,447,235	2,502,544	-	-	-	55,309	55,309	-
Transit	13,218,977	3,020,849	5,466,293	375,983	-	(4,355,852)	(4,355,852)	-
Civic Memorial Auditorium	368,020	109,192	-	-	-	(258,828)	(258,828)	-
Total business-type activities	<u>107,753,163</u>	<u>93,572,410</u>	<u>5,841,964</u>	<u>7,889,200</u>	<u>-</u>	<u>(449,589)</u>	<u>(449,589)</u>	<u>-</u>
Total Primary Government	<u>\$ 356,595,208</u>	<u>\$ 123,981,521</u>	<u>\$ 24,387,886</u>	<u>\$ 154,087,744</u>	<u>(53,688,468)</u>	<u>(449,589)</u>	<u>(54,138,057)</u>	<u>-</u>
Component Unit								
Municipal Airport Authority	<u>\$ 14,917,870</u>	<u>\$ 12,832,168</u>	<u>\$ 14,711,820</u>	<u>\$ 11,343,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,969,353</u>
General revenues								
Property taxes					37,377,384	-	37,377,384	1,359,429
Sales taxes					69,250,463	-	69,250,463	-
Gross business receipts taxes					6,355,562	-	6,355,562	-
Lodging taxes					3,329,493	-	3,329,493	-
Other taxes					2,635,192	-	2,635,192	-
Unrestricted intergovernmental					9,298,872	-	9,298,872	-
Unrestricted investment earnings					11,079,478	5,756,630	16,836,108	2,298,172
Miscellaneous					501,454	1,665,551	2,167,005	205,435
Transfers					(23,173,311)	23,173,311	-	-
Total general revenue and transfers					<u>116,654,587</u>	<u>30,595,492</u>	<u>147,250,079</u>	<u>3,863,036</u>
Change in net position					62,966,119	30,145,903	93,112,022	27,832,389
Net position - beginning, as adjusted (Note 15)					425,433,971	742,569,157	1,168,003,128	167,777,944
Net position - ending					<u>\$ 488,400,090</u>	<u>\$ 772,715,060</u>	<u>\$ 1,261,115,150</u>	<u>\$ 195,610,333</u>

City of Fargo, North Dakota
Balance Sheet - Governmental Funds
December 31, 2023

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 80,481	\$ -	\$ -	\$ -	\$ 80,481
Investments	-	1,238,870	-	-	1,238,870
Equity in pooled investments	24,001,061	41,406,709	27,126,111	5,912,055	98,445,936
Receivables (net of allowance for uncollectibles)					
Interest	265,016	228,442	6,250	-	499,708
Taxes	363,878	24,507	-	7,744	396,129
Accounts	6,699,705	8,061	-	505,250	7,213,016
Sales tax	-	3,216,874	9,650,622	-	12,867,496
Special assessments	535,830	503,928,366	-	845,835	505,310,031
Intergovernmental	4,340,891	-	5,742,338	461,211	10,544,440
Leases	144,393	-	-	2,709,115	2,853,508
Due from other funds	269,576	-	-	-	269,576
Loans	-	-	-	1,507,141	1,507,141
Inventories	1,068,759	-	-	-	1,068,759
Prepaid items	2,117,100	-	4,419	92,480	2,213,999
Property held for resale	-	-	2,500,000	5,784	2,505,784
Restricted equity in pooled investments	-	20,044,794	-	-	20,044,794
Total assets	\$ 39,886,690	\$ 570,096,623	\$ 45,029,740	\$ 12,046,615	\$ 667,059,668
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ 2,187,428	\$ 91,143	\$ 12,958,230	\$ 835,923	\$ 16,072,724
Retainage payable	1,570	-	2,401,691	30,538	2,433,799
Advances from other funds	-	-	2,639,331	-	2,639,331
Due to other funds	-	-	-	269,576	269,576
Accrued payroll	2,626,986	-	-	7,472	2,634,458
Special assessments payable	-	-	31,109	912,753	943,862
Unearned revenue	26,151	-	53,073	2,936,721	3,015,945
Deposits	370,986	-	211,200	-	582,186
Total liabilities	5,213,121	91,143	18,294,634	4,992,983	28,591,881
Deferred Inflows of Resources					
Unavailable revenue	3,854,849	484,568,278	443,342	1,726,221	490,592,690
Lease related	141,676	-	-	2,635,509	2,777,185
Total deferred inflows of resources	3,996,525	484,568,278	443,342	4,361,730	493,369,875
Fund Balance (Deficit)					
Nonspendable	3,185,859	-	4,419	92,480	3,282,758
Restricted	4,518,706	85,437,202	26,287,345	2,916,345	119,159,598
Committed	1,000,015	-	-	-	1,000,015
Assigned	183,690	-	-	-	183,690
Unassigned	21,788,774	-	-	(316,923)	21,471,851
Total fund balance (deficit)	30,677,044	85,437,202	26,291,764	2,691,902	145,097,912
Total liabilities, deferred inflows of resources, and fund balances	\$ 39,886,690	\$ 570,096,623	\$ 45,029,740	\$ 12,046,615	\$ 667,059,668

City of Fargo, North Dakota
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2023

Total Fund Balances - Governmental Funds	\$ 145,097,912
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	675,973,206
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	490,592,690
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	15,801,145
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(839,064,863)</u>
Net Position of Governmental Activities	<u>\$ 488,400,090</u>

City of Fargo, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2023

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 44,236,525	\$ 18,555,242	\$ 51,937,847	\$ 4,143,502	\$ 118,873,116
Special assessments	182,447	42,501,815	27,125	754,953	43,466,340
Licenses and permits	6,829,062	-	-	-	6,829,062
Intergovernmental	23,723,941	6,293,865	39,429,558	13,012,848	82,460,212
Charges for services	16,511,700	-	-	2,344,444	18,856,144
Fines and forfeitures	1,423,446	-	-	126,003	1,549,449
Investment income	7,349,829	3,483,367	203,024	106	11,036,326
Miscellaneous	818,230	1,014,913	273,183	464,129	2,570,455
Total revenues	<u>101,075,180</u>	<u>71,849,202</u>	<u>91,870,737</u>	<u>20,845,985</u>	<u>285,641,104</u>
Expenditures					
Current					
General government	25,216,557	-	876,840	1,252,487	27,345,884
Public safety	46,889,132	-	302,710	268,233	47,460,075
Public works	14,968,129	19,622	77,557,732	1,177,657	93,723,140
Public health and welfare	14,340,985	-	-	507,771	14,848,756
Recreation and culture	5,404,727	-	147,192	4,356,206	9,908,125
Urban redevelopment	-	1,766,073	46,601	1,966,159	3,778,833
Public transportation	-	-	2	1,373,801	1,373,803
Economic development	551,888	-	-	-	551,888
General support	1,304,940	-	-	-	1,304,940
Capital outlay	715,208	77,571	80,827,146	2,035,308	83,655,233
Debt service					
Principal	1,701,974	56,896,818	1,074,552	40,268	59,713,612
Interest and fiscal charges	25,424	22,911,587	201,038	6,394	23,144,443
Total expenditures	<u>111,118,964</u>	<u>81,671,671</u>	<u>161,033,813</u>	<u>12,984,284</u>	<u>366,808,732</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(10,043,784)	(9,822,469)	(69,163,076)	7,861,701	(81,167,628)
Other Financing Sources (Uses)					
Transfers in	17,279,102	5,633,838	21,104,716	767,482	44,785,138
Transfers out	(6,207,020)	(9,214,582)	(524,057)	(10,129,103)	(26,074,762)
Issuance of bonds	-	2,361,157	89,073,843	-	91,435,000
Premium on bond issuance	-	-	7,425,081	-	7,425,081
Issuance of notes payable	-	1,612,073	132,637	-	1,744,710
Issuance of financed purchases	201,669	-	728,084	-	929,753
Issuance of leases	157,958	-	-	-	157,958
Issuance of SBITAs	295,278	77,571	179,716	-	552,565
Sale of capital assets	122,924	-	-	-	122,924
Total other financing sources (uses)	<u>11,849,911</u>	<u>470,057</u>	<u>118,120,020</u>	<u>(9,361,621)</u>	<u>121,078,367</u>
Net Change in Fund Balance	1,806,127	(9,352,412)	48,956,944	(1,499,920)	39,910,739
Fund Balance (Deficit), Beginning of Year, as Adjusted (Note 15)	<u>28,870,917</u>	<u>94,789,614</u>	<u>(22,665,180)</u>	<u>4,191,822</u>	<u>105,187,173</u>
Fund Balance, End of Year	<u>\$ 30,677,044</u>	<u>\$ 85,437,202</u>	<u>\$ 26,291,764</u>	<u>\$ 2,691,902</u>	<u>\$ 145,097,912</u>

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 39,910,739
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.	16,844,704
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	48,650,925
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.	(441,436)
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.	(228,748)
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.	(3,186,112)
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.	(177,726)
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.	<u>(38,406,227)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 62,966,119</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, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
Revenues				
Taxes	\$ 44,196,746	\$ 45,072,206	\$ 44,236,525	\$ (835,681)
Special assessments	200,000	151,800	182,447	30,647
Licenses and permits	7,042,400	7,065,000	6,829,062	(235,938)
Intergovernmental	22,162,673	22,622,538	23,723,941	1,101,403
Charges for services	14,525,086	16,097,965	16,511,700	413,735
Fines and forfeitures	2,048,500	1,497,400	1,423,446	(73,954)
Investment income	3,320,000	4,820,000	7,349,829	2,529,829
Miscellaneous	1,183,470	862,994	818,230	(44,764)
Total revenues	<u>94,678,875</u>	<u>98,189,903</u>	<u>101,075,180</u>	<u>2,885,277</u>
Expenditures				
Current				
General government	22,690,987	24,936,394	25,216,557	(280,163)
Public safety	48,089,918	47,097,215	46,889,132	208,083
Public works	14,991,423	14,571,417	14,968,129	(396,712)
Public health and welfare	14,216,181	15,179,436	14,340,985	838,451
Recreation and culture	5,745,684	5,482,125	5,404,727	77,398
Economic development	572,500	572,500	551,888	20,612
General support	1,347,384	1,347,384	1,304,940	42,444
Capital outlay	394,630	569,118	715,208	(146,090)
Debt service				
Principal	-	-	1,701,974	(1,701,974)
Interest and fiscal charges	-	-	25,424	(25,424)
Total expenditures	<u>108,048,707</u>	<u>109,755,589</u>	<u>111,118,964</u>	<u>(1,363,375)</u>
Deficiency of Revenues under Expenditures	(13,369,832)	(11,565,686)	(10,043,784)	1,521,902
Other Financing Sources (Uses)				
Transfers in	13,921,835	16,914,564	17,279,102	364,538
Transfers out	(3,802,003)	(6,149,306)	(6,207,020)	(57,714)
Issuance of financed purchases	-	-	201,669	201,669
Issuance of leases	-	-	157,958	157,958
Issuance of SBITAs	-	-	295,278	295,278
Sale of capital assets	3,250,000	37,517	122,924	85,407
Total other financing sources (uses)	<u>13,369,832</u>	<u>10,802,775</u>	<u>11,849,911</u>	<u>1,047,136</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (762,911)</u>	1,806,127	<u>\$ 2,569,038</u>
Fund Balance, Beginning of Year, as adjusted (Note 15)			<u>28,870,917</u>	
Fund Balance, End of Year			<u>\$ 30,677,044</u>	

City of Fargo, North Dakota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 700	\$ 8,000,605	\$ 600	\$ 8,001,905
Equity in pooled investments	-	-	2,975,460	-	-	1,501,305	4,476,765
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	19,873	3	19,876
Accounts	2,117,356	1,736,413	474,532	1,586,781	321,044	1,542,290	7,778,416
Special assessments	69,609	-	-	-	-	81,611	151,220
Intergovernmental	444,381	-	-	114,221	-	3,772,337	4,330,939
Leases	-	-	-	-	4,383,698	-	4,383,698
Due from other funds	-	7,261,153	555,697	-	-	-	7,816,850
Advances to other funds	1,263,069	1,376,262	-	-	-	-	2,639,331
Inventories	1,270,586	-	-	-	87,810	1,215,229	2,573,625
Prepaid items	76,536	24,014	4,780	81,541	119,722	51,559	358,152
Restricted assets							
Equity in pooled investments	3,866,644	713,977	-	293,789	820,423	-	5,694,833
Total current assets	<u>9,108,181</u>	<u>11,111,819</u>	<u>4,010,469</u>	<u>2,077,032</u>	<u>13,753,175</u>	<u>8,164,934</u>	<u>48,225,610</u>
Noncurrent Assets							
Restricted assets							
Investments	-	-	-	-	43,024,223	-	43,024,223
Capital assets							
Land	5,591,951	583,744	29,091,899	2,214,530	-	-	37,482,124
Construction in progress	25,725,763	129,137,769	1,156,900	705,707	1,101,303	-	157,827,442
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	24,602,706	370,442,786
Improvements other than buildings	2,234,852	2,273,326	3,728,767	37,772,875	6,202,006	39,438	52,251,264
Machinery and equipment	14,911,276	21,550,486	9,328,074	23,217,571	26,942,890	20,244,172	116,194,469
Infrastructure	184,711,455	180,725,514	312,721,430	542,604	-	54,091,803	732,792,806
Right-of-use leased assets	158,697	15,092	-	18,983	-	488,243	681,015
Subscription-based IT assets	17,157	-	-	293,697	-	48,476	359,330
Less accumulated depreciation/amortization	<u>(104,272,808)</u>	<u>(97,424,790)</u>	<u>(99,078,556)</u>	<u>(30,012,382)</u>	<u>(70,221,077)</u>	<u>(56,915,254)</u>	<u>(457,924,867)</u>
Total capital assets, net of accumulated depreciation/amortization	<u>347,491,405</u>	<u>298,080,150</u>	<u>257,079,460</u>	<u>40,791,699</u>	<u>24,984,107</u>	<u>42,599,584</u>	<u>1,011,026,405</u>
Total noncurrent assets	<u>347,491,405</u>	<u>298,080,150</u>	<u>257,079,460</u>	<u>40,791,699</u>	<u>68,008,330</u>	<u>42,599,584</u>	<u>1,054,050,628</u>
Total assets	<u>356,599,586</u>	<u>309,191,969</u>	<u>261,089,929</u>	<u>42,868,731</u>	<u>81,761,505</u>	<u>50,764,518</u>	<u>1,102,276,238</u>

City of Fargo, North Dakota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Outflows of Resources							
Other postemployment benefits	92,093	44,164	15,822	68,195	51,822	82,246	354,342
Pension plans	3,944,139	1,862,816	702,785	3,317,385	1,999,335	3,261,938	15,088,398
Total deferred outflows of resources	4,036,232	1,906,980	718,607	3,385,580	2,051,157	3,344,184	15,442,740
Liabilities							
Current Liabilities							
Vouchers payable	2,991,242	886,024	20,052	900,449	663,361	891,880	6,353,008
Retainage payable	728,142	6,218,463	-	69,557	91,322	-	7,107,484
Due to other funds	2,332,647	-	-	2,199,442	763,349	2,521,412	7,816,850
Accrued payroll	110,726	50,846	13,293	93,464	59,049	94,963	422,341
Accrued interest payable	33,539	41,420	138,434	181,055	69,266	1,751	465,465
Current portion of bonds and notes payable	-	-	-	300,000	-	-	300,000
Current portion of special assessments payable	40,049	71,062	158,106	228,112	66,225	1,696	565,250
Current portion of financed purchases payable	41,394	153,098	75,537	934,609	-	62,141	1,266,779
Current portion of leases payable	38,945	1,382	-	5,574	-	120,437	166,338
Current portion of SBITAs payable	4,131	-	-	39,332	-	14,381	57,844
Compensated absences	344,164	175,790	57,169	287,045	170,645	241,009	1,275,822
Unearned revenue	-	-	-	-	2,046,036	117,411	2,163,447
Deposits payable	-	-	-	-	15,410	-	15,410
Current liabilities payable from restricted assets							
Current portion of long-term debt	3,220,000	-	-	199,152	800,000	-	4,219,152
Accrued interest payable	646,682	714,082	-	94,637	20,423	-	1,475,824
Total current liabilities	10,531,661	8,312,167	462,591	5,532,428	4,765,086	4,067,081	33,671,014
Noncurrent Liabilities							
Landfill closure costs	-	-	-	6,231,702	-	-	6,231,702
Long-term debt, net of current portion							
Special assessments payable	807,639	809,527	2,474,905	3,635,762	1,335,833	582	9,064,248
Financed purchases payable	-	373,195	251,655	1,721,955	-	-	2,346,805
Bonds payable	-	-	-	1,264,343	-	-	1,264,343
Annual appropriation bond	-	-	-	-	2,570,000	-	2,570,000
Notes payable	100,753,394	143,511,306	-	3,379,277	-	-	247,643,977
Leases payable	42,432	6,596	-	2,330	-	128,696	180,054
SBITAs payable	8,968	-	-	227,785	-	19,489	256,242
Net OPEB liability	245,813	117,841	43,172	187,658	136,578	211,245	942,307
Net pension liability	5,549,717	2,617,917	1,003,667	4,856,837	2,156,041	4,497,560	20,681,739
Total noncurrent liabilities	107,407,963	147,436,382	3,773,399	21,507,649	6,198,452	4,857,572	291,181,417
Total liabilities	117,939,624	155,748,549	4,235,990	27,040,077	10,963,538	8,924,653	324,852,431

The Notes to Financial Statements are an integral part of this statement

City of Fargo, North Dakota
Statement of Net Position
Proprietary Funds
December 31, 2023

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Inflows of Resources							
Other postemployment benefits	24,473	12,442	4,647	18,231	13,411	21,750	94,954
Pension plans	3,964,588	1,981,452	734,255	2,964,782	2,206,211	3,655,310	15,506,598
Lease related	-	-	-	-	4,549,935	-	4,549,935
Total deferred inflows resources	<u>3,989,061</u>	<u>1,993,894</u>	<u>738,902</u>	<u>2,983,013</u>	<u>6,769,557</u>	<u>3,677,060</u>	<u>20,151,487</u>
Net Position							
Net investment in capital assets	241,806,311	146,935,521	254,119,257	28,783,911	20,120,727	42,252,162	734,017,889
Restricted for:							
Debt service	3,219,962	-	-	199,152	800,000	-	4,219,114
Capital improvement	-	-	-	-	43,024,223	-	43,024,223
Unrestricted	<u>(6,319,140)</u>	<u>6,420,985</u>	<u>2,714,387</u>	<u>(12,751,842)</u>	<u>2,134,617</u>	<u>(745,173)</u>	<u>(8,546,166)</u>
Total net position	<u>\$ 238,707,133</u>	<u>\$ 153,356,506</u>	<u>\$ 256,833,644</u>	<u>\$ 16,231,221</u>	<u>\$ 66,079,567</u>	<u>\$ 41,506,989</u>	<u>\$ 772,715,060</u>

City of Fargo, North Dakota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2023

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Revenues							
Charges for services	\$ 29,109,021	\$ 18,234,249	\$ 4,564,710	\$ 18,527,610	\$ 12,806,595	\$ 10,330,225	\$ 93,572,410
Operating Expenses							
Personnel services	6,200,169	2,592,247	710,285	5,137,981	2,850,475	5,270,204	22,761,361
Other services	5,715,337	5,598,167	211,004	2,910,482	6,528,534	7,945,074	28,908,598
Materials and supplies	7,397,959	1,057,478	315,921	2,227,272	3,825,952	3,317,684	18,142,266
Depreciation/amortization	8,110,737	6,307,057	6,972,089	2,926,164	2,731,458	4,206,158	31,253,663
Total operating expenses	27,424,202	15,554,949	8,209,299	13,201,899	15,936,419	20,739,120	101,065,888
Operating Income (Loss)	1,684,819	2,679,300	(3,644,589)	5,325,711	(3,129,824)	(10,408,895)	(7,493,478)
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of assets	80,779	50,074	(123,200)	(166,604)	-	(360,601)	(519,552)
Investment income	22,661	24,035	-	-	5,709,914	20	5,756,630
Interest expense and bond fees	(2,502,030)	(2,736,873)	(138,434)	(430,986)	(201,996)	(6,551)	(6,016,870)
Intergovernmental revenues	1,240,713	-	316,697	58,974	-	5,466,293	7,082,677
Miscellaneous (expense) revenue	(893)	-	-	-	(66,435)	101,843	34,515
Sale of byproducts	-	1,212,216	-	267,967	-	-	1,480,183
Total nonoperating revenues (expenses)	(1,158,770)	(1,450,548)	55,063	(270,649)	5,441,483	5,201,004	7,817,583
Income (Loss) before Contributions and Transfers	526,049	1,228,752	(3,589,526)	5,055,062	2,311,659	(5,207,891)	324,105
Transfers in	1,173,920	-	-	92,400	-	1,750,000	3,016,320
Transfers out	(6,882,616)	(6,575,344)	(1,446,783)	(4,832,328)	-	(1,989,625)	(21,726,696)
Capital contributions from governmental funds	10,852,411	6,788,076	22,663,788	-	-	1,579,412	41,883,687
Capital contributions from other governments	1,768,905	4,348,770	-	154,829	-	375,983	6,648,487
Change in Net Position	7,438,669	5,790,254	17,627,479	469,963	2,311,659	(3,492,121)	30,145,903
Total Net Position, Beginning of Year, as adjusted (Note 15)	231,268,464	147,566,252	239,206,165	15,761,258	63,767,908	44,999,110	742,569,157
Total Net Position, End of Year	\$ 238,707,133	\$ 153,356,506	\$ 256,833,644	\$ 16,231,221	\$ 66,079,567	\$ 41,506,989	\$ 772,715,060

City of Fargo, North Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Activities							
Receipts from customers and users	\$ 29,203,261	\$ 18,162,116	\$ 4,583,219	\$ 18,470,164	\$ 6,786,467	\$ 10,007,503	\$ 87,212,730
Payments to suppliers	(10,566,150)	(8,026,394)	(522,279)	(5,207,393)	(10,292,234)	(11,508,862)	(46,123,312)
Payments to and on behalf of employees	(5,863,664)	(2,408,315)	(645,337)	(4,868,341)	(2,651,934)	(4,940,253)	(21,377,844)
Net Cash from (Used for) Operating Activities	<u>12,773,447</u>	<u>7,727,407</u>	<u>3,415,603</u>	<u>8,394,430</u>	<u>(6,157,701)</u>	<u>(6,441,612)</u>	<u>19,711,574</u>
Noncapital Financing Activities							
Transfers to other funds	(6,882,616)	(6,575,344)	(1,446,783)	(4,832,328)	-	(1,989,625)	(21,726,696)
Transfers from other funds	1,173,920	-	-	92,400	-	1,750,000	3,016,320
Intergovernmental operating grants	802,270	-	316,697	58,974	-	4,723,686	5,901,627
Payments received on interfund borrowing	3,637,468	-	997,356	844,269	763,349	2,198,165	8,440,607
Payments made for interfund borrowing	-	(8,414,003)	-	-	-	(26,604)	(8,440,607)
Net Cash from (Used for) Noncapital Financing Activities	<u>(1,268,958)</u>	<u>(14,989,347)</u>	<u>(132,730)</u>	<u>(3,836,685)</u>	<u>763,349</u>	<u>6,655,622</u>	<u>(12,808,749)</u>
Capital and Related Financing Activities							
Proceeds from sale of assets	80,779	57,000	-	99,576	-	35,025	272,380
Proceeds from byproduct sales	-	1,212,216	-	267,967	-	-	1,480,183
Payments received on advances to other funds	131,335	102,338	-	-	-	-	233,673
Miscellaneous capital activities	(893)	-	-	-	(28,915)	101,859	72,051
Long-term debt proceeds	7,814,893	28,637,944	31,970	1,338,703	-	1,627	37,825,137
Acquisition of capital assets	(14,574,700)	(19,810,378)	-	(3,448,053)	(505,893)	(691,872)	(39,030,896)
Debt service							
Principal	(3,266,614)	(224,872)	(467,886)	(2,150,696)	(842,680)	(224,251)	(7,176,999)
Interest	(2,522,678)	(2,601,353)	(131,557)	(411,661)	(209,316)	(5,078)	(5,881,643)
Intergovernmental capital grants	-	-	-	40,608	-	375,983	416,591
Net Cash from (Used for) Capital and Related Financing Activities	<u>(12,337,878)</u>	<u>7,372,895</u>	<u>(567,473)</u>	<u>(4,263,556)</u>	<u>(1,586,804)</u>	<u>(406,707)</u>	<u>(11,789,523)</u>
Investing Activities							
Investments redeemed	4,677,321	578,937	260,060	-	2,289,589	1,693,882	9,499,789
Purchase of investments	(3,866,644)	(713,977)	(2,975,460)	(293,789)	(820,423)	(1,501,305)	(10,171,598)
Interest and dividends from investments	22,662	24,035	-	-	251,285	20	298,002
Net Cash from (Used for) Investing Activities	<u>833,339</u>	<u>(111,005)</u>	<u>(2,715,400)</u>	<u>(293,789)</u>	<u>1,720,451</u>	<u>192,597</u>	<u>(373,807)</u>
Change in Cash and Cash Equivalents	(50)	(50)	-	400	(5,260,705)	(100)	(5,260,505)
Cash and Cash Equivalents, Beginning of Year	50	50	-	300	13,261,310	700	13,262,410
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 8,000,605</u>	<u>\$ 600</u>	<u>\$ 8,001,905</u>

The Notes to Financial Statements are an integral part of this statement

City of Fargo, North Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2023

	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)	\$ 1,684,819	\$ 2,679,300	\$ (3,644,589)	\$ 5,325,711	\$ (3,129,824)	\$ (10,408,895)	\$ (7,493,478)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities							
Depreciation/amortization	8,110,737	6,307,057	6,972,089	2,926,164	2,731,458	4,206,158	31,253,663
Changes in assets and liabilities							
Accounts receivable	60,407	(72,133)	18,509	(57,446)	172,409	(370,390)	(248,644)
Special assessments receivable	33,833	-	-	-	-	(25,225)	8,608
Inventories	(329,285)	-	-	-	489	(307,141)	(635,937)
Prepaid expenses	(16,405)	(7,681)	(575)	(11,279)	22,558	3,145	(10,237)
Pension related deferred outflows	1,665,462	749,109	185,381	1,374,147	600,362	1,241,527	5,815,988
OPEB related deferred outflows	33,423	16,216	5,057	26,118	16,470	31,267	128,551
Vouchers payable	2,278,614	(1,363,068)	5,221	(269,054)	39,205	57,892	748,810
Retainage payable	614,222	-	-	(196,988)	-	-	417,234
Payroll payable	19,263	12,835	3,603	12,729	8,774	13,254	70,458
Compensated absences	43,946	24,596	9,000	37,636	19,607	5,906	140,691
Unearned revenue	-	-	-	-	(6,198,692)	72,893	(6,125,799)
Deposits payable	-	-	-	-	6,155	-	6,155
Landfill closure accruals	-	-	-	407,682	-	-	407,682
Net pension liability	(2,576,187)	(1,180,172)	(313,722)	(2,082,805)	(1,017,426)	(2,043,684)	(9,213,996)
Net OPEB liability	(29,539)	(14,332)	(4,470)	(23,084)	(14,556)	(27,634)	(113,615)
Pension related deferred inflows	1,159,214	565,528	176,933	908,548	574,999	1,089,742	4,474,964
OPEB related deferred inflows	20,923	10,152	3,166	16,351	10,311	19,573	80,476
Net cash from (used for) operating activities	\$ 12,773,447	\$ 7,727,407	\$ 3,415,603	\$ 8,394,430	\$ (6,157,701)	\$ (6,441,612)	\$ 19,711,574
Supplemental Schedule of Noncash							
Investing and Financing Activities							
Acquisition of capital assets through capital contributions and donations	<u>\$ 10,852,411</u>	<u>\$ 6,788,076</u>	<u>\$ 22,663,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,579,412</u>	<u>\$ 41,883,687</u>
Acquisition of capital assets through debt	<u>\$ 204,307</u>	<u>\$ 151,821</u>	<u>\$ 658,378</u>	<u>\$ 1,939,421</u>	<u>\$ -</u>	<u>\$ 449,703</u>	<u>\$ 3,403,630</u>
Debt proceeds used for refunding of state revolving fund loans	<u>\$ -</u>	<u>\$ 137,908,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,908,028</u>
Forgiveness of state revolving fund loans	<u>\$ 1,768,905</u>	<u>\$ 4,348,770</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,117,675</u>

City of Fargo, North Dakota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2023

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 5,827,473	\$ 18,936,934
Equity in pooled investments	-	189,706,827
Receivables (net of allowance for uncollectibles):		
Interest	77,666	870,743
Accounts	6,557	-
Special assessments	-	8,925,420
Intergovernmental	-	69,617,299
Investments, at fair value:		
Mutual funds	128,059,270	-
Exchange-traded products	8,525,357	-
Prepaid items	-	4,633,885
Total assets	142,496,323	292,691,108
Liabilities		
Vouchers payable	33,788	15,427,596
Retainage payable	-	153,747
Benefits payable	219	-
Deposits payable	-	14,899
Long-term liabilities		
Accrued interest on settlement payable	-	2,400,000
Due in more than one year - note payable	-	9,589,378
Due in more than one year - settlement payable	-	40,000,000
Total liabilities	34,007	67,585,620
Net Position		
Restricted for		
Pension benefits	142,462,316	-
Park District special assessments	-	8,925,420
Metro Flood Diversion Authority	-	213,281,477
Red River Regional Dispatch Center	-	2,638,845
Police custodial fund	-	259,746
Total net position	\$ 142,462,316	\$ 225,105,488

City of Fargo, North Dakota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2023

	Pension Trust Funds	Custodial Funds
Additions		
Contributions		
Employer	\$ 4,429,459	\$ -
Employee	1,915,045	-
Total contributions	<u>6,344,504</u>	<u>-</u>
Investment income		
Net increase in fair value	18,306,235	8,289,332
Less investment expense	(491,951)	-
Net investment income	<u>17,814,284</u>	<u>8,289,332</u>
Special assessments collected for other governments	-	835,654
Aid from other governments	-	190,476,475
Miscellaneous	-	4,959,434
Member assessments	-	5,765,838
Police funds received into custody	-	15,987
Total additions	<u>24,158,788</u>	<u>210,342,720</u>
Deductions		
Pension benefit payments	9,854,457	-
Member contribution refunds	225,072	-
Administrative expenses	98,669	-
Payments of special assessments to other governments	-	1,316,173
Payments for public protection	-	140,782,398
Payments for dispatch center	-	5,335,596
Police funds released from custody	-	61,778
Interest expense	-	800,000
Total deductions	<u>10,178,198</u>	<u>148,295,945</u>
Change in Net Position	13,980,590	62,046,775
Net Position, Beginning	<u>128,481,726</u>	<u>163,058,713</u>
Net Position, Ending	<u>\$ 142,462,316</u>	<u>\$ 225,105,488</u>

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 ("the Airport Authority") was formed for the purpose of operating an airport system that provides domestic air service for the Midwest region and exists as a separate legal entity. The commissioners of the Airport Authority are appointed by the Mayor of the City of Fargo. The City has the ability to impose its will upon the Airport Authority through its ability to remove appointed members of the Airport Authority's governing board at will. Detailed disclosures for the Airport Authority are presented in Note 22 to the financial statements. Separately issued financial reports for the 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 Diversion Authority Fund – To account for the collection and disbursement of funds for the Metro Flood 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 2023 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

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

Right-of-use lease 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 lease 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 lease 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 2 to 21 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent the City's right to use the underlying IT asset for the subscription term. Right to use subscription IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 8 years.

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.

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

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

Implementation of GASB Statement No. 96

As of January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. The effect of the implementation of this standard on beginning net position/fund balance is disclosed in Note 15 and the additional disclosures required by this standard are included in Notes 6 and 9.

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	\$ 618,893,000
Notes payable	60,623,822
Unamortized premium	40,389,491
Financed purchases payable	695,144
Leases payable	9,160,803
Subscription-based IT agreements payable	886,993
Compensated absences	5,116,539
Accrued interest	3,942,131
OPEB liability	2,395,204
Net pension liability	<u>96,961,736</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 839,064,863</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	\$ 83,655,233	
Plus: donated/contributed assets	199,476	
Plus: value of asset trades	399,705	
Plus: prior year construction in progress added as asset in current year	<u>2,486,722</u>	
Capital asset increases per Note 6		\$ 86,741,136
Less: assets transferred out to enterprise funds	(42,512,703)	
Less: assets disposed	(7,087,242)	
Less: prior year construction in progress added as asset in current year	<u>(2,640,654)</u>	
Capital asset decreases per Note 6		(52,240,599)
Depreciation/amortization expense	<u>(24,459,470)</u>	
Accumulated depreciation/amortization increases per Note 6		(24,459,470)
Less: accumulated depreciation on assets transferred out to enterprise fund	154,046	
Less: accumulated depreciation/amortization on assets disposed	<u>6,649,591</u>	
Accumulated depreciation/amortization decreases per Note 6		<u>6,803,637</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities		<u><u>\$ 16,844,704</u></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	\$ (91,435,000)
Principal payments on bonded debt	50,749,000
Issuance of notes payable	(1,744,710)
Principal payments on notes payable	6,124,818
Forgiveness of notes payable	1,127,575
Premium on bonded debt issued	(7,425,081)
Amortization of premium on bonded debt	2,521,593
Issuance of financed purchases payable	(929,753)
Principal payments on financed purchases payable	808,014
Issuance of leases payable	(157,958)
Principal payments on leases payable	1,455,001
Lease obligation transferred to enterprise funds	476,060
Issuance of SBITAs	(552,565)
Principal payments on SBITAs	<u>576,779</u>
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (38,406,227)</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 2023 year include \$3,935,611 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 \$183,690 for the year ended December 31, 2023.

Expenditures in Excess of Appropriation

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

General Fund	\$ 1,363,375
Special Revenue Funds	
City Share of Specials	81,924
Convention and Visitors Bureau	1,002,886
Regional Training Center	184,370
Downtown Business Improvement District	58,601
NRI Loan Program	43,876
Community Development	855,657
HUD Home Participating Jurisdiction	520,109
Parking Authority	27,604
COVID-19 Emergency	302,222
American Rescue Plan	59,146
Debt Service Fund	3,241,979

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, 2023:

Governmental Funds	
Nonmajor Funds	
City Share of Specials	\$ 62,974
Community Development	48,069
HUD Home Participating Jurisdiction	68,560
COVID-19 Emergency	94,845
Baseball Stadium	37,853
Proprietary Funds	
Nonmajor Funds	
Forestry	1,051,905

These deficits will be eliminated through future revenues and, if necessary, transfers from other funds.

Net Investment in Capital Assets

Net investment in capital assets as shown in the statement of net position is calculated as follows:

	Governmental Activities	Business-type Activities
Capital Assets Not Depreciated/Amortized	\$ 126,723,805	\$ 196,229,602
Capital Assets, net of accumulated depreciation/amortization	549,249,401	814,796,803
Retainage payable	(2,433,799)	(7,107,484)
Non-current liabilities due in one year	(43,044,133)	(7,851,185)
Non-current liabilities due in more than one year	(692,721,659)	(269,557,371)
Less:		
Non-current liabilities not related to capital activity	342,250,821	-
Accrued compensated absences	5,116,539	1,275,822
Post closure liability	-	6,231,702
	\$ 285,140,975	\$ 734,017,889

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$325,211,553 of restricted net position, of which \$57,345,822 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, 2023, the carrying amount of the City's deposits was \$175,447,534 and the bank balance was \$191,179,624. The City's deposits were secured by FDIC coverage of \$178,246,067 and pledged collateral of \$54,642,166. 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, 2023, the City's deposits were either fully insured or properly collateralized and were held in the City'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	\$ 7,562,850	\$ -	\$ 3,773,430	\$ 3,789,420	\$ -	\$ -	
Corporate Bonds	AA2	1,018,675	-	-	1,018,675	-	-	
Corporate Bonds	AA3	2,136,032	-	624,173	1,511,859	-	-	
Corporate Bonds	A1	5,072,432	-	1,584,686	3,487,746	-	-	
Corporate Bonds	A2	3,602,562	-	1,350,121	2,252,441	-	-	
Corporate Bonds	A3	774,711	-	-	774,711	-	-	
Money Market Funds	AAAm	2,589,649	2,589,649	-	-	-	-	
Money Market Funds	N/A	79,171,255	79,171,255	-	-	-	-	
Municipal Bond	AAA	1,475,837	-	427,737	1,048,100	-	-	
Municipal Bond	AA3	768,775	-	389,071	379,704	-	-	
U.S. Agencies	AAA	15,762,081	-	114,983	12,744,837	1,968,922	933,339	
U.S. Treasury Note	AAA	57,072,425	-	11,731,291	45,341,134	-	-	
Bond Mutual Funds	N/A	45,077,267	-	7,645,599	11,877,565	25,554,103	-	
Equity Mutual Funds	N/A	82,982,003	82,982,003	-	-	-	-	
Equity Exchange Traded Funds	N/A	8,525,357	8,525,357	-	-	-	-	
External Investment Pool*	N/A	43,024,223	43,024,223	-	-	-	-	
		<u>\$ 356,616,134</u>	<u>\$ 216,292,487</u>	<u>\$ 27,641,091</u>	<u>\$ 84,226,192</u>	<u>\$ 27,523,025</u>	<u>\$ 933,339</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, 2023.

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, 2023:

	Total	Level 1	Level 2	Level 3
Primary Government				
Pooled Investments				
U.S. Government and Agency Securities	\$ 72,834,506	\$ 72,834,506	\$ -	\$ -
Money Market Mutual Funds	81,760,904	81,760,904	-	-
Corporate Bonds	20,167,262	-	20,167,262	-
Municipal Bonds	2,244,612	-	2,244,612	-
	<u>\$ 177,007,284</u>	<u>\$ 154,595,410</u>	<u>\$ 22,411,874</u>	<u>\$ -</u>
Pension Investments				
Bond Mutual Funds	\$ 45,077,267	\$ -	\$ 45,077,267	\$ -
Equity Mutual Funds	82,982,003	-	82,982,003	-
Equity Exchange Traded Funds	8,525,357	-	8,525,357	-
	<u>\$ 136,584,627</u>	<u>\$ -</u>	<u>\$ 136,584,627</u>	<u>\$ -</u>

The City has investments in the North Dakota State Investment Board short-term investment fund of \$43,024,233 valued at net asset value and not subject to leveling.

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	\$	8,082,386
Statement of fiduciary net position		24,764,407
Investments		
Statement of net position		1,238,870
Statement of fiduciary net position		136,584,627
Equity in pooled investments		
Statement of net position		102,922,701
Statement of fiduciary net position		189,706,827
Restricted equity in pooled investments		
Statement of net position		25,739,627
Restricted investments		
Statement of net position		43,024,223
		<u>\$ 532,063,668</u>
Deposits	\$	175,447,534
Investments		<u>356,616,134</u>
		<u>\$ 532,063,668</u>

Note 5 - Loans Receivable

Loans receivable as of December 31, 2023, were as follows:

Loan Program	Interest Rate	Maturity Date	Amount
Community Development	0%	Non-Repayment	\$ 189,889
Neighborhood Revitalization Initiative (NRI)	3%	Due upon Sale	7,000
HUD HOME	0%	August 2040	409,507
HUD HOME	0%	Non-Repayment	601,540
HUD HOME	0%	Due upon Sale	290,000
Bridge Loan	0%		9,205
			<u>\$ 1,507,141</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 the these loans, \$791,429 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, 2023, was as follows:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 109,372,095	\$ 1,288,015	\$ -	\$ 110,660,110
Intangible right-of-way easements	12,579,840	-	-	12,579,840
Construction in progress	2,891,324	3,233,185	2,640,654	3,483,855
Total capital assets, not being depreciated/amortized	<u>124,843,259</u>	<u>4,521,200</u>	<u>2,640,654</u>	<u>126,723,805</u>
Capital assets, being depreciated				
Buildings	134,059,289	2,479,045	-	136,538,334
Improvements other than buildings	8,610,609	910,226	-	9,520,835
Machinery and equipment	56,099,570	5,487,547	2,881,710	58,705,407
Infrastructure	510,347,477	71,137,614	44,193,739	537,291,352
Flood control	99,463,096	1,494,981	-	100,958,077
Total capital assets, being depreciated	<u>808,580,041</u>	<u>81,509,413</u>	<u>47,075,449</u>	<u>843,014,005</u>
Less accumulated depreciation for				
Buildings	34,716,496	3,275,403	-	37,991,899
Improvements other than buildings	2,294,317	541,212	-	2,835,529
Machinery and equipment	41,071,590	4,014,359	2,445,148	42,640,801
Infrastructure	203,150,138	13,450,047	2,308,964	214,291,221
Flood control	5,581,862	1,000,460	-	6,582,322
Total accumulated depreciation	<u>286,814,403</u>	<u>22,281,481</u>	<u>4,754,112</u>	<u>304,341,772</u>
Total capital assets, being depreciated, net	<u>521,765,638</u>	<u>59,227,932</u>	<u>42,321,337</u>	<u>538,672,233</u>
Right-of-use leased assets, being amortized				
Buildings	3,673,131	-	2,455,632	1,217,499
Improvements other than buildings	8,648,565	-	-	8,648,565
Equipment	171,308	157,958	68,864	260,402
Total right-of-use leased assets, being amortized	<u>12,493,004</u>	<u>157,958</u>	<u>2,524,496</u>	<u>10,126,466</u>
Less accumulated amortization for				
Buildings	1,292,958	1,143,649	1,980,661	455,946
Improvements other than buildings	377,988	377,987	-	755,975
Equipment	60,237	65,985	68,864	57,358
Total accumulated amortization	<u>1,731,183</u>	<u>1,587,621</u>	<u>2,049,525</u>	<u>1,269,279</u>
Total right-of-use leased assets, being amortized, net	<u>10,761,821</u>	<u>(1,429,663)</u>	<u>474,971</u>	<u>8,857,187</u>
Subscription-based IT assets, being amortized	1,757,784	552,565	-	2,310,349
Less accumulated amortization	-	590,368	-	590,368
Total subscription-based IT assets, being amortized, net	<u>1,757,784</u>	<u>(37,803)</u>	<u>-</u>	<u>1,719,981</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 659,128,502</u></u>	<u><u>\$ 62,281,666</u></u>	<u><u>\$ 45,436,962</u></u>	<u><u>\$ 675,973,206</u></u>

Business-type activities capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance, as Restated	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 36,258,132	\$ 1,223,992	\$ -	\$ 37,482,124
Intangible right-of-way easements	420,036	-	-	420,036
Intangible water rights	500,000	-	-	500,000
Construction in progress	140,021,216	38,382,310	20,576,084	157,827,442
Total capital assets, not being depreciated/amortized	177,199,384	39,606,302	20,576,084	196,229,602
Capital assets, being depreciated				
Buildings	371,178,924	-	736,138	370,442,786
Improvements other than buildings	48,211,284	4,053,853	13,873	52,251,264
Machinery and equipment	114,821,368	6,537,339	5,164,238	116,194,469
Infrastructure	680,616,544	53,964,166	1,787,904	732,792,806
Total capital assets, being depreciated	1,214,828,120	64,555,358	7,702,153	1,271,681,325
Less accumulated depreciation for				
Buildings	119,020,654	7,962,321	392,444	126,590,531
Improvements other than buildings	18,979,184	1,885,602	11,533	20,853,253
Machinery and equipment	83,918,827	6,501,688	4,594,926	85,825,589
Infrastructure	211,246,136	14,682,472	1,657,779	224,270,829
Total accumulated depreciation	433,164,801	31,032,083	6,656,682	457,540,202
Total capital assets, being depreciated, net	781,663,319	33,523,275	1,045,471	814,141,123
Right-of-use leased assets, being amortized				
Buildings	-	629,016	-	629,016
Improvements other than buildings	7,639	-	-	7,639
Equipment	57,003	-	12,643	44,360
Total right-of-use leased assets, being amortized	64,642	629,016	12,643	681,015
Less accumulated amortization for				
Buildings	-	308,090	-	308,090
Improvements other than buildings	364	365	-	729
Equipment	21,318	18,324	12,643	26,999
Total accumulated amortization	21,682	326,779	12,643	335,818
Total right-of-use leased assets, being amortized, net	42,960	302,237	-	345,197
Subscription-based IT assets, being amortized	101,664	257,666	-	359,330
Less accumulated amortization	-	48,847	-	48,847
Total subscription-based IT assets, being amortized, net	101,664	208,819	-	310,483
Business-Type Activities Capital Assets, Net	\$ 959,007,327	\$ 73,640,633	\$ 21,621,555	\$ 1,011,026,405

Amortization increases include \$154,046 of accumulated amortization on assets transferred from the governmental activities.

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

Governmental activities		
General government	\$	2,528,644
Public safety		2,970,260
Public works		16,626,149
Public health and welfare		480,763
Recreation and culture		612,367
Urban development		70,546
Transportation		1,170,741
		<u>1,170,741</u>
Total depreciation/amortization expense - governmental activities	\$	<u>24,459,470</u>
Business-type activities		
Water	\$	8,110,737
Water Reclamation		6,307,057
Storm Sewer		6,972,089
Street Lighting		2,234,141
Solid Waste		2,926,164
Forestry		250,944
Transit		1,541,777
Civic Memorial Auditorium		179,296
FargoDome		2,731,458
		<u>2,731,458</u>
Total depreciation/amortization expense - business-type activities	\$	<u>31,253,663</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	\$ 287,226	\$ -	\$ 287,226
Special assessments receivable	485,745,706	-	485,745,706
Grant resources held and grant items receivable	984,826	2,224,516	3,209,342
Loans/contracts/accounts receivable	3,574,932	791,429	4,366,361
	<u>3,574,932</u>	<u>791,429</u>	<u>4,366,361</u>
Total unavailable revenues of governmental funds	<u>\$ 490,592,690</u>	<u>\$ 3,015,945</u>	<u>\$ 493,608,635</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 \$7,237,206 for the year ended December 31, 2023. Deferred inflows related to these leases were \$7,327,120 as of December 31, 2023. Interest revenue from leases was \$44,305 for the year ended December 31, 2023. Principal receipts of \$201,779 were recognized during the fiscal year. The interest rates on the leases range from 0.2383 to 3.511 percent. Final receipt is expected in fiscal year 2043.

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

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 247,263	\$ 89,448	\$ 1,035,503	\$ 85,705
2025	187,632	84,455	925,438	66,736
2026	146,042	79,598	736,598	49,902
2027	150,929	74,711	542,969	36,281
2028	188,281	69,359	311,877	27,123
2029-2033	613,637	277,563	831,313	43,688
2034-2038	647,274	169,646	-	
2039-2043	672,450	52,949	-	
	\$ 2,853,508	\$ 897,729	\$ 4,383,698	\$ 309,435

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 lease assets, and the related accumulated amortization was \$10,807,481 and \$1,605,097, as of December 31, 2023, respectively. The City recognized amortization expense of \$1,914,400 and interest expense of \$150,513 related to leases during the year ended December 31, 2023. 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 fund, water reclamation fund, solid waste fund, public transportation fund and forestry fund.

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

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 525,521	\$ 143,943	\$ 166,338	\$ 1,554
2025	533,108	136,969	160,805	648
2026	385,364	130,191	13,298	106
2027	377,489	123,788	330	94
2028	363,624	117,594	335	89
2029-2033	1,873,181	498,743	1,756	365
2034-2038	2,074,478	340,144	1,900	221
2039-2043	2,514,682	151,256	1,630	65
2044	513,356	4,252	-	-
	<u>\$ 9,160,803</u>	<u>\$ 1,646,880</u>	<u>\$ 346,392</u>	<u>\$ 3,142</u>

Note 9 - Subscription-Based Information Technology Arrangements (SBITAs)

The City has entered into two SBITA contracts for various departmental operating software. The City is required to make principal and interest payments through fiscal year 2031. The SBITA contracts have interest rates between 2.31% and 2.901%. For SBITA contracts with no stated interest rate, the subscription liability was valued using discount rates based on the City's incremental borrowing rate at the inception of the subscriptions.

Remaining principal and interest payments on subscriptions are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 290,446	\$ 21,617	\$ 57,844	\$ 7,123
2025	270,475	15,428	59,307	5,660
2026	205,168	8,082	50,009	4,158
2027	46,375	2,903	34,423	3,091
2028	22,227	1,773	33,700	2,300
2029-2031	52,302	1,697	78,803	2,196
	<u>\$ 886,993</u>	<u>\$ 51,500</u>	<u>\$ 314,086</u>	<u>\$ 24,528</u>

Note 10 - Long-Term Debt

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2023:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Improvement bonds	\$ 458,990,000	\$ 91,435,000	\$ 43,775,000	\$ 506,650,000	\$ 20,590,000
General obligation bonds	29,035,000	-	1,780,000	27,255,000	1,860,000
Sales tax revenue bonds	54,244,000	-	4,161,000	50,083,000	4,350,000
Taxable annual appropriation bonds	27,835,000	-	600,000	27,235,000	620,000
Annual appropriation bonds	8,103,000	-	433,000	7,670,000	448,000
Total bonds payable	<u>578,207,000</u>	<u>91,435,000</u>	<u>50,749,000</u>	<u>618,893,000</u>	<u>27,868,000</u>
Notes payable					
State revolving fund notes	45,274,200	132,637	5,073,000	40,333,837	5,213,000
Direct bank loan	2,687,316	-	367,800	2,319,516	373,041
Mercantile Parking Ramp	2,000,000	-	-	2,000,000	-
BND infrastructure loan	11,708,348	-	428,867	11,279,481	437,469
Tax increment revenue notes	4,461,641	1,612,073	1,382,726	4,690,988	116,825
Total notes payable	<u>66,131,505</u>	<u>1,744,710</u>	<u>7,252,393</u>	<u>60,623,822</u>	<u>6,140,335</u>
Unamortized premium	35,486,003	7,425,081	2,521,593	40,389,491	2,670,095
Financed purchases payable	573,405	929,753	808,014	695,144	433,197
Leases payable	10,933,906	157,958	1,931,061	9,160,803	525,521
Subscription-based IT agreements payable	911,207	552,565	576,779	886,993	290,446
Compensated absences	4,675,103	5,116,539	4,675,103	5,116,539	5,116,539
	<u>\$ 696,918,129</u>	<u>\$ 107,361,606</u>	<u>\$ 68,513,943</u>	<u>\$ 735,765,792</u>	<u>\$ 43,044,133</u>

City of Fargo, North Dakota

Notes to Financial Statements

December 31, 2023

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 1,659,480	\$ -	\$ 195,985	\$ 1,463,495	\$ 199,152
Annual appropriation bonds	4,145,000	-	775,000	3,370,000	800,000
Total bonds payable	<u>5,804,480</u>	<u>-</u>	<u>970,985</u>	<u>4,833,495</u>	<u>999,152</u>
Notes payable					
State revolving fund notes	222,799,801	175,659,879	147,595,703	250,863,977	3,220,000
Direct bank loan	600,000	-	300,000	300,000	300,000
Total notes payable	<u>223,399,801</u>	<u>175,659,879</u>	<u>147,895,703</u>	<u>251,163,977</u>	<u>3,520,000</u>
Financed purchases payable	2,903,370	2,535,754	1,825,540	3,613,584	1,266,779
Leases payable	42,576	476,060	172,244	346,392	166,338
Subscription-based IT agreements payable	101,664	257,666	45,244	314,086	57,844
Special assessments	9,968,588	207,436	546,526	9,629,498	565,250
Landfill closure/postclosure	5,824,020	407,682	-	6,231,702	-
Compensated absences	1,135,131	1,275,822	1,135,131	1,275,822	1,275,822
	<u>\$ 249,179,630</u>	<u>\$ 180,820,299</u>	<u>\$ 152,591,373</u>	<u>\$ 277,408,556</u>	<u>\$ 7,851,185</u>

Bonds Payable

At December 31, 2023, the City had the following bond issuances outstanding:

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
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
2014 Series E Refunding - current refunding of Series 2010B	5/1/2035	2.00 - 5.00%	19,440,000	12,835,000
2014 Series G - infrastructure system construction	5/1/2039	2.00 - 4.25%	8,355,000	6,155,000
2015 Series A Refunding - crossover refunding of Series 2006B and 2007B	5/1/2031	2.00 - 5.00%	18,250,000	10,340,000
2015 Series B Refunding - crossover refunding of Series 2008E	5/1/2033	2.50 - 5.00%	15,235,000	8,050,000
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	20,125,000
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	37,890,000
2019 Series A - infrastructure system construction	5/1/2042	3.00 - 5.00%	37,260,000	33,125,000
2019 Series B Refunding - crossover refunding of Series 2011A	5/1/2036	1.80 - 2.90%	13,940,000	12,315,000
2020 Series B - infrastructure system construction	5/1/2045	2.00 - 5.00%	29,565,000	27,500,000
2020 Series C Refunding - crossover refunding of Series 2011C, 2012A, 2014D, and 2014F	5/1/2023	1.50 - 2.30%	91,015,000	84,350,000
2021 Series A - infrastructure system construction	5/1/2046	2.00 - 5.00%	37,310,000	35,760,000
2022 Series A - Infrastructure system construction	5/1/2047	3.00 - 5.00%	22,855,000	22,095,000
2023 Series A - Infrastructure system construction	5/1/2048	4.00 - 5.00%	52,590,000	52,590,000
2023 Series D - Infrastructure system construction	5/1/2048	5.00%	<u>38,845,000</u>	<u>38,845,000</u>
Total improvement bonds			<u>\$ 615,575,000</u>	<u>\$ 506,650,000</u>

City of Fargo, North Dakota
Notes to Financial Statements
December 31, 2023

	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
General obligation bonds				
2009 Series B - fire station and fire truck	5/1/2029	2.00 - 4.00%	\$ 2,875,000	\$ 1,075,000
2015 Series E - Roberts Commons parking ramp	12/1/2035	1.00 - 3.85%	10,230,000	7,065,000
2016 Series A - City Hall building	7/1/2036	2.00 - 5.00%	<u>25,640,000</u>	<u>19,115,000</u>
Total general obligation bonds			<u>\$ 38,745,000</u>	<u>\$ 27,255,000</u>
Sales tax revenue bonds				
2013 Series A - flood mitigation projects	6/1/2033	3.00 - 4.00%	\$ 51,375,000	\$ 30,615,000
2014 Series B - flood mitigation projects	6/1/2032	2.00 - 5.00%	<u>32,512,000</u>	<u>19,468,000</u>
Total sales tax revenue bonds			<u>\$ 83,887,000</u>	<u>\$ 50,083,000</u>
Taxable annual appropriation bonds				
2018 Series E - Block Nine project	5/1/2044	3.30 - 4.47%	\$ 17,315,000	\$ 15,935,000
2020 Series A - Mercantile parking ramp	12/1/2045	2.15 - 3.69%	<u>11,525,000</u>	<u>11,300,000</u>
Total taxable appropriation bonds			<u>\$ 28,840,000</u>	<u>\$ 27,235,000</u>
Annual appropriation bonds				
2022 Series D - fire station and fire truck	5/1/2037	3.04%	<u>\$ 8,103,000</u>	<u>\$ 7,670,000</u>
Total governmental activities			<u><u>\$ 775,150,000</u></u>	<u><u>\$ 618,893,000</u></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	\$ 1,463,495
2017 Annual Appropriation Bond - FargoDome video board upgrade	11/1/2027	1.75 - 3.85%	<u>7,810,000</u>	<u>3,370,000</u>
Total business-type activities			<u><u>\$ 10,685,000</u></u>	<u><u>\$ 4,833,495</u></u>

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

Revenue bonds payable at December 31, 2023, 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, 2023, the statutory limit for the City was \$414,835,212 providing a debt margin of \$361,145,906. This calculation can be found in the statistical section of this report.

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2023, are as follows:

Years Ending December 31,	Improvement Bonds		General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 20,590,000	\$ 16,609,253	\$ 1,860,000	\$ 851,778	\$ 4,350,000	\$ 1,944,390
2025	24,400,000	15,993,475	1,940,000	771,921	4,547,000	1,747,890
2026	27,815,000	15,060,153	2,030,000	687,528	4,740,000	1,552,640
2027	26,670,000	14,161,711	2,080,000	637,888	4,936,000	1,359,120
2028	26,780,000	13,264,811	2,145,000	573,286	5,136,000	1,157,680
2029-2033	131,125,000	52,382,224	10,775,000	2,020,372	26,374,000	2,519,280
2034-2038	119,865,000	32,048,618	6,425,000	385,800	-	-
2039-2043	89,080,000	14,469,988	-	-	-	-
2044-2048	40,325,000	3,472,025	-	-	-	-
	<u>\$ 506,650,000</u>	<u>\$ 177,462,258</u>	<u>\$ 27,255,000</u>	<u>\$ 5,928,573</u>	<u>\$ 50,083,000</u>	<u>\$ 10,281,000</u>

Years Ending December 31,	Taxable Annual Appropriation Bond		Annual Appropriation Bond		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 620,000	\$ 1,057,474	\$ 448,000	\$ 226,358	\$ 27,868,000	\$ 20,689,253
2025	645,000	1,036,063	461,000	212,542	31,993,000	19,761,891
2026	740,000	1,013,094	475,000	198,314	35,800,000	18,511,729
2027	815,000	986,838	490,000	183,646	34,991,000	17,329,203
2028	1,005,000	957,634	505,000	168,522	35,571,000	16,121,933
2029-2033	5,615,000	4,206,623	2,763,000	599,261	176,652,000	61,727,760
2034-2038	6,825,000	3,012,814	2,528,000	159,591	135,643,000	35,606,823
2039-2043	8,310,000	1,486,489	-	-	97,390,000	15,956,477
2044-2048	2,660,000	110,567	-	-	42,985,000	3,582,592
	<u>\$ 27,235,000</u>	<u>\$ 13,867,596</u>	<u>\$ 7,670,000</u>	<u>\$ 1,748,234</u>	<u>\$ 618,893,000</u>	<u>\$ 209,287,661</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of December 31, 2023, are as follows:

Years Ending December 31,	Revenue Bonds		Annual Appropriation Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
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	212,340	26,248	-	-	212,340	26,248
2029-2030	435,030	21,184	-	-	435,030	21,184
	<u>\$ 1,463,495</u>	<u>\$ 252,979</u>	<u>\$ 3,370,000</u>	<u>\$ 317,573</u>	<u>\$ 4,833,495</u>	<u>\$ 570,552</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 \$6,293,265. Net sales tax revenue totaled \$8,643,108 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 \$190,843. Net general fund appropriations totaled \$190,844 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 \$599,443. Net landfill tipping fee revenue totaled \$10,949,956 for the year.

Notes Payable

At December 31, 2023, 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	\$ 645,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	540,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	24,740,000
SRLF Transmission Lines South Side System	9/1/2029	2.00%	14,110,422	3,790,000
SRLF Water Reclamation Clarifier Improvements	9/1/2029	0.50%	699,374	255,000
SRLF Water Reclamation Stabilization Ponds	9/1/2030	2.50%	4,071,140	1,730,000
SRLF Regional Storm Water Pond - Construction	9/1/2052	1.50%	10,500,000	8,171,837
SRLF Regional Storm Water Pond - Engineering	9/1/2052	1.50%	500,000	462,000
TIF Revenue Notes	5/1/2038	3.50 - 6.00%	4,821,633	4,690,989
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	2,319,516
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	11,279,480
Total governmental activities			<u>\$ 125,327,569</u>	<u>\$ 60,623,822</u>
Business-Type Activities				
SRLF Water Reclamation Construction Loan	9/1/2055	1.50%	\$ 151,500,000	\$ 124,026,026
SRLF Water Reclamation Engineering Loan	9/1/2055	1.50%	21,229,000	19,485,280
SRLF Water Treatment Plant	9/1/2048	1.50%	98,000,000	87,380,000
SRLF Water Supply and Treatment	9/1/2050	1.50%	23,950,000	16,003,759
SRLF Water Filter Conversion	9/1/2054	1.50%	6,400,000	589,635
SRLF Leachate Collection Construction Loan	9/1/2032	1.50%	4,361,000	3,173,405
SRLF Leachate Collection Engineering Loan	9/1/2032	0.00%	259,000	205,872
Direct Bank Loan - Baling Facility	12/1/2024	6.68%	3,000,000	300,000
Total business-type activities			<u>\$ 308,699,000</u>	<u>\$ 251,163,977</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, 2023, are as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,140,335	\$ 1,377,446	\$ 3,520,000	\$ 4,035,060
2025	6,167,829	1,204,387	3,523,844	4,578,102
2026	6,346,927	1,027,100	7,875,208	4,499,331
2027	6,510,338	844,560	8,023,258	4,354,157
2028	6,528,768	657,505	8,166,196	4,212,344
2029-2033	14,529,325	1,502,078	42,722,583	18,710,368
2034-2038	6,421,896	940,291	44,993,604	14,641,113
2039-2043	4,746,810	528,360	49,418,374	10,214,967
2044-2048	2,466,827	156,283	54,325,369	5,324,347
2049-2052	764,767	17,625	26,981,911	1,157,843
2054-2055	-	-	1,613,630	36,486
	<u>\$ 60,623,822</u>	<u>\$ 8,255,635</u>	<u>\$ 251,163,977</u>	<u>\$ 71,764,118</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, 2023, are as follows:

<u>Years Ending December 31,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 433,197	\$ 33,713	\$ 1,266,779	\$ 164,625
2025	180,519	12,609	1,030,496	110,138
2026	40,763	4,595	816,909	66,461
2027	31,192	2,279	484,672	27,501
2028	9,473	544	14,728	868
	<u>\$ 695,144</u>	<u>\$ 53,740</u>	<u>\$ 3,613,584</u>	<u>\$ 369,593</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.

Subscription-Based IT Agreements Payable

Subscription-based IT agreements (SBITAs) payable consists of long-term software contracts as described in Note 9. SBITAs payable of the governmental activities are liquidated by the general fund, debt service fund, capital projects fund, and parking authority fund. SBITAs payable of the business-type activities are liquidated by the water fund, solid waste fund, forestry 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, 2023, are as follows:

Years Ending December 31,	Special Assessments	
	Principal	Interest
2024	\$ 565,250	\$ 450,814
2025	553,660	424,756
2026	576,257	397,589
2027	597,852	369,265
2028	612,934	339,809
2029-2033	2,849,490	1,260,527
2034-2038	2,375,726	636,375
2039-2043	1,340,212	179,326
2044-2048	158,117	9,895
	\$ 9,629,498	\$ 4,068,356

Landfill Closure/Postclosure

Landfill Closure/Postclosure liability consists of expected future obligations relating to the municipal landfill. See Note 20 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 11 - 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 Of-ficer; 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. 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 (RHIC) 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 pre-mium 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, 2023, the City reported a liability of \$3,337,511 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the City's proportion was 3.33834 percent, which was an increase of 0.23622 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized OPEB expense of \$707,366. At December 31, 2023, 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	\$ 62,791	\$ 38,194
Changes of assumptions	711,814	276,386
Net difference between projected and actual investment earnings on OPEB plan investments	241,060	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	185,007	20,942
City contributions subsequent to the measurement date	20,856	-
	<u>\$ 1,221,528</u>	<u>\$ 335,522</u>

The \$20,856 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, 2024.

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

2024	\$	324,525
2025		260,635
2026		354,000
2027		(74,010)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023, 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.10%
Domestic Fixed Income	35%	2.59%
International Equities	26%	6.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. 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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
City's proportionate share of the net OPEB liability	\$ 4,386,306	\$ 3,337,511	\$ 2,454,553

Note 12 - 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. 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 administered by a separate Board of Directors. 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, 2023 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	\$ 48,561,855	\$ 69,150,909	\$ 53,155,359	\$ 7,433,653
City of Fargo Pension Plan	4,321,214	5,618,947	251,527	753,002
Police Pension Plan	8,851,390	21,640,258	197,642	2,992,701
Firefighters' Relief Association	6,651,042	21,233,361	24,646	3,294,106
Total all plans	\$ 68,385,501	\$ 117,643,475	\$ 53,629,174	\$ 14,473,462

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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

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, 2023, the City reported a liability of \$69,150,909 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the Employer's proportion was 3.58620 percent, which was an increase of 0.24814 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$7,433,653. At December 31, 2023, 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	\$ 2,251,087	\$ 381,363
Changes of assumptions	38,130,621	52,487,295
Net difference between projected and actual investment earnings on pension plan investments	1,814,395	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,557,099	286,701
City contributions subsequent to the measurement date	1,808,653	-
	\$ 48,561,855	\$ 53,155,359

The \$1,808,653 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, 2024.

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

2024		\$ 1,556,736
2025		(6,734,611)
2026		2,245,225
2027		(3,469,507)

Actuarial Assumptions

The total pension liability in the July 1, 2023 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	6.50%, 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	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.33%
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 3.86%; and the resulting Single Discount Rate is 6.50%.

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

The following presents the City's proportionate shares of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability	\$ 95,342,490	\$ 69,150,909	\$ 47,422,961

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, 2023, is as follows:

Retirees and beneficiaries currently receiving pension payments	278
Terminated vested	61
Active plan members	183

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

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%	7.50%
International equity	16.00%	7.10%
Emerging markets equity	7.00%	7.40%
Core fixed income	17.50%	4.70%
Investment grade corporate	8.75%	5.40%
High yield	4.38%	6.80%
Emerging markets debt	4.38%	6.00%
Totals	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of December 31, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the December 31, 2023, Actuarial Valuation Report and City pension stability fund contributions will be made equal to the five- year average of \$1.28 million for at least the next six years. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of December 31, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023.

Schedule of Changes in Net Pension Liability (Asset)

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

	Increase (Decrease)			City of Fargo Proportionate Share
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)	
Balances at January 1, 2023	\$ 63,373,467	\$ 52,937,695	\$ 10,435,772	\$ 9,259,660
Changes from the Prior Year				
Service cost	386,686	-	386,686	343,106
Interest cost	4,308,676	-	4,308,676	3,823,088
Differences between expected and actual experience	547,851	-	547,851	486,108
Contributions - employer	-	1,484,284	(1,484,284)	(1,317,005)
Contributions - employee	-	288,909	(288,909)	(256,349)
Net investment income	-	7,629,247	(7,629,247)	(6,769,431)
Benefit payments	(4,415,280)	(4,415,280)	-	-
Administrative expense	-	(56,092)	56,092	49,770
Net Changes	<u>827,933</u>	<u>4,931,068</u>	<u>(4,103,135)</u>	<u>(3,640,713)</u>
Balances at December 31, 2023	<u>\$ 64,201,400</u>	<u>\$ 57,868,763</u>	<u>\$ 6,332,637</u>	<u>\$ 5,618,947</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 (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	\$ 12,451,137	\$ 6,332,637	\$ 1,060,042
City's proportionate share of the net pension liability	\$ 11,047,894	\$ 5,618,947	\$ 940,575

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

At December 31, 2023, the City reported a liability of \$5,618,947 for its proportionate share of the City of Fargo Pension Plan's net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The City's proportion of the net pension liability was based on the City's contributions received by the City of Fargo Pension Plan during the measurement period for employer payroll paid dates from January 1, 2023, through December 31, 2023, relative to the total plan contributions received from the all participating employers. The City's proportionate share was 88.73 percent at the end of the measurement period and 88.73 at the beginning of the measurement period.

For the year ended December 31, 2023, the City recognized pension expense of \$753,002. At December 31, 2023, 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	\$ 354,372	\$ 8,332
Changes of assumptions	253,778	30,836
Net difference between projected and actual earnings on pension plan investments	3,665,531	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,533	212,359
Total	\$ 4,321,214	\$ 251,527

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
2024	\$ 953,460
2025	1,589,770
2026	2,239,773
2027	(713,316)

Reserves

The plan fiduciary net position at December 31, 2023, is \$57,868,763 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, 2023, is as follows:

Retirees and beneficiaries currently receiving pension payments	138
Active plan members	201
Terminated vested employees	24

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

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%	6.34%
Domestic equity - small/mid cap	18.00%	6.58%
International equity - developed	8.00%	6.19%
International equity - emerging market	3.00%	6.74%
Core fixed income	20.00%	3.59%
High yield fixed income	7.00%	5.44%
Cash	2.00%	2.50%
Totals	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of December 31, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the December 31, 2023, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of December 31, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023.

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 (a) - (b)
Balances at January 1, 2023	\$ 99,655,785	\$ 75,544,031	\$ 24,111,754
Changes from the Prior Year			
Service cost	2,640,758	-	2,640,758
Interest cost	6,962,601	-	6,962,601
Differences between expected and actual experience	2,636,312	-	2,636,312
Contributions - employer	-	2,945,175	(2,945,175)
Contributions - employee	-	1,623,530	(1,623,530)
Net investment income	-	10,185,037	(10,185,037)
Benefit payments	(5,661,643)	(5,661,643)	-
Administrative expense	-	(42,575)	42,575
Net Changes	<u>6,578,028</u>	<u>9,049,524</u>	<u>(2,471,496)</u>
Balances at December 31, 2023	<u>\$ 106,233,813</u>	<u>\$ 84,593,555</u>	<u>\$ 21,640,258</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	\$ 35,948,311	\$ 21,640,258	\$ 9,865,307

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

For the year ended December 31, 2023, the City recognized pension expense of \$2,992,701. At December 31, 2023, 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	\$ 2,740,959	\$ 106,561
Changes of assumptions	1,945,595	91,081
Net difference between projected and actual earnings on pension plan investments	4,164,836	-
Total	\$ 8,851,390	\$ 197,642

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
2024	\$ 1,821,365
2025	3,047,561
2026	3,359,371
2027	(231,646)
2028	395,843
Thereafter	261,254

Reserves

The plan fiduciary net position at December 31, 2023, is \$84,593,553 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 in the plan on December 31, 2023, is as follows:

Active plan members	119
Deferred vested	15
Retirees, disabled, and beneficiaries	93

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, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023.

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%	6.34%
Domestic equity - small/mid cap	18.00%	6.58%
International equity - developed	8.00%	6.19%
International equity - emerging market	3.00%	6.74%
Core fixed income	20.00%	3.59%
High yield fixed income	7.00%	5.44%
Cash	2.00%	2.50%
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.

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of December 31, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the December 31, 2023, Actuarial Valuation Report and City pension stability fund contributions will be made equal to the five- year average of \$1.28 million for at least the next six years. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of December 31, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of December 31, 2023.

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, 2023	\$ 67,227,974	\$ 44,020,033	\$ 23,207,941
Changes from the Prior Year			
Service cost	1,637,747	-	1,637,747
Interest cost	4,699,427	-	4,699,427
Differences between expected and actual experience	1,452,290	-	1,452,290
Contributions - employer	-	2,845,473	(2,845,473)
Contributions - employee	-	1,038,785	(1,038,785)
Net investment income	-	5,922,145	(5,922,145)
Other additions	-	13,490	(13,490)
Benefit payments	(3,462,113)	(3,462,113)	-
Administrative expense	-	(55,849)	55,849
Net Changes	<u>4,327,351</u>	<u>6,301,931</u>	<u>(1,974,580)</u>
Balances at December 31, 2023	<u>\$ 71,555,325</u>	<u>\$ 50,321,964</u>	<u>\$ 21,233,361</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	\$ 30,950,601	\$ 21,233,361	\$ 13,202,068

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

For the year ended December 31, 2023, the City recognized pension expense of \$3,294,106. At December 31, 2023, 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	\$ 2,425,614	\$ -
Changes of assumptions	1,685,578	24,646
Net difference between projected and actual earnings on pension plan investments	2,539,850	-
Total	\$ 6,651,042	\$ 24,646

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
2024	\$ 1,805,088
2025	2,270,327
2026	2,251,408
2027	(47,472)
2028	221,049
Thereafter	125,996

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.

**Combining Statement of Net Position – Pension Trust Funds
December 31, 2023**

	City Employees' Pension Trust	Police Pension Trust	Total
Assets			
Cash and cash equivalents	\$ 896,964	\$ 4,930,509	\$ 5,827,473
Receivables (net of allowance for uncollectibles):			
Interest	-	77,666	77,666
Accounts	6,557	-	6,557
Investments, at fair value:			
Mutual funds	56,995,903	71,063,367	128,059,270
Exchange-traded products	-	8,525,357	8,525,357
Total assets	57,899,424	84,596,899	142,496,323
Liabilities			
Vouchers payable	30,442	3,346	33,788
Benefits payable	219	-	219
Total liabilities	30,661	3,346	34,007
Net Position			
Restricted for			
Pension benefits	\$ 57,868,763	\$ 84,593,553	\$ 142,462,316

**Combining Statement of Changes in Net Position – Pension Trust Funds
December 31, 2023**

	City Employees' Pension Trust	Police Pension Trust	Total
Additions			
Contributions			
Employer	\$ 1,484,284	\$ 2,945,175	\$ 4,429,459
Employee	291,515	1,623,530	1,915,045
Total contributions	<u>1,775,799</u>	<u>4,568,705</u>	<u>6,344,504</u>
Investment income			
Net increase in fair value	7,807,346	10,498,889	18,306,235
Less investment expense	(178,099)	(313,852)	(491,951)
Net investment income	<u>7,629,247</u>	<u>10,185,037</u>	<u>17,814,284</u>
Total additions	<u>9,405,046</u>	<u>14,753,742</u>	<u>24,158,788</u>
Deductions			
Pension benefit payments	4,372,774	5,481,683	9,854,457
Member contribution refunds	45,112	179,960	225,072
Administrative expenses	56,092	42,577	98,669
Total deductions	<u>4,473,978</u>	<u>5,704,220</u>	<u>10,178,198</u>
Change in Net Position	4,931,068	9,049,522	13,980,590
Net Position, Beginning	<u>52,937,695</u>	<u>75,544,031</u>	<u>128,481,726</u>
Net Position, Ending	<u>\$ 57,868,763</u>	<u>\$ 84,593,553</u>	<u>\$ 142,462,316</u>

Note 13 - 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 from:					Total
	Nonmajor Governmental Funds	Water Fund	Solid Waste Fund	Fargodome Fund	Nonmajor Enterprise Funds	
Due to:						
General Fund	\$ 269,576	\$ -	\$ -	\$ -	\$ -	\$ 269,576
Water Reclamation Fund	-	2,332,647	2,199,442	763,349	1,965,715	7,261,153
Storm Sewer Fund	-	-	-	-	555,697	555,697
Total	<u>\$ 269,576</u>	<u>\$ 2,332,647</u>	<u>\$ 2,199,442</u>	<u>\$ 763,349</u>	<u>\$ 2,521,412</u>	<u>\$ 8,086,426</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, 2023
Advanced by Water Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	390,000	187,745	202,255
Border States Facility Equipment	550,000	209,264	340,736
Border States Facility Building	872,524	152,446	720,078
Total Water Fund advances	<u>1,812,524</u>	<u>549,455</u>	<u>1,263,069</u>
Advanced by Water Reclamation Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	390,000	187,746	202,254
Border States Facility Building	1,422,524	248,516	1,174,008
Total Water Reclamation Fund advances	<u>1,812,524</u>	<u>436,262</u>	<u>1,376,262</u>
	<u>\$ 3,625,048</u>	<u>\$ 985,717</u>	<u>\$ 2,639,331</u>

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, 2023:

	Transfer in			
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds
Transfer out				
General Fund	\$ -	\$ 3,216,492	\$ 995,575	\$ 244,953
Debt Service Fund	13,562	-	8,943,534	257,486
Capital Projects Fund	-	470,000	-	54,057
Nonmajor Governmental Funds	7,613,774	1,947,346	467,983	100,000
Water Fund	3,039,846	-	2,668,850	-
Water Reclamation Fund	1,987,410	-	4,587,934	-
Storm Sewer Fund	702,228	-	744,555	-
Solid Waste Fund	2,871,067	-	1,757,875	110,986
Nonmajor Enterprise Funds	1,051,215	-	938,410	-
Total	<u>\$ 17,279,102</u>	<u>\$ 5,633,838</u>	<u>\$ 21,104,716</u>	<u>\$ 767,482</u>

	Transfer in			Total
	Water Fund	Solid Waste Fund	Nonmajor Enterprise Funds	
Transfer out				
General Fund	\$ -	\$ -	\$ 1,750,000	\$ 6,207,020
Debt Service Fund	-	-	-	9,214,582
Capital Projects Fund	-	-	-	524,057
Nonmajor Governmental Funds	-	-	-	10,129,103
Water Fund	1,173,920	-	-	6,882,616
Water Reclamation Fund	-	-	-	6,575,344
Storm Sewer Fund	-	-	-	1,446,783
Solid Waste Fund	-	92,400	-	4,832,328
Nonmajor Enterprise Funds	-	-	-	1,989,625
Total	<u>\$ 1,173,920</u>	<u>\$ 92,400</u>	<u>\$ 1,750,000</u>	<u>\$ 47,801,458</u>

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

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

Transfers from the capital project funds are made for funding various projects and meeting debt service requirements.

Transfers from the nonmajor governmental funds were made to fund debt service payments and to allocate ARPA funding to funds under the revenue replacement expenditure category.

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

Note 14 - Fund Balances

The City classified fund balances within the governmental funds as follows at December 31, 2023:

	<u>General Fund</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balances					
Nonspendable					
Inventory	\$ 1,068,759	\$ -	\$ -	\$ -	\$ 1,068,759
Prepaid items	2,117,100	-	4,419	92,480	2,213,999
Total nonspendable	<u>3,185,859</u>	<u>-</u>	<u>4,419</u>	<u>92,480</u>	<u>3,282,758</u>
Restricted					
American Rescue Plan	-	-	-	182,744	182,744
Capital projects	-	-	26,287,345	-	26,287,345
Convention and visitors bureau	-	-	-	39,033	39,033
Court forfeits	-	-	-	255,969	255,969
Debt service	-	85,437,202	-	-	85,437,202
Downtown business improvement district	-	-	-	145,947	145,947
Fire	284,182	-	-	-	284,182
Health	2,687,376	-	-	-	2,687,376
Highway and streets	1,125,773	-	-	-	1,125,773
HUD home program	-	-	-	5,000	5,000
Noxious weeds	-	-	-	109,202	109,202
NRI loan program	-	-	-	123,642	123,642
Opioid abatement	-	-	-	168,433	168,433
Parking authority	-	-	-	1,403,535	1,403,535
Parking repair and replacement	-	-	-	291,172	291,172
Police	421,375	-	-	-	421,375
Regional training center	-	-	-	160,932	160,932
Skyway maintenance	-	-	-	19,531	19,531
SWAT	-	-	-	11,205	11,205
Total restricted	<u>4,518,706</u>	<u>85,437,202</u>	<u>26,287,345</u>	<u>2,916,345</u>	<u>119,159,598</u>
Committed					
Revenue stabilization	1,000,015	-	-	-	1,000,015
Assigned					
2024 budget	183,690	-	-	-	183,690
Unassigned	21,788,774	-	-	(316,923)	21,471,851
Total Fund Balances	<u>\$ 30,677,044</u>	<u>\$ 85,437,202</u>	<u>\$ 26,291,764</u>	<u>\$ 2,691,902</u>	<u>\$ 145,097,912</u>

Note 15 - Adoption of New Standard

As of January 1, 2023, the City adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset – an intangible asset – and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. Accordingly, fund balance of the General Fund and net position of the governmental activities, business-type activities, water fund, solid waste fund, forestry fund, and transit fund have been restated to retroactively adopt the provisions of GASB Statement No. 96 as follows:

	<u>General Fund</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Fund balance/net position at December 31, 2022, as previously reported	\$ 29,717,494	\$ 425,433,971	\$ 742,569,157
Recognition of right-to-use subscription IT assets	-	1,757,784	101,664
Derecognition of prepaid expenditure for SBITAs	(846,577)	(846,577)	-
Recognition of SBITA liability	-	(911,207)	(101,664)
Fund balance/net position at January 1, 2023, as adjusted	<u>\$ 28,870,917</u>	<u>\$ 425,433,971</u>	<u>\$ 742,569,157</u>

	<u>Water Fund</u>	<u>Solid Waste Fund</u>	<u>Forestry Fund</u>	<u>Transit Fund</u>
Net position (deficit) at December 31, 2022, as previously reported	\$ 231,268,464	\$ 15,761,258	\$ (775,184)	\$ 16,243,780
Recognition of right-to-use subscription IT assets	17,157	36,031	17,157	31,319
Recognition of SBITA liability	(17,157)	(36,031)	(17,157)	(31,319)
Net position (Deficit) at January 1, 2023, as adjusted	<u>\$ 231,268,464</u>	<u>\$ 15,761,258</u>	<u>\$ (775,184)</u>	<u>\$ 16,243,780</u>

Note 16 - 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 17 - 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, 2023, there are seven of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is \$125,635,000. 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 18 - 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 19 - 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, 2023.

Note 20 - 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, 2023, the City had commitments on various construction contracts totaling approximately \$67,393,080.

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 20 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 17 are presently fully constructed and mostly filled. Cells 18 through 20 are fully constructed and partially filled. Based upon design capacity, the facility is 65.49% full (acres), and based upon present utilization rates; the remaining capacity is estimated at 18.86 years. The estimated liability for landfill closure and post closure care is \$6,231,702 as of December 31, 2023. 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, 2023. 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 21 - 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, 2023, 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, 2023, were as follows:

Tax Abatement Program	Amount
Residential New Construction - School District #1	\$ 125,736
Residential New Construction - School District #6	47,517
Remodeling - Residential - School District #1	37,699
Remodeling - Residential - School District #6	31
Remodeling - Commercial - School District #1	16,535
Remodeling - Commercial - School District #6	6,874
New Industry Exemption & Payment in Lieu - School District #1	584,822
New Industry Exemption & Payment in Lieu - School District #6	264,596
Traditional Tax Increment Financing	238,805
Renaissance Zone - Commercial - School District #1	562,537
Renaissance Zone - Residential - School District #1	55,428
Daycare, Fire Protection - Commercial - School District #1	54,718
Daycare, Fire Protection - Commercial - School District #6	34,462
	\$ 2,029,760

Note 22 - Discretely Presented Component Unit – Municipal Airport Authority

The Municipal Airport Authority of the City of Fargo (“the Airport Authority”) was formed for the purpose of operating an airport system that provides domestic air service for the Midwest region and exists as a separate legal entity. The commissioners of the Airport Authority are appointed by the Mayor of the City of Fargo. The City has the ability to impose its will upon the Airport Authority through its ability to remove appointed members of the Airport Authority’s governing board at will. Separately issued financial reports for the Airport Authority are available by contacting the Executive Director, PO Box 2845, Fargo, ND, 58108.

Deposits

In accordance with North Dakota Century Code, the Airport Authority maintains deposits at those depository banks and brokerages authorized by the Board of Commissioners. Those depository banks and savings and loans are all members of the Federal Reserve System. State statutes require that all deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal 110% of the deposits not covered by insurance or bonds. The carrying amount of the Airport Authority’s deposits was \$36,724,867 and the bank balance was \$35,518,594, which were covered by depository insurance or collateral held in safekeeping in the Authority’s name

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, 2023, the Airport Authority’s deposits were either fully insured or properly collateralized and were held in the Airport Authority’s name.

Investments

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Airport Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. North Dakota State Statutes limit political subdivisions to invest their surplus funds in:

- Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by Congress
- Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above
- Certificates of deposit fully insured by the Federal Deposit Insurance Corporation or by the state
- Obligations of the state

The Airport Authority maintains an investment account at PFM Asset Management Financial Group as summarized below.

Investment Type	Credit Rating	Fair Value	Maturities (in Years)					
			Not Applicable	< 1	1 - 5	> 5 - 10	>10	
Airport Authority Component Unit								
US Treasury Bills	Aaa	\$ 15,263,925	\$ -	\$ 10,466,683	\$ 4,797,242	\$ -	\$ -	
Commercial Paper	P-1	3,340,777	-	3,340,777	-	-	-	
		<u>\$ 18,604,702</u>	<u>\$ -</u>	<u>\$ 13,807,460</u>	<u>\$ 4,797,242</u>	<u>\$ -</u>	<u>\$ -</u>	

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 Airport Authority does not have a formal investment policy that addresses concentration of credit risk.

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, 2023:

	Total	Level 1	Level 2	Level 3
Airport Authority Component Unit				
US Treasury Bills	\$ 15,263,925	\$ 15,263,925	\$ -	\$ -
Commercial Paper	3,340,777	3,340,777	-	-
	<u>\$ 18,604,702</u>	<u>\$ 18,604,702</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.

Capital Assets

Airport Authority component unit capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Airport Authority Component Unit				
Capital assets, not being depreciated				
Land	\$ 8,516,547	\$ -	\$ -	\$ 8,516,547
Construction in progress	7,458,705	22,400,533	6,718,424	23,140,814
Total capital assets, not being depreciated	<u>15,975,252</u>	<u>22,400,533</u>	<u>6,718,424</u>	<u>31,657,361</u>
Capital assets, being depreciated				
Buildings	33,934,726	499,700	-	34,434,426
Improvements other than buildings	2,676,347	-	-	2,676,347
Machinery and equipment	15,399,553	167,491	24,212	15,542,832
Infrastructure	140,081,488	6,218,724	-	146,300,212
Total capital assets, being depreciated	<u>192,092,114</u>	<u>6,885,915</u>	<u>24,212</u>	<u>198,953,817</u>
Less accumulated depreciation for			-	
Buildings	15,517,020	755,644	-	16,272,664
Improvements other than buildings	1,531,287	110,827	-	1,642,114
Machinery and equipment	11,362,107	781,386	24,212	12,119,281
Infrastructure	58,087,169	3,644,034	-	61,731,203
Total accumulated depreciation	<u>86,497,583</u>	<u>5,291,891</u>	<u>24,212</u>	<u>91,765,262</u>
Total capital assets, being depreciated	<u>105,594,531</u>	<u>1,594,024</u>	<u>-</u>	<u>107,188,555</u>
Airport Authority Component Unit Capital Assets, Net	<u>\$ 121,569,783</u>	<u>\$ 23,994,557</u>	<u>\$ 6,718,424</u>	<u>\$ 138,845,916</u>

Leases Receivable

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 \$6,675,964 for the year ended December 31, 2023. Deferred inflows related to this lease were \$6,507,905 as of December 31, 2023. Interest revenue recognized on this lease was \$199,638 for the year ended December 31, 2023. Principal receipts of \$1,261,000 were recognized during the fiscal year. The interest rate on the leases was 3.0%. Final receipt is expected in fiscal year 2089.

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

Years Ending December 31,	Airport Authority	
	Principal	Interest
2024	\$ 1,056,630	\$ 196,380
2025	709,335	165,705
2026	615,404	145,384
2027	605,765	127,289
2028	193,058	109,689
Thereafter	3,495,772	1,198,588
	<u>\$ 6,675,964</u>	<u>\$ 1,943,035</u>

Compensated Absences

The following is a summary of changes in long-term debt of the Airport Authority component unit for the year ended December 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Airport Authority Component Unit Compensated absences	\$ 171,798	\$ 169,251	\$ 135,231	\$ 205,818	\$ 205,818

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. 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, 2023, the Airport Authority component unit reported a liability of \$110,113 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the Airport Authority component unit's proportion was 0.11014 percent.

For the year ended December 31, 2023, the Airport Authority component unit recognized OPEB expense of \$33,965. At December 31, 2023, 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	\$ 2,072	\$ 1,260
Changes of assumptions	23,484	9,119
Net difference between projected and actual investment earnings on earnings on pension plan investments	7,953	-
Changes in proportion and differences between employer contributions and contributions and proportionate share of contributions	39,449	3,284
Airport Authority contributions subsequent to the measurement date	7,141	-
	\$ 80,099	\$ 13,663

The \$7,141 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, 2024.

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

2024	\$	21,303
2025		19,625
2026		21,817
2027		(3,450)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023, 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, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	6.10%
Small Cap Domestic Equities	6%	7.10%
Domestic Fixed Income	35%	2.59%
International Equities	26%	6.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. 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 Airport Authority'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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
Airport Authority's proportionate share of the net OPEB liability	\$ 144,715	\$ 110,113	\$ 80,982

Defined Benefit Pension Plans

The Airport Authority component unit contributes to two separate pension plans, the NDPERS Main System and NDPERS Law Enforcement System. Both of these plans are defined benefit pension systems. For the year ended December 31, 2023 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	\$ 2,283,874	\$ 1,930,123	\$ 1,524,531	\$ 553,736
NDPERS - Law Enforcement System	318,880	69,321	309,628	81,612
Total all plans	<u>\$ 2,602,754</u>	<u>\$ 1,999,444</u>	<u>\$ 1,834,159</u>	<u>\$ 635,348</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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

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, 2023, the Airport Authority component unit reported a liability of \$1,930,123 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the Airport Authority component unit's proportion was 0.10010 percent, which was a decrease of 0.00320 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Airport Authority component unit recognized pension expense of \$553,736. At December 31, 2023, 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	\$ 62,832	\$ 10,645
Changes of assumptions	1,064,292	1,465,012
Net difference between projected and actual investment earnings on pension plan investments	50,643	48,874
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,055,612	-
Airport Authority contributions subsequent to the measurement date	50,495	-
	\$ 2,283,874	\$ 1,524,531

The \$50,495 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, 2024.

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

2024	\$	400,236
2025		172,023
2026		254,531
2027		(117,942)

Actuarial Assumptions

The total pension liability in the July 1, 2023, 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	6.50%, 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	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.33%
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 3.86%; and the resulting Single Discount Rate is 6.50%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Airport Authority's proportionate share of the net pension liability	\$ 2,661,176	\$ 1,930,123	\$ 1,323,658

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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

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. 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, 2023, the Airport Authority component unit reported a liability of \$69,321 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023 the Airport Authority component unit's proportion was 3.71899 percent, which was a decrease of 1.21681 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Airport Authority component unit recognized pension expense of \$81,612. At December 31, 2023, 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	\$ 29,085	\$ 9,944
Changes of assumptions	225,986	293,603
Net difference between projected and actual investment earnings on pension plan investments	16,996	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,897	6,081
Airport Authority contributions subsequent to the measurement date	26,916	-
	<u>\$ 318,880</u>	<u>\$ 309,628</u>

The \$26,916 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, 2024.

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

2024	\$	4,782
2025		(11,526)
2026		(335)
2027		(6,584)
2028		(4,001)

Actuarial Assumptions

The total pension liability in the July 1, 2023 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	6.50%, 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.33%
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 3.86%; and the resulting Single Discount Rate is 6.50%.

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 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Airport Authority's proportionate share of the net pension liability	\$ 216,243	\$ 69,321	\$ (47,084)

Pension Plan Fiduciary Net Position

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

Commitments

The Airport Authority has outstanding contract project commitments totaling approximately \$3,612,000 as of December 31, 2023.

Subsequent Events

On February 12, 2024, the Airport Authority was awarded a federal grant of \$10,000,000 from the FAA. This grant is part of the Bipartisan Infrastructure Law – Airport Terminal Development Program (BIL-ATP) that was formed to provide competitive grants for airport terminal development projects that address the aging infrastructure of the nation’s airports.

On March 15, 2024, the Airport Authority issued a \$40,000,000 Airport Facilities Revenue Bond, Series 2024, from the Bank of North Dakota to aid in the funding of the parking structure and passenger terminal expansion projects. The first payment on the bond is scheduled for May 1, 2025.

In May 2024, the Airport Authority broke ground on two major infrastructure projects – the terminal expansion and modification project (and associated apron expansion) and the parking structure elevated walkway project. The terminal expansion project will add four gates to the passenger terminal for a total of nine gates when completed. The expansion project is scheduled to be completed during the first quarter of 2026. The existing passenger terminal renovations will begin in the first quarter of 2026 and are scheduled to be completed in the first quarter of 2027. The project for the parking structure and elevated walkway is estimated to cost approximately \$47.4 million. This will consist of a four-story structure that will accommodate approximately 977 vehicles. Construction is expected to take 14 months to complete. The parking structure is scheduled to be operational in mid-2025.

Note 23 - Subsequent Events

As of January 1, 2024, Cass County is the Fiscal Agent for the Red River Regional Dispatch Center. In 2022 a new Joint Powers Agreement was approved transferring this function from the City of Fargo to Cass County. The City has served as the fiscal agent for RRRDC since 2009. This change coincides with the construction of dispatch center that will better service the member entities now and in the future.

On April 15, 2024, the Board of City Commissioners approved a resolution authorizing the issuance of \$16,000,000 of State Revolving Fund Loans, Series 2024, to complete the construction of the Southwest Regional Pond System Improvement District that was originally funded by State Revolving Fund Loans as Series 2019D. The bonds are expected to close in July 2024.

On January 24, 2024, the Diversion Authority made a resolution consenting to the issuance of Cass County Joint Water Resource District, Temporary Refunding Improvement Bonds, Series 2024A in the amount of \$180,000,000. The bonds were issued on April 1, 2024.

Required Supplementary Information
December 31, 2023

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
2023	3.338341%	\$ 3,337,511	\$ 33,556,431	9.95%	62.74%
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
2023	\$ 405,190	\$ 381,661	\$ 23,529	\$ 33,556,431	1.14%
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**2023***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, 2022.

Changes of assumptions.

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

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.

Schedule of Employer's Share of Net Pension Liability and Related Ratios and Schedule of Employer's Contributions
 North Dakota Public Employees Retirement System Pension Plan
 December 31, 2023

**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
6/30/2023	3.5862%	\$ 69,150,909	\$ 43,854,528	157.7%	65.3%
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)
12/31/2023	\$ 3,317,627	\$ 3,317,627	\$ -	\$ 46,595,885	7.12%
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**2022***Changes of benefit terms*

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

Changes of assumptions

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

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, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 386,686	\$ 439,416	\$ 533,945	\$ 365,929	\$ 401,832	\$ 432,671	\$ 469,907	\$ 487,463	\$ 529,173	\$ 557,997
Interest	4,308,676	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	547,851	-	(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	(4,415,280)	(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	827,933	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	63,373,467	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>\$ 64,201,400</u>	<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	\$ 1,484,284	\$ 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	288,909	311,597	386,154	452,023	450,243	481,258	503,548	564,107	596,282	626,300
Net investment income	7,629,247	(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	(4,415,280)	(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	(56,092)	(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	4,931,068	(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	52,937,695	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>\$ 57,868,763</u>	<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>\$ 6,332,637</u>	<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	90.14%	83.53%	106.59%	100.16%	88.17%	75.15%	82.77%	74.14%	70.75%	73.11%
Covered Employee Payroll	\$ 16,176,388	\$ 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	9.18%	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	39.15%	55.17%	-23.21%	-0.50%	34.91%	69.99%	46.54%	67.13%	72.00%	63.37%

City of Fargo, North Dakota
 Schedule of Employer Contributions
 City Employees' Pension Plan
 December 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 1,274,016	\$ 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	1,484,284	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
Contribution deficiency (excess)	<u>\$ (210,268)</u>	<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>

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, 2023

**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
12/31/2023	88.73%	\$ 5,618,949	\$ 13,932,078	40.33%	90.14%
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)
12/31/2023	\$ 1,130,488	\$ 1,175,357	\$ (44,869)	\$ 13,932,078	8.44%
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	\$ 1,938,175	\$ 408,807	\$ 17,964,987	10.79%
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, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 2,640,758	\$ 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	6,962,601	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	2,636,312	-	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	(5,661,643)	(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	6,578,028	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	99,655,785	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>\$ 106,233,813</u>	<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	\$ 2,945,175	\$ 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	1,623,530	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	10,185,037	(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	(5,661,643)	(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	(42,575)	(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	9,049,524	(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	75,544,031	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>\$ 84,593,555</u>	<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>\$ 21,640,258</u>	<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	79.63%	75.80%	91.18%	90.79%	82.43%	71.52%	78.02%	70.17%	68.76%	74.77%
Covered Employee Payroll	\$ 17,812,606	\$ 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	16.53%	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	121.49%	156.49%	63.47%	55.82%	109.71%	175.52%	142.24%	197.33%	208.88%	158.85%

City of Fargo, North Dakota
 Schedule of Employer Contributions
 Police Pension Plan
 December 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 2,951,945	\$ 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	2,945,175	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
Contribution deficiency (excess)	<u>\$ 6,770</u>	<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>

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Relief Association Retirement Plan
December 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,637,747	\$ 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	4,699,427	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	1,452,290	-	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	(3,462,113)	(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	4,327,351	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	67,227,974	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>\$ 71,555,325</u>	<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	\$ 2,845,473	\$ 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	1,038,785	1,020,779	922,596	949,539	860,908	825,550	779,473	769,780	744,739	723,023
Net investment income	5,922,145	(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	(3,462,113)	(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	(55,849)	(50,391)	(46,448)	(55,492)	(49,233)	(60,285)	(60,855)	(45,295)	(52,707)	(64,290)
Other	13,490	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	6,301,931	(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	44,020,033	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>\$ 50,321,964</u>	<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>\$ 21,233,361</u>	<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	70.33%	65.48%	77.21%	78.07%	70.69%	59.67%	64.57%	59.04%	58.10%	61.38%
Covered Employee Payroll	\$ 9,972,595	\$ 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	28.53%	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	212.92%	242.09%	164.76%	146.88%	195.22%	260.13%	232.88%	253.56%	252.98%	229.74%

City of Fargo, North Dakota
 Schedule of Employer Contributions
 Firefighters' Relief Association Retirement Plan
 December 31, 2023

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (ADC)	\$ 3,050,964	\$ 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	2,845,473	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
Contribution deficiency (excess)	<u>\$ 205,491</u>	<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>

Other Supplementary Information
December 31, 2023

City of Fargo, North Dakota

City of Fargo, North Dakota
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service Fund
December 31, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 19,688,000	\$ 19,688,000	\$ 18,555,242	\$ (1,132,758)
Special assessments	42,737,700	42,737,700	42,501,815	(235,885)
Intergovernmental	6,293,265	6,293,265	6,293,865	600
Investment income	691,000	691,000	3,483,367	2,792,367
Miscellaneous	950,445	950,445	1,014,913	64,468
Total revenues	<u>70,360,410</u>	<u>70,360,410</u>	<u>71,849,202</u>	<u>1,488,792</u>
Expenditures				
Current				
Public works	-	-	19,622	(19,622)
Urban redevelopment	-	-	1,766,073	(1,766,073)
Capital outlay	-	-	77,571	(77,571)
Debt service				
Principal	58,154,691	58,009,691	56,896,818	1,112,873
Interest and fiscal charges	20,420,001	20,420,001	22,911,587	(2,491,586)
Total expenditures	<u>78,574,692</u>	<u>78,429,692</u>	<u>81,671,671</u>	<u>(3,241,979)</u>
Deficiency of Revenues under Expenditures	(8,214,282)	(8,069,282)	(9,822,469)	(1,753,187)
Other Financing Sources (Uses)				
Transfers in	4,328,232	4,328,232	5,633,838	1,305,606
Transfers out	(13,576,611)	(13,721,611)	(9,214,582)	4,507,029
Issuance of bonds	-	-	2,361,157	2,361,157
Issuance of notes payable	-	-	1,612,073	1,612,073
Issuance of SBITAs	-	-	77,571	77,571
Total other financing sources (uses)	<u>(9,248,379)</u>	<u>(9,393,379)</u>	<u>470,057</u>	<u>9,863,436</u>
Net Change in Fund Balances	<u>\$ (17,462,661)</u>	<u>\$ (17,462,661)</u>	(9,352,412)	<u>\$ 8,110,249</u>
Fund Balance, Beginning of Year			94,789,614	
Fund Balances, End of Year			<u>\$ 85,437,202</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, 2023

	Special Revenue Funds				
	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Assets					
Equity in pooled investments	\$ 793,663	\$ 109,202	\$ 23,913	\$ 162,402	\$ 255,969
Receivables (Net of allowance for uncollectibles)					
Taxes	7,744	-	-	-	-
Accounts	-	-	277,596	2,500	-
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	8,773	-
Property held for resale	-	-	-	-	-
Total assets	\$ 801,407	\$ 109,202	\$ 301,509	\$ 173,675	\$ 255,969
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ -	\$ 262,194	\$ 3,970	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued payroll	-	-	-	-	-
Special assessments payable	858,829	-	282	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	858,829	-	262,476	3,970	-
Deferred Inflows of Resources					
Unavailable revenue	5,552	-	-	-	-
Lease related	-	-	-	-	-
Total deferred inflows of resources	5,552	-	-	-	-
Fund Balance (Deficit)					
Nonspendable	-	-	-	8,773	-
Restricted	-	109,202	39,033	160,932	255,969
Unassigned	(62,974)	-	-	-	-
Total fund balance (deficit)	(62,974)	109,202	39,033	169,705	255,969
Total liabilities, deferred inflows of resources, and fund balances	\$ 801,407	\$ 109,202	\$ 301,509	\$ 173,675	\$ 255,969

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds				
	SWAT	Skyway Maintenance	Downtown Business Improvement District	NRI Loan Program	Community Development
Assets					
Equity in pooled investments	\$ 19,518	\$ 2,489	\$ 61,581	\$ 128,572	\$ -
Receivables (Net of allowance for uncollectibles)					
Taxes	-	-	-	-	-
Accounts	3,738	-	-	-	-
Special assessments	-	118,255	718,982	-	-
Intergovernmental	-	-	-	-	138,991
Leases	-	-	-	-	-
Loans	-	-	-	7,000	189,889
Prepaid items	-	2,196	-	-	-
Property held for resale	-	-	-	5,784	-
Total assets	\$ 23,256	\$ 122,940	\$ 780,563	\$ 141,356	\$ 328,880
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ 12,051	\$ 5,760	\$ 37,761	\$ 23	\$ 82,041
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	45,585
Accrued payroll	-	-	-	-	729
Special assessments payable	-	-	-	10,691	-
Unearned revenue	-	-	-	-	189,889
Total liabilities	12,051	5,760	37,761	10,714	318,244
Deferred Inflows of Resources					
Unavailable revenue	-	95,453	596,855	7,000	58,705
Lease related	-	-	-	-	-
Total deferred inflows of resources	-	95,453	596,855	7,000	58,705
Fund Balance					
Nonspendable	-	2,196	-	-	-
Restricted	11,205	19,531	145,947	123,642	-
Unassigned	-	-	-	-	(48,069)
Total fund balance	11,205	21,727	145,947	123,642	(48,069)
Total liabilities, deferred inflows of resources, and fund balances	\$ 23,256	\$ 122,940	\$ 780,563	\$ 141,356	\$ 328,880

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds				
	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	COVID-19 Emergency
Assets					
Equity in pooled investments	\$ 5,000	\$ 136,651	\$ 1,331,629	\$ 310,101	\$ -
Receivables (Net of allowance for uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	218,789	-	-
Special assessments	-	-	8,598	-	-
Intergovernmental	-	215,974	-	-	106,246
Leases	-	-	2,237,179	-	-
Loans	69,600	1,231,447	-	9,205	-
Prepaid items	-	-	35,170	-	-
Property held for resale	-	-	-	-	-
Total assets	<u>\$ 74,600</u>	<u>\$ 1,584,072</u>	<u>\$ 3,831,365</u>	<u>\$ 319,306</u>	<u>\$ 106,246</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ 181,094	\$ 119,017	\$ 18,929	\$ 18,475
Retainage payable	-	30,000	-	-	-
Due to other funds	-	-	-	-	182,616
Accrued payroll	-	91	865	-	-
Special assessments payable	-	-	41,530	-	-
Unearned revenue	40,865	560,675	-	-	-
Total liabilities	<u>40,865</u>	<u>771,860</u>	<u>161,412</u>	<u>18,929</u>	<u>201,091</u>
Deferred Inflows of Resources					
Unavailable revenue	28,735	880,772	43,944	9,205	-
Lease related	-	-	2,187,304	-	-
Total deferred inflows of resources	<u>28,735</u>	<u>880,772</u>	<u>2,231,248</u>	<u>9,205</u>	<u>-</u>
Fund Balance (Deficit)					
Nonspendable	-	-	35,170	-	-
Restricted	5,000	-	1,403,535	291,172	-
Unassigned	-	(68,560)	-	-	(94,845)
Total fund balance (deficit)	<u>5,000</u>	<u>(68,560)</u>	<u>1,438,705</u>	<u>291,172</u>	<u>(94,845)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 74,600</u>	<u>\$ 1,584,072</u>	<u>\$ 3,831,365</u>	<u>\$ 319,306</u>	<u>\$ 106,246</u>

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2023

	Special Revenue Funds			Total Nonmajor Governmental Funds
	American Rescue Plan	Baseball Stadium	Opioid Abatement	
Assets				
Equity in pooled investments	\$ 2,402,932	\$ -	\$ 168,433	\$ 5,912,055
Receivables (Net of allowance for uncollectibles)				
Taxes	-	-	-	7,744
Accounts	-	2,627	-	505,250
Special assessments	-	-	-	845,835
Intergovernmental	-	-	-	461,211
Leases	-	471,936	-	2,709,115
Loans	-	-	-	1,507,141
Prepaid items	41,719	4,622	-	92,480
Property held for resale	-	-	-	5,784
Total assets	<u>\$ 2,444,651</u>	<u>\$ 479,185</u>	<u>\$ 168,433</u>	<u>\$ 12,046,615</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Vouchers payable	\$ 69,109	\$ 25,499	\$ -	\$ 835,923
Retainage payable	-	538	-	30,538
Due to other funds	-	41,375	-	269,576
Accrued payroll	5,787	-	-	7,472
Special assessments payable	-	1,421	-	912,753
Unearned revenue	2,145,292	-	-	2,936,721
Total liabilities	<u>2,220,188</u>	<u>68,833</u>	<u>-</u>	<u>4,992,983</u>
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	1,726,221
Lease related	-	448,205	-	2,635,509
Total deferred inflows of resources	<u>-</u>	<u>448,205</u>	<u>-</u>	<u>4,361,730</u>
Fund Balance (Deficit)				
Nonspendable	41,719	4,622	-	92,480
Restricted	182,744	-	168,433	2,916,345
Unassigned	-	(42,475)	-	(316,923)
Total fund balance (deficit)	<u>224,463</u>	<u>(37,853)</u>	<u>168,433</u>	<u>2,691,902</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,444,651</u>	<u>\$ 479,185</u>	<u>\$ 168,433</u>	<u>\$ 12,046,615</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue Funds				
	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Revenues					
Taxes	\$ 746,580	\$ 67,429	\$ 3,329,493	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	40,999	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	126,003
Investment income	-	-	-	-	-
Miscellaneous	-	-	3,915	28,084	19,523
Total revenues	<u>746,580</u>	<u>67,429</u>	<u>3,333,408</u>	<u>69,083</u>	<u>145,526</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	87,242	20,708
Public works	914,924	-	-	-	-
Public health and welfare	-	26,949	-	-	-
Recreation and culture	-	-	3,332,886	-	-
Urban redevelopment	-	-	-	-	-
Public transportation	-	-	-	-	-
Capital outlay	-	-	-	187,478	162,762
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>914,924</u>	<u>26,949</u>	<u>3,332,886</u>	<u>274,720</u>	<u>183,470</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(168,344)	40,480	522	(205,637)	(37,944)
Other Financing Sources (Uses)					
Transfers in	-	-	-	67,090	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,090</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	(168,344)	40,480	522	(138,547)	(37,944)
Fund Balance (Deficit), Beginning of Year	<u>105,370</u>	<u>68,722</u>	<u>38,511</u>	<u>308,252</u>	<u>293,913</u>
Fund Balance (Deficit), End of Year	<u>\$ (62,974)</u>	<u>\$ 109,202</u>	<u>\$ 39,033</u>	<u>\$ 169,705</u>	<u>\$ 255,969</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue Funds				
	SWAT	Skyway Maintenance	Downtown Business Improvement District	NRI Loan Program	Community Development
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	87,771	667,182	-	-
Intergovernmental	152,941	-	-	-	1,619,632
Charges for services	-	-	-	8,400	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	4,187	-	-	-	-
Total revenues	<u>157,128</u>	<u>87,771</u>	<u>667,182</u>	<u>8,400</u>	<u>1,619,632</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	160,283	-	-	-	-
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Recreation and culture	-	120,631	753,601	-	-
Urban redevelopment	-	-	-	13,565	911,014
Public transportation	-	-	-	-	-
Capital outlay	50,297	27,745	-	38,961	756,695
Debt service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>210,580</u>	<u>148,376</u>	<u>753,601</u>	<u>52,526</u>	<u>1,667,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,452)	(60,605)	(86,419)	(44,126)	(48,077)
Other Financing Sources (Uses)					
Transfers in	48,443	-	70,000	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>48,443</u>	<u>-</u>	<u>70,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	(5,009)	(60,605)	(16,419)	(44,126)	(48,077)
Fund Balance (Deficit), Beginning of Year	16,214	82,332	162,366	167,768	8
Fund Balance (Deficit), End of Year	<u>\$ 11,205</u>	<u>\$ 21,727</u>	<u>\$ 145,947</u>	<u>\$ 123,642</u>	<u>\$ (48,069)</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue Funds				
	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	COVID-19 Emergency
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	863,640	-	-	301,370
Charges for services	-	-	2,164,944	-	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	5,000	138,971	132,437	10,795	-
Total revenues	<u>5,000</u>	<u>1,002,611</u>	<u>2,297,381</u>	<u>10,795</u>	<u>301,370</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	302,222
Recreation and culture	-	-	-	-	-
Urban redevelopment	-	1,041,580	-	-	-
Public transportation	-	-	1,275,268	98,533	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	40,268	-	-
Interest and fiscal charges	-	-	6,394	-	-
Total expenditures	<u>-</u>	<u>1,041,580</u>	<u>1,321,930</u>	<u>98,533</u>	<u>302,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,000	(38,969)	975,451	(87,738)	(852)
Other Financing Sources (Uses)					
Transfers in	-	-	257,486	100,000	-
Transfers out	-	-	(2,497,346)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,239,860)</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	5,000	(38,969)	(1,264,409)	12,262	(852)
Fund Balance (Deficit), Beginning of Year	<u>-</u>	<u>(29,591)</u>	<u>2,703,114</u>	<u>278,910</u>	<u>(93,993)</u>
Fund Balance (Deficit), End of Year	<u>\$ 5,000</u>	<u>\$ (68,560)</u>	<u>\$ 1,438,705</u>	<u>\$ 291,172</u>	<u>\$ (94,845)</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Special Revenue Funds			Total Nonmajor Governmental Funds
	American Rescue Plan	Baseball Stadium	Opioid Abatement	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 4,143,502
Special assessments	-	-	-	754,953
Intergovernmental	10,034,266	-	-	13,012,848
Charges for services	-	171,100	-	2,344,444
Fines and forfeits	-	-	-	126,003
Investment income	-	106	-	106
Miscellaneous	-	91,341	29,876	464,129
Total revenues	<u>10,034,266</u>	<u>262,547</u>	<u>29,876</u>	<u>20,845,985</u>
Expenditures				
Current				
General government	1,252,487	-	-	1,252,487
Public safety	-	-	-	268,233
Public works	262,733	-	-	1,177,657
Public health and welfare	178,600	-	-	507,771
Recreation and culture	-	149,088	-	4,356,206
Urban redevelopment	-	-	-	1,966,159
Public transportation	-	-	-	1,373,801
Capital outlay	761,466	49,904	-	2,035,308
Debt service				
Principal	-	-	-	40,268
Interest and fiscal charges	-	-	-	6,394
Total expenditures	<u>2,455,286</u>	<u>198,992</u>	<u>-</u>	<u>12,984,284</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,578,980	63,555	29,876	7,861,701
Other Financing Sources (Uses)				
Transfers in	224,463	-	-	767,482
Transfers out	<u>(7,578,980)</u>	<u>(17,983)</u>	<u>(34,794)</u>	<u>(10,129,103)</u>
Total other financing sources (uses)	<u>(7,354,517)</u>	<u>(17,983)</u>	<u>(34,794)</u>	<u>(9,361,621)</u>
Net Change in Fund Balance (Deficit)	224,463	45,572	(4,918)	(1,499,920)
Fund Balance (Deficit), Beginning of Year	-	<u>(83,425)</u>	<u>173,351</u>	<u>4,191,822</u>
Fund Balance (Deficit), End of Year	<u>\$ 224,463</u>	<u>\$ (37,853)</u>	<u>\$ 168,433</u>	<u>\$ 2,691,902</u>

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	\$ 791,500	\$ 791,500	\$ 746,580	\$ (44,920)	\$ 71,500	\$ 71,500	\$ 67,429	\$ (4,071)
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>791,500</u>	<u>791,500</u>	<u>746,580</u>	<u>(44,920)</u>	<u>71,500</u>	<u>71,500</u>	<u>67,429</u>	<u>(4,071)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	833,000	833,000	914,924	(81,924)	-	-	-	-
Public health and welfare	-	-	-	-	41,750	41,750	26,949	14,801
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>833,000</u>	<u>833,000</u>	<u>914,924</u>	<u>(81,924)</u>	<u>41,750</u>	<u>41,750</u>	<u>26,949</u>	<u>14,801</u>
Excess (Deficiency) of Revenues over (under) Expenditures	(41,500)	(41,500)	(168,344)	(126,844)	29,750	29,750	40,480	10,730
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net Change in Fund Balance (Deficit)	<u>\$ (41,500)</u>	<u>\$ (41,500)</u>	<u>(168,344)</u>	<u>\$ (126,844)</u>	<u>\$ 29,750</u>	<u>\$ 29,750</u>	<u>40,480</u>	<u>\$ 10,730</u>
Fund Balance (Deficit), Beginning of Year			105,370				68,722	
Fund Balance (Deficit), End of Year			<u>\$ (62,974)</u>				<u>\$ 109,202</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	\$ 2,330,000	\$ 2,330,000	\$ 3,329,493	\$ 999,493	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	40,999	40,999	40,999	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	3,915	3,915	25,456	25,456	28,084	2,628
Total revenues	<u>2,330,000</u>	<u>2,330,000</u>	<u>3,333,408</u>	<u>1,003,408</u>	<u>66,455</u>	<u>66,455</u>	<u>69,083</u>	<u>2,628</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	90,350	90,350	87,242	3,108
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	2,330,000	2,330,000	3,332,886	(1,002,886)	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	187,478	(187,478)
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>2,330,000</u>	<u>2,330,000</u>	<u>3,332,886</u>	<u>(1,002,886)</u>	<u>90,350</u>	<u>90,350</u>	<u>274,720</u>	<u>(184,370)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	522	522	(23,895)	(23,895)	(205,637)	(181,742)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	33,545	33,545	67,090	33,545
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,545</u>	<u>33,545</u>	<u>67,090</u>	<u>33,545</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>522</u>	<u>\$ 522</u>	<u>\$ 9,650</u>	<u>\$ 9,650</u>	<u>(138,547)</u>	<u>\$ (148,197)</u>
Fund Balance (Deficit), Beginning of Year			38,511				308,252	
Fund Balance (Deficit), End of Year			<u>\$ 39,033</u>				<u>\$ 169,705</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	488,124	152,941	(335,183)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	100,000	126,003	26,003	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	19,523	19,523	-	4,250	4,187	(63)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>145,526</u>	<u>45,526</u>	<u>46,133</u>	<u>492,374</u>	<u>157,128</u>	<u>(335,246)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	100,000	225,453	20,708	204,745	129,447	210,580	160,283	50,297
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	162,762	(162,762)	-	-	50,297	(50,297)
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>100,000</u>	<u>225,453</u>	<u>183,470</u>	<u>41,983</u>	<u>129,447</u>	<u>210,580</u>	<u>210,580</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	(125,453)	(37,944)	87,509	(83,314)	281,794	(53,452)	(335,246)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	50,000	50,000	48,443	(1,557)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	<u>50,000</u>	<u>50,000</u>	<u>48,443</u>	<u>(1,557)</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ (125,453)</u>	<u>(37,944)</u>	<u>\$ 87,509</u>	<u>\$ (33,314)</u>	<u>\$ 331,794</u>	<u>(5,009)</u>	<u>\$ (336,803)</u>
Fund Balance (Deficit), Beginning of Year			293,913				16,214	
Fund Balance (Deficit), End of Year			<u>\$ 255,969</u>				<u>\$ 11,205</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	87,771	(32,229)	720,000	720,000	667,182	(52,818)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>87,771</u>	<u>(32,229)</u>	<u>720,000</u>	<u>720,000</u>	<u>667,182</u>	<u>(52,818)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	106,500	178,500	120,631	57,869	720,000	695,000	753,601	(58,601)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	27,745	(27,745)	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>106,500</u>	<u>178,500</u>	<u>148,376</u>	<u>30,124</u>	<u>720,000</u>	<u>695,000</u>	<u>753,601</u>	<u>(58,601)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	13,500	(58,500)	(60,605)	(2,105)	-	25,000	(86,419)	(111,419)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	43,000	43,000	70,000	27,000
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,000</u>	<u>43,000</u>	<u>70,000</u>	<u>27,000</u>
Net Change in Fund Balance (Deficit)	<u>\$ 13,500</u>	<u>\$ (58,500)</u>	<u>(60,605)</u>	<u>\$ (2,105)</u>	<u>\$ 43,000</u>	<u>\$ 68,000</u>	<u>(16,419)</u>	<u>\$ (84,419)</u>
Fund Balance (Deficit), Beginning of Year			82,332				162,366	
Fund Balance (Deficit), End of Year			<u>\$ 21,727</u>				<u>\$ 145,947</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	1,619,632	846,334
Charges for services	3,000	3,000	8,400	5,400	-	-	-	-
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	-	(6,900)
Total revenues	<u>41,500</u>	<u>41,500</u>	<u>8,400</u>	<u>(33,100)</u>	<u>780,298</u>	<u>780,298</u>	<u>1,619,632</u>	<u>839,334</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	8,650	8,650	13,565	(4,915)	812,052	812,052	911,014	(98,962)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	38,961	(38,961)	-	-	756,695	(756,695)
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>8,650</u>	<u>8,650</u>	<u>52,526</u>	<u>(43,876)</u>	<u>812,052</u>	<u>812,052</u>	<u>1,667,709</u>	<u>(855,657)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	32,850	32,850	(44,126)	(76,976)	(31,754)	(31,754)	(48,077)	(16,323)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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 Balance (Deficit)	<u>\$ 32,850</u>	<u>\$ 32,850</u>	<u>(44,126)</u>	<u>\$ (76,976)</u>	<u>\$ (31,754)</u>	<u>\$ (31,754)</u>	<u>(48,077)</u>	<u>\$ (16,323)</u>
Fund Balance (Deficit), Beginning of Year			167,768				8	
Fund Balance (Deficit), End of Year			<u>\$ 123,642</u>				<u>\$ (48,069)</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	400,000	400,000	-	(400,000)	468,708	468,708	863,640	394,932
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	1,000	1,000	-	(1,000)
Miscellaneous	10,000	10,000	5,000	(5,000)	100,000	100,000	138,971	38,971
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>5,000</u>	<u>(405,000)</u>	<u>569,708</u>	<u>569,708</u>	<u>1,002,611</u>	<u>432,903</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	400,000	400,000	-	400,000	521,471	521,471	1,041,580	(520,109)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>521,471</u>	<u>521,471</u>	<u>1,041,580</u>	<u>(520,109)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	10,000	10,000	5,000	(5,000)	48,237	48,237	(38,969)	(87,206)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
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 Balance (Deficit)	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>5,000</u>	<u>\$ (5,000)</u>	<u>\$ 48,237</u>	<u>\$ 48,237</u>	<u>(38,969)</u>	<u>\$ (87,206)</u>
Fund Balance (Deficit), Beginning of Year			-				(29,591)	
Fund Balance (Deficit), End of Year			<u>\$ 5,000</u>				<u>\$ (68,560)</u>	

City of Fargo, North Dakota

Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
 Nonmajor Governmental Funds
 Year Ended December 31, 2023

	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	2,079,315	2,079,315	2,164,944	85,629	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	5,000	5,000	132,437	127,437	-	-	10,795	10,795
Total revenues	<u>2,084,315</u>	<u>2,084,315</u>	<u>2,297,381</u>	<u>213,066</u>	<u>-</u>	<u>-</u>	<u>10,795</u>	<u>10,795</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	1,294,326	1,294,326	1,275,268	19,058	205,000	116,075	98,533	17,542
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	40,268	(40,268)	-	-	-	-
Interest and fiscal charges	-	-	6,394	(6,394)	-	-	-	-
Total expenditures	<u>1,294,326</u>	<u>1,294,326</u>	<u>1,321,930</u>	<u>(27,604)</u>	<u>205,000</u>	<u>116,075</u>	<u>98,533</u>	<u>17,542</u>
Excess (Deficiency) of Revenues over (under) Expenditures	789,989	789,989	975,451	185,462	(205,000)	(116,075)	(87,738)	28,337
Other Financing Sources (Uses)								
Transfers in	82,000	82,000	257,486	175,486	100,000	100,000	100,000	-
Transfers out	(1,337,754)	(1,787,754)	(2,497,346)	(709,592)	-	-	-	-
Total other financing sources (uses)	<u>(1,255,754)</u>	<u>(1,705,754)</u>	<u>(2,239,860)</u>	<u>(534,106)</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance (Deficit)	<u>\$ (465,765)</u>	<u>\$ (915,765)</u>	<u>(1,264,409)</u>	<u>\$ (348,644)</u>	<u>\$ (105,000)</u>	<u>\$ (16,075)</u>	<u>12,262</u>	<u>\$ 28,337</u>
Fund Balance (Deficit), Beginning of Year			2,703,114				278,910	
Fund Balance (Deficit), End of Year			<u>\$ 1,438,705</u>				<u>\$ 291,172</u>	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	-	-	301,370	301,370	-	-	10,034,266	10,034,266
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	-	301,370	301,370	-	-	10,034,266	10,034,266
Expenditures								
Current								
General government	-	-	-	-	-	1,732,962	1,252,487	480,475
Public safety	-	-	-	-	-	221,930	-	221,930
Public works	-	-	-	-	-	262,733	262,733	-
Public health and welfare	-	-	302,222	(302,222)	-	178,515	178,600	(85)
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	761,466	(761,466)
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	-	302,222	(302,222)	-	2,396,140	2,455,286	(59,146)
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	(852)	(852)	-	(2,396,140)	7,578,980	9,975,120
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	224,463	224,463	-
Transfers out	-	-	-	-	(3,500,000)	(7,567,194)	(7,578,980)	(11,786)
Total other financing sources (uses)	-	-	-	-	(3,500,000)	(7,342,731)	(7,354,517)	(11,786)
Net Change in Fund Balance (Deficit)	\$ -	\$ -	(852)	\$ (852)	\$ (3,500,000)	\$ (9,738,871)	224,463	\$ 9,963,334
Fund Balance (Deficit), Beginning of Year			(93,993)				-	
Fund Balance (Deficit), End of Year			\$ (94,845)				\$ 224,463	

City of Fargo, North Dakota
Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	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	200,000	200,000	171,100	(28,900)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	106	106	-	-	-	-
Miscellaneous	-	-	91,341	91,341	-	80,000	29,876	(50,124)
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>262,547</u>	<u>62,547</u>	<u>-</u>	<u>80,000</u>	<u>29,876</u>	<u>(50,124)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	191,000	216,973	149,088	67,885	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	49,904	(49,904)	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>191,000</u>	<u>216,973</u>	<u>198,992</u>	<u>17,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over (under) Expenditures	9,000	(16,973)	63,555	80,528	-	80,000	29,876	(50,124)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	(17,983)	(17,983)	-	-	(34,794)	(34,794)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(17,983)</u>	<u>(17,983)</u>	<u>-</u>	<u>-</u>	<u>(34,794)</u>	<u>(34,794)</u>
Net Change in Fund Balance (Deficit)	<u>\$ 9,000</u>	<u>\$ (16,973)</u>	<u>45,572</u>	<u>\$ 62,545</u>	<u>\$ -</u>	<u>\$ 80,000</u>	<u>(4,918)</u>	<u>\$ (84,918)</u>
Fund Balance (Deficit), Beginning of Year			(83,425)				173,351	
Fund Balance (Deficit), End of Year			<u>\$ (37,853)</u>				<u>\$ 168,433</u>	

City of Fargo, North Dakota

Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances– Budget and Actual
Nonmajor Governmental Funds
Year Ended December 31, 2023

	Total			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 3,193,000	\$ 3,193,000	\$ 4,143,502	\$ 950,502
Special assessments	840,000	840,000	754,953	(85,047)
Intergovernmental	1,729,138	2,171,129	13,012,848	10,841,719
Charges for services	2,282,315	2,282,315	2,344,444	62,129
Fines and forfeits	100,000	100,000	126,003	26,003
Investment income	3,600	3,600	106	(3,494)
Miscellaneous	183,356	267,606	464,129	196,523
Total revenues	<u>8,331,409</u>	<u>8,857,650</u>	<u>20,845,985</u>	<u>11,988,335</u>
Expenditures				
Current				
General government	-	1,732,962	1,252,487	480,475
Public safety	319,797	748,313	268,233	480,080
Public works	833,000	1,095,733	1,177,657	(81,924)
Public health and welfare	41,750	220,265	507,771	(287,506)
Recreation and culture	3,347,500	3,420,473	4,356,206	(935,733)
Urban redevelopment	1,742,173	1,742,173	1,966,159	(223,986)
Public transportation	1,499,326	1,410,401	1,373,801	36,600
Capital outlay	-	-	2,035,308	(2,035,308)
Debt service				
Principal	-	-	40,268	(40,268)
Interest and fiscal charges	-	-	6,394	(6,394)
Total expenditures	<u>7,783,546</u>	<u>10,370,320</u>	<u>12,984,284</u>	<u>(2,613,964)</u>
Excess (Deficiency) of Revenues over (under) Expenditures	547,863	(1,512,670)	7,861,701	9,374,371
Other Financing Sources (Uses)				
Transfers in	308,545	533,008	767,482	234,474
Transfers out	(4,837,754)	(9,354,948)	(10,129,103)	(774,155)
Total other financing sources (uses)	<u>(4,529,209)</u>	<u>(8,821,940)</u>	<u>(9,361,621)</u>	<u>(539,681)</u>
Net Change in Fund Balance (Deficit)	<u>\$ (3,981,346)</u>	<u>\$ (10,334,610)</u>	(1,499,920)	<u>\$ 8,834,690</u>
Fund Balance (Deficit), Beginning of Year			<u>4,191,822</u>	
Fund Balance (Deficit), End of Year			<u>\$ 2,691,902</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, 2023

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ 600
Equity in pooled investments	216,069	920,020	365,216	-	-	-	1,501,305
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	-	3	3
Accounts	23,874	83,575	581,642	287,485	538,228	27,486	1,542,290
Special assessments	-	-	-	81,611	-	-	81,611
Intergovernmental	-	-	-	-	3,772,337	-	3,772,337
Inventories	-	-	707,297	-	507,932	-	1,215,229
Prepaid items	-	98	676	2,332	48,453	-	51,559
Total current assets	239,943	1,003,693	1,654,831	371,428	4,867,550	27,489	8,164,934
Noncurrent Assets							
Capital assets							
Buildings	-	-	-	-	16,418,227	8,184,479	24,602,706
Improvements other than buildings	-	-	-	-	20,473	18,965	39,438
Machinery and equipment	-	26,547	638,403	1,748,828	17,389,711	440,683	20,244,172
Infrastructure	-	-	54,091,803	-	-	-	54,091,803
Right-of-use leased assets	-	-	-	470,319	17,924	-	488,243
Subscription-based IT assets	-	-	-	17,157	31,319	-	48,476
Less accumulated depreciation/amortization	-	(26,547)	(27,377,437)	(1,628,065)	(22,663,170)	(5,220,035)	(56,915,254)
Total capital assets, net of accumulated depreciation/amortization	-	-	27,352,769	608,239	11,214,484	3,424,092	42,599,584
Total noncurrent assets	-	-	27,352,769	608,239	11,214,484	3,424,092	42,599,584
Total assets	239,943	1,003,693	29,007,600	979,667	16,082,034	3,451,581	50,764,518
Deferred Outflows of Resources							
OPEB	-	-	11,378	20,737	49,309	822	82,246
Pensions	-	-	414,849	940,986	1,836,253	69,850	3,261,938
Total deferred outflows of resources	-	-	426,227	961,723	1,885,562	70,672	3,344,184

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Enterprise Funds
December 31, 2023

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Liabilities							
Current Liabilities							
Vouchers payable	8,579	247	203,903	20,427	646,019	12,705	891,880
Due to other funds	-	-	-	309,014	2,041,122	171,276	2,521,412
Accrued payroll	207	-	16,283	25,080	53,393	-	94,963
Accrued interest payable	-	-	-	1,347	404	-	1,751
Current portion of special assessments payable	-	-	-	-	1,696	-	1,696
Current portion of financed purchases payable	-	-	-	62,141	-	-	62,141
Current portion of leases payable	-	-	-	115,416	5,021	-	120,437
Current portion of SBITA payable	-	-	-	4,131	10,250	-	14,381
Accrued vacation payable	-	-	61,811	56,251	122,947	-	241,009
Unearned revenue	-	-	-	-	117,411	-	117,411
Total current liabilities	<u>8,786</u>	<u>247</u>	<u>281,997</u>	<u>593,807</u>	<u>2,998,263</u>	<u>183,981</u>	<u>4,067,081</u>
Noncurrent Liabilities							
Long-term debt, net of deferred refundings							
Special assessments payable	-	-	-	-	582	-	582
Leases payable	-	-	-	125,755	2,941	-	128,696
SBITA payable	-	-	-	8,968	10,521	-	19,489
Net OPEB liability	-	-	22,530	55,193	130,507	3,015	211,245
Net pension liability	-	-	397,564	1,331,313	2,655,310	113,373	4,497,560
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>420,094</u>	<u>1,521,229</u>	<u>2,799,861</u>	<u>116,388</u>	<u>4,857,572</u>
Total liabilities	<u>8,786</u>	<u>247</u>	<u>702,091</u>	<u>2,115,036</u>	<u>5,798,124</u>	<u>300,369</u>	<u>8,924,653</u>
Deferred Inflows of Resources							
OPEB plans	-	-	4,439	5,312	11,918	81	21,750
Pension plans	-	-	740,360	872,947	2,023,387	18,616	3,655,310
Total deferred inflows resources	<u>-</u>	<u>-</u>	<u>744,799</u>	<u>878,259</u>	<u>2,035,305</u>	<u>18,697</u>	<u>3,677,060</u>
Net Position							
Net investment in capital assets	-	-	27,352,769	291,828	11,183,473	3,424,092	42,252,162
Unrestricted	231,157	1,003,446	634,168	(1,343,733)	(1,049,306)	(220,905)	(745,173)
Total net position	<u>\$ 231,157</u>	<u>\$ 1,003,446</u>	<u>\$ 27,986,937</u>	<u>\$ (1,051,905)</u>	<u>\$ 10,134,167</u>	<u>\$ 3,203,187</u>	<u>\$ 41,506,989</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2023

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Revenues							
Charges for services	\$ 184,460	\$ 785,498	\$ 3,727,682	\$ 2,502,544	\$ 3,020,849	\$ 109,192	\$ 10,330,225
Operating Expenses							
Personnel services	21,514	-	986,385	1,340,681	2,914,819	6,805	5,270,204
Other services	7,412	194,285	145,382	631,482	6,959,833	6,680	7,945,074
Materials and supplies	28,583	81,053	1,393,285	218,290	1,421,234	175,239	3,317,684
Depreciation/amortization	-	-	2,234,141	250,944	1,541,777	179,296	4,206,158
Total operating expenses	57,509	275,338	4,759,193	2,441,397	12,837,663	368,020	20,739,120
Operating Income (Loss)	126,951	510,160	(1,031,511)	61,147	(9,816,814)	(258,828)	(10,408,895)
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of assets	-	-	-	20,000	(380,601)	-	(360,601)
Investment income	-	-	-	-	-	20	20
Interest expense and bond fees	-	-	-	(5,838)	(713)	-	(6,551)
Intergovernmental revenues	-	-	-	-	5,466,293	-	5,466,293
Miscellaneous revenue	5,000	-	175	-	79,250	17,418	101,843
Total nonoperating revenues (expenses)	5,000	-	175	14,162	5,164,229	17,438	5,201,004
Income (Loss) before Contributions and Transfers	131,951	510,160	(1,031,336)	75,309	(4,652,585)	(241,390)	(5,207,891)
Transfers in	-	-	-	-	1,600,000	150,000	1,750,000
Transfers out	-	(160,000)	(1,478,409)	(351,216)	-	-	(1,989,625)
Capital contributions from governmental funds	-	-	1,562,144	(814)	-	18,082	1,579,412
Capital contributions from other governments	-	-	-	-	375,983	-	375,983
Change in Net Position	131,951	350,160	(947,601)	(276,721)	(2,676,602)	(73,308)	(3,492,121)
Total Net Position (Deficit), Beginning of Year, as adjusted (Note 15)	99,206	653,286	28,934,538	(775,184)	12,810,769	3,276,495	44,999,110
Total Net Position, End of Year	\$ 231,157	\$ 1,003,446	\$ 27,986,937	\$ (1,051,905)	\$ 10,134,167	\$ 3,203,187	\$ 41,506,989

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2023

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Activities							
Receipts from customers and users	\$ 181,188	\$ 787,669	\$ 3,756,144	\$ 2,506,405	\$ 2,693,497	\$ 82,600	\$ 10,007,503
Payments to suppliers	(28,652)	(275,092)	(1,696,735)	(833,065)	(8,458,666)	(216,652)	(11,508,862)
Payments to and on behalf of employees	(21,775)	-	(926,263)	(1,268,526)	(2,716,891)	(6,798)	(4,940,253)
Net cash from (used for) Operating Activities	<u>130,761</u>	<u>512,577</u>	<u>1,133,146</u>	<u>404,814</u>	<u>(8,482,060)</u>	<u>(140,850)</u>	<u>(6,441,612)</u>
Noncapital Financing Activities							
Transfers to other funds	-	(160,000)	(1,478,409)	(351,216)	-	-	(1,989,625)
Transfers from other funds	-	-	-	-	1,600,000	150,000	1,750,000
Intergovernmental operating grants	-	-	-	-	4,723,686	-	4,723,686
Payments received on interfund borrowing	-	-	-	157,043	2,041,122	-	2,198,165
Payments made for interfund borrowing	-	-	-	-	-	(26,604)	(26,604)
Net Cash from (Used for) Noncapital Financing Activities	<u>-</u>	<u>(160,000)</u>	<u>(1,478,409)</u>	<u>(194,173)</u>	<u>8,364,808</u>	<u>123,396</u>	<u>6,655,622</u>
Capital and Related Financing Activities							
Proceeds from sale of assets	-	-	-	20,000	15,025	-	35,025
Miscellaneous capital activities	5,000	-	175	-	79,250	17,434	101,859
Long-term debt proceeds	-	-	-	-	1,627	-	1,627
Acquisition of capital assets	-	-	(122,868)	(19,999)	(549,005)	-	(691,872)
Debt service							
Principal	-	-	-	(205,929)	(18,322)	-	(224,251)
Interest	-	-	-	(4,713)	(365)	-	(5,078)
Intergovernmental capital grants	-	-	-	-	375,983	-	375,983
Net Cash from (Used for) Capital and Related Financing Activities	<u>5,000</u>	<u>-</u>	<u>(122,693)</u>	<u>(210,641)</u>	<u>(95,807)</u>	<u>17,434</u>	<u>(406,707)</u>
Investing Activities							
Investments redeemed	80,308	567,443	833,172	-	212,959	-	1,693,882
Purchase of investments	(216,069)	(920,020)	(365,216)	-	-	-	(1,501,305)
Interest and dividends from investments	-	-	-	-	-	20	20
Net Cash from (Used for) Investing Activities	<u>(135,761)</u>	<u>(352,577)</u>	<u>467,956</u>	<u>-</u>	<u>212,959</u>	<u>20</u>	<u>192,597</u>
Change in Cash and Cash Equivalents	-	-	-	-	(100)	-	(100)
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	700	-	700
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ 600</u>

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2023

	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)	\$ 126,951	\$ 510,160	\$ (1,031,511)	\$ 61,147	\$ (9,816,814)	\$ (258,828)	\$ (10,408,895)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities							
Depreciation/amortization	-	-	2,234,141	250,944	1,541,777	179,296	4,206,158
Changes in assets and liabilities							
Accounts receivable	(3,272)	2,171	28,462	29,086	(400,245)	(26,592)	(370,390)
Special assessments receivable	-	-	-	(25,225)	-	-	(25,225)
Inventories	-	-	(229,721)	-	(77,420)	-	(307,141)
Prepaid expenses	-	(1)	(6)	(119)	3,271	-	3,145
OPEB related deferred outflows	-	-	6,262	6,775	18,220	10	31,267
Pension related deferred outflows	-	-	228,491	317,512	695,524	-	1,241,527
Vouchers payable	7,343	247	71,659	16,826	(3,450)	(34,733)	57,892
Payroll payable	(261)	-	2,536	5,703	5,276	-	13,254
Compensated absences	-	-	(6,858)	4,913	7,851	-	5,906
Unearned revenue	-	-	-	-	72,893	-	72,893
Net OPEB liability	-	-	(5,535)	(5,987)	(16,103)	(9)	(27,634)
Net pension liability	-	-	(386,787)	(496,831)	(1,160,066)	-	(2,043,684)
OPEB related deferred inflows	-	-	3,920	4,241	11,406	6	19,573
Pension related deferred inflows	-	-	218,093	235,829	635,820	-	1,089,742
Net cash from (used for) Operating Activities	<u>\$ 130,761</u>	<u>\$ 512,577</u>	<u>\$ 1,133,146</u>	<u>\$ 404,814</u>	<u>\$ (8,482,060)</u>	<u>\$ (140,850)</u>	<u>\$ (6,441,612)</u>
Supplemental Schedule of Noncash							
Investing and Financing Activities							
Acquisition of capital assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,562,144</u>	<u>\$ (814)</u>	<u>\$ -</u>	<u>\$ 18,082</u>	<u>\$ 1,579,412</u>
Acquisition of capital assets through debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,703</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,703</u>

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 Diversion Authority Fund – To account for the collection and disbursement of funds for the Metro Flood 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, 2023

	Park District Special Assessments	Metro Flood Diversion Authority	Red River Regional Dispatch Center	Police Custodial	Total
Assets					
Cash and cash equivalents	\$ -	\$ 18,926,567	\$ 10,367	\$ -	\$ 18,936,934
Equity in pooled investments	1,149	186,793,671	2,652,261	259,746	189,706,827
Receivables (net of allowance for uncollectibles):					
Interest	-	870,743	-	-	870,743
Special assessments	8,925,420	-	-	-	8,925,420
Intergovernmental	-	69,617,299	-	-	69,617,299
Prepaid items	-	4,633,885	-	-	4,633,885
Total assets	<u>8,926,569</u>	<u>280,842,165</u>	<u>2,662,628</u>	<u>259,746</u>	<u>292,691,108</u>
Liabilities					
Vouchers payable	-	15,403,813	23,783	-	15,427,596
Retainage payable	-	153,747	-	-	153,747
Deposits payable	1,149	13,750	-	-	14,899
Debt					
Accrued interest on settlement payable	-	2,400,000	-	-	2,400,000
Due in more than one year - note payable	-	9,589,378	-	-	9,589,378
Due in more than one year - settlement payable	-	40,000,000	-	-	40,000,000
Total liabilities	<u>1,149</u>	<u>67,560,688</u>	<u>23,783</u>	<u>-</u>	<u>67,585,620</u>
Net Position					
Restricted for					
Park District special assessments	8,925,420	-	-	-	8,925,420
Metro Flood Diversion Authority	-	213,281,477	-	-	213,281,477
Red River Regional Dispatch Center	-	-	2,638,845	-	2,638,845
Police custodial fund	-	-	-	259,746	259,746
Total net position	<u>\$ 8,925,420</u>	<u>\$ 213,281,477</u>	<u>\$ 2,638,845</u>	<u>\$ 259,746</u>	<u>\$ 225,105,488</u>

City of Fargo, North Dakota
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended December 31, 2023

	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	\$ -	\$ 8,278,477	\$ 10,855	\$ -	\$ 8,289,332
Special assessments collected for other governments	835,654	-	-	-	835,654
Aid from other governments	-	190,476,475	-	-	190,476,475
Miscellaneous	-	4,956,407	3,027	-	4,959,434
Member assessments	-	-	5,765,838	-	5,765,838
Police funds received into custody	-	-	-	15,987	15,987
Total additions	<u>835,654</u>	<u>203,711,359</u>	<u>5,779,720</u>	<u>15,987</u>	<u>210,342,720</u>
Deductions					
Payments of special assessments to other governments	1,316,173	-	-	-	1,316,173
Payments for public protection	-	140,782,398	-	-	140,782,398
Payments for dispatch center	-	-	5,335,596	-	5,335,596
Police funds released from custody	-	-	-	61,778	61,778
Interest expense	-	800,000	-	-	800,000
Total deductions	<u>1,316,173</u>	<u>141,582,398</u>	<u>5,335,596</u>	<u>61,778</u>	<u>148,295,945</u>
Change in Net Position	(480,519)	62,128,961	444,124	(45,791)	62,046,775
Net Position, Beginning	<u>9,405,939</u>	<u>151,152,516</u>	<u>2,194,721</u>	<u>305,537</u>	<u>163,058,713</u>
Net Position, Ending	<u>\$ 8,925,420</u>	<u>\$ 213,281,477</u>	<u>\$ 2,638,845</u>	<u>\$ 259,746</u>	<u>\$ 225,105,488</u>

Capital Assets Used in the Operation of Governmental Funds
Year Ended December 31, 2023

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, 2023

Governmental Funds Capital Assets

Land	\$ 110,660,110
Intangible - Rights of way	12,579,840
Buildings	136,538,334
Improvements other than buildings	9,520,835
Machinery and equipment	58,705,407
Infrastructure	537,291,352
Flood Control	100,958,077
Right-of-use leased assets	10,126,466
Subscription-based IT assets	2,310,349
Construction in progress	3,483,855
	<u>3,483,855</u>
Total	<u>\$ 982,174,625</u>

Investments in Governmental Capital Assets by Source

General fund	\$ 40,429,480
Special revenue funds	9,961,978
Debt service funds	147,664
Capital projects funds	869,715,185
Enterprise funds	3,206,118
Federal and state grants	14,452,040
Donated	44,262,160
	<u>44,262,160</u>
Total	<u>\$ 982,174,625</u>

City of Fargo, North Dakota
Schedule by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2023

	Land	Rights of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Flood Control	Right-of-Use Leased Assets	Subscription- Based IT Assets	Construction in Progress	Total
General Government											
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 435,518	\$ -	\$ -	\$ -	\$ 105,467	\$ -	\$ 540,985
City Administrator	-	-	-	205,195	64,694	-	-	-	63,766	15,200	348,855
City Auditor	-	-	-	-	175,451	-	-	-	-	-	175,451
Information Technology	-	-	-	-	5,879,660	-	-	-	913,979	-	6,793,639
Public Information	-	-	180,220	910,226	1,933,980	-	-	29,810	22,203	-	3,076,439
Human Resources	-	-	-	-	183,332	-	-	-	-	-	183,332
City Assessor	-	-	-	-	200,160	-	-	-	-	-	200,160
Municipal Court	-	-	1,783,004	-	158,970	-	-	16,194	-	-	1,958,168
Planning & Development	70,093	-	-	3,457,224	132,704	-	-	38,267	19,696	-	3,717,984
Central Garage	-	-	4,279,350	127,813	1,590,017	-	-	-	-	-	5,997,180
City Buildings	-	-	31,852,367	7,866	1,081,273	-	-	-	-	-	32,941,506
Total General Government	70,093	-	38,094,941	4,708,324	11,835,759	-	-	84,271	1,125,111	15,200	55,933,699
Public Safety											
Traffic Engineering	-	-	-	-	362,111	-	-	-	-	-	362,111
Fire Department	436,448	-	12,211,620	20,932	10,393,928	-	-	6,229	-	3,263,932	26,333,089
Emergency Management	-	-	-	-	1,039,978	-	-	-	-	-	1,039,978
Police Department	43,000	-	3,834,721	31,654	7,527,576	-	-	375,105	867,097	-	12,679,153
Inspections	-	-	-	-	819,901	-	-	-	-	-	819,901
Total Public Safety	479,448	-	16,046,341	52,586	20,143,494	-	-	381,334	867,097	3,263,932	41,234,232
Public Works											
City Engineer	12,211,817	3,737,416	-	-	2,538,584	-	664,314	-	-	7,627	19,159,758
Street Department	817,500	4,588,892	3,890,379	587,965	17,065,205	536,042,327	-	525,142	106,798	-	563,624,208
Flood	92,927,676	4,253,532	-	134,240	956,918	1,249,025	100,293,763	8,648,565	-	-	208,463,719
Total Public Works	105,956,993	12,579,840	3,890,379	722,205	20,560,707	537,291,352	100,958,077	9,173,707	106,798	7,627	791,247,685
Public Health & Welfare											
Health Department	857,805	-	13,295,621	556,196	1,532,110	-	-	33,338	34,000	-	16,309,070
Recreation & Culture											
Public Library	-	-	13,230,681	-	3,644,000	-	-	261,316	-	147,192	17,283,189
Convention Bureau	199,505	-	908,684	-	-	-	-	-	-	-	1,108,189
Baseball Stadium	-	-	5,963,129	365,549	389,223	-	-	-	-	49,904	6,767,805
Total Recreation & Culture	199,505	-	20,102,494	365,549	4,033,223	-	-	261,316	-	197,096	25,159,183
Urban Development											
Home Grants	-	-	605,042	-	-	-	-	-	-	-	605,042
Community Development	1,157,773	-	3,942,108	28,446	34,650	-	-	-	-	-	5,162,977
Total Urban Development	1,157,773	-	4,547,150	28,446	34,650	-	-	-	-	-	5,768,019
Transportation											
Parking Authority	1,938,493	-	40,561,408	3,087,529	565,464	-	-	192,500	177,343	-	46,522,737
Total Governmental Funds	\$ 110,660,110	\$ 12,579,840	\$ 136,538,334	\$ 9,520,835	\$ 58,705,407	\$ 537,291,352	\$ 100,958,077	\$ 10,126,466	\$ 2,310,349	\$ 3,483,855	\$ 982,174,625

City of Fargo, North Dakota
Schedule of Changes by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2023

	Balance January 1, 2023, as restated	Additions	Transfers	Deletions	Balance December 31, 2023
General Government					
City Commission	\$ 622,029	\$ 9,660	\$ (87,555)	\$ (3,149)	\$ 540,985
City Administrator	425,734	63,766	6,620	(147,265)	348,855
City Auditor	233,919	-	-	(58,468)	175,451
Information Technology	6,243,229	509,093	111,683	(70,366)	6,793,639
Public Information	2,692,727	537,396	(118,303)	(35,381)	3,076,439
Human Resources	171,273	12,059	-	-	183,332
City Assessor	193,495	9,888	-	(3,223)	200,160
Municipal Court	1,958,168	-	-	-	1,958,168
Planning & Development	3,671,588	50,326	-	(3,930)	3,717,984
Central Garage	5,974,849	110,896	(56,622)	(31,943)	5,997,180
City Buildings	30,144,432	747,380	2,049,694	-	32,941,506
Total General Government	52,331,443	2,050,464	1,905,517	(353,725)	55,933,699
Public Safety					
Traffic Engineering	362,111	-	-	-	362,111
Fire Department	23,010,320	3,977,660	(17,643)	(637,248)	26,333,089
Emergency Management	1,039,978	-	-	-	1,039,978
Police Department	15,736,088	1,046,310	(1,920,444)	(2,182,801)	12,679,153
Inspections	837,924	-	(18,023)	-	819,901
Total Public Safety	40,986,421	5,023,970	(1,956,110)	(2,820,049)	41,234,232
Public Works					
City Engineer	18,410,277	908,024	18,023	(176,566)	19,159,758
Street Department	536,194,266	31,796,478	(657,242)	(3,709,294)	563,624,208
Flood	207,356,240	1,107,479	-	-	208,463,719
Total Public Works	761,960,783	33,811,981	(639,219)	(3,885,860)	791,247,685
Public Health & Welfare					
Health Department	16,260,500	114,004	-	(65,434)	16,309,070
Recreation & Culture					
Public Library	17,131,332	147,192	23,304	(18,639)	17,283,189
City Auditorium	-	-	-	-	-
Convention Bureau	949,356	158,833	-	-	1,108,189
Baseball Stadium	6,691,173	76,632	-	-	6,767,805
Total Recreation & Culture	24,771,861	382,657	23,304	(18,639)	25,159,183
Urban Development					
Home Grants	605,042	-	-	-	605,042
Community Development	4,194,357	968,620	-	-	5,162,977
Total Urban Development	4,799,399	968,620	-	-	5,768,019
Transportation					
Transit	-	-	-	-	-
Parking Authority	46,563,681	17,943	-	(58,887)	46,522,737
Total Transit	46,563,681	17,943	-	(58,887)	46,522,737
Capital Assets Constructed for Enterprise Funds	-	41,884,775	-	(41,884,775)	-
Total Governmental Funds	\$ 947,674,088	\$ 84,254,414	\$ (666,508)	\$ (49,087,369)	\$ 982,174,625

Statistical Section
Year Ended December 31, 2023
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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 285,140,975
Restricted	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	277,968,216
Unrestricted	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)	(74,709,102)
Total Governmental Activities Net Position	\$ 306,560,951	\$ 221,209,093	\$ 212,443,923	\$ 175,486,977	\$ 265,181,864	\$ 360,862,509	\$ 399,742,872	\$ 446,364,483	\$ 425,433,971	\$ 488,400,090
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 734,017,889
Restricted	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	47,243,337
Unrestricted	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)	(8,546,166)
Total Business-Type Activities Net Position	\$ 664,772,070	\$ 711,821,923	\$ 786,142,530	\$ 858,876,816	\$ 793,049,954	\$ 831,736,337	\$ 840,397,624	\$ 899,503,475	\$ 742,569,157	\$ 772,715,060
Primary Government										
Net investment in capital assets	\$ 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	\$ 1,019,158,864
Restricted	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	325,211,553
Unrestricted	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)	(83,255,268)
Total Primary Government Net Position	\$ 971,333,021	\$ 933,031,016	\$ 998,586,453	\$ 1,034,363,793	\$ 1,058,231,818	\$ 1,192,598,846	\$ 1,240,140,496	\$ 1,345,867,958	\$ 1,168,003,128	\$ 1,261,115,150

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
General government	\$ 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	\$ 31,311,666
Public safety	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	50,978,430
Public works	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	111,123,823
Public health & welfare	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	16,166,025
Recreation & culture	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	10,773,925
Urban redevelopment	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	3,849,279
Public transportation	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	2,551,227
Economic development	-	-	-	-	-	-	100,000	501,956	499,610	551,888
General support	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	735,202
Interest and fiscal charges	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	20,800,580
Total governmental activities expenses	173,301,796	210,811,079	234,240,275	206,044,735	208,309,903	206,685,228	225,918,118	229,226,838	244,295,367	248,842,045
Business-Type Activities										
Municipal airport authority*	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	14,112,129	14,200,256	15,000,452	17,416,843	20,414,032	23,384,899	25,684,536	25,585,590	28,103,261	29,926,232
Water Reclamation	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	18,291,822
Storm sewer	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	8,470,933
Solid waste	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	13,799,489
FargoDome	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	16,138,415
Southeast Cass	73,926	54,315	49,345	90,210	59,253	79,715	99,473	56,240	68,197	57,509
Vector control	397,296	335,279	379,561	331,429	429,203	453,082	390,044	241,544	259,131	275,338
Street lighting	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	4,759,193
Forestry	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	2,447,235
Transit	-	-	-	-	-	-	-	13,578,079	12,733,347	13,218,977
Civic Memorial Auditorium	-	-	-	-	-	-	-	405,109	468,414	368,020
Total business-type activities expenses	59,084,827	61,407,531	63,941,041	68,638,457	76,150,947	84,232,982	85,619,153	103,840,227	103,970,335	107,753,163
Total Primary Government Expenses	\$ 232,386,623	\$ 272,218,610	\$ 298,181,316	\$ 274,683,192	\$ 284,460,850	\$ 290,918,210	\$ 311,537,271	\$ 333,067,065	\$ 348,265,702	\$ 356,595,208

*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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 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	\$ 3,406,959
Public safety	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	9,576,431
Public works	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	10,705,559
Public health & welfare	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	2,695,595
Recreation & culture	777,310	475,257	647,217	518,632	526,085	461,689	180,898	229,113	120,657	238,705
Urban redevelopment	82,815	229,405	637,583	183,000	249,471	34,920	459,849	239,816	50,940	1,237,729
Transportation	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	2,548,133
Operating grants and contributions	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	18,545,922
Capital grants and contributions	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	146,198,544
Total governmental activities program revenues	<u>118,101,865</u>	<u>126,381,810</u>	<u>181,993,272</u>	<u>128,827,688</u>	<u>133,992,069</u>	<u>190,662,772</u>	<u>160,829,966</u>	<u>173,196,493</u>	<u>117,236,313</u>	<u>195,153,577</u>
Business-Type Activities										
Charges for services										
Municipal airport authority*	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	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	29,109,021
Water Reclamation	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	18,234,249
Storm sewer	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	4,564,710
Solid waste	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	18,527,610
FargoDome	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	12,806,595
Other activities	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	10,330,225
Operating grants and contributions	-	-	-	-	-	-	-	16,901,948	5,919,064	5,841,964
Capital grants and contributions	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	7,889,200
Total business-type activities program revenues	<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>	<u>107,303,574</u>
Total Primary Government Program Revenues	<u>\$ 183,165,598</u>	<u>\$ 192,068,460</u>	<u>\$ 260,700,193</u>	<u>\$ 204,761,130</u>	<u>\$ 207,434,303</u>	<u>\$ 306,961,279</u>	<u>\$ 247,578,875</u>	<u>\$ 304,501,219</u>	<u>\$ 207,122,746</u>	<u>\$ 302,457,151</u>
Net Revenue (Expense)										
Governmental Activities	\$ (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)	\$ (53,688,468)
Business-Type Activities	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)	(449,589)
Total Primary Government Net Revenue (Expense)	<u>\$ (49,221,025)</u>	<u>\$ (80,150,150)</u>	<u>\$ (37,481,123)</u>	<u>\$ (69,922,062)</u>	<u>\$ (77,026,547)</u>	<u>\$ 16,043,069</u>	<u>\$ (63,958,396)</u>	<u>\$ (28,565,846)</u>	<u>\$ (141,142,956)</u>	<u>\$ (54,138,057)</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 (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$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	\$ 37,377,384
Sales taxes	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	69,250,463
Gross business receipts taxes	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	6,355,562
Lodging taxes	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	3,329,493
Other taxes	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	2,635,192
Unrestricted intergovernmental	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	9,298,872
Unrestricted investment earnings (losses)	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)	11,079,478
Miscellaneous	205,642	699,233	245,370	2,048,000	415,705	463,526	1,483,134	9,039,654	7,007,967	501,454
Transfers	(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)	(23,173,311)
Total governmental activities	<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>	<u>116,654,587</u>
Business-Type Activities										
Property taxes	692,977	744,009	840,443	941,291	1,009,429	1,065,589	1,159,827	1,248,941	-	-
Unrestricted investment earnings	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)	5,756,630
Miscellaneous	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	1,665,551
Transfers	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	23,173,311
Total business-type activities	<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>	<u>30,595,492</u>
Total Primary Government	<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>	<u>\$ 147,250,079</u>
Change in Net Position										
Governmental Activities	\$ 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)	\$ 62,966,119
Business-Type Activities	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)	30,145,903
Total Primary Government Change in Net Position	<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>	<u>\$ 93,112,022</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
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 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	\$ 3,185,859
Restricted	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	4,518,706
Committed	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	1,000,015
Assigned	2,063,907	696,289	1,639,608	1,531,414	542,423	598,370	234,832	1,079,780	181,794	183,690
Unassigned	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	21,788,774
Total General Fund	\$ 37,230,038	\$ 39,176,055	\$ 39,396,504	\$ 37,846,574	\$ 35,539,021	\$ 33,684,725	\$ 45,942,992	\$ 38,435,934	\$ 29,717,494	\$ 30,677,044
All Other Governmental Funds										
Nonspendable	\$ 191,946	\$ 164,444	\$ 34,352	\$ 26,858	\$ 25,926	\$ 22,384	\$ 767,462	\$ 96,618	\$ 83,788	\$ 96,899
Restricted	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	114,640,892
Unassigned	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)	(316,923)
Total All Other Governmental Funds	\$ 134,499,918	\$ 179,148,828	\$ 154,010,753	\$ 70,670,688	\$ 74,394,220	\$ 95,953,052	\$ 187,138,514	\$ 168,969,034	\$ 76,316,256	\$ 114,420,868

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 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	\$ 118,873,116
Special assessments	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	43,466,340
Licenses and permits	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	6,829,062
Intergovernmental	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	82,460,212
Charges for services	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	18,856,144
Fines and forfeitures	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	1,549,449
Investment income (losses)	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)	11,036,326
Miscellaneous	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	2,570,455
Total revenues	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	285,641,104
Expenditures										
General government	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	27,345,884
Public safety	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	47,460,075
Public works	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	93,723,140
Public health & welfare	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	14,848,756
Recreation & culture	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	9,908,125
Urban redevelopment	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	3,778,833
Public transportation	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	1,373,803
Economic development	-	-	-	-	-	-	100,000	501,956	499,610	551,888
General support	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	1,304,940
Capital outlay	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	83,655,233
Debt service										
Principal	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	59,713,612
Interest and fiscal charges	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	23,144,443
Total expenditures	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	366,808,732

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (Deficiency) of Revenues over (under) Expenditures	(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)	(81,167,628)
Other Financing Sources (Uses)										
Transfers in	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	44,785,138
Transfers out	(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)	(26,074,762)
Bonds issued (net of premium and discounts)	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	98,860,081
Notes payable issued	-	-	-	-	-	-	-	-	490,928	1,744,710
Financed purchase issued	244,935	164,456	-	42,700	38,332	259,000	270,750	228,700	371,558	929,753
Leases issued	-	-	-	-	-	-	-	-	577,466	157,958
SBITAs issued	-	-	-	-	-	-	-	-	-	552,565
Payment to refunding bond agent	(53,710,000)	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	368,269	122,924
Total other financing sources (uses)	<u>132,024,920</u>	<u>149,777,271</u>	<u>188,930,086</u>	<u>155,876,424</u>	<u>101,513,332</u>	<u>92,716,787</u>	<u>161,791,279</u>	<u>57,860,262</u>	<u>51,730,872</u>	<u>121,078,367</u>
Net Change in Fund Balances	<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>	<u>\$ 39,910,739</u>
Debt Service as a Percentage of Noncapital Expenditures	31.9%	20.1%	38.6%	46.3%	30.3%	25.1%	26.0%	47.6%	40.8%	29.3%

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program Revenues										
Governmental Activities										
General government	\$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	\$ 14,481,667
Public safety	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	10,694,577
Public works	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	156,297,033
Public health & welfare	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	6,645,709
Recreation & culture	1,421,032	644,517	836,724	700,382	843,185	652,854	428,365	374,999	245,679	562,577
Urban redevelopment	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	3,724,405
Transportation	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	2,747,609
Total governmental activities program revenues	118,101,864	126,381,810	181,993,272	128,827,688	134,022,069	190,662,772	160,829,966	173,196,493	117,236,313	195,153,577
Business-Type Activities										
Municipal airport authority*	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	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	32,118,639
Water Reclamation	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	22,583,019
Storm sewer	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	4,881,407
Solid waste	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	18,741,413
FargoDome	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	12,806,595
Southeast Cass	55,593	41,399	28,554	32,224	38,588	43,652	58,998	185,600	176,173	184,460
Vector control	660,007	678,189	697,221	716,353	727,430	739,646	748,016	756,459	772,218	785,498
Street lighting	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	3,727,682
Forestry	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	2,502,544
Transit	-	-	-	-	-	-	-	25,131,990	9,111,588	8,863,125
Civic	-	-	-	-	-	-	-	3,965,564	62,599	109,192
Total business-type activities program revenues	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	107,303,574
Total Primary Government Program Revenues	\$ 183,165,597	\$ 192,068,460	\$ 260,700,193	\$ 204,761,130	\$ 207,464,303	\$ 306,961,279	\$ 247,578,875	\$ 304,501,219	\$ 207,122,746	\$ 302,457,151

* 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)

Fiscal Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other Taxes	Total
2023	\$ 37,302,406	\$ 6,355,562	\$ 69,250,463	\$ 3,329,493	\$ 2,635,192	\$ 118,873,116
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	1,713,618	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

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Allocation of Receipts:										
Infrastructure (1)	\$ 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	\$ 8,643,108
Public Utility (1)	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	17,286,217
Flood Control (1)(2)(3)	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	43,215,541
Total Sales Tax Receipts	<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>	<u>\$ 69,144,866</u>

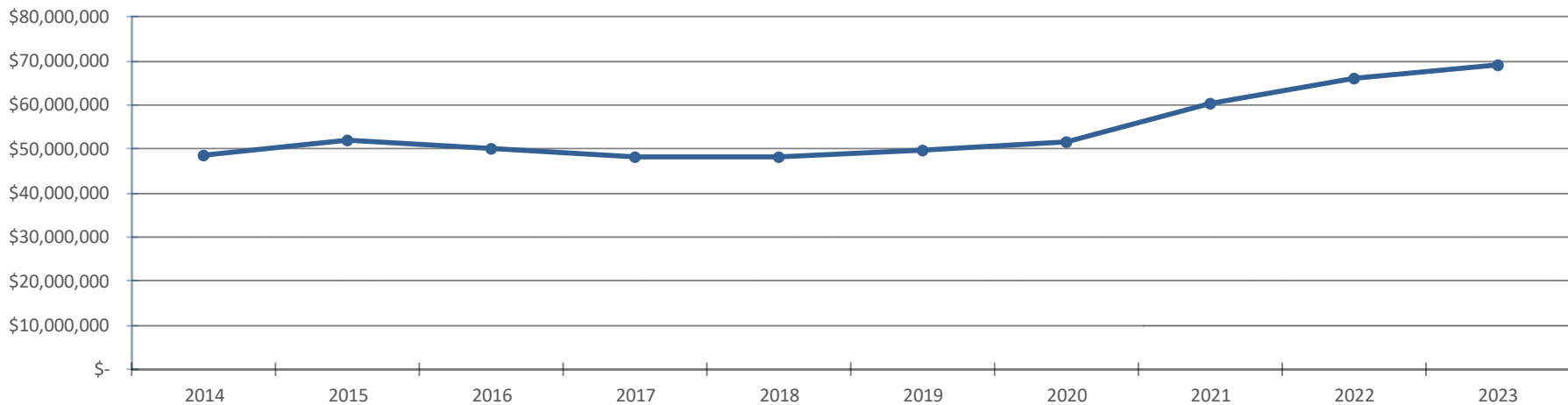
Receipts are shown net of state administrative fee.

(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.

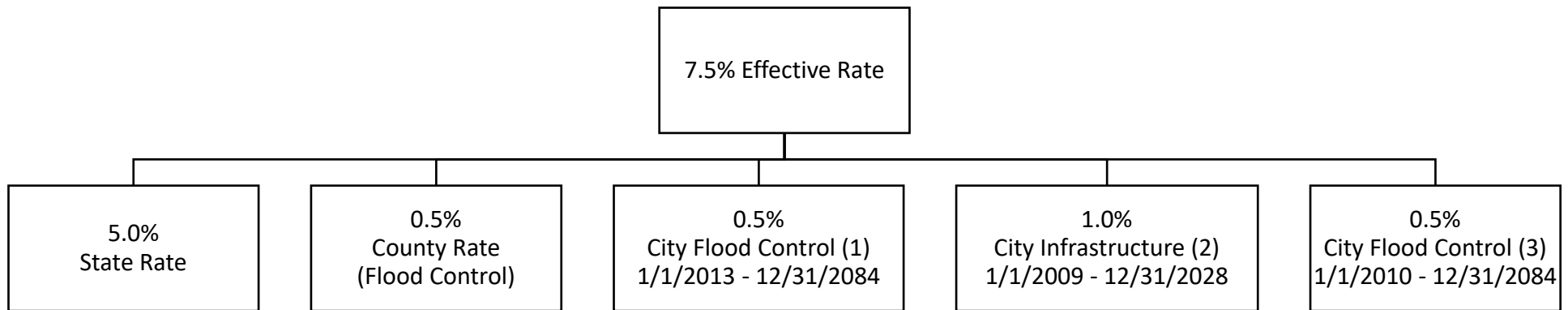
(2) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2084 for flood risk protection, mitigation, and reduction.

(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										Percent Change from 2014 to 2023
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Construction	\$ 119,922	\$ 118,725	\$ 105,475	\$ 85,077	\$ 80,788	\$ 87,293	\$ 89,940	\$ 88,529	\$ 105,909	\$ 107,898	-10.03%
Manufacturing	189,713	179,881	160,397	138,143	156,593	156,024	157,105	170,655	192,007	220,679	16.32%
Wholesale Trade	546,741	479,306	408,786	382,305	352,940	353,018	349,572	415,081	489,422	483,646	-11.54%
Retail Trade	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	1,309,730	3.54%
Transportation and Warehousing	4,185	3,566	3,703	4,810	5,274	6,272	4,954	4,964	8,090	7,691	83.78%
Information Industries	19,702	20,529	20,235	20,406	21,883	20,194	13,852	17,594	19,931	22,477	14.08%
Financial, Insurance, Real Estate, Rental, and Leasing	100,771	93,348	72,262	65,304	62,741	64,465	50,776	74,442	88,720	94,885	-5.84%
Professional, Scientific, Technology, and Management Services	24,027	21,936	19,953	19,323	20,868	20,652	18,597	21,141	23,604	23,655	-1.55%
Educational, Health Care, and Social Services	26,464	37,643	37,380	32,342	33,584	81,241	80,434	125,646	159,838	102,198	286.18%
Arts, Entertainment, and Recreation	27,254	27,308	32,026	27,299	30,644	33,995	14,199	22,006	36,940	43,726	60.44%
Accommodation and Food Services	409,666	419,240	416,835	410,254	417,610	426,718	328,611	440,764	478,419	507,987	24.00%
Other Services	50,272	46,657	46,427	41,304	42,896	38,572	37,341	44,241	51,841	55,653	10.70%
Miscellaneous	14,190	19,267	17,753	16,750	16,060	16,284	17,844	17,140	20,838	25,534	79.94%
Total	\$ 2,797,825	\$ 2,738,760	\$ 2,578,605	\$ 2,439,355	\$ 2,449,142	\$ 2,491,979	\$ 2,344,038	\$ 2,779,019	\$ 2,975,656	\$ 3,005,759	7.43%

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
2023	\$ 8,115,818,441	\$ 2,340,500	\$ 8,476,845,533	\$ 11,955,540	\$ 163,967,160	\$ (177,518,687)	\$ 16,593,408,487	\$ 8,296,704,244	\$ 789,170,170	57.00
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

(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

		Mill Levy Rates*														Totals by School District		
		City of Fargo					Other Taxing Entities											
Levy Year	Collection Year	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	
2023	2024	53.90	2.00	1.10	0.00	57.00	154.13	141.40	129.53	34.08	45.85	1.00	0.64	3.90	296.60	283.87	272.00	
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	

* 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	2023			2014		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Sterling Properties (formerly INREIT)	\$ 284,544,800	1	3.43%	\$ 63,718,250	1	1.56%
Sanford	194,412,100	2	2.34%	44,343,100	3	1.09%
Dakota UPREIT	142,720,500	3	1.72%	19,829,700	8	0.49%
West Acres Development Company	127,614,800	4	1.54%	49,166,650	2	1.20%
Preylock Fargo (Amazon)	107,284,500	5	1.29%	-	N/A	N/A
Adams Investment Ltd. Partnership	90,413,300	6	1.09%	-	N/A	N/A
Comstock Land Company	88,244,000	7	1.06%	-	N/A	N/A
Enclave/Retreat & Encore @ Urban Plains	73,099,400	8	0.88%	-	N/A	N/A
Great Plains Software	66,567,300	9	0.80%	-	N/A	N/A
R & B Development	58,042,200	10	0.70%	20,885,700	6	0.51%
Matrix Properties	-	N/A	N/A	27,832,650	4	0.68%
Osgood Investments	-	N/A	N/A	21,885,150	5	0.54%
Innovis Health	-	N/A	N/A	19,903,150	7	0.49%
Wal-Mart Real Estate	-	N/A	N/A	19,782,900	9	0.48%
Van Raden/RCV Ltd Partnership	-	N/A	N/A	17,996,450	10	0.44%
Total attributable to top taxpayers	1,232,942,900		14.86%	305,343,700		7.48%
Total of all other properties	7,063,761,344		85.14%	3,774,882,872		92.52%
	<u>\$ 8,296,704,244</u>		<u>100.00%</u>	<u>\$ 4,080,226,572</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
2023	\$ 47,722,879	\$ 5,665,631	11.87%	\$ -	\$ 5,665,631	11.87%
2022	40,696,619	4,434,117	10.90%	34,228,160	38,662,277	95.00%
2021	36,320,566	5,092,586	14.02%	29,367,508	34,460,094	94.88%
2020	35,482,579	7,950,141	22.41%	25,633,265	33,583,406	94.65%
2019	33,765,795	3,903,997	11.56%	28,328,919	32,232,916	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%

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

Fiscal Year	Delinquent Taxes Collected	Total Collections	Collections as a Percentage of Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a Percentage of Levy
2023	\$ 299,051	\$ 5,665,631	11.87%	\$ 396,128	0.83%
2022	196,825	38,662,277	95.00%	294,985	0.72%
2021	1,271,884	34,460,094	94.88%	335,921	0.92%
2020	353,639	33,583,406	94.65%	402,336	1.13%
2019	323,756	32,232,916	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%

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	
2023	\$ 42,562,481	\$ 4,253,773	9.99%	\$ -	\$ 4,253,773	9.99%	\$ -
2022	39,463,391	3,607,808	9.14%	35,111,876	38,719,684	98.12%	630,714
2021	38,099,705	3,884,783	10.20%	33,997,843	37,882,626	99.43%	127,410
2020	37,809,484	7,299,483	19.31%	30,336,919	37,636,402	99.54%	-
2019	35,934,663	2,862,551	7.97%	32,740,540	35,603,091	99.08%	31
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%	-

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
2023	226	\$ 94,444,987	92	\$ 261,146,106	3	\$ 32,225,624	1,636	\$ 395,792,990	1,957	\$ 783,609,707
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

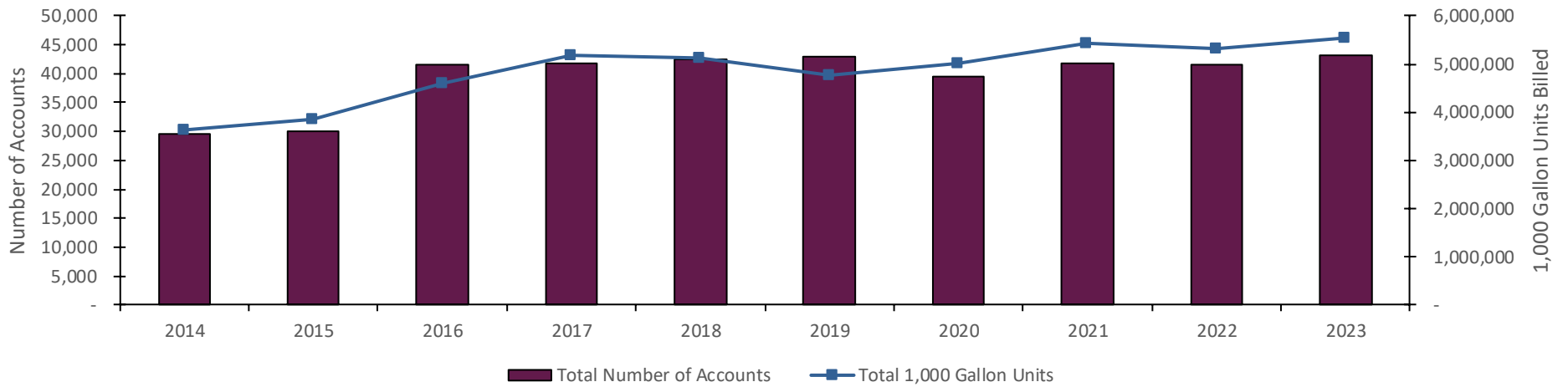
Source: City of Fargo Building Inspector

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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Residential Customers (1,000 Gallon Units)	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	1,294,367
Commercial Customers (1,000 Gallon Units)	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	2,916,664
Other Communities (1,000 Gallon Units)	-	-	619,527	963,249	1,005,826	931,971	1,061,659	1,268,986	1,261,544	1,318,890
Total 1,000 Gallon Units	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	5,529,921
Total Number of Accounts	29,525	30,001	41,449	41,804	42,478	43,030	39,538	41,772	41,583	43,169

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, 2023

Customer	1,000 Gallon Units
City of West Fargo (1)	1,318,890
Cass Rural Water	435,060
Goldmark	221,975
North Dakota State University	150,209
Sanford Health	104,266
Valley Rental	69,867
BMI	52,686
Cass Clay Creamery	44,824
Fargo Public Schools	32,651
Hegenes Management	32,221
Campbell Property Management	30,163
Fargo Park District	27,583
Case New Holland	25,766
Edge of Osgood	21,845
Innovis Health LLC	20,973
Total Attributable to Major Customers	2,588,979
Total Billed Consumption	5,529,921
Percentage Attributable to Major Customers	46.8%

(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

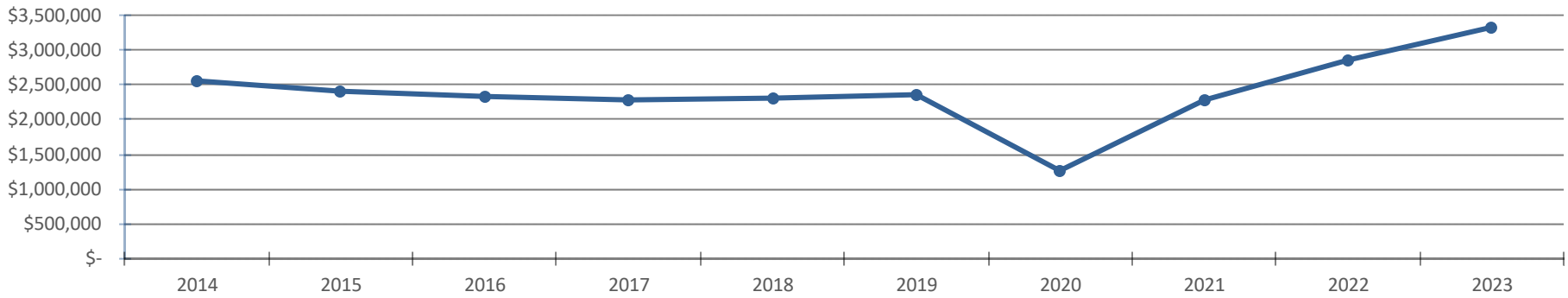
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Water (per 1,000 gallons)										
First 200,000 Gallons	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.90
200,000 to 2,000,000 gallons	4.00	4.00	4.00	4.00	4.15	4.15	4.15	4.15	4.15	4.65
Over 2,000,000 Gallons	3.65	3.65	3.65	3.65	3.75	3.75	3.75	3.75	3.75	4.25
Waste Water										
Residential (fixed rate)	16.00	16.00	16.00	16.00	16.50	16.50	16.50	19.00	19.00	21.50
Commercial (per 1,000 gallons)	2.05	2.05	2.05	2.05	2.10	2.10	2.10	2.20	2.20	2.40
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	3.00	3.00	3.00	4.00	4.00	4.00	4.00
Storm Sewer										
Residential	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00
Commercial	15.00	15.00	15.00	15.00	15.00	8.00	8.00	8.00	12.00	12.00
Forestry	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.48	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	3.50	3.50	3.50	3.50	3.50
Commercial	8.00	8.00	8.00	8.00	8.00	16.00	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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Lodging Tax Revenue										
2% Operating	\$ 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	\$ 2,219,663
1% Capital	851,386	802,535	779,872	761,222	766,699	784,367	422,791	765,325	952,905	1,109,830
Total Lodging Tax Revenue	<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>	<u>\$ 3,329,493</u>

Total Lodging Tax Revenue



Source: City Auditors Office

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

Governmental Activities

Year	Special Assessment Bonds	Other General Obligation Debt	Sales Tax Bonds	Taxable Annual Appropriation Bonds	Annual Appropriation Bonds	Notes Payable	Financed Purchases Payable	Leases Payable	SBITAs Payable	Unamortized Premium
2023	\$ 506,650,000	\$ 27,255,000	\$ 50,083,000	\$ 27,235,000	\$ 7,670,000	\$ 60,623,822	\$ 695,144	\$ 9,160,803	\$ 886,993	\$ 40,389,491
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

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	SBITAs Payable	Unamortized Premium			
2023	\$ 4,833,495	\$ 251,163,977	\$ 9,629,498	\$ 3,613,584	\$ 346,392	\$ 314,086	\$ -	\$ 1,000,550,285	n/a	\$ 7,291
2022	5,804,480	223,399,801	9,968,588	2,903,370	42,576	-	-	933,450,634	5.60%	6,972
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

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

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

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

Year	Other General Obligation Debt	Percentage of Market Value of Property	Per Capita (1)
2023	\$ 27,255,000	0.16%	\$ 199
2022	29,035,000	0.19%	217
2021	30,750,000	0.22%	240
2020	32,405,000	0.25%	257
2019	33,995,000	0.27%	273
2018	35,515,000	0.30%	284
2017	36,980,000	0.33%	302
2016	37,910,000	0.37%	314
2015	12,390,000	0.13%	105
2014	2,285,000	0.03%	20

(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
2023	137,226	\$ 8,296,704,244	\$ 664,115,986	\$ 239,958,092	\$ 4,833,495	\$ 419,324,399	5.05%	\$ 3,056
2022	133,879	7,463,620,093	619,497,483	242,509,227	5,804,480	371,183,776	4.97%	\$ 2,773
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

(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 2023

Market Value of All Property (1)		\$ 16,593,408,487
		50%
Assessed Valuation		<u>\$ 8,296,704,244</u>
Debt Limit (5% of Assessed Value)		\$ 414,835,212
Debt applicable to limit		
City's share of special assessments (2)	\$ 15,813,339	
Debt supported solely by taxes (2)	27,255,000	
Governmental lease and financed purchase obligations (2)	9,855,947	
Debt available in related debt service funds(2)	<u>765,020</u>	
Total net debt applicable to limit		<u>53,689,306</u>
Legal debt margin		<u>\$ 361,145,906</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 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	\$ 414,835,212
Total net debt applicable to limit	<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>	<u>53,689,306</u>
Legal debt margin	<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>	<u>\$ 361,145,906</u>
Total net debt applicable to the limit as a percentage of debt limit	5.37%	9.64%	19.33%	19.37%	18.89%	17.41%	15.40%	14.20%	15.40%	12.94%

(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	2023 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 789,170,170	\$ 720,601,457	100.00%	\$ 720,601,457
Cass County	1,269,019,326	-	100.00%	-
Fargo Park District	789,170,170	71,605,000	100.00%	71,605,000
Fargo Public Schools	554,983,661	95,027,222	96.82%	92,005,356
Kindred Public Schools	37,671,532	27,549,889	0.04%	11,020
West Fargo Public Schools	577,339,330	254,185,977	45.51%	115,680,038
Subtotal overlapping debt		<u>448,368,088</u>		<u>279,301,414</u>
Total Direct and Overlapping Debt		<u>\$ 1,168,969,545</u>		<u>\$ 999,902,871</u>

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, 2023	Amount	Per Capita (137,226)	Percent of Market Value (\$16,593,408,487)
General Obligation Bonds Supported by Property Tax	\$ 27,283,643	\$ 199	0.16%
Improvement (Special Assessment) Bonds	470,238,760	3,427	2.83%
Revenue Bonds	74,510,283	543	0.45%
Financed Purchases Payable	4,308,728	31	0.03%
Notes Payable	4,690,988	34	0.03%
City Share of Special Assessments	9,629,498	70	0.06%
Overlapping Debt	448,368,088	3,267	2.70%
Total	<u>\$ 1,039,029,988</u>	<u>\$ 7,572</u>	<u>6.26%</u>

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

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

Special Assessment Bonds

Year	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest	Total	
2023	\$ 43,466,340	\$ 16,080,000	\$ 15,478,094	\$ 31,558,094	1.38
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

Note:

At the end of 2023, there was \$33,034,274 in prepaid special assessments that can be used to make debt service payments.
 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.

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	
2023	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on this note was made in 2020

Sales Tax Revenue Bonds

Year	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2023	\$ 7,551,918	\$ 4,161,000	\$ 2,132,265	\$ 6,293,265	1.20
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

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

Sales Tax Note Payable - Direct Bank Loan - FM Diversion Financing*

Year	Sales Tax Collections	Debt Service		Total	Coverage
		Principal	Interest		
2023	\$ -	\$ -	\$ -	\$ -	N/A
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

*Includes notes payable and temporary sales tax revenue

Note: Final payment was made on this note in 2021

SRLF Notes Payable

Year	Sales Tax Collections	Debt Service		Total	Coverage
		Principal	Interest		
2023	\$ 17,367,140	\$ 5,073,000	\$ 862,800	\$ 5,935,800	2.93
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

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			
2023	\$ -	\$ -	\$ -	\$ -	N/A	
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	

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						Coverage
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on these bonds made in 2017

Year	SRLF Notes Payable						Coverage
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Total	
				Principal	Interest		
2023	\$ 29,109,021	\$ 19,313,465	\$ 9,795,556	\$ 3,140,000	\$ 1,934,434	\$ 5,074,434	1.93
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

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		Total	Coverage
				Principal	Interest		
2023	\$ 18,234,249	\$ 9,247,892	\$ 8,986,357	\$ -	\$ 1,896,913	\$ 1,896,913	4.74
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

SRLF Notes Payable

Year	Solid Waste Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2023	\$ 18,527,610	\$ 10,275,735	\$ 8,251,875	\$ 430,000	\$ 26,808	\$ 456,808	18.06
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

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

Clean Renewable Energy Bond					
Year	Sale of Byproducts	Debt Service			Coverage
		Principal	Interest	Total	
2023	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on these bonds made in 2021

Qualified Energy Conservation Bonds					
Year	Tipping Fee Revenue	Debt Service			Coverage
		Principal	Interest	Total	
2023	\$ 10,949,956	\$ 195,985	\$ 75,732	\$ 271,717	40.30
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

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	
2023	137,226	n/a (4)	n/a (4)	n/a (4)	n/a (4)	n/a (4)	11,284	1.6%	1.8%	3.5%	73,301
2022	133,879	16,675,390,000	64,468	95.8%	42.9%	31.8	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

(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) 2023 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
2023	\$ 11,553,590,000	\$ 7,440,265,000	\$ 65,844	\$ 66,637
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

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	2023			2014		
	Full Time Equivalent Employees (1)	Rank	Percentage of Total County Employment	Full Time Equivalent Employees (2)	Rank	Percentage of Total County Employment
Sanford Health	9,181	1	12.53%	6,020	1	9.26%
North Dakota State University	2,324	2	3.17%	4,464	2	6.86%
Fargo Public Schools	2,273	3	3.10%	1,816	4	2.79%
Essentia Health (formerly Innovis Health)	2,132	4	2.91%	3,381	3	5.20%
West Fargo Public Schools	2,094	5	2.86%	1,248	7	1.92%
Marvin Windows	2,034	6	2.77%	N/A	-	N/A
Fargo VA Health Care System	1,307	7	1.78%	N/A	-	N/A
Coborns Inc.	1,153	8	1.57%	N/A	-	N/A
City of Fargo	1,041	9	1.42%	N/A	-	N/A
Noridian/Blue Cross Blue Shield	679	10	0.93%	1,371	5	2.11%
CNH Industrial America, LLC	N/A	-	N/A	1,250	6	1.92%
Wanzek Construction, Inc.	N/A	-	N/A	1,100	8	1.69%
US Bank - Service Center	N/A	-	N/A	1,059	9	1.63%
Eventide Senior Living Center	N/A	-	N/A	1,006	10	1.55%
Total	24,218		33.04%	22,715		34.93%

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
City Administrator	1	1	2	2	3	3	3	3	3	3
Diversity, Equity & Inclusion	-	-	-	-	-	-	-	-	-	2
Human Resources	6	6	7	8	8	8	8	9	9	10
Information Services	23	23	24	24	24	24	24	24	24	24
Public Information	2	2	2	2	3	4	4	7	10	12
Auditor	15	15	15	15	15	15	15	15	19	22
Municipal Court	8	8	8	8	8	8	8	8	7	7
City Assessor	11	11	11	11	11	11	11	11	12	12
Buildings & Grounds	7	7	13	13	14	14	15	15	18	18
Planning	12	13	14	15	13	14	14	14	14	14
Central Garage	23	23	23	23	24	24	24	24	24	24
City Commission	8	8	8	8	8	8	9	10	9	8
Public safety										
Inspections	20	21	22	23	23	24	25	25	26	26
Traffic Engineering	9	11	11	11	11	6	6	6	6	6
Fire Department	121	121	122	122	122	123	124	124	128	128
Police Department	172	180	187	197	204	205	209	209	213	213
Public works										
City Engineering	37	41	42	42	43	42	42	42	42	45
Streets & Sewers	51	54	55	55	55	55	57	58	60	61
Public health & welfare										
Health	114	117	116	116	112	112	111	110	110	111
Homeless Shelter	18	18	19	20	20	21	21	21	23	25
Recreation & culture										
Public Library	49	49	50	51	52	54	54	54	55	59
Urban redevelopment	2	2	2	2	2	2	3	3	3	3
Business-type funds										
Airport	16	26	27	27	27	28	28	28	*	*
Water	45	46	47	48	52	52	54	54	55	56
Water Reclamation	20	20	20	20	20	20	20	21	21	20
Storm Sewer	5	5	5	5	5	5	5	5	5	5
Solid Waste	50	50	50	50	50	50	49	49	49	49
Fargodome	21	21	21	23	23	23	25	25	25	25
Street Lighting	2	2	2	2	2	7	7	7	7	8
Forestry	11	11	11	11	11	11	12	12	12	12
Transit	22	21	23	25	25	25	25	30	31	32
Civic Memorial Auditorium	6	6	4	4	4	4	3	1	1	1
Total	907	939	963	983	994	1,002	1,015	1,024	1,021	1,041

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Fire										
Number of calls answered	7,196	9,336	10,483	10,711	11,014	11,563	12,930	13,490	14,559	14,518
Number of fire inspections	6,470	6,437	6,005	6,007	6,956	6,245	6,375	6,522	6,611	7,803
Police										
Number of calls for service	65,682	74,516	78,784	89,162	89,565	93,590	77,477	82,317	83,174	83,795
Arrests	6,063	6,907	7,412	7,076	6,592	6,492	5,039	5,086	5,465	5,094
Public works										
Average daily water consumption (gallons)	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	15,150,468
Water Reclamation average flow per day (MG)	12.84	12.17	12.72	11.81	11.78	13.00	14.64	15.32	15.68	13.42
Public health & welfare										
WIC participation	2,701	2,970	2,908	2,975	2,773	2,619	2,517	2,468	2,642	2,705
Nursing visits	152,266*	144,985*	148,719*	145,353*	146,465*	157,786*	138,237	177,744*	140,669*	156,198*
Recreation & culture										
Library circulation	1,000,024	1,004,966	987,851	992,711	1,026,953	1,047,165	692,372	849,325	912,525	994,211
Civic center attendance	91,660	48,945	46,001	37,240	33,963	32,740	9,979	23,025	30,700	26,750
Fargodome attendance	550,330	565,914	593,489	539,428	522,883	535,224	100,208	462,950	431,534	464,813
Public transportation										
Number of rides										
Fixed route	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	1,237,042
Paratransit	53,893	51,513	52,394	52,509	52,665	53,350	37,137	52,802	55,422	57,707
Public information										
Web site										
Total Sessions	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	1,332,904
Users	745,192	759,584	653,841	565,904	448,066	640,287	838,552	791,757	736,431	956,501
Page views	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	2,644,421
Pages per visit	2.37	2.26	2.22	2.44	2.44	2.14	1.99	2.04	1.95	1.98
Infrastructure										
New projects assessed	43	38	53	55	45	44	45	48	40	49
Value of new projects	\$ 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	\$ 50,404,212

* Amount does not include correctional health clinical nursing visits.

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Area in square miles	48.84	49.22	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	23	20	17	17	15	16	20	18
Police										
Stations	1	2	2	2	2	2	2	3	3	3
Marked cars	41	44	44	48	47	47	47	53	53	53
Public Works										
Number of street lights	10,402	11,091	11,622	12,086	12,759	13,255	13,622	14,047	14,229	14,331
Miles of paved streets	464.39	525.47	590.04	615.35	651.04	669.47	687.67	706.11	736.34	765.28
Miles of water mains	472.90	484.03	490.01	495.22	504.72	509.31	515.84	523.35	526.50	532.05
Miles of sanitary sewer	453.99	460.87	466.28	473.46	468.06	471.13	454.98	459.05	464.57	466.81
Miles of storm sewer	442.51	455.86	464.51	470.96	494.18	501.71	508.48	515.51	525.43	524.72
Recreation & Culture										
Library Collection	298,344	305,539	274,536	275,981	271,187	313,604	321,390	319,151	318,992	264,801
Public Transportation										
Buses	32	29	29	31	46	43	44	45	46	44