

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

THE CITY OF FARGO, NORTH DAKOTA
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2024

Annual Comprehensive Financial Report
Year Ended December 31, 2024

City of Fargo, North Dakota

Prepared by the Finance Department

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Introductory Section
Year Ended December 31, 2024
City of Fargo, North Dakota



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June 24, 2025

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, 2024. 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, 2024. 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 262,000 consumers. The current City population is estimated at 134,386 representing a 6.6% 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 human 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.

In accordance with GASB pronouncements, the City's financial statements include all funds, departments of the City (the primary government), and its two component units. 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.

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 \$68,326 in 2023 as compared to \$54,932 in 2019 representing a 24.4% increase in income levels over the past five years. Our labor force has increased to 76,672 in 2024 as compared to 69,702 five years ago which represents a 10.0% increase. Fargo's unemployment rate is currently 2.5% while the State of North Dakota is 2.5%.

Building Permits Consistent

After soaring to record highs during the low interest rate environment through 2022, construction activity in Fargo slowed slightly in 2024. Building permits totaled \$685 million in 2024 compared to \$783 million in 2023 reflecting an 8.0% decrease. While there was a decrease, the current year value exceeds the 10 year average. 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 for City of Fargo Initiatives

Fargo is utilizing sales tax revenues as a primary funding source for key infrastructure projects. Sales tax of 2% is 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 roadway systems throughout the community. In 2016, voters approved a long-term extension of a 1% 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. The remaining 1% of infrastructure sales tax was approved through 2028, and it will be brought forward to the voters for an extension beyond 2028.

In November of 2024, voters approved a twenty-year, one-quarter cent sales tax to support public safety. The tax may be used for public safety personnel, equipment, and facilities. The initial plan as approved by the Board of City Commissioners creates a new pay plan for public safety departments; provides additional personnel within Fire and Police departments; and supports technology enhancements, a Fire Department facility study, and set-aside funding for subsequent facility upgrades.

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

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 City expects the Financial Reporting module to go live in late 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; and the Fargo Growth Plan 2024 which will serve as the official roadmap for how and where development will happen over the next 20 years. The City is projected to grow by another 15,000 households over the next two decades. Currently, the City is embarking on a project to update our Land Development Code in order to shape future policy making, economic development, and development of capital planning.

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 bienniums. 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, 2023. This is the twenty-sixth 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 Kettner, Senior Accountant
Carrie Clemens, Senior Accountant
Jordan Corneliusen, Finance Manager
Jessica Houim, Senior Accountant
Lindsey Tester, Accountant
Emily Bartz, 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



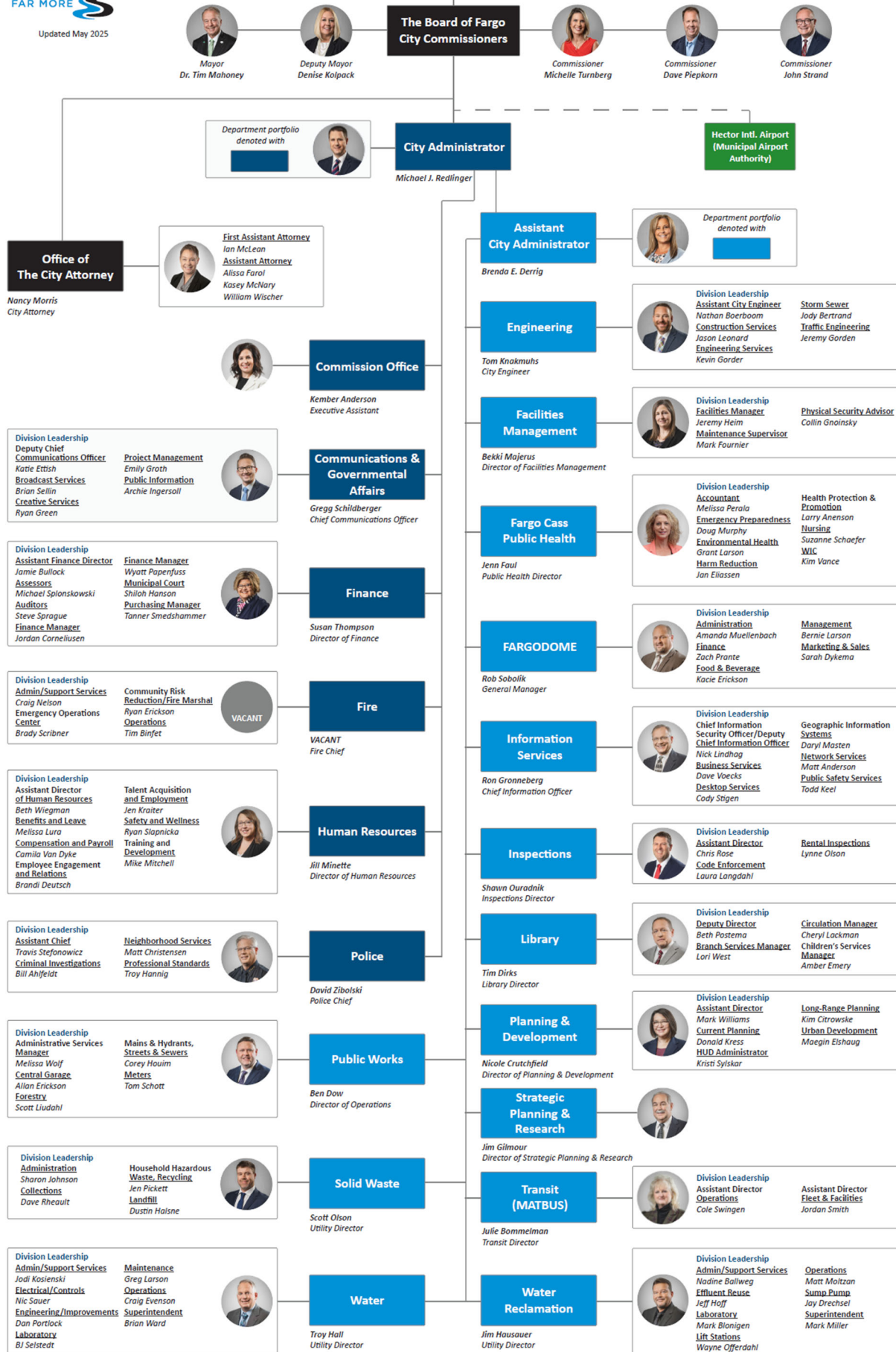
Jamie Bullock, CPA
Assistant Finance Director



Wyatt Papenfuss
Finance Manager

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Elected Officials		
Dr. Tim Mahoney	Mayor	June 2026
Denice Kolpack	Deputy Mayor	June 2026
Dave Piepkorn	Commissioner	June 2026
John Strand	Commissioner	June 2028
Michelle Turnburg	Commissioner	June 2028
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, 2023

Christopher P. Morill

Executive Director/CEO

Financial Section
Year Ended December 31, 2024
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, 2024, 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 of Fargo, as of December 31, 2024, 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, 2024. 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. 101, *Compensated Absences*, for the year ended December 31, 2024. Accordingly, a restatement has been made to the governmental activities, business-type activities, and water, water reclamation, storm sewer, solid waste, FargoDome, and nonmajor enterprise funds fund net position as of January 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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) and related ratios, schedule of employer contributions, schedule of investment returns, 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, schedule of employer contributions, and schedule of investment returns; and Firefighters' Relief Association Retirement Plan schedules: schedule of changes in net pension liability and related ratios 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and the capital assets used in the operation of governmental funds section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory 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 24, 2025, 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota
June 24, 2025

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, 2024. 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 \$1,310,176,354 (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 \$95,286,867.

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 \$166,272,042, an increase of \$21,174,130 in comparison with the prior year balance. Of this balance, \$22,824,257 constitutes unassigned fund balance, \$478,357 assigned fund balance, \$1,000,016 committed fund balance, \$138,229,147 restricted fund balance and \$3,740,265 nonspendable fund balance.

The City's eleven enterprise funds ended the year with net position of \$796,748,016, an increase of \$25,015,019 from the prior year balance. Net cash flows from operations were \$25,150,267 while net cash used for noncapital and related financing activities was \$11,186,671, net cash used for capital and related financing activities was \$19,408,263, and net cash from investing activities was \$5,517,039.

The City's unassigned General Fund balance of \$23,067,873 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-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, which are all considered as major funds. Data from the other twenty-two 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, Police Custodial Fund, and Red River Regional Dispatch Center, which was closed during the current year.

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 \$1,310,176,354 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (79 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, 2024 and 2023. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Assets						
Current and other assets	\$ 716,400	\$ 664,151	\$ 75,714	\$ 83,433	\$ 792,114	\$ 747,584
Capital assets	714,500	675,973	1,053,798	1,011,026	1,768,298	1,686,999
Total assets	1,430,900	1,340,124	1,129,512	1,094,459	2,560,412	2,434,583
Deferred Outflows of Resources	28,007	54,164	7,265	15,443	35,272	69,607
Liabilities						
Other liabilities	31,133	29,625	15,950	18,003	47,083	47,628
Long-term liabilities	888,693	835,123	310,352	299,033	1,199,045	1,134,156
Total liabilities	919,826	864,748	326,302	317,036	1,246,128	1,181,784
Deferred Inflows of Resources	25,653	41,140	13,728	20,151	39,381	61,291
Net Position						
Net investment in capital assets	274,534	285,141	765,577	734,018	1,040,111	1,019,159
Restricted	316,448	277,968	48,904	47,243	365,352	325,211
Unrestricted	(77,554)	(74,709)	(17,733)	(8,546)	(95,287)	(83,255)
Total net position	\$ 513,428	\$ 488,400	\$ 796,748	\$ 772,715	\$ 1,310,176	\$ 1,261,115

* Effective January 1, 2024, the City adopted provisions of GASB Statement No. 101 *Compensated Absences*. As a result of this change in accounting principle, it was not appropriate for the City to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended December 31, 2023, was not restated. See Note 15 to the financial statements for further information on the change in accounting principle.

A portion of the City of Fargo's net position (28 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 \$95,286,867.

Changes in Net Position

The City's net position increased by \$54,752,162 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 \$29,737,143 during the current fiscal year, thereby accounting for 54.3 percent of the total growth in the net position of the City.

Revenues decreased by \$20,422,042 or 6.1 percent. This decrease can be attributed to the timing of 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 0.8 from 2023 to 2024.

Business-type Activities

Business-type activities increased the City of Fargo's net position by \$25,015,019 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, 2024

The following table presents condensed financial information on the City's changes in net position for the fiscal years ending December 31, 2024 **and 2023**. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023*	2024	2023*	2024	2023*
Revenues						
Program revenues						
Charges for services	\$ 29,159	\$ 30,409	\$ 95,240	\$ 93,572	\$ 124,399	\$ 123,981
Operating grants and contributions	12,272	18,546	4,345	5,842	16,617	24,388
Capital grants and contributions	122,109	146,199	8,230	7,889	130,339	154,088
General revenues						
Taxes	129,538	118,948	-	-	129,538	118,948
Unrestricted intergovernmental	9,395	9,299	-	-	9,395	9,299
Unrestricted investment earnings	10,706	11,079	3,953	5,757	14,659	16,836
Miscellaneous	1,380	501	1,985	1,666	3,365	2,167
Total revenues	314,559	334,981	113,753	114,726	428,312	449,707
Expenses						
General government	33,180	31,312	-	-	33,180	31,312
Public safety	55,089	50,978	-	-	55,089	50,978
Public works	122,177	111,124	-	-	122,177	111,124
Public health and welfare	16,266	16,166	-	-	16,266	16,166
Recreation and culture	10,942	10,774	-	-	10,942	10,774
Urban redevelopment	6,819	3,849	-	-	6,819	3,849
Transportation	3,782	2,551	-	-	3,782	2,551
Economic development	493	552	-	-	493	552
General support and unallocated	1,826	735	-	-	1,826	735
Interest	15,534	20,801	-	-	15,534	20,801
Water	-	-	31,319	29,926	31,319	29,926
Water Reclamation	-	-	15,652	18,292	15,652	18,292
Storm sewer	-	-	8,861	8,471	8,861	8,471
Solid waste	-	-	13,449	13,800	13,449	13,800
FargoDome	-	-	14,259	16,138	14,259	16,138
Southeast Cass	-	-	98	58	98	58
Vector control	-	-	362	275	362	275
Street lighting	-	-	5,433	4,759	5,433	4,759
Forestry	-	-	2,567	2,447	2,567	2,447
Transit	-	-	15,098	13,219	15,098	13,219
Civic Memorial Auditorium	-	-	354	368	354	368
Total expenses	266,108	248,842	107,452	107,753	373,560	356,595
Excess (Deficiency) before Transfers	48,451	86,139	6,301	6,973	54,752	93,112
Transfers	(18,714)	(23,173)	18,714	23,173	-	-
Change in Net Position	29,737	62,966	25,015	30,146	54,752	93,112
Beginning Net Position**	483,691	425,434	771,733	742,569	1,255,424	1,168,003
Ending Net Position	\$ 513,428	\$ 488,400	\$ 796,748	\$ 772,715	\$ 1,310,176	\$ 1,261,115

* 2023 has not been restated for implementation of GASB Statement No. 101, see page 8 for further explanation

** 2024 beginning net position as restated

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 \$166,272,042.

Approximately 13.7 percent, or \$22,824,257, of this combined ending fund balance constitutes unassigned fund deficit. The remainder of fund balance is assigned (\$478,357, 0.3 percent), committed (\$1,000,016, 0.6 percent), restricted (\$138,229,147, 83.1 percent), or nonspendable (\$3,740,265, 2.2 percent).

The General Fund is the primary operating fund of the City of Fargo. At the end of the 2024 fiscal year, the General Fund unassigned fund balance was \$23,067,873, an increase of \$1,279,099 from the prior year. Unassigned fund balance represents 20 percent of total general fund expenditures, while total fund balance represents 21 percent of that same amount. Management's fund balance goal of 25 percent has not been achieved for this fiscal year.

The City strategically budgets reserves at or 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 7 percent compared to the prior year, while total expenditures increased by 5 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, franchise fees increased from 2 percent to 4 percent for 2024.

The debt service fund has a total fund balance of \$96,874,475, all of which is restricted for the payment of current and future debt service obligations. The net increase in fund balance during the current year was \$11,437,273.

The capital projects fund had a net increase in fund balance of \$8,100,087. Capital project intergovernmental revenues decreased by 17.2 percent in 2024. This decrease is due to fewer State funds received from the Prairie Dog Fund. These dollars are programmed into 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 \$17,733,223. Restrictions for debt service are required to satisfy future obligations of the State Revolving Fund. 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 \$1,667,482, or 1.8 percent. The largest portion of this increase was in the Water and Storm Sewer Utility Funds as a result of continued growth of users within the community.

Operating expenses decreased by \$139,952, or 0.1 percent.

General Fund Budgetary Highlights

The City's low annual average unemployment rate of 2.5 percent and continued positive construction activity of \$685.4 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 70.3 percent of the budgeted revenues.

The City's expenditures for the year totaled \$116,542,584 or 2.1 percent below final budget. This budgetary surplus was a result of favorable material and input costs, such as fuel, within the public works function.

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, 2024, amounts to \$1,768,298,770 (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 2024, \$7.1 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 2024 resulting in \$7.8 million of additions within the Capital Project Funds.
- As the City continues to grow, construction began in 2023 on Fire Station 8 along 33rd Street South. Completed in 2024, the new station cost \$5.9 million.

The following table presents a summary of capital assets, net of accumulated depreciation/amortization as of December 31, 2024 and 2023. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Capital assets (net of accumulated depreciation/amortization where applicable)						
Land	\$ 109,614	\$ 110,660	\$ 37,790	\$ 37,482	\$ 147,404	\$ 148,142
Right of way/Intangibles	15,157	12,580	920	920	16,077	13,500
Construction in progress	12,635	3,484	184,349	157,828	196,984	161,312
Buildings	112,785	98,546	235,826	243,852	348,611	342,398
Improvements other than buildings	6,192	6,685	29,507	31,398	35,699	38,083
Machinery and equipment	15,398	16,065	32,526	30,369	47,924	46,434
Infrastructure	338,338	323,000	532,119	508,522	870,457	831,522
Flood Control	93,402	94,376	-	-	93,402	94,376
Right-of-use lease assets	8,461	8,857	179	345	8,640	9,202
Subscription-based IT assets	2,518	1,720	582	310	3,100	2,030
Total capital assets	<u>\$ 714,500</u>	<u>\$ 675,973</u>	<u>\$ 1,053,798</u>	<u>\$ 1,011,026</u>	<u>\$ 1,768,298</u>	<u>\$ 1,686,999</u>

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 \$1,199,044,872, an increase of approximately \$64.9 million from the prior fiscal year.

Of this amount, \$537,805,000 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 \$329,745,556 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 \$10.8 million from 2023. 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, 2024 **and 2023**. Amounts are shown in thousands.

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Improvement bonds	\$ 537,805	\$ 506,650	\$ -	\$ -	\$ 537,805	\$ 506,650
General Obligation Bonds	25,395	27,255	1,264	1,463	26,659	28,718
Sales Tax Bonds	45,733	50,083	-	-	45,733	50,083
Taxable Annual Appropriation Bonds	36,160	27,235	-	-	36,160	27,235
Annual Appropriation Bonds	30,177	7,670	2,570	3,370	32,747	11,040
Notes Payable	64,289	60,624	265,457	251,164	329,746	311,788
Unamortized Premiums	37,560	40,389	-	-	37,560	40,389
Financed Purchases Payable	263	695	2,335	3,614	2,598	4,309
Leases Payable	8,898	9,161	180	346	9,078	9,507
SBITAs Payable	1,912	887	534	314	2,446	1,201
Special Assessments	-	-	9,261	9,630	9,261	9,630
Landfill Closure/Postclosure	-	-	6,456	6,232	6,456	6,232
Compensated Absences*	10,691	5,117	2,511	1,276	13,202	6,393
Net OPEB liability	1,969	2,395	764	942	2,733	3,337
Net Pension Liability	87,841	96,962	19,020	20,682	106,861	117,644
Total long-term liabilities	<u>\$ 888,693</u>	<u>\$ 835,123</u>	<u>\$ 310,352</u>	<u>\$ 299,033</u>	<u>\$ 1,199,045</u>	<u>\$ 1,134,156</u>

* 2023 balances for compensated absences have not been restated for the implementation of GASB Statement No. 101, *Compensated Absences*. See page 8 for further discussion.

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

- The City issued \$51,745,000 of Refunding Improvement Bonds, Series 2024A at interest rate of 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 \$23,893,570 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, \$2,548,984 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 2025 budget is focused on ongoing commitments to providing excellent service, investing in our human capital, and strategically balancing revenues and expenditures. Progress continues on the Metro Flood Diversion Channel and the Red River Valley Supply Project. Both projects will effectively flood and drought-proof our community.

The 2024 City of Fargo budget value of a mill increased from \$802,300 to \$842,600 per mill. In order to sustain the existing services of the City, the general mill levy for the 2025 budget was 55.00 mills, maintaining the 2024 budget of 55.00 mills. The total general appropriation for the 2025 budget is \$132 million, an increase of \$13 million from 2024.

North Dakota's 2025 Legislature HB1176 adopted a 3% cap on how much local governments can increase property taxes annually. The cap applies to residential, commercial, and agricultural properties. In addition to that, HB 1176 provided significant expansion to the primary residence property tax credit increasing from \$500 to a maximum of \$1,600 annually. This credit is funded with a dedicated stream of earnings from the state's Legacy Fund. These changes will impact the 2026 budget process.

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, 2024

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Assets				
Cash and cash equivalents	\$ 117,814	\$ 8,074,277	\$ 8,192,091	\$ 57,320,320
Investments	1,248,754	-	1,248,754	4,886,117
Equity in pooled investments	142,674,168	2,280,123	144,954,291	-
Receivables (net of allowance for uncollectibles):				
Interest	791,729	23,137	814,866	113,820
Taxes	594,617	-	594,617	17,108
Accounts	6,603,843	8,263,618	14,867,461	1,124,828
Sales tax	13,167,448	-	13,167,448	-
Special assessments	532,004,515	191,472	532,195,987	-
Intergovernmental	10,852,670	270,449	11,123,119	4,593,644
Leases	2,606,246	4,272,617	6,878,863	6,732,783
Internal balances	(67,341)	67,341	-	-
Loans	2,065,031	-	2,065,031	-
Inventories	1,287,729	2,428,406	3,716,135	-
Prepaid items	2,452,536	494,570	2,947,106	330,819
Other current assets	-	-	-	8,882
Restricted assets				
Cash and cash equivalents	-	-	-	361,636
Equity in pooled investments	-	5,261,080	5,261,080	-
Investments	-	44,087,186	44,087,186	-
Capital assets, net of accumulated depreciation/ amortization, where applicable				
Land	109,614,393	37,789,814	147,404,207	8,516,547
Intangible - right-of-way easements	15,156,606	420,036	15,576,642	-
Intangible - water rights	-	500,000	500,000	-
Construction in progress	12,634,977	184,349,172	196,984,149	49,900,218
Buildings	112,785,099	235,826,469	348,611,568	32,304,579
Improvements other than buildings	6,192,414	29,506,617	35,699,031	926,516
Machinery and equipment	15,398,140	32,525,879	47,924,019	4,888,530
Infrastructure	338,338,424	532,118,584	870,457,008	81,062,098
Flood control	93,401,478	-	93,401,478	-
Right-of-use lease assets	8,461,321	179,184	8,640,505	-
Subscription-based IT assets	2,517,675	582,488	3,100,163	-
Total assets	<u>1,430,900,286</u>	<u>1,129,512,519</u>	<u>2,560,412,805</u>	<u>253,088,445</u>
Deferred Outflows of Resources				
Other postemployment benefits	420,079	166,925	587,004	59,864
Pension plans	27,586,509	7,098,583	34,685,092	1,658,990
Total deferred outflows of resources	<u>28,006,588</u>	<u>7,265,508</u>	<u>35,272,096</u>	<u>1,718,854</u>

City of Fargo, North Dakota
Statement of Net Position
December 31, 2024

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Liabilities				
Vouchers payable	17,086,034	5,919,372	23,005,406	4,056,621
Retainage payable	4,601,185	6,621,167	11,222,352	2,424,866
Accrued payroll	3,083,709	612,421	3,696,130	125,987
Accrued interest payable	4,274,792	1,374,484	5,649,276	79,525
Accrued interest payable from restricted assets	-	443,900	443,900	-
Special assessments payable	911,068	-	911,068	-
Unearned revenue	574,152	962,004	1,536,156	3,680
Deposits payable	601,816	16,842	618,658	-
Debt				
Due within one year, other than OPEB and pensions	49,472,207	6,086,602	55,558,809	907,626
Due within one year from restricted assets	-	2,704,380	2,704,380	-
Due in more than one year, other than OPEB and pensions	749,411,108	281,776,551	1,031,187,659	20,401,711
Due in more than one year, net OPEB liability	1,969,389	763,816	2,733,205	107,635
Due in more than one year, net pension liability	87,840,503	19,020,316	106,860,819	2,050,497
Total liabilities	919,825,963	326,301,855	1,246,127,818	30,158,148
Deferred Inflows of Resources				
Other postemployment benefits	300,362	120,017	420,379	14,568
Pension plans	22,909,223	9,139,616	32,048,839	1,222,569
Lease related	2,442,988	4,468,523	6,911,511	6,408,498
Total deferred outflows of resources	25,652,573	13,728,156	39,380,729	7,645,635
Net Position				
Net investment in capital assets	274,533,666	765,576,873	1,040,110,539	154,104,941
Restricted for				
Debt service	268,056,701	4,817,180	272,873,881	361,636
Specific projects and programs	9,468,807	-	9,468,807	-
Capital improvements	38,922,807	44,087,186	83,009,993	-
Unrestricted	(77,553,644)	(17,733,223)	(95,286,867)	62,536,939
Total net position	\$ 513,428,338	\$ 796,748,016	\$ 1,310,176,354	\$ 217,003,516

City of Fargo, North Dakota
Statement of Activities
Year Ended December 31, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Unit
					Governmental Activities	Business-Type Activities	Total	Municipal Airport Authority
Primary Government								
Governmental activities								
General government	\$ 33,179,930	\$ 3,849,363	\$ 3,168,673	\$ 137,088	\$ (26,024,806)	\$ -	\$ (26,024,806)	\$ -
Public safety	55,090,458	9,264,950	1,344,778	246,364	(44,234,366)	-	(44,234,366)	-
Public works	122,176,933	9,372,651	-	121,385,569	8,581,287	-	8,581,287	-
Public health and welfare	16,265,983	3,268,334	7,106,084	-	(5,891,565)	-	(5,891,565)	-
Recreation and culture	10,941,726	147,652	121,301	135,873	(10,536,900)	-	(10,536,900)	-
Urban redevelopment	6,818,996	721,879	531,506	-	(5,565,611)	-	(5,565,611)	-
Public transportation	3,781,906	2,534,336	-	203,497	(1,044,073)	-	(1,044,073)	-
Economic development	492,626	-	-	-	(492,626)	-	(492,626)	-
General support	1,825,812	-	-	-	(1,825,812)	-	(1,825,812)	-
Interest	15,533,841	-	-	-	(15,533,841)	-	(15,533,841)	-
Total governmental activities	266,108,211	29,159,165	12,272,342	122,108,391	(102,568,313)	-	(102,568,313)	-
Business-type activities								
Water	31,319,312	27,976,392	-	1,087,337	-	(2,255,583)	(2,255,583)	-
Water reclamation	15,651,771	17,625,205	-	-	-	1,973,434	1,973,434	-
Storm sewer	8,860,901	4,715,743	-	-	-	(4,145,158)	(4,145,158)	-
Solid waste	13,448,196	19,170,402	32,283	1,544,875	-	7,299,364	7,299,364	-
FargoDome	14,258,965	10,639,633	-	-	-	(3,619,332)	(3,619,332)	-
Southeast Cass	98,142	188,249	-	-	-	90,107	90,107	-
Vector control	361,690	812,374	-	-	-	450,684	450,684	-
Street lighting	5,433,269	7,550,912	-	-	-	2,117,643	2,117,643	-
Forestry	2,566,774	3,316,328	89,231	-	-	838,785	838,785	-
Transit	15,098,482	3,211,729	4,223,441	5,597,457	-	(2,065,855)	(2,065,855)	-
Civic Memorial Auditorium	353,713	32,925	-	-	-	(320,788)	(320,788)	-
Total business-type activities	107,451,215	95,239,892	4,344,955	8,229,669	-	363,301	363,301	-
Total Primary Government	\$ 373,559,426	\$ 124,399,057	\$ 16,617,297	\$ 130,338,060	(102,568,313)	363,301	(102,205,012)	-
Component Unit								
Municipal Airport Authority	\$ 17,545,511	\$ 12,960,123	\$ -	\$ 21,039,714	-	-	-	16,454,326
General revenues								
Property taxes					43,293,547	-	43,293,547	1,529,539
Sales taxes					69,824,744	-	69,824,744	-
Gross business receipts taxes					9,667,362	-	9,667,362	-
Lodging taxes					3,543,353	-	3,543,353	-
Other taxes					3,209,148	-	3,209,148	-
Unrestricted intergovernmental					9,395,021	-	9,395,021	-
Unrestricted investment earnings					10,706,118	3,952,868	14,658,986	3,184,939
Miscellaneous					1,380,242	1,984,771	3,365,013	224,379
Transfers					(18,714,079)	18,714,079	-	-
Total general revenue and transfers					132,305,456	24,651,718	156,957,174	4,938,857
Change in net position					29,737,143	25,015,019	54,752,162	21,393,183
Net position - beginning, as previously reported					488,400,090	772,715,060	1,261,115,150	195,610,333
Adjustments (Note 15)					(4,708,895)	(982,063)	(5,690,958)	-
Net position - beginning, as adjusted					483,691,195	771,732,997	1,255,424,192	195,610,333
Net position - ending					\$ 513,428,338	\$ 796,748,016	\$ 1,310,176,354	\$ 217,003,516

City of Fargo, North Dakota

Balance Sheet

Governmental Funds

December 31, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Cash	\$ 117,814	\$ -	\$ -	\$ -	\$ 117,814
Investments	-	1,248,754	-	-	1,248,754
Equity in pooled investments	23,672,189	73,284,983	41,547,886	4,169,110	142,674,168
Receivables (net of allowance for uncollectibles)					
Interest	401,109	354,219	36,401	-	791,729
Taxes	555,999	27,205	-	11,413	594,617
Accounts	5,432,410	67,248	680,523	423,662	6,603,843
Sales tax	-	3,291,862	9,875,586	-	13,167,448
Special assessments	358,129	530,459,739	273,314	913,333	532,004,515
Intergovernmental	4,544,826	-	6,123,492	184,352	10,852,670
Leases	46,318	-	-	2,559,928	2,606,246
Due from other funds	2,480,676	-	-	-	2,480,676
Loans	-	-	-	2,065,031	2,065,031
Inventories	1,287,729	-	-	-	1,287,729
Prepaid items	2,364,878	-	31,329	56,329	2,452,536
Total assets	\$ 41,262,077	\$ 608,734,010	\$ 58,568,531	\$ 10,383,158	\$ 718,947,776
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ 2,133,458	\$ 54,379	\$ 14,388,286	\$ 509,911	\$ 17,086,034
Retainage payable	-	-	4,576,185	25,000	4,601,185
Advances from other funds	-	-	2,401,920	-	2,401,920
Due to other funds	-	-	-	146,097	146,097
Accrued payroll	3,082,024	-	-	1,685	3,083,709
Special assessments payable	-	-	16,549	894,519	911,068
Unearned revenue	549	-	19,089	554,514	574,152
Deposits	309,796	-	292,020	-	601,816
Total liabilities	5,525,827	54,379	21,694,049	2,131,726	29,405,981
Deferred Inflows of Resources					
Unavailable revenue	4,102,832	511,805,156	2,482,631	2,436,146	520,826,765
Lease related	44,865	-	-	2,398,123	2,442,988
Total deferred inflows of resources	4,147,697	511,805,156	2,482,631	4,834,269	523,269,753
Fund Balance (Deficit)					
Nonspendable	3,652,607	-	31,329	56,329	3,740,265
Restricted	3,389,700	96,874,475	34,360,522	3,604,450	138,229,147
Committed	1,000,016	-	-	-	1,000,016
Assigned	478,357	-	-	-	478,357
Unassigned	23,067,873	-	-	(243,616)	22,824,257
Total fund balance (deficit)	31,588,553	96,874,475	34,391,851	3,417,163	166,272,042
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,262,077	\$ 608,734,010	\$ 58,568,531	\$ 10,383,158	\$ 718,947,776

City of Fargo, North Dakota
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
December 31, 2024

Total Fund Balances - Governmental Funds	\$ 166,272,042
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	714,500,527
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	520,826,765
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds	4,797,003
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(892,967,999)</u>
Net Position of Governmental Activities	<u><u>\$ 513,428,338</u></u>

City of Fargo, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2024

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$ 52,974,260	\$ 19,606,091	\$ 52,368,558	\$ 4,450,633	\$ 129,399,542
Special assessments	108,740	47,716,582	328,357	899,932	49,053,611
Licenses and permits	6,623,356	-	-	-	6,623,356
Intergovernmental	23,338,991	6,294,990	32,662,158	3,055,264	65,351,403
Charges for services	16,047,709	-	-	2,182,735	18,230,444
Fines and forfeitures	1,511,741	-	-	54,658	1,566,399
Investment income	7,096,906	3,363,689	156,570	16,186	10,633,351
Miscellaneous	804,172	962,157	199,417	1,091,358	3,057,104
Total revenues	108,505,875	77,943,509	85,715,060	11,750,766	283,915,210
Expenditures					
Current					
General government	26,221,151	-	2,925,850	233,530	29,380,531
Public safety	50,599,429	-	554,397	457,929	51,611,755
Public works	14,307,343	17,891	84,782,324	918,630	100,026,188
Public health and welfare	15,407,982	-	86,576	375,296	15,869,854
Recreation and culture	5,472,209	-	84,796	4,669,600	10,226,605
Urban redevelopment	-	6,354,334	35,270	360,569	6,750,173
Public transportation	-	-	-	1,245,253	1,245,253
Economic development	492,626	-	-	-	492,626
General support	1,376,461	-	-	-	1,376,461
Capital outlay	1,701,394	-	104,413,901	318,863	106,434,158
Debt service					
Principal	924,884	34,434,554	658,430	135,973	36,153,841
Interest and fiscal charges	39,105	23,566,409	3,845,679	8,117	27,459,310
Total expenditures	116,542,584	64,373,188	197,387,223	8,723,760	387,026,755
Excess (Deficiency) of Revenues over (under) Expenditures	(8,036,709)	13,570,321	(111,672,163)	3,027,006	(103,111,545)
Other Financing Sources (Uses)					
Transfers in	13,630,753	4,710,480	37,912,059	1,168,486	57,421,778
Transfers out	(6,264,684)	(18,303,467)	(7,260,216)	(3,666,716)	(35,495,083)
Issuance of bonds	-	5,376,054	78,868,946	-	84,245,000
Premium on bond issuance	-	-	5,667,711	-	5,667,711
Issuance of notes payable	-	6,083,885	4,190,764	-	10,274,649
Issuance of financed purchases	14,889	-	-	-	14,889
Issuance of leases	269,993	-	-	-	269,993
Issuance of SBITAs	1,212,350	-	392,986	194,961	1,800,297
Sale of capital assets	84,917	-	-	1,524	86,441
Total other financing sources (uses)	8,948,218	(2,133,048)	119,772,250	(2,301,745)	124,285,675
Net Change in Fund Balance	911,509	11,437,273	8,100,087	725,261	21,174,130
Fund Balance, Beginning of Year	30,677,044	85,437,202	26,291,764	2,691,902	145,097,912
Fund Balance, End of Year	\$ 31,588,553	\$ 96,874,475	\$ 34,391,851	\$ 3,417,163	\$ 166,272,042

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 21,174,130
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.	38,527,321
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	30,234,075
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.	(865,842)
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.	(81,086)
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.	(1,376,008)
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.	(332,661)
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.	(57,542,786)
Change in Net Position of Governmental Activities	<u>\$ 29,737,143</u>

City of Fargo, North Dakota

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2024

	Original Budget	Final Budget	Actual Amounts	Variance With Final Budget
Revenues				
Taxes	\$ 55,464,617	\$ 55,546,613	\$ 52,974,260	\$ (2,572,353)
Special assessments	140,000	140,000	108,740	(31,260)
Licenses and permits	6,857,400	6,857,400	6,623,356	(234,044)
Intergovernmental	21,466,194	23,945,771	23,338,991	(606,780)
Charges for services	16,189,350	16,972,562	16,047,709	(924,853)
Fines and forfeitures	1,551,000	1,551,000	1,511,741	(39,259)
Investment income	3,950,000	3,950,000	7,096,906	3,146,906
Miscellaneous	1,128,195	1,143,149	804,172	(338,977)
Total revenues	<u>106,746,756</u>	<u>110,106,495</u>	<u>108,505,875</u>	<u>(1,600,620)</u>
Expenditures				
Current				
General government	25,979,836	27,794,028	26,221,151	1,572,877
Public safety	50,711,283	51,362,982	50,599,429	763,553
Public works	15,893,766	15,686,391	14,307,343	1,379,048
Public health and welfare	15,776,596	16,223,589	15,407,982	815,607
Recreation and culture	5,502,657	5,551,439	5,472,209	79,230
Economic development	507,500	507,500	492,626	14,874
General support	1,543,468	1,506,968	1,376,461	130,507
Capital outlay	232,365	470,111	1,701,394	(1,231,283)
Debt service				
Principal	-	-	924,884	(924,884)
Interest and fiscal charges	-	-	39,105	(39,105)
Total expenditures	<u>116,147,471</u>	<u>119,103,008</u>	<u>116,542,584</u>	<u>2,560,424</u>
Deficiency of Revenues under Expenditures	(9,400,715)	(8,996,513)	(8,036,709)	959,804
Other Financing Sources (Uses)				
Transfers in	13,023,482	13,749,237	13,630,753	(118,484)
Transfers out	(3,622,767)	(5,798,359)	(6,264,684)	(466,325)
Issuance of financed purchases	-	-	14,889	14,889
Issuance of leases	-	-	269,993	269,993
Issuance of SBITAs	-	-	1,212,350	1,212,350
Sale of capital assets	-	-	84,917	84,917
Total other financing sources (uses)	<u>9,400,715</u>	<u>7,950,878</u>	<u>8,948,218</u>	<u>997,340</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (1,045,635)</u>	911,509	<u>\$ 1,957,144</u>
Fund Balance, Beginning of Year			30,677,044	
Fund Balance, End of Year			<u>\$ 31,588,553</u>	

City of Fargo, North Dakota

Statement of Net Position

Proprietary Funds

December 31, 2024

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Assets							
Current Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 700	\$ 8,072,977	\$ 600	\$ 8,074,277
Equity in pooled investments	-	-	-	-	381,642	1,898,481	2,280,123
Receivables (net of allowance for uncollectibles):							
Interest	-	-	-	-	23,137	-	23,137
Accounts	2,052,411	1,708,979	494,738	1,446,467	829,564	1,731,459	8,263,618
Special assessments	104,000	-	-	-	-	87,472	191,472
Intergovernmental	40,354	-	-	-	-	230,095	270,449
Leases	-	-	-	-	4,272,617	-	4,272,617
Due from other funds	-	3,280,999	3,310,577	1,242,425	-	-	7,834,001
Advances to other funds	1,129,626	1,272,294	-	-	-	-	2,401,920
Inventories	1,185,373	-	-	-	105,400	1,137,633	2,428,406
Prepaid items	91,561	28,239	6,716	85,841	128,626	153,587	494,570
Restricted assets							
Equity in pooled investments	5,156,900	-	-	104,180	-	-	5,261,080
Total current assets	9,760,225	6,290,511	3,812,031	2,879,613	13,813,963	5,239,327	41,795,670
Noncurrent Assets							
Restricted assets							
Investments	-	-	-	-	44,087,186	-	44,087,186
Capital assets							
Land	5,591,951	571,620	29,412,568	2,213,675	-	-	37,789,814
Construction in progress	35,078,871	140,782,869	3,151,389	5,256,394	79,649	-	184,349,172
Intangible right of way easements	-	289,090	130,946	-	-	-	420,036
Intangible water rights	500,000	-	-	-	-	-	500,000
Buildings	217,876,487	60,929,919	-	5,979,854	60,897,249	24,486,176	370,169,685
Improvements other than buildings	2,240,076	2,257,400	3,666,619	37,665,224	6,191,282	39,438	52,060,039
Machinery and equipment	14,618,784	21,517,830	9,397,866	23,635,869	28,092,691	22,792,213	120,055,253
Infrastructure	196,703,126	186,049,698	329,497,113	632,666	-	55,762,510	768,645,113
Right-of-use leased assets	496,288	7,639	-	18,983	-	150,652	673,562
Subscription-based IT assets	17,157	-	-	36,030	-	664,242	717,429
Less accumulated depreciation/amortization	(112,073,118)	(103,346,732)	(105,230,930)	(32,022,785)	(72,668,170)	(56,240,125)	(481,581,860)
Total capital assets, net of accumulated depreciation/amortization	361,049,622	309,059,333	270,025,571	43,415,910	22,592,701	47,655,106	1,053,798,243
Total noncurrent assets	361,049,622	309,059,333	270,025,571	43,415,910	66,679,887	47,655,106	1,097,885,429
Total assets	370,809,847	315,349,844	273,837,602	46,295,523	80,493,850	52,894,433	1,139,681,099

City of Fargo, North Dakota
Statement of Net Position
Proprietary Funds
December 31, 2024

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Outflows of Resources							
Other postemployment benefits	43,069	20,699	9,149	30,200	27,503	36,305	166,925
Pension plans	1,806,724	852,537	446,866	1,505,647	1,068,807	1,418,002	7,098,583
Total deferred outflows of resources	1,849,793	873,236	456,015	1,535,847	1,096,310	1,454,307	7,265,508
Liabilities							
Current Liabilities							
Vouchers payable	1,486,795	952,082	13,803	518,497	2,039,542	908,653	5,919,372
Retainage payable	381,833	6,000,000	-	239,334	-	-	6,621,167
Due to other funds	6,148,448	-	-	-	-	4,020,132	10,168,580
Accrued payroll	163,205	78,827	12,913	129,075	87,130	141,271	612,421
Accrued interest payable	133,720	787,545	131,562	230,310	81,743	9,604	1,374,484
Current portion of bonds and notes payable	710,000	-	-	843,990	830,000	-	2,383,990
Current portion of special assessments payable	43,693	72,410	166,726	210,554	69,624	1,649	564,656
Current portion of financed purchases payable	-	120,307	79,566	759,076	-	10,588	969,537
Current portion of leases payable	122,464	319	-	2,329	-	35,693	160,805
Current portion of SBITAs payable	4,242	-	-	8,910	-	131,779	144,931
Current portion of compensated absences	514,124	279,867	55,685	390,761	237,658	384,588	1,862,683
Unearned revenue	-	-	-	-	837,937	124,067	962,004
Deposits payable	6	-	-	-	16,836	-	16,842
Current liabilities payable from restricted assets							
Current portion of long-term debt	2,620,000	-	-	84,380	-	-	2,704,380
Accrued interest payable	424,100	-	-	19,800	-	-	443,900
Total current liabilities	12,752,630	8,291,357	460,255	3,437,016	4,200,470	5,768,024	34,909,752
Noncurrent Liabilities							
Landfill closure costs	-	-	-	6,456,043	-	-	6,456,043
Long-term debt, net of current portion							
Special assessments payable	770,642	804,539	2,425,524	3,428,250	1,266,209	561	8,695,725
Financed purchases payable	-	214,286	172,089	929,935	-	48,968	1,365,278
Bonds payable	-	-	-	1,061,973	-	-	1,061,973
Annual appropriation bond	-	-	-	-	1,740,000	-	1,740,000
Notes payable	104,742,662	150,058,630	-	6,599,130	-	-	261,400,422
Leases payable	10,235	6,276	-	-	-	2,736	19,247
SBITAs payable	4,727	-	-	9,925	-	374,607	389,259
Compensated absences	203,087	157,679	34,420	52,474	127,007	73,937	648,604
Net OPEB liability	199,124	95,493	36,817	151,473	113,417	167,492	763,816
Net pension liability	5,075,467	2,400,187	970,440	4,338,857	2,037,030	4,198,335	19,020,316
Total noncurrent liabilities	111,005,944	153,737,090	3,639,290	23,028,060	5,283,663	4,866,636	301,560,683
Total liabilities	123,758,574	162,028,447	4,099,545	26,465,076	9,484,133	10,634,660	336,470,435

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, 2024

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Deferred Inflows of Resources							
Other postemployment benefits	31,029	15,580	5,539	23,312	16,663	27,894	120,017
Pension plans	2,295,421	1,185,226	509,481	1,662,474	1,386,484	2,100,530	9,139,616
Lease related	-	-	-	-	4,468,523	-	4,468,523
Total deferred inflows resources	2,326,450	1,200,806	515,020	1,685,786	5,871,670	2,128,424	13,728,156
Net Position							
Net investment in capital assets	251,639,124	151,782,566	267,181,666	29,238,124	18,686,868	47,048,525	765,576,873
Restricted for:							
Debt service	4,732,800	-	-	84,380	-	-	4,817,180
Capital improvement	-	-	-	-	44,087,186	-	44,087,186
Unrestricted	(9,797,308)	1,211,261	2,497,386	(9,641,996)	3,460,303	(5,462,869)	(17,733,223)
Total net position	<u>\$ 246,574,616</u>	<u>\$ 152,993,827</u>	<u>\$ 269,679,052</u>	<u>\$ 19,680,508</u>	<u>\$ 66,234,357</u>	<u>\$ 41,585,656</u>	<u>\$ 796,748,016</u>

City of Fargo, North Dakota
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2024

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Revenues							
Charges for services	\$ 27,976,392	\$ 17,625,205	\$ 4,715,743	\$ 19,170,402	\$ 10,639,633	\$ 15,112,517	\$ 95,239,892
Operating Expenses							
Personnel services	6,178,452	2,749,991	645,983	5,101,946	2,776,136	5,391,982	22,844,490
Other services	5,096,855	2,998,882	414,810	2,670,166	6,068,175	9,435,095	26,683,983
Materials and supplies	9,038,096	237,365	261,417	2,112,885	2,362,369	4,575,625	18,587,757
Depreciation/amortization	8,550,333	6,644,206	7,402,039	3,105,455	2,786,511	4,321,162	32,809,706
Total operating expenses	28,863,736	12,630,444	8,724,249	12,990,452	13,993,191	23,723,864	100,925,936
Operating Income (Loss)	(887,344)	4,994,761	(4,008,506)	6,179,950	(3,353,558)	(8,611,347)	(5,686,044)
Nonoperating Revenues (Expenses)							
(Loss) Gain on disposal of assets	(32,138)	(47,282)	239,139	10,611	(31,390)	(5,792)	133,148
Investment income	20,538	22,404	-	-	3,909,926	-	3,952,868
Interest expense and bond fees	(2,423,438)	(2,974,045)	(136,652)	(457,744)	(185,856)	(160,040)	(6,337,775)
Intergovernmental operating grants	-	-	-	32,283	-	4,312,672	4,344,955
Intergovernmental capital grants	40,354	-	-	42,875	-	5,597,457	5,680,686
Miscellaneous revenue (expense)	1,452	-	-	-	(48,528)	56,377	9,301
Sale of byproducts	-	1,498,357	-	156,461	-	-	1,654,818
Total nonoperating revenues (expenses)	(2,393,232)	(1,500,566)	102,487	(215,514)	3,644,152	9,800,674	9,438,001
Income (Loss) before Contributions and Transfers	(3,280,576)	3,494,195	(3,906,019)	5,964,436	290,594	1,189,327	3,751,957
Transfers in	5,595,304	-	-	-	-	3,174,446	8,769,750
Transfers out	(5,610,004)	(10,488,392)	(3,305,189)	(3,866,653)	-	(7,426,207)	(30,696,445)
Capital contributions from governmental funds	10,365,417	6,828,636	20,092,823	1,109	-	3,352,789	40,640,774
Capital contributions from other governments	1,046,983	-	-	1,502,000	-	-	2,548,983
Change in Net Position	8,117,124	(165,561)	12,881,615	3,600,892	290,594	290,355	25,015,019
Total Net Position, Beginning of Year, as previously reported	238,707,133	153,356,506	256,833,644	16,231,221	66,079,567	41,506,989	772,715,060
Adjustments (Note 15)	(249,641)	(197,118)	(36,207)	(151,605)	(135,804)	(211,688)	(982,063)
Total Net Position, Beginning of Year, as restated	238,457,492	153,159,388	256,797,437	16,079,616	65,943,763	41,295,301	771,732,997
Total Net Position, End of Year	\$ 246,574,616	\$ 152,993,827	\$ 269,679,052	\$ 19,680,508	\$ 66,234,357	\$ 41,585,656	\$ 796,748,016

City of Fargo, North Dakota

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	Water	Water Reclamation	Storm Sewer	Solid Waste	FargoDome	Nonmajor Funds	Total
Operating Activities							
Receipts from customers and users	\$ 28,006,952	\$ 17,652,639	\$ 4,695,537	\$ 19,310,716	\$ 8,924,440	\$ 14,924,143	\$ 93,514,427
Payments to suppliers	(15,915,519)	(3,392,877)	(684,412)	(4,775,185)	(7,172,179)	(14,018,379)	(45,958,551)
Payments to and on behalf of employees	(5,999,678)	(2,656,794)	(650,506)	(5,063,409)	(2,693,639)	(5,341,583)	(22,405,609)
Net Cash from (Used for) Operating Activities	6,091,755	11,602,968	3,360,619	9,472,122	(941,378)	(4,435,819)	25,150,267
Noncapital Financing Activities							
Transfers to other funds	(5,609,133)	(10,488,392)	(3,305,189)	(3,866,653)	-	(7,426,207)	(30,695,574)
Transfers from other funds	5,595,304	-	-	-	-	3,173,575	8,768,879
Intergovernmental operating grants	404,027	-	-	146,504	-	7,854,914	8,405,445
Payments received on interfund borrowing	3,815,801	3,980,154	-	-	-	2,208,649	10,004,604
Payments made for interfund borrowing	-	-	(2,754,880)	(3,441,867)	(763,349)	(709,929)	(7,670,025)
Net Cash from (Used for) Noncapital Financing Activities	4,205,999	(6,508,238)	(6,060,069)	(7,162,016)	(763,349)	5,101,002	(11,186,671)
Capital and Related Financing Activities							
Proceeds from sale of assets	98,292	71	-	31,244	-	56,987	186,594
Proceeds from byproduct sales	-	1,498,357	-	156,461	-	-	1,654,818
Payments received on advances to other funds	133,443	103,968	-	-	-	-	237,411
Miscellaneous capital activities	1,452	-	-	-	(18,859)	56,377	38,970
Long-term debt proceeds	8,369,523	7,136,523	198,922	5,447,853	-	-	21,152,821
Acquisition of capital assets	(11,701,323)	(10,793,124)	-	(5,981,203)	(426,495)	(5,568,593)	(34,470,738)
Debt service							
Principal	(3,423,938)	(834,904)	(331,408)	(1,713,619)	(866,225)	(258,051)	(7,428,145)
Interest	(2,545,839)	(2,942,002)	(143,524)	(483,326)	(193,802)	(152,187)	(6,460,680)
Intergovernmental capital grants	40,354	-	-	42,875	-	5,597,457	5,680,686
Net Cash Used for Capital and Related Financing Activities	(9,028,036)	(5,831,111)	(276,010)	(2,499,715)	(1,505,381)	(268,010)	(19,408,263)
Investing Activities							
Investments redeemed	3,866,644	713,977	2,975,460	293,789	3,420,262	1,501,305	12,771,437
Purchase of investments	(5,156,900)	-	-	(104,180)	(381,642)	(1,898,481)	(7,541,203)
Interest and dividends from investments	20,538	22,404	-	-	243,860	3	286,805
Net Cash from (Used for) Investing Activities	(1,269,718)	736,381	2,975,460	189,609	3,282,480	(397,173)	5,517,039
Change in Cash and Cash Equivalents	-	-	-	-	72,372	-	72,372
Cash and Cash Equivalents, Beginning of Year	-	-	-	700	8,000,605	600	8,001,905
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ 700	\$ 8,072,977	\$ 600	\$ 8,074,277

City of Fargo, North Dakota

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2024

	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)	\$ (887,344)	\$ 4,994,761	\$ (4,008,506)	\$ 6,179,950	\$ (3,353,558)	\$ (8,611,347)	\$ (5,686,044)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities							
Depreciation/amortization	8,550,333	6,644,206	7,402,039	3,105,455	2,786,511	4,321,162	32,809,706
Changes in assets and liabilities							
Accounts receivable	64,945	27,434	(20,206)	140,314	(508,520)	(189,169)	(485,202)
Special assessments receivable	(34,391)	-	-	-	-	(5,861)	(40,252)
Inventories	85,213	-	-	-	(17,590)	77,596	145,219
Prepaid expenses	(15,025)	(4,225)	(1,936)	(4,300)	(8,904)	(102,028)	(136,418)
Pension related deferred outflows	2,137,415	1,010,279	255,919	1,811,738	930,528	1,843,936	7,989,815
OPEB related deferred outflows	49,024	23,465	6,673	37,995	24,319	45,941	187,417
Vouchers payable	(1,504,447)	66,058	(6,249)	(381,952)	1,376,181	16,773	(433,636)
Retainage payable	(346,309)	(218,463)	-	169,777	(91,322)	-	(486,317)
Payroll payable	52,479	27,981	(380)	35,611	28,081	46,308	190,080
Compensated absences	123,406	64,638	(3,271)	4,585	58,216	5,828	253,402
Unearned revenue	-	-	-	-	(1,208,099)	6,656	(1,201,443)
Deposits payable	6	-	-	-	1,426	-	1,432
Landfill closure accruals	-	-	-	224,341	-	-	224,341
Net pension liability	(474,250)	(217,730)	(33,227)	(517,980)	(119,011)	(299,225)	(1,661,423)
Net OPEB liability	(46,689)	(22,348)	(6,355)	(36,185)	(23,161)	(43,753)	(178,491)
Pension related deferred inflows	(1,669,167)	(796,226)	(224,774)	(1,302,308)	(819,727)	(1,554,780)	(6,366,982)
OPEB related deferred inflows	6,556	3,138	892	5,081	3,252	6,144	25,063
Net cash from (used for) operating activities	<u>\$ 6,091,755</u>	<u>\$ 11,602,968</u>	<u>\$ 3,360,619</u>	<u>\$ 9,472,122</u>	<u>\$ (941,378)</u>	<u>\$ (4,435,819)</u>	<u>\$ 25,150,267</u>
Supplemental Schedule of Noncash Investing and Financing Activities							
Acquisition of capital assets through capital contributions and donations	<u>\$ 10,365,417</u>	<u>\$ 6,828,636</u>	<u>\$ 20,092,823</u>	<u>\$ 1,109</u>	<u>\$ -</u>	<u>\$ 3,352,789</u>	<u>\$ 40,640,774</u>
Acquisition of capital assets through debt	<u>\$ -</u>	<u>\$ 48,982</u>	<u>\$ 16,188</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 690,321</u>	<u>\$ 755,491</u>
Transfer of capital assets, net of related debt, (to) from other enterprise funds	<u>\$ (871)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871</u>	<u>\$ -</u>
Forgiveness of state revolving fund loans	<u>\$ 1,046,983</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,502,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,548,983</u>

City of Fargo, North Dakota
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	Pension Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 3,317,231	\$ 21,591,202
Equity in pooled investments	-	280,676,414
Receivables (net of allowance for uncollectibles):		
Interest	83,415	1,120,152
Accounts	5,742	-
Special assessments	-	8,453,737
Intergovernmental	-	34,619,545
Investments, at fair value:		
Mutual funds	142,034,148	-
Exchange-traded products	8,388,144	-
Prepaid items	-	3,443,653
Capital assets		
Construction in progress	-	17,583,109
Total assets	<u>153,828,680</u>	<u>367,487,812</u>
Liabilities		
Vouchers payable	29,186	30,966,255
Retainage payable	-	18,000
Benefits payable	225	-
Deposits payable	-	831,125
Long-term liabilities		
Accrued interest on settlement payable	-	3,202,192
Due in more than one year - note payable	-	19,334,469
Due in more than one year - settlement payable	-	40,000,000
Total liabilities	<u>29,411</u>	<u>94,352,041</u>
Net Position		
Net investment in capital assets	-	17,583,109
Restricted for		
Pension benefits	153,799,269	-
Park District special assessments	-	8,453,736
Metro Flood Diversion Authority	-	246,973,042
Police custodial fund	-	125,884
Total net position	<u>\$ 153,799,269</u>	<u>\$ 273,135,771</u>

City of Fargo, North Dakota
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended December 31, 2024

	Pension Trust Funds	Custodial Funds
Additions		
Contributions		
Employer	\$ 4,348,160	\$ -
Employee	1,956,263	-
Total contributions	6,304,423	-
Investment income		
Net increase in fair value	16,690,580	12,398,879
Less investment expense	(550,317)	-
Net investment income	16,140,263	12,398,879
Aid from other governments	-	187,836,613
Miscellaneous	-	662,771
Police funds received into custody	-	63,586
Total additions	22,444,686	200,961,849
Deductions		
Pension benefit payments	10,461,952	-
Member contribution refunds	519,349	-
Administrative expenses	126,432	-
Payments of special assessments to other governments	-	471,684
Payments for public protection	-	148,821,397
Payments for dispatch center	-	2,638,845
Police funds released from custody	-	197,448
Interest expense	-	802,192
Total deductions	11,107,733	152,931,566
Change in Net Position	11,336,953	48,030,283
Net Position, Beginning	142,462,316	225,105,488
Net Position, Ending	\$ 153,799,269	\$ 273,135,771

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. For the Red River Diversion Authority fund, the City considers intergovernmental 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. As of January 1, 2024, Cass County began serving as Fiscal Agent for the Red River Regional Dispatch Center and, accordingly, all assets of the Red River Regional Dispatch Center were transferred from the City to Cass County on that date.

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 2024 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.

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 place the lease asset into service. Right-of-use lease assets are amortized over the shorter of the lease term or useful life 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

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – annual leave and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Annual Leave

Full-time regular (40), contract (40) and temporary (40) employees will earn annual leave, at a specified rate based on actual hours worked and/or paid leave hours up to 80 hours per pay period. Full-time regular (30-39), contract (30-39) and part-time regular (20-29) employees will earn annual leave on a pro-rated basis based on actual hours worked and/or paid leave hours up to 80 hours per pay period. Fire suppression employees, because of their schedules and work hours, earn annual leave which includes holidays.

Employees may accrue annual leave up to 320 hours as of December 31st, which may be carried over to the next fiscal year. The annual leave balance, including all hours accrued by the end of the 26th pay period, or the last pay period of the year, minus any annual leave hours used on or before December 31 determines the year-end annual leave accrual. Any hours over 320 will be forfeited. Fire suppression employees may accrue annual leave up to 576 hours which may be carried over to the next fiscal year. Any accumulated hours in excess of these amounts shall be forfeited. Upon termination, annual leave accruals will be paid in one lump sum on the final check for the pay period in which employment ended. The entire accrued balance will be paid at the employee's base rate of pay as of their last day of work.

The entire portion of annual leave 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.

Sick Leave

Full-time regular (40), contract (40) and temporary (40) employees will earn sick leave at a specified rate based on actual hours worked and/or paid leave hours up to 80 hours per pay period. Full-time regular (30-39), contract (30-39) and part-time regular (20-29) employees will earn leave on a pro-rated basis based on actual hours worked and/or paid leave hours up to 80 hours per pay period. Fire suppression employees accrue sick leave at a rate of 11.2 hours per calendar month of full-time service. Fire suppression full-time temporary (30-39) and part-time temporary employees will earn sick leave based on hours worked the previous service year.

Employees are permitted to accrue sick leave up to a maximum of 960 hours. Fire suppression employees may accrue sick leave up to a maximum of 1,344 hours. At the end of each calendar year or at the time of termination, 44.4% of the accrued sick leave in excess of the maximum accrual will be paid at the employee's hourly pay rate.

All sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists other than for amounts in excess of the maximum accrual as previously described. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

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. 101

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of the implementation of this standard on beginning net position is disclosed in Note 15.

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	\$ 675,270,000
Notes payable	64,289,134
Unamortized premium	37,560,236
Financed purchases payable	262,635
Leases payable	8,897,508
Subscription-based IT agreements payable	1,912,526
Compensated absences	10,691,276
Accrued interest	4,274,792
OPEB liability	1,969,389
Net pension liability	<u>87,840,503</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 892,967,999</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	\$ 106,434,158	
Plus: assets transferred in from enterprise funds	50,714	
Plus: assets reclassified	2,238,138	
Plus: donated/contributed assets	203,497	
Plus: value of asset trades	53,000	
Plus: prior year construction in progress added as asset in current year	<u>3,483,855</u>	
Capital asset increases per Note 6		\$ 112,463,362
Less: assets transferred out to enterprise funds	(40,974,179)	
Less: assets disposed	(9,993,104)	
Less: prior year construction in progress added as asset in current year	<u>(3,483,855)</u>	
Capital asset decreases per Note 6		(54,451,138)
Depreciation/amortization expense	(27,043,220)	
Plus: accumulated depreciation on assets transferred in from enterprise funds	<u>(50,714)</u>	
Accumulated depreciation/amortization increases per Note 6		(27,093,934)
Less: accumulated depreciation on assets transferred out to enterprise fund	333,405	
Less: accumulated depreciation/amortization on assets disposed	<u>7,275,626</u>	
Accumulated depreciation/amortization decreases per Note 6		<u>7,609,031</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>\$ 38,527,321</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	\$ (84,245,000)
Principal payments on bonded debt	27,868,000
Issuance of notes payable	(10,274,649)
Principal payments on notes payable	6,541,137
Forgiveness of notes payable	68,200
Premium on bonded debt issued	(5,667,711)
Amortization of premium on bonded debt	8,496,966
Issuance of financed purchases payable	(14,889)
Principal payments on financed purchases payable	447,398
Issuance of leases payable	(269,993)
Principal payments on leases payable	522,542
Termination of lease agreement	10,746
Issuance of SBITAs	(1,800,297)
Principal payments on SBITAs	774,764
Net adjustment to net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (57,542,786)</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 City Commission. Supplemental appropriations granted for the 2024 year include \$278,812 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 \$478,357 for the year ended December 31, 2024.

Expenditures in Excess of Appropriation

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

Special Revenue Funds	
City Share of Specials	\$ 82,430
Convention and Visitors Bureau	531,178
Court Forfeits	113,891
Downtown Business Improvement District	6,687
NRI Loan Program	2,818
Parking Authority	133,669
Debt Service Fund	6,372,805

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, 2024:

Governmental Funds	
Nonmajor Funds	
City Share of Specials	\$ 140,884
Baseball Stadium	97,219
Proprietary Funds	
Nonmajor Funds	
Forestry	943,557

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	\$ 137,405,976	\$ 223,059,022
Capital Assets, net of accumulated depreciation/amortization	577,094,551	830,739,221
Retainage payable	(4,601,185)	(6,621,167)
Non-current liabilities due in one year	(49,472,207)	(8,790,982)
Non-current liabilities due in more than one year	(749,411,108)	(281,776,551)
Less:		
Non-current liabilities not related to capital activity	352,826,363	-
Accrued compensated absences	10,691,276	2,511,287
Post closure liability	-	6,456,043
	<u>\$ 274,533,666</u>	<u>\$ 765,576,873</u>

Net Position Restricted by Enabling Legislation

The government-wide statement of net position reports \$365,352,681 of restricted net position, of which \$58,408,785 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, 2024, the carrying amount of the City's deposits was \$280,232,643 and the bank balance was \$284,277,637. The City's deposits were secured by FDIC coverage of \$279,409,142 and pledged collateral of \$27,989,204. 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, 2024, 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 and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledged to any such direct obligation or guarantee ("Direct Obligations").
- Debt securities issued by government sponsored enterprises ("GSE"), federal agencies, and federal financing banks
- Direct obligations of the state of North Dakota or any subdivision or agency thereof those unsecured, and uninsured is rated, at the time of purchase, "A3" or better by Moody's Investors Services and "A-" or better by Standard & Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose uninsured and unguaranteed general obligation debt is rated, at the time of purchase, "A3" or better by Moody's Investors Service and "A-" or better by Standard & Poor's Corporation.
- Commercial paper rated, at the time of purchase, "P-1" by Moody's Investor's Services and "A-1" or better by Standard & Poor's Corporation.
- Bankers' acceptances issued by a domestic bank or a branch office of a foreign bank which branch office is located in the United States.
- Negotiable certificates of deposit issued by a nationally-chartered or state-chartered bank or a savings association or federal association, a state or federal credit union, or by a state-licensed branch of a foreign bank.
- Certificates of deposit and time deposits issued or endorsed by a domestic bank, or a savings and loan association, organized and supervised under the laws of the United States and denominated in US dollars; provided, however, that deposits are fully insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC").
- Obligations or notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a minimum long term debt ratings, at the time or purchase, of "A3" by Moody's and "A-" by Standard & Poor's Corporation.
- Investments in money-market funds rated "AAAm" by Standard & Poor's Corporation.
- Repurchase agreements that are collateralized only by direct obligations of the U.S. government, or of Government National Mortgage Association ("GNMA"), The Federal National Mortgage Association ("FNMA", "Fannie Mae"), The Federal Home Loan Mortgage Corporation ("FHLMC", "Freddie Mac"), Federal Farm Credit Bank ("FFCB"), or Federal Home Loan Banks ("FHLB").

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. The City does not have any policies to manage credit risk beyond those previously described in the investment policy section of this note. 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	\$ 6,685,253	\$ -	\$ 6,575	\$ 6,678,678	\$ -	\$ -
Corporate Bonds	AA2	436,606	-	-	436,606	-	-
Corporate Bonds	AA3	3,968,867	-	433,512	3,535,355	-	-
Corporate Bonds	A1	5,651,272	-	423,517	5,227,755	-	-
Corporate Bonds	A2	4,586,394	-	679,632	3,906,762	-	-
Corporate Bonds	A3	786,197	-	194,132	592,065	-	-
Money Market Funds	AAA	3,931,645	3,931,645	-	-	-	-
Money Market Funds	N/A	56,175,631	56,175,631	-	-	-	-
Municipal Bond	AA3	394,276	-	394,276	-	-	-
U.S. Agencies	AAA	18,759,862	-	8,928,757	7,855,290	1,430,956	544,859
U.S. Treasury Note	AAA	83,632,417	-	10,982,013	72,650,404	-	-
Bond Mutual Funds	N/A	142,034,148	92,678,263	-	9,387,112	30,482,491	9,486,282
Equity Exchange Traded Funds	N/A	8,388,144	-	-	8,388,144	-	-
External Investment Pool*	N/A	44,087,186	44,087,186	-	-	-	-
		<u>\$ 379,517,898</u>	<u>\$ 196,872,725</u>	<u>\$ 22,042,414</u>	<u>\$ 118,658,171</u>	<u>\$ 31,913,447</u>	<u>\$ 10,031,141</u>

* The weighted average maturity of the portion of the external investment pool subject to maturity is 1.01 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 “AAA” 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 percent of the portfolio at the time of purchase. None of the established limits were exceeded as of December 31, 2024.

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, 2024:

	Total	Level 1	Level 2	Level 3
Primary Government				
Pooled Investments				
U.S. Government and Agency Securities	\$ 102,392,279	\$ 102,392,279	\$ -	\$ -
Money Market Mutual Funds	60,107,276	60,107,276	-	-
Corporate Bonds	22,114,589	-	22,114,589	-
Municipal Bonds	394,276	-	394,276	-
	<u>\$ 185,008,420</u>	<u>\$ 162,499,555</u>	<u>\$ 22,508,865</u>	<u>\$ -</u>
Pension Investments				
Bond Mutual Funds	\$ 142,034,148	\$ -	\$ 142,034,148	\$ -
Equity Exchange Traded Funds	8,388,144	-	8,388,144	-
	<u>\$ 150,422,292</u>	<u>\$ -</u>	<u>\$ 150,422,292</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	\$ 8,192,091
Statement of fiduciary net position	24,908,433
Investments	
Statement of net position	1,248,754
Statement of fiduciary net position	150,422,292
Equity in pooled investments	
Statement of net position	144,954,291
Statement of fiduciary net position	280,676,414
Restricted equity in pooled investments	
Statement of net position	5,261,080
Restricted investments	
Statement of net position	44,087,186
	<u>\$ 659,750,541</u>
	<u><u>\$ 659,750,541</u></u>
Deposits	\$ 280,232,643
Investments	379,517,898
	<u>\$ 659,750,541</u>
	<u><u>\$ 659,750,541</u></u>

Note 5 - Loans Receivable

Loans receivable as of December 31, 2024, were as follows:

Loan Program	Interest Rate	Maturity Date	Amount
Community Development	0%	Non-Repayment	\$ 125,295
Neighborhood Revitalization Initiative (NRI)	3%	Due upon Sale	7,000
HUD HOME	0%	August 2040	1,213,517
HUD HOME	0%	Non-Repayment	429,219
HUD HOME	0%	Due upon Sale	290,000
			<u>\$ 2,065,031</u>
			<u><u>\$ 2,065,031</u></u>

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

Of these loans, \$554,514 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, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 110,660,110	\$ 1,328,437	\$ 2,374,154	\$ 109,614,393
Intangible right-of-way easements	12,579,840	2,660,420	83,654	15,156,606
Construction in progress	3,483,855	12,634,977	3,483,855	12,634,977
Total capital assets, not being depreciated/amortized	126,723,805	16,623,834	5,941,663	137,405,976
Capital assets, being depreciated				
Buildings	136,538,334	19,260,262	614,372	155,184,224
Improvements other than buildings	9,520,835	131,271	189,309	9,462,797
Machinery and equipment	58,705,407	3,718,511	4,345,666	58,078,252
Infrastructure	537,291,352	70,625,313	43,171,483	564,745,182
Flood control	100,958,077	33,880	-	100,991,957
Total capital assets, being depreciated	843,014,005	93,769,237	48,320,830	888,462,412
Less accumulated depreciation for				
Buildings	37,991,899	4,916,165	508,939	42,399,125
Improvements other than buildings	2,835,529	561,378	126,524	3,270,383
Machinery and equipment	42,640,801	4,304,152	4,264,841	42,680,112
Infrastructure	214,291,221	14,646,225	2,530,688	226,406,758
Flood control	6,582,322	1,008,157	-	7,590,479
Total accumulated depreciation	304,341,772	25,436,077	7,430,992	322,346,857
Total capital assets, being depreciated, net	538,672,233	68,333,160	40,889,838	566,115,555
Right-of-use leased assets, being amortized				
Buildings	1,217,499	269,993	-	1,487,492
Improvements other than buildings	8,648,565	-	-	8,648,565
Equipment	260,402	-	21,345	239,057
Total right-of-use leased assets, being amortized	10,126,466	269,993	21,345	10,375,114
Less accumulated amortization for				
Buildings	455,946	229,660	-	685,606
Improvements other than buildings	755,975	377,988	-	1,133,963
Equipment	57,358	47,605	10,739	94,224
Total accumulated amortization	1,269,279	655,253	10,739	1,913,793
Total right-of-use leased assets, being amortized, net	8,857,187	(385,260)	10,606	8,461,321
Subscription-based IT assets, being amortized	2,310,349	1,800,298	167,300	3,943,347
Less accumulated amortization	590,368	1,002,604	167,300	1,425,672
Total subscription-based IT assets, being amortized, net	1,719,981	797,694	-	2,517,675
Governmental Activities Capital Assets, Net	\$ 675,973,206	\$ 85,369,428	\$ 46,842,107	\$ 714,500,527

Accumulated depreciation increases include \$50,714 of accumulated depreciation on assets transferred from the business-type activities.

Business-type activities capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital assets, not being depreciated/amortized				
Land	\$ 37,482,124	\$ 339,422	\$ 31,732	\$ 37,789,814
Intangible right-of-way easements	420,036	-	-	420,036
Intangible water rights	500,000	-	-	500,000
Construction in progress	157,827,442	31,578,388	5,056,658	184,349,172
Total capital assets, not being depreciated/amortized	196,229,602	31,917,810	5,088,390	223,059,022
Capital assets, being depreciated				
Buildings	370,442,786	-	273,101	370,169,685
Improvements other than buildings	52,251,264	100,328	291,553	52,060,039
Machinery and equipment	116,194,469	9,430,375	5,569,591	120,055,253
Infrastructure	732,792,806	38,880,451	3,028,144	768,645,113
Total capital assets, being depreciated	1,271,681,325	48,411,154	9,162,389	1,310,930,090
Less accumulated depreciation for				
Buildings	126,590,531	7,991,947	239,262	134,343,216
Improvements other than buildings	20,853,253	1,926,639	226,470	22,553,422
Machinery and equipment	85,825,589	7,082,135	5,378,350	87,529,374
Infrastructure	224,270,829	15,550,536	3,294,836	236,526,529
Total accumulated depreciation	457,540,202	32,551,257	9,138,918	480,952,541
Total capital assets, being depreciated, net	814,141,123	15,859,897	23,471	829,977,549
Right-of-use leased assets, being amortized				
Buildings	629,016	-	-	629,016
Improvements other than buildings	7,639	-	-	7,639
Equipment	44,360	-	7,453	36,907
Total right-of-use leased assets, being amortized	681,015	-	7,453	673,562
Less accumulated amortization for				
Buildings	308,090	154,045	-	462,135
Improvements other than buildings	729	363	-	1,092
Equipment	26,999	11,605	7,453	31,151
Total accumulated amortization	335,818	166,013	7,453	494,378
Total right-of-use leased assets, being amortized, net	345,197	(166,013)	-	179,184
Subscription-based IT assets, being amortized	359,330	615,765	257,667	717,428
Less accumulated amortization	48,847	113,504	27,411	134,940
Total subscription-based IT assets, being amortized, net	310,483	502,261	230,256	582,488
Business-Type Activities Capital Assets, Net	\$ 1,011,026,405	\$ 48,113,955	\$ 5,342,117	\$ 1,053,798,243

Accumulated depreciation increases include \$21,068 of accumulated depreciation on assets transferred from the governmental activities.

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

Governmental activities	
General government	\$ 2,870,242
Public safety	2,511,180
Public works	17,953,651
Public health and welfare	490,025
Recreation and culture	625,993
Urban development	70,546
Transportation	2,521,583
	<u>27,043,220</u>
Total depreciation/amortization expense - governmental activities	\$ <u>27,043,220</u>
Business-type activities	
Water	\$ 8,550,333
Water Reclamation	6,644,206
Storm Sewer	7,402,039
Street Lighting	2,260,664
Solid Waste	3,105,455
Forestry	181,848
Transit	1,709,298
Civic Memorial Auditorium	169,352
FargoDome	2,786,511
	<u>32,809,706</u>
Total depreciation/amortization expense - business-type activities	\$ <u>32,809,706</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	\$ 425,837	\$ -	\$ 425,837
Special assessments receivable	513,133,124	-	513,133,124
Grant resources held and grant items receivable	2,551,189	19,638	2,570,827
Loans/contracts/accounts receivable	4,716,615	554,514	5,271,129
	<u>520,826,765</u>	<u>574,152</u>	<u>521,400,917</u>
Total unavailable revenues of governmental funds	\$ <u>520,826,765</u>	\$ <u>574,152</u>	\$ <u>521,400,917</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 \$6,878,863 for the year ended December 31, 2024. Deferred inflows related to these leases were \$6,911,511 as of December 31, 2024. Interest revenue recognized on these leases was \$188,331 for the year ended December 31, 2024. Principal receipts of \$1,537,897 were recognized during the fiscal year. The interest rates on the leases range from 0.310 to 3.511 percent. Final receipt is expected in fiscal year 2043.

The future principal and interest lease receipts as of December 31, 2024, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 187,632	\$ 84,455	\$ 1,175,765	\$ 89,660
2026	146,042	79,598	998,233	66,517
2027	150,929	74,711	720,317	46,558
2028	188,281	69,359	495,332	32,543
2029	109,162	62,678	281,063	21,187
2030-2034	681,736	257,464	601,907	23,092
2035-2039	616,331	148,149	-	-
2040-2043	526,133	31,867	-	-
	<u>\$ 2,606,246</u>	<u>\$ 808,281</u>	<u>\$ 4,272,617</u>	<u>\$ 279,557</u>

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 0.330 to 2.736 percent. 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 \$11,048,676 and \$2,408,171, as of December 31, 2024, respectively. The City recognized amortization expense of \$821,266 and interest expense of \$132,331 related to leases during the year ended December 31, 2024. 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, 2024, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 538,524	\$ 137,492	\$ 160,805	\$ 648
2026	430,054	137,426	13,298	106
2027	426,869	129,589	330	94
2028	417,897	121,805	335	89
2029	422,972	114,343	340	84
2030-2034	1,941,223	469,066	1,784	337
2035-2039	2,157,683	305,232	1,930	191
2040-2044	2,562,286	108,975	1,230	39
	<u>\$ 8,897,508</u>	<u>\$ 1,523,928</u>	<u>\$ 180,052</u>	<u>\$ 1,588</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 3.11%. 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
2025	\$ 649,894	\$ 47,494	\$ 144,931	\$ 13,866
2026	572,619	30,200	137,967	10,051
2027	363,104	16,061	124,776	6,588
2028	274,607	7,608	126,516	3,335
2029	22,847	1,153	-	-
2030-2031	29,455	544	-	-
	<u>\$ 1,912,526</u>	<u>\$ 103,060</u>	<u>\$ 534,190</u>	<u>\$ 33,840</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, 2024:

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
Improvement bonds	\$ 506,650,000	\$ 51,745,000	\$ 20,590,000	\$ 537,805,000	\$ 24,400,000
General obligation bonds	27,255,000	-	1,860,000	25,395,000	1,940,000
Sales tax revenue bonds	50,083,000	-	4,350,000	45,733,000	4,547,000
Taxable annual appropriation bonds	27,235,000	9,545,000	620,000	36,160,000	645,000
Annual appropriation bonds	7,670,000	22,955,000	448,000	30,177,000	461,000
Total bonds payable	<u>618,893,000</u>	<u>84,245,000</u>	<u>27,868,000</u>	<u>675,270,000</u>	<u>31,993,000</u>
Notes payable					
State revolving fund notes	40,333,837	2,958,142	5,213,000	38,078,979	5,098,000
Direct bank loan	2,319,516	-	373,041	1,946,475	378,357
Mercantile Parking Ramp	2,000,000	-	-	2,000,000	-
BND infrastructure loan	11,279,481	-	436,841	10,842,640	446,219
Parking garage	-	1,232,622	-	1,232,622	258,733
Tax increment revenue notes	4,690,988	6,083,885	586,455	10,188,418	-
Total notes payable	<u>60,623,822</u>	<u>10,274,649</u>	<u>6,609,337</u>	<u>64,289,134</u>	<u>6,181,309</u>
Unamortized premium	40,389,491	5,667,711	8,496,966	37,560,236	2,492,672
Financed purchases payable	695,144	14,889	447,398	262,635	176,253
Leases payable	9,160,803	269,993	533,288	8,897,508	538,524
Subscription-based IT agreements payable	886,993	1,800,297	774,764	1,912,526	649,894
Compensated absences*	9,825,434	865,842	-	10,691,276	7,440,555
	<u>\$ 740,474,687</u>	<u>\$ 103,138,381</u>	<u>\$ 44,729,753</u>	<u>\$ 798,883,315</u>	<u>\$ 49,472,207</u>

*Change in compensated absences is presented as the net change

City of Fargo, North Dakota

Notes to Financial Statements

December 31, 2024

	Beginning Balance, as Restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-Type Activities					
Bonds payable					
Revenue bonds	\$ 1,463,495	\$ -	\$ 199,152	\$ 1,264,343	\$ 202,370
Annual appropriation bonds	3,370,000	-	800,000	2,570,000	830,000
Total bonds payable	<u>4,833,495</u>	<u>-</u>	<u>999,152</u>	<u>3,834,343</u>	<u>1,032,370</u>
Notes payable					
State revolving fund notes	250,863,977	20,935,428	6,342,983	265,456,422	4,056,000
Direct bank loan	300,000	-	300,000	-	-
Total notes payable	<u>251,163,977</u>	<u>20,935,428</u>	<u>6,642,983</u>	<u>265,456,422</u>	<u>4,056,000</u>
Financed purchases payable	3,613,584	74,556	1,353,325	2,334,815	969,537
Leases payable	346,392	-	166,340	180,052	160,805
Subscription-based IT agreements payable	314,086	615,765	395,661	534,190	144,931
Special assessments	9,629,498	282,563	651,680	9,260,381	564,656
Landfill closure/postclosure	6,231,702	224,341	-	6,456,043	-
Compensated absences*	<u>2,257,884</u>	<u>253,403</u>	<u>-</u>	<u>2,511,287</u>	<u>1,862,683</u>
	<u>\$ 278,390,618</u>	<u>\$ 22,386,056</u>	<u>\$ 10,209,141</u>	<u>\$ 290,567,533</u>	<u>\$ 8,790,982</u>

*Change in compensated absences is presented as the net change

Bonds Payable

At December 31, 2024, 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	11,970,000
2014 Series G - infrastructure system construction	5/1/2039	2.00 - 4.25%	8,355,000	5,850,000
2015 Series A Refunding - crossover refunding of Series 2006B and 2007B	5/1/2031	2.00 - 5.00%	18,250,000	8,795,000
2015 Series B Refunding - crossover refunding of Series 2008E	5/1/2033	2.50 - 5.00%	15,235,000	6,425,000
2015 Series D - infrastructure system construction	5/1/2041	3.00 - 5.00%	34,675,000	25,820,000
2016 Series B Refunding - crossover refunding of Series 2009C	5/1/2034	2.00 - 5.00%	27,485,000	18,615,000
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	10,770,000
2018 Series D - infrastructure system construction	5/1/2044	2.70 - 5.00%	42,965,000	36,475,000
2019 Series A - infrastructure system construction	5/1/2042	3.00 - 5.00%	37,260,000	31,875,000
2019 Series B Refunding - crossover refunding of Series 2011A	5/1/2036	1.80 - 2.90%	13,940,000	11,480,000
2020 Series B - infrastructure system construction	5/1/2045	2.00 - 5.00%	29,565,000	26,640,000
2020 Series C Refunding - crossover refunding of Series 2011C, 2012A, 2014D, and 2014F	5/1/2023	1.50 - 2.30%	91,015,000	79,930,000
2021 Series A - infrastructure system construction	5/1/2046	2.00 - 5.00%	37,310,000	34,620,000
2022 Series A - Infrastructure system construction	5/1/2047	3.00 - 5.00%	22,855,000	21,300,000
2023 Series A - Infrastructure system construction	5/1/2048	4.00 - 5.00%	52,590,000	51,480,000
2023 Series D - Infrastructure system construction	5/1/2048	5.00%	38,845,000	37,745,000
2024 Series H - Infrastructure system construction	5/1/2050	4.00 - 5.00%	<u>51,745,000</u>	<u>51,745,000</u>
Total improvement bonds			<u>\$ 667,320,000</u>	<u>\$ 537,805,000</u>

City of Fargo, North Dakota
Notes to Financial Statements
December 31, 2024

	<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	\$ 915,000
2015 Series E - Roberts Commons parking ramp	12/1/2035	1.00 - 3.85%	10,230,000	6,575,000
2016 Series A - City Hall building	7/1/2036	2.00 - 5.00%	<u>25,640,000</u>	<u>17,905,000</u>
Total general obligation bonds			<u>\$ 38,745,000</u>	<u>\$ 25,395,000</u>
Sales tax revenue bonds				
2013 Series A - flood mitigation projects	6/1/2033	3.00 - 4.00%	\$ 51,375,000	\$ 28,075,000
2014 Series B - flood mitigation projects	6/1/2032	2.00 - 5.00%	<u>32,512,000</u>	<u>17,658,000</u>
Total sales tax revenue bonds			<u>\$ 83,887,000</u>	<u>\$ 45,733,000</u>
Taxable annual appropriation bonds				
2018 Series E - Block Nine project	5/1/2044	3.30 - 4.47%	\$ 17,315,000	\$ 15,445,000
2020 Series A - Mercantile parking ramp	12/1/2045	2.15 - 3.69%	11,525,000	11,170,000
2024 Series F - Northern Pacific parking ramp	12/1/2044	4.71 - 5.415%	<u>9,545,000</u>	<u>9,545,000</u>
Total taxable appropriation bonds			<u>\$ 38,385,000</u>	<u>\$ 36,160,000</u>
Annual appropriation bonds				
2022 Series D - fire station and fire truck	5/1/2037	3.04%	\$ 8,103,000	\$ 7,222,000
2024 Series G - police headquarters and citywide facility improvements	12/1/2044	4.00 - 5.00%	<u>22,955,000</u>	<u>22,955,000</u>
Total taxable appropriation bonds			<u>\$ 31,058,000</u>	<u>\$ 30,177,000</u>
Total governmental activities			<u>\$ 859,395,000</u>	<u>\$ 675,270,000</u>
Business-Type Activities				
Qualified Energy Conservation Bond - conversion of landfill gas to compressed natural gas for use in landfill generator	5/1/2030	4.85%	\$ 2,875,000	\$ 1,264,343
2017 Annual Appropriation Bond - FargoDome video board upgrade	11/1/2027	1.75 - 3.85%	<u>7,810,000</u>	<u>2,570,000</u>
Total business-type activities			<u>\$ 10,685,000</u>	<u>\$ 3,834,343</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, 2024, 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, 2024, the statutory limit for the City was \$435,657,831 providing a debt margin of \$386,446,479. This calculation can be found in the statistical section of this report.

City of Fargo, North Dakota

Notes to Financial Statements

December 31, 2024

The annual requirements to amortize the bonded debt outstanding for the governmental activities as of December 31, 2024, are as follows:

Years Ending December 31,	Improvement Bonds		General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 24,400,000	\$ 18,056,187	\$ 1,940,000	\$ 771,921	\$ 4,547,000	\$ 1,747,890
2026	29,080,000	17,311,389	2,030,000	687,528	4,740,000	1,552,640
2027	28,000,000	16,374,316	2,080,000	637,888	4,936,000	1,359,120
2028	28,175,000	15,424,935	2,145,000	573,286	5,136,000	1,157,680
2029	28,955,000	14,404,246	2,200,000	519,348	5,349,000	947,980
2030-2034	138,155,000	57,510,703	10,885,000	1,705,590	21,025,000	1,571,300
2035-2039	127,695,000	35,379,005	4,115,000	181,235	-	-
2040-2044	88,675,000	15,963,975	-	-	-	-
2045-2049	42,075,000	3,992,950	-	-	-	-
2050	2,595,000	51,900	-	-	-	-
	<u>\$ 537,805,000</u>	<u>\$ 194,469,606</u>	<u>\$ 25,395,000</u>	<u>\$ 5,076,796</u>	<u>\$ 45,733,000</u>	<u>\$ 8,336,610</u>

Years Ending December 31,	Taxable Annual Appropriation Bond		Annual Appropriation Bond		Total Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 645,000	\$ 1,614,247	\$ 461,000	\$ 1,485,526	\$ 31,993,000	\$ 23,675,771
2026	755,000	1,511,052	1,225,000	1,294,664	37,830,000	22,357,273
2027	835,000	1,484,090	1,285,000	1,242,496	37,136,000	21,097,910
2028	1,025,000	1,453,946	1,335,000	1,187,622	37,816,000	19,797,469
2029	1,065,000	1,417,303	1,390,000	1,130,542	38,959,000	18,419,419
2030-2034	7,820,000	6,325,833	7,902,000	4,703,488	185,787,000	71,816,914
2035-2039	10,345,000	4,404,023	8,374,000	2,883,420	150,529,000	42,847,683
2040-2044	12,890,000	1,847,780	8,205,000	1,059,350	109,770,000	18,871,105
2045-2049	780,000	28,782	-	-	42,855,000	4,021,732
2050	-	-	-	-	2,595,000	51,900
	<u>\$ 36,160,000</u>	<u>\$ 20,087,056</u>	<u>\$ 30,177,000</u>	<u>\$ 14,987,108</u>	<u>\$ 675,270,000</u>	<u>\$ 242,957,176</u>

The annual requirements to amortize the bonded debt outstanding for the business-type activities as of December 31, 2024, are as follows:

Years Ending December 31,	Revenue Bonds		Annual Appropriation Bonds		Total Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
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	215,772	15,866	-	-	215,772	15,866
2030-2030	219,258	5,317	-	-	219,258	5,317
	<u>\$ 1,264,343</u>	<u>\$ 186,828</u>	<u>\$ 2,570,000</u>	<u>\$ 195,037</u>	<u>\$ 3,834,343</u>	<u>\$ 381,865</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 \$6,294,390. Net sales tax revenue totaled \$8,690,599 for the year.

City of Fargo, North Dakota

Notes to Financial Statements

December 31, 2024

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 \$195,300. Net general fund appropriations totaled \$197,300 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 \$474,932. Net landfill tipping fee revenue totaled \$11,669,167 for the year.

Notes Payable

At December 31, 2024, 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	\$ 490,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	440,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	20,915,000
SRLF Transmission Lines South Side System	9/1/2029	2.00%	14,110,422	3,210,000
SRLF Water Reclamation Clarifier Improvements	9/1/2029	0.50%	699,374	215,000
SRLF Water Reclamation Stabilization Ponds	9/1/2030	2.50%	4,071,140	1,505,000
SRLF Regional Storm Water Pond - Engineering	9/1/2052	1.50%	500,000	449,000
SRLF Regional Storm Water Pond - Construction	9/1/2054	1.50%	24,705,000	9,854,979
SRLF Regional Storm Water Pond - Construction	9/1/2028	1.50%	1,000,000	1,000,000
TIF Revenue Notes	5/1/2038	3.50 - 6.00%	10,875,265	10,188,419
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	1,946,475
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	10,842,639
BND Infrastructure Loan - NP Garage	12/1/2054	2.00%	9,000,000	1,232,622
Total governmental activities			<u>\$ 155,586,201</u>	<u>\$ 64,289,134</u>
Business-Type Activities				
SRLF Water Reclamation Construction Loan	9/1/2055	1.50%	\$ 151,500,000	\$ 129,773,610
SRLF Water Reclamation Engineering Loan	9/1/2055	1.50%	21,229,000	20,285,020
SRLF Water Automated Meter Project	9/1/2046	1.50%	15,000,000	2,062,080
SRLF Water Treatment Plant	9/1/2048	1.50%	98,000,000	84,820,000
SRLF Water Supply and Treatment	9/1/2050	1.50%	23,950,000	20,251,953
SRLF Water Filter Conversion	9/1/2054	1.50%	6,400,000	938,629
SRLF Leachate Collection Construction Loan	9/1/2032	1.50%	4,361,000	3,960,000
SRLF Leachate Collection Engineering Loan	9/1/2032	0.00%	259,000	230,000
SRLF Solid Waste Cell 21 - Engineering Loan	9/1/2054	1.50%	701,000	329,121
SRLF Solid Waste Cell 21 - Construction Loan	9/1/2054	1.50%	10,647,000	2,806,009
Total business-type activities			<u>\$ 332,047,000</u>	<u>\$ 265,456,422</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, 2024, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 6,181,309	\$ 1,179,963	\$ 4,056,000	\$ 3,958,110
2026	6,122,997	1,060,546	8,010,971	4,759,665
2027	6,973,070	889,471	8,168,979	4,612,482
2028	6,886,365	703,959	8,316,403	4,468,983
2029	8,636,898	519,016	8,478,219	4,309,192
2030-2034	6,962,415	1,528,664	43,668,885	19,153,770
2035-2039	7,673,836	1,107,432	46,127,997	14,998,808
2040-2044	10,204,332	654,875	50,659,451	10,464,479
2045-2049	2,278,260	260,943	50,604,856	5,450,108
2050-2052	2,369,652	98,400	31,185,782	1,867,324
2053-2055	-	-	6,178,879	93,379
	<u>\$ 64,289,134</u>	<u>\$ 8,003,269</u>	<u>\$ 265,456,422</u>	<u>\$ 74,136,300</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 and capital projects fund. Financed purchases payable of the business-type activities are paid by the water, water reclamation, storm sewer, solid waste, and forestry funds.

The annual requirements to amortize the financed purchases payable as of December 31, 2024, are as follows:

Years Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 176,253	\$ 11,887	\$ 969,537	\$ 109,726
2026	45,718	4,919	828,121	69,345
2027	31,191	2,280	496,545	29,725
2028	9,473	544	27,300	2,392
2029	-	-	13,312	784
	<u>\$ 262,635</u>	<u>\$ 19,630</u>	<u>\$ 2,334,815</u>	<u>\$ 211,972</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 fund, water reclamation fund, solid waste fund, forestry 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, court forfeits 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, 2024, are as follows:

Years Ending December 31,	Special Assessments	
	Principal	Interest
2025	\$ 564,656	\$ 431,525
2026	579,528	404,871
2027	601,221	376,450
2028	616,402	346,895
2029	627,819	316,636
2030-2034	2,757,866	1,156,634
2035-2039	2,221,184	559,825
2040-2044	1,177,454	147,655
2045-2048	114,251	11,612
	<u>\$ 9,260,381</u>	<u>\$ 3,752,103</u>

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

Compensated absences consist of earned but unused annual leave and estimated future usage of accrued sick leave as described in Note 1.

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 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 (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 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, 2024, the City reported a liability of \$2,733,205 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 3.16323 percent, which was a decrease of 0.17511 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized OPEB expense of \$519,616. At December 31, 2024, 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	\$ 33,728	\$ 21,008
Changes of assumptions	415,783	187,123
Net difference between projected and actual investment earnings on OPEB plan investments	-	102,230
Changes in proportion and differences between employer contributions and proportionate share of contributions	112,464	110,018
City contributions subsequent to the measurement date	25,029	-
	<u>\$ 587,004</u>	<u>\$ 420,379</u>

The \$25,029 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, 2025.

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

2025	\$ 149,688
2026	237,149
2027	(169,239)
2028	(76,002)

Actuarial Assumptions

The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Healthcare trend rate	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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	4.00%
Small Cap Domestic Equities	6%	6.00%
Domestic Fixed Income	35%	3.29%
International Equities	26%	7.00%

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, 2024, 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	\$ 3,735,619	\$ 2,733,205	\$ 1,888,931

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The benefit provided by the North Dakota Retiree Health Insurance Credit Fund is a fixed dollar subsidy and is not affected by healthcare cost trend. Therefore, a healthcare cost trend rate was not performed.

OPEB Plan Fiduciary Net Position

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

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, 2024 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	\$ 24,266,080	\$ 66,043,563	\$ 31,752,563	\$ 3,853,646
City of Fargo Pension Plan	1,820,694	3,339,874	109,417	1,222,188
Police Pension Plan	5,559,113	19,392,013	93,976	4,072,046
Firefighters' Relief Association	3,039,205	18,085,369	92,883	3,464,755
Total all plans	<u>\$ 34,685,092</u>	<u>\$ 106,860,819</u>	<u>\$ 32,048,839</u>	<u>\$ 12,612,635</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 8.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 9.26% 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, 2024, the City reported a liability of \$66,043,563 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the Employer's proportion was 3.53107 percent, which was a decrease of 0.05513 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the City recognized pension expense of \$3,853,646. At December 31, 2024, 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	\$ 3,135,720	\$ -
Changes of assumptions	15,916,365	29,969,390
Net difference between projected and actual investment earnings on pension plan investments	-	603,872
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,043,517	1,179,301
City contributions subsequent to the measurement date	2,170,478	-
	<u>\$ 24,266,080</u>	<u>\$ 31,752,563</u>

The \$2,170,478 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, 2025.

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

2025	\$ (7,045,716)
2026	1,793,568
2027	(3,842,159)
2028	(562,654)

Actuarial Assumptions

The total pension liability in the July 1, 2024 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	31.9%	5.40%
International Equity	19.1%	7.00%
Private Equity	7.0%	8.50%
Domestic Fixed Income	23.0%	2.88%
International Fixed Income	0.0%	0.00%
Global Real Assets	19.0%	6.10%
Cash Equivalents	0.0%	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 3.97%; 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	\$ 93,335,175	\$ 66,043,563	\$ 43,408,777

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, 2024, is as follows:

Retirees and beneficiaries currently receiving pension payments	290
Terminated vested	58
Active plan members	166

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.

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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

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%	7.20%
International equity	16.00%	6.90%
Emerging markets equity	7.00%	7.40%
Core fixed income	17.50%	5.00%
Investment grade corporate	8.75%	5.40%
High yield	4.38%	6.10%
Emerging markets debt	4.38%	6.10%
Totals	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00 percent as of December 31, 2024. 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, 2024, Actuarial Valuation Report and City pension stability fund contributions will be made equal to the five-year average of \$1.12 million for at least the next three 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, 2024. 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, 2024.

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)	City of Fargo Proportionate Share
Balances at January 1, 2024	\$ 64,201,400	\$ 57,868,763	\$ 6,332,637	\$ 5,618,947
Changes from the Prior Year				
Service cost	362,019	-	362,019	321,545
Interest cost	4,344,803	-	4,344,803	3,859,054
Differences between expected and actual experience	545,274	-	545,274	484,312
Contributions - employer	-	1,216,480	(1,216,480)	(1,074,776)
Contributions - employee	-	260,042	(260,042)	(230,969)
Net investment income	-	6,421,205	(6,421,205)	(5,703,314)
Benefit payments	(4,989,620)	(4,989,620)	-	-
Administrative expense	-	(73,266)	73,266	65,075
Net Changes	262,476	2,834,841	(2,572,365)	(2,279,073)
Balances at December 31, 2024	<u>\$ 64,463,876</u>	<u>\$ 60,703,604</u>	<u>\$ 3,760,272</u>	<u>\$ 3,339,874</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 (asset)	\$ 9,866,538	\$ 3,760,272	\$ (1,488,589)
City's proportionate share of the net pension liability (asset)	\$ 8,763,459	\$ 3,339,874	\$ (1,322,165)

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

At December 31, 2024, the City reported a liability of \$3,339,874 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, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024. 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, 2024, through December 31, 2024, relative to the total plan contributions received from the all participating employers. The City's proportionate share was 88.82 percent at the end of the measurement period and 88.73 percent at the beginning of the measurement period, an increase of 0.09 percent.

For the year ended December 31, 2024, the City recognized pension expense of \$1,222,188. At December 31, 2024, 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	\$ 545,196	\$ -
Net difference between projected and actual earnings on pension plan investments	1,233,050	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	42,448	109,417
Total	<u>\$ 1,820,694</u>	<u>\$ 109,417</u>

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

Year Ended December 31,	Pension Expense
2025	\$ 1,331,524
2026	1,980,295
2027	(1,157,290)
2028	(443,252)

Reserves

The plan fiduciary net position at December 31, 2024, is \$60,703,604 and the entire amount is reserved for employee pension benefits.

Pension Plan Fiduciary Net Position

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, 2024, is as follows:

Retirees and beneficiaries currently receiving	
pension payments	143
Active plan members	211
Terminated vested employees	23

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, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2024.

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%	6.84%
Domestic equity - small/mid cap	18.00%	7.19%
International equity - developed	8.00%	6.20%
International equity - emerging market	3.00%	6.24%
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, 2024. 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, 2024, 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, 2024. 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, 2024.

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, 2024	\$ 106,233,813	\$ 84,593,555	\$ 21,640,258
Changes from the Prior Year			
Service cost	2,813,776	-	2,813,776
Interest cost	7,423,622	-	7,423,622
Differences between expected and actual experience	2,008,148	-	2,008,148
Contributions - employer	-	3,131,680	(3,131,680)
Contributions - employee	-	1,696,221	(1,696,221)
Net investment income	-	9,719,058	(9,719,058)
Benefit payments	(5,991,681)	(5,991,681)	-
Administrative expense	-	(53,168)	53,168
Net Changes	6,253,865	8,502,110	(2,248,245)
Balances at December 31, 2024	<u>\$ 112,487,678</u>	<u>\$ 93,095,665</u>	<u>\$ 19,392,013</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	\$ 34,872,881	\$ 19,392,013	\$ 6,687,432

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

For the year ended December 31, 2024, the City recognized pension expense of \$4,072,046. At December 31, 2024, 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	\$ 3,903,474	\$ 59,200
Changes of assumptions	1,390,218	34,776
Net difference between projected and actual earnings on pension plan investments	<u>265,421</u>	<u>-</u>
Total	<u><u>\$ 5,559,113</u></u>	<u><u>\$ 93,976</u></u>

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

<u>Year Ended December 31,</u>	<u>Pension Expense</u>
2025	\$ 2,581,752
2026	2,893,562
2027	(697,455)
2028	(69,964)
2029	563,686
Thereafter	193,556

Reserves

The plan fiduciary net position at December 31, 2024, is \$93,095,665 and the entire amount is reserved for employee pension benefits.

Pension Plan Fiduciary Net Position

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	130
Deferred vested	15
Retirees, disabled, and beneficiaries	96

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, up to a maximum of 75%, times the applicable final monthly salary. For officers, final monthly salary equals the average monthly salary for the five years prior to retirement. For other members, final monthly salary is the monthly salary of the top paid firefighter as of January 1 of the year of retirement.

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, 2024. 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%	6.84%
Domestic equity - small/mid cap	18.00%	7.19%
International equity - developed	8.00%	6.20%
International equity - emerging market	3.00%	6.24%
Core fixed income	20.00%	3.59%
High yield fixed income	7.00%	5.44%
Cash	2.00%	2.50%
	<hr/>	
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, 2024. 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, 2024, Actuarial Valuation Report. 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, 2024. 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, 2024.

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, 2024	\$ 71,555,325	\$ 50,321,964	\$ 21,233,361
Changes from the Prior Year			
Service cost	1,725,769	-	1,725,769
Interest cost	5,006,633	-	5,006,633
Differences between expected and actual experience	(104,799)	-	(104,799)
Contributions - employer	-	2,932,673	(2,932,673)
Contributions - employee	-	1,144,004	(1,144,004)
Net investment income	-	5,762,289	(5,762,289)
Other additions	-	4,924	(4,924)
Benefit payments	(3,515,531)	(3,515,531)	-
Administrative expense	-	(68,295)	68,295
Net Changes	3,112,072	6,260,064	(3,147,992)
Balances at December 31, 2024	<u>\$ 74,667,397</u>	<u>\$ 56,582,028</u>	<u>\$ 18,085,369</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	\$ 28,464,252	\$ 18,085,369	\$ 9,532,950

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

For the year ended December 31, 2024, the City recognized pension expense of \$3,464,755. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,671,076	\$ 89,016
Changes of assumptions	1,161,751	3,867
Net difference between projected and actual earnings on pension plan investments	206,378	-
Total	<u>\$ 3,039,205</u>	<u>\$ 92,883</u>

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

Year Ended December 31,	Pension Expense
2025	\$ 1,808,051
2026	1,789,132
2027	(509,748)
2028	(241,225)
2029	110,213
Thereafter	(10,101)

Pension Plan Fiduciary Net Position

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, 2024**

	City Employees' Pension Trust	Police Pension Trust	Total
Assets			
Cash and cash equivalents	\$ 1,308,989	\$ 2,008,242	\$ 3,317,231
Receivables (net of allowance for uncollectibles):			
Interest	-	83,415	83,415
Accounts	5,742	-	5,742
Investments, at fair value:			
Mutual funds	59,418,284	82,615,864	142,034,148
Exchange-traded products	-	8,388,144	8,388,144
Total assets	<u>60,733,015</u>	<u>93,095,665</u>	<u>153,828,680</u>
Liabilities			
Vouchers payable	29,186	-	29,186
Benefits payable	225	-	225
Total liabilities	<u>29,411</u>	<u>-</u>	<u>29,411</u>
Net Position			
Restricted for			
Pension benefits	<u>\$ 60,703,604</u>	<u>\$ 93,095,665</u>	<u>\$ 153,799,269</u>

**Combining Statement of Changes in Net Position – Pension Trust Funds
December 31, 2024**

	City Employees' Pension Trust	Police Pension Trust	Total
Additions			
Contributions			
Employer	\$ 1,216,480	\$ 3,131,680	\$ 4,348,160
Employee	260,042	1,696,221	1,956,263
Total contributions	<u>1,476,522</u>	<u>4,827,901</u>	<u>6,304,423</u>
Investment income			
Net increase in fair value	6,611,989	10,078,591	16,690,580
Less investment expense	<u>(190,784)</u>	<u>(359,533)</u>	<u>(550,317)</u>
Net investment income	<u>6,421,205</u>	<u>9,719,058</u>	<u>16,140,263</u>
Total additions	<u>7,897,727</u>	<u>14,546,959</u>	<u>22,444,686</u>
Deductions			
Pension benefit payments	4,529,060	5,932,892	10,461,952
Member contribution refunds	460,560	58,789	519,349
Administrative expenses	<u>73,266</u>	<u>53,166</u>	<u>126,432</u>
Total deductions	<u>5,062,886</u>	<u>6,044,847</u>	<u>11,107,733</u>
Change in Net Position	2,834,841	8,502,112	11,336,953
Net Position, Beginning	<u>57,868,763</u>	<u>84,593,553</u>	<u>142,462,316</u>
Net Position, Ending	<u><u>\$ 60,703,604</u></u>	<u><u>\$ 93,095,665</u></u>	<u><u>\$ 153,799,269</u></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	Nonmajor Enterprise Funds	
Due to:				
General Fund	\$ 146,097	\$ 2,334,579	\$ -	\$ 2,480,676
Water Reclamation Fund	-	3,280,999	-	3,280,999
Storm Sewer Fund	-	532,870	2,777,707	3,310,577
Solid Waste Fund	-	-	1,242,425	1,242,425
Total	<u>\$ 146,097</u>	<u>\$ 6,148,448</u>	<u>\$ 4,020,132</u>	<u>\$ 10,314,677</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, 2024
Advanced by Water Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	\$ 390,000	\$ 227,001	\$ 162,999
Border States Facility Equipment	550,000	263,755	286,245
Border States Facility Building	872,524	192,142	680,382
Total Water Fund advances	<u>1,812,524</u>	<u>682,898</u>	<u>1,129,626</u>
Advanced by Water Reclamation Fund			
To Capital Projects Fund			
Civic Center HVAC Retrofit	390,000	227,001	162,999
Border States Facility Building	1,422,524	313,229	1,109,295
Total Water Reclamation Fund advances	<u>1,812,524</u>	<u>540,230</u>	<u>1,272,294</u>
	<u>\$ 3,625,048</u>	<u>\$ 1,223,128</u>	<u>\$ 2,401,920</u>

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, 2024:

	General Fund	Debt Service Fund	Capital Projects Fund	Transfer in Nonmajor Governmental Funds	Water Fund	Nonmajor Enterprise Funds	Total
Transfer out							
General Fund	\$ -	\$ 3,093,686	\$ 663,045	\$ 357,953	\$ -	\$ 2,150,000	\$ 6,264,684
Debt Service Fund	-	-	18,065,146	214,746	-	23,575	18,303,467
Capital Projects Fund	8,253	165,872	-	490,787	5,595,304	1,000,000	7,260,216
Nonmajor Governmental Funds	959,100	1,450,922	1,151,694	105,000	-	-	3,666,716
Water Fund	4,592,718	-	1,016,415	-	-	871	5,610,004
Water Reclamation Fund	2,628,333	-	7,860,059	-	-	-	10,488,392
Storm Sewer Fund	943,180	-	2,362,009	-	-	-	3,305,189
Solid Waste Fund	2,296,916	-	1,569,737	-	-	-	3,866,653
Nonmajor Enterprise Funds	2,202,253	-	5,223,954	-	-	-	7,426,207
Total	<u>\$ 13,630,753</u>	<u>\$ 4,710,480</u>	<u>\$ 37,912,059</u>	<u>\$ 1,168,486</u>	<u>\$ 5,595,304</u>	<u>\$ 3,174,446</u>	<u>\$ 66,191,528</u>

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

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

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, to allocate ARPA funding to funds under the revenue replacement expenditure category, and fund various health projects through CDBG programs.

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, 2024:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Fund Balances					
Nonspendable					
Inventory	\$ 1,287,729	\$ -	\$ -	\$ -	\$ 1,287,729
Prepaid items	2,364,878	-	31,329	56,329	2,452,536
Total nonspendable	3,652,607	-	31,329	56,329	3,740,265
Restricted					
Capital projects	-	-	34,360,522	-	34,360,522
Community development	-	-	-	10,637	10,637
Convention and visitors bureau	-	-	-	59,265	59,265
Court forfeits	-	-	-	195,170	195,170
Debt service	-	96,874,475	-	-	96,874,475
Downtown business improvement district	-	-	-	155,319	155,319
Fire	174,712	-	-	-	174,712
Health	1,495,027	-	-	-	1,495,027
Health department donations	-	-	-	34,604	34,604
Highway and streets	1,170,929	-	-	-	1,170,929
HUD home program	-	-	-	5,000	5,000
HUD home participating jurisdiction	-	-	-	39,073	39,073
NRI loan program	-	-	-	121,893	121,893
Opioid abatement	-	-	-	700,801	700,801
Parking authority	-	-	-	1,560,161	1,560,161
Parking repair and replacement	-	-	-	383,408	383,408
Parking surplus	-	-	-	27,587	27,587
Police	549,032	-	-	-	549,032
Red River Valley UAS	-	-	-	58,964	58,964
Regional training center	-	-	-	219,859	219,859
Skyway maintenance	-	-	-	32,010	32,010
SWAT	-	-	-	699	699
Total restricted	3,389,700	96,874,475	34,360,522	3,604,450	138,229,147
Committed					
Revenue stabilization	1,000,016	-	-	-	1,000,016
Assigned					
2025 budget	478,357	-	-	-	478,357
Unassigned	23,067,873	-	-	(243,616)	22,824,257
Total Fund Balances	\$ 31,588,553	\$ 96,874,475	\$ 34,391,851	\$ 3,417,163	\$ 166,272,042

Note 15 - Restatement**Change in Accounting Principle**

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provides guidance for a consistent recognition and measurement of the compensated absence liability. The effect of this change in accounting principle is described in the table below.

	January 1, 2024, As Previously Reported	Change in Accounting Principle	January 1, 2024, As Restated
Government-Wide			
Governmental Activities	\$ 488,400,090	\$ (4,708,895)	\$ 483,691,195
Business-Type Activities	772,715,060	(982,063)	771,732,997
Total Primary Government	<u>\$ 1,261,115,150</u>	<u>\$ (5,690,958)</u>	<u>\$ 1,255,424,192</u>
Proprietary Funds			
Water	\$ 238,707,133	\$ (249,641)	\$ 238,457,492
Water Reclamation	153,356,506	(197,118)	153,159,388
Storm Sewer	256,833,644	(36,207)	256,797,437
Solid Waste	16,231,221	(151,605)	16,079,616
FargoDome	66,079,567	(135,804)	65,943,763
Nonmajor Enterprise Funds	41,506,989	(211,688)	41,295,301
	<u>\$ 772,715,060</u>	<u>\$ (982,063)</u>	<u>\$ 771,732,997</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, 2024, there are seven Industrial Revenue Bonds outstanding and the aggregate principal amount payable is \$105,865,000. 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: Metro Flood Diversion Board of Authority, 4784 Amber Valley Parkway South, Suite 100, Fargo, ND 58104.

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, 2024.

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, 2024, the City had commitments on various construction contracts totaling approximately \$89,330,000.

Municipal Landfill Closure and Post-Closure Care Costs

The City of Fargo operates a municipal solid waste landfill to service the waste disposal needs of the community. The Environmental Protection Agency and the State of North Dakota regulations and guidelines (NDCC 23.1) impact the operation of the landfill.

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

The current landfill site design consists of Cells 1-25 on approximately 174 acres of land. The City has constructed all or portions of 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 19.45 years. The estimated liability for landfill closure and post closure care is \$6,456,043 as of December 31, 2024. 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, 2024. 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, 2024, 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, 2024, were as follows:

<u>Tax Abatement Program</u>	<u>Amount</u>
Residential New Construction - School District #1	\$ 103,354
Residential New Construction - School District #6	29,461
Remodeling - Residential - School District #1	34,191
Remodeling - Residential - School District #6	32
Remodeling - Commercial - School District #1	120,430
Remodeling - Commercial - School District #6	9,266
New Industry Exemption & Payment in Lieu - School District #1	585,766
New Industry Exemption & Payment in Lieu - School District #6	218,098
Traditional Tax Increment Financing	410,976
Renaissance Zone - Commercial - School District #1	532,191
Renaissance Zone - Residential - School District #1	58,235
Daycare, Fire Protection - Commercial - School District #1	51,149
	<u>\$ 2,153,149</u>

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 \$57,681,956 and the bank balance was \$64,277,331, 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, 2024, 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	\$ 4,886,117	\$ -	\$ 4,886,117	\$ -	\$ -	\$ -

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, 2024:

	Total	Level 1	Level 2	Level 3
Airport Authority Component Unit				
US Treasury Bills	\$ 4,886,117	\$ 4,886,117	\$ -	\$ -

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, 2024, 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	23,140,814	41,748,371	14,988,967	49,900,218
Total capital assets, not being depreciated	31,657,361	41,748,371	14,988,967	58,416,765
Capital assets, being depreciated				
Buildings	34,434,426	14,988,967	-	49,423,393
Improvements other than buildings	2,676,347	-	-	2,676,347
Machinery and equipment	15,542,832	2,264,216	452,705	17,354,343
Infrastructure	146,300,212	272,907	22,446	146,550,673
Total capital assets, being depreciated	198,953,817	17,526,090	475,151	216,004,756
Less accumulated depreciation for			-	
Buildings	16,272,664	846,150	-	17,118,814
Improvements other than buildings	1,642,114	107,717	-	1,749,831
Machinery and equipment	12,119,281	796,027	449,495	12,465,813
Infrastructure	61,731,203	3,771,214	13,842	65,488,575
Total accumulated depreciation	91,765,262	5,521,108	463,337	96,823,033
Total capital assets, being depreciated	107,188,555	12,004,982	11,814	119,181,723
Airport Authority Component Unit Capital Assets, Net	\$ 138,845,916	\$ 53,753,353	\$ 15,000,781	\$ 177,598,488

The Airport Authority component unit has outstanding construction commitments totaling \$83,014,260 related to construction in progress at December 31, 2024.

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 \$6,732,783 for the year ended December 31, 2024. Deferred inflows related to this lease were \$6,408,498 as of December 31, 2024. Interest revenue recognized on this lease was \$195,135 for the year ended December 31, 2024. Principal receipts of \$1,180,407 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, 2024, are as follows:

Years Ending December 31,	Airport Authority	
	Principal	Interest
2025	\$ 882,834	\$ 197,012
2026	803,828	171,692
2027	803,383	147,819
2028	340,287	124,159
2029	234,505	115,165
Thereafter	3,667,946	1,204,040
	<u>\$ 6,732,783</u>	<u>\$ 1,959,887</u>

Long Term Debt

The following is a summary of changes in long-term debt of the Airport Authority component unit for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Airport Authority Component Unit					
Revenue bonds payable	\$ -	\$ 21,068,681	\$ -	\$ 21,068,681	\$ 666,970
Compensated absences	205,818	159,731	124,893	240,656	240,656
	<u>\$ 205,818</u>	<u>\$ 21,228,412</u>	<u>\$ 124,893</u>	<u>\$ 21,309,337</u>	<u>\$ 907,626</u>

Revenue Bonds Payable

The Airport Authority component unit has entered into an agreement with the Bank of North Dakota to issue Airport Facilities Revenue Bonds in the amount of \$40,000,000 through the Infrastructure Revolving Loan Fund to be used for the construction of new infrastructure. The bond calls for semiannual interest payments and annual principal payments through May 2054. The Airport Authority component unit draws bond funds as expenses are incurred. As of December 31, 2024, the Airport Authority component unit has drawn \$21,068,681. Remaining available draws total \$18,931,319.

Annual debt service requirements to maturity of the Airport Facilities Bonds are as follows and are based on the full amount of the bonds being drawn.

Years Ending December 31,	Bonds Payable	
	Principal	Interest
2025	\$ 666,970	\$ 1,295,552
2026	1,175,862	774,901
2027	1,187,620	751,267
2028	1,199,496	727,395
2029	1,211,491	703,291
2030-2034	6,241,622	3,146,259
2035-2039	6,560,007	2,288,735
2040-2044	6,894,633	2,051,274
2045-2048	7,246,330	1,126,797
2050-2054	7,615,969	383,829
	<u>\$ 40,000,000</u>	<u>\$ 13,249,300</u>

Compensated Absences

Regular full-time employees of the Airport Authority component unit accrue paid time off (PTO) and sick leave (compensated absences) at varying rates based on employee group and years of service. Employees shall be paid for compensated absences at the time of termination.

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, 2024, the Airport Authority component unit reported a liability of \$107,635 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2024, the Airport Authority component unit's proportion was 0.12457 percent.

For the year ended December 31, 2024, the Airport Authority component unit recognized OPEB expense of \$34,577. At December 31, 2024, 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	\$ 1,328	\$ 827
Changes of assumptions	16,374	7,369
Net difference between projected and actual investment earnings on earnings on pension plan investments	-	4,026
Changes in proportion and differences between employer contributions and contributions and proportionate share of contributions	34,448	2,346
Airport Authority contributions subsequent to the measurement date	7,714	-
	<u>\$ 59,864</u>	<u>\$ 14,568</u>

The \$7,714 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, 2025.

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

2025	\$ 20,523
2026	23,201
2027	(3,847)
2028	(2,295)

Actuarial Assumptions

The total OPEB liability in the July 1, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Healthcare trend rate	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, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	4.00%
Small Cap Domestic Equities	6%	6.00%
Domestic Fixed Income	35%	3.29%
International Equities	26%	7.00%

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, 2024, 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	\$ 147,110	\$ 107,635	\$ 74,387

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The benefit provided by the North Dakota Retiree Health Insurance Credit Fund is a fixed dollar subsidy and is not affected by healthcare cost trend. Therefore, a healthcare cost trend rate was not performed.

OPEB Plan Fiduciary Net Position

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

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, 2024 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	\$ 1,400,406	\$ 1,997,017	\$ 959,197	\$ 286,814
NDPERS - Law Enforcement System	258,584	53,480	263,372	68,421
Total all plans	<u>\$ 1,658,990</u>	<u>\$ 2,050,497</u>	<u>\$ 1,222,569</u>	<u>\$ 355,235</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, 2024, the Airport Authority component unit reported a liability of \$1,997,017 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the Airport Authority component unit's proportion was 0.10680 percent, which was an increase of 0.00670 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Airport Authority component unit recognized pension expense of \$286,814. At December 31, 2024, 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	\$ 94,818	\$ -
Changes of assumptions	481,277	906,210
Net difference between projected and actual investment earnings on pension plan investments	-	18,260
Changes in proportion and differences between employer contributions and proportionate share of contributions	759,771	34,727
Airport Authority contributions subsequent to the measurement date	64,540	-
	<u>\$ 1,400,406</u>	<u>\$ 959,197</u>

The \$64,540 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:

2025	\$ 187,287
2026	286,814
2027	(95,226)
2028	(2,206)

Actuarial Assumptions

The total pension liability in the July 1, 2024, 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	31.9%	5.40%
International Equity	19.1%	7.00%
Private Equity	7.0%	8.50%
Domestic Fixed Income	23.0%	2.88%
International Fixed Income	0.0%	0.00%
Global Real Assets	19.0%	6.10%
Cash Equivalents	0.0%	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	\$ 2,822,257	\$ 1,997,017	\$ 1,312,589

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%	11.40%
State	6.00%	11.40%
National Guard	5.50%	11.40%
Law enforcement without previous service	5.50%	9.16%

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, 2024, the Airport Authority component unit reported a liability of \$53,480 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024 the Airport Authority component unit's proportion was 4.45331 percent, which was an increase of 0.73432 percent from its proportion measured as of June 30, 2023.

For the year ended December 31, 2024, the Airport Authority component unit recognized pension expense of \$68,421. At December 31, 2024, 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	\$ 24,883	\$ 15,788
Changes of assumptions	167,104	241,379
Net difference between projected and actual investment earnings on pension plan investments	-	1,607
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,084	4,598
Airport Authority contributions subsequent to the measurement date	34,513	-
	<u>\$ 258,584</u>	<u>\$ 263,372</u>

The \$34,513 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, 2025.

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

2025	\$ (17,118)
2026	(3,717)
2027	(10,907)
2028	(7,559)

Actuarial Assumptions

The total pension liability in the July 1, 2024, 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	31.9%	5.40%
International Equity	19.1%	7.00%
Private Equity	7.0%	8.50%
Domestic Fixed Income	23.0%	2.88%
International Fixed Income	0.0%	0.00%
Global Real Assets	19.0%	6.10%
Cash Equivalents	0.0%	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 3.97%; 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 (asset)	\$ 251,843	\$ 53,480	\$ (104,613)

Pension Plan Fiduciary Net Position

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

Concentrations

The Airport Authority component unit operates in a regional market consisting primarily of eastern North Dakota and western Minnesota. The accounting loss if customers fail to perform is \$1,124,828 for 2024, which is the balance of accounts receivable.

The Airport Authority's operating revenues, excluding operating grants, include the following vendors, along with their percentage of operating revenues:

Avis/Budget Rental	3.83%
Enterprise Rental	4.14%
Fargo Jet Center	5.83%
National Rental	4.14%
Overland West, Inc.	3.76%
SP Plus	55.29%

Current Vulnerability Due to Certain Conditions

The Airport Authority component unit received approximately 43% of its funding from federal sources for the year ended December 31, 2024. As of the date of these financial statements, there is uncertainty regarding the continued availability or adequacy of this funding in future periods.

The operations of the Airport Authority component unit are subject to the administrative directives, rules, and regulations of federal regulatory agencies, including, but not limited to, the Department of Transportation. Such administrative directives, rules, and regulations are subject to change by an act of Congress or an administrative change mandated by the FAA. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

Note 23 - Subsequent Events

On January 21, 2025, the Board of City Commissioners approved a resolution authorizing the issuance and sale of \$35,000,000 of State Revolving Fund Loans, Series 2025A, to fund the replacement of lead service water utility lines within the City.

On March 31, 2025, the Board of City Commissioners approved a resolution authorizing the issuance and sale of \$2,495,000 and \$4,100,000 of State Revolving Fund Loans, Series 2025B and 2025C, to fund various rehab and improvement projects within Water Treatment Plant. These construction projects were originally funded by State Revolving fund Loans as Series 2018C.

Required Supplementary Information
December 31, 2024

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
2024	3.163228%	\$ 2,733,205	\$ 32,793,420	8.33%	68.35%
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
2024	\$ 389,966	\$ 400,368	\$ (10,402)	\$ 32,793,420	1.22%
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**2024***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, 2023.

Changes of assumptions

All actuarial assumptions used in the actuarial valuation as of July 1, 2024, 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, 2023.

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.

City of Fargo, North Dakota

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, 2024

**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
6/30/2024	3.5311%	\$ 66,043,563	\$ 46,320,496	142.6%	68.0%
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%

**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)
12/31/2024	\$ 3,813,009	\$ 3,813,009	\$ -	\$ 47,662,613	8.00%
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%

Notes to the Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Contributions**2024***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, 2024, 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, 2023.

2023*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.

2022*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, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 362,019	\$ 386,686	\$ 439,416	\$ 533,945	\$ 365,929	\$ 401,832	\$ 432,671	\$ 469,907	\$ 487,463	\$ 529,173
Interest	4,344,803	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
Difference between expected and actual experience	545,274	547,851	-	(50,217)	-	(333,799)	74,079	409,699	232,443	(297,322)
Changes of assumption	-	-	-	1,529,548	(307,341)	-	(111,771)	(280,032)	(1,434,752)	174,274
Benefit payments, including refunds of member contributions	(4,989,620)	(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)
Net change in total pension liability	262,476	827,933	348,178	2,289,585	777,831	826,496	1,154,740	1,402,262	482,358	1,775,803
Beginning of year	64,201,400	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
End of year	<u>\$ 64,463,876</u>	<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>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,216,480	\$ 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
Contributions - employee	260,042	288,909	311,597	386,154	452,023	450,243	481,258	503,548	564,107	596,282
Net investment income	6,421,205	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
Benefit payments, including refunds of member contributions	(4,989,620)	(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)
Administrative expense	(73,266)	(56,092)	(66,376)	(48,235)	(52,226)	(56,158)	(50,056)	(55,719)	(50,264)	(43,830)
Other	-	-	37,077	1,055	1,055	-	-	6,149	4,209	-
Net change in plan fiduciary net position	2,834,841	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)
Beginning of year	57,868,763	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
End of year	<u>\$ 60,703,604</u>	<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>
Net Pension Liability (Asset)	<u>\$ 3,760,272</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.17%	90.14%	83.53%	106.59%	100.16%	88.17%	75.15%	82.77%	74.14%	70.75%
Covered Employee Payroll	\$ 16,184,572	\$ 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
Contributions as a Percent of Covered Payroll	7.52%	9.18%	7.96%	11.78%	11.92%	10.99%	10.54%	9.49%	8.97%	8.54%
Net Pension Liability (Asset) as a Percentage of Covered Payroll	23.23%	39.15%	55.17%	-23.21%	-0.50%	34.91%	69.99%	46.54%	67.13%	72.00%

City of Fargo, North Dakota
Schedule of Employer Contributions
City Employees' Pension Plan
December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 1,670,525	\$ 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
Contributions in relation to the ADC	1,216,480	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
Contribution deficiency (excess)	<u>\$ 454,045</u>	<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>

**Schedule of Investment Returns
Last 10 Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.45%	14.79%	-17.60%	13.22%	16.72%	20.87%	-5.90%	16.30%	6.60%	0.30%

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, 2024

**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
12/31/2024	88.82%	\$ 3,339,874	\$ 14,132,822	23.63%	94.17%
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%

**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)
12/31/2024	\$ 1,483,760	\$ 1,142,853	\$ 340,907	\$ 14,132,822	8.09%
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	\$ 1,130,944	\$ 2,023,398	\$ (892,454)	\$ 15,815,811	12.79%
12/31/2020	\$ 1,956,724	\$ 2,274,111	\$ (317,387)	\$ 17,601,166	12.92%
12/31/2019	\$ 1,960,251	\$ 1,938,175	\$ 22,076	\$ 17,964,987	10.79%
12/31/2018	\$ 2,639,134	\$ 2,012,265	\$ 626,869	\$ 18,565,983	10.84%
12/31/2017	\$ 1,558,063	\$ 1,809,129	\$ (251,066)	\$ 19,132,995	9.46%
12/31/2016	\$ 2,034,999	\$ 1,770,290	\$ 264,709	\$ 19,189,598	9.23%
12/31/2015	\$ 2,079,278	\$ 1,792,333	\$ 286,945	\$ 20,056,043	8.94%

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability and Related Ratios
Police Pension Plan
December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 2,813,776	\$ 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
Interest	7,423,622	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
Difference between expected and actual experience	2,008,148	2,636,312	-	254,789	-	888,233	(390,727)	23,450	586,409	838,127
Changes of assumption	-	-	-	2,991,523	726,402	-	(179,362)	(284,113)	(568,315)	1,610,242
Benefit payments, including refunds of member contributions	(5,991,681)	(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)
Net change in total pension liability	6,253,865	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
Beginning of year	106,233,813	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
End of year	<u>\$ 112,487,678</u>	<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>
Plan Fiduciary Net Position										
Contributions - employer	\$ 3,131,680	\$ 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
Contributions - employee	1,696,221	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
Net investment income	9,719,058	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)
Benefit payments, including refunds of member contributions	(5,991,681)	(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)
Administrative expense	(53,168)	(42,575)	(50,259)	(33,709)	(41,779)	(39,744)	(39,274)	(38,609)	(35,889)	(35,797)
Other	-	-	-	-	-	-	-	-	26,185	-
Net change in plan fiduciary net position	8,502,110	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
Beginning of year	84,593,555	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
End of year	<u>\$ 93,095,665</u>	<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>
Net Pension Liability	<u>\$ 19,392,013</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.76%	79.63%	75.80%	91.18%	90.79%	82.43%	71.52%	78.02%	70.17%	68.76%
Covered Employee Payroll	\$ 17,691,556	\$ 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
Contributions as a Percent of Covered Payroll	17.70%	16.53%	16.47%	23.98%	22.48%	23.36%	23.65%	25.05%	23.89%	22.67%
Net Pension Liability as a Percentage of Covered Payroll	109.61%	121.49%	156.49%	63.47%	55.82%	109.71%	175.52%	142.24%	197.33%	208.88%

City of Fargo, North Dakota
Schedule of Employer Contributions
Police Pension Plan
December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 3,326,188	\$ 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
Contributions in relation to the ADC	<u>3,131,680</u>	<u>2,945,175</u>	<u>2,537,994</u>	<u>3,188,248</u>	<u>3,274,581</u>	<u>3,107,627</u>	<u>2,996,110</u>	<u>2,907,142</u>	<u>2,599,313</u>	<u>2,338,069</u>
Contribution deficiency (excess)	<u>\$ 194,508</u>	<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>

Schedule of Investment Returns
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	11.57%	13.59%	-11.95%	8.94%	15.98%	21.52%	-4.90%	15.60%	6.90%	-0.20%

City of Fargo, North Dakota
Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Relief Association Retirement Plan
December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 1,725,769	\$ 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
Interest	5,006,633	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
Difference between expected and actual experience	(104,799)	1,452,290	-	1,402,629	-	457,524	244,951	2,074,434	1,380,692	164,724
Changes of assumption	-	-	-	2,015,570	1,458,532	-	(46,847)	(133,772)	(537,815)	783,502
Benefit payments, including refunds of member contributions	(3,515,531)	(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)
Net change in total pension liability	3,112,072	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
Beginning of year	71,555,325	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
End of year	<u>\$ 74,667,397</u>	<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>
Plan Fiduciary Net Position										
Contributions - employer	\$ 2,932,673	\$ 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
Contributions - employee	1,144,004	1,038,785	1,020,779	922,596	949,539	860,908	825,550	779,473	769,780	744,739
Net investment income	5,762,289	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)
Benefit payments, including refunds of member contributions	(3,515,531)	(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)
Administrative expense	(68,295)	(55,849)	(50,391)	(46,448)	(55,492)	(49,233)	(60,285)	(60,855)	(45,295)	(52,707)
Other	4,924	13,490	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	6,260,064	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
Beginning of year	50,321,964	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
End of year	<u>\$ 56,582,028</u>	<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>
Net Pension Liability	<u>\$ 18,085,369</u>	<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>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.78%	70.33%	65.48%	77.21%	78.07%	70.69%	59.67%	64.57%	59.04%	58.10%
Covered Employee Payroll	\$ 10,641,365	\$ 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
Contributions as a Percent of Covered Payroll	27.56%	28.53%	25.53%	27.81%	30.32%	30.37%	31.22%	28.57%	26.02%	26.50%
Net Pension Liability as a Percentage of Covered Payroll	169.95%	212.92%	242.09%	164.76%	146.88%	195.22%	260.13%	232.88%	253.56%	252.98%

City of Fargo, North Dakota
Schedule of Employer Contributions
Firefighters' Relief Association Retirement Plan
December 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution (ADC)	\$ 3,291,106	\$ 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
Contributions in relation to the ADC	<u>2,932,673</u>	<u>2,845,473</u>	<u>2,447,627</u>	<u>2,467,028</u>	<u>2,625,101</u>	<u>2,465,168</u>	<u>2,486,861</u>	<u>2,139,153</u>	<u>1,916,012</u>	<u>1,889,722</u>
Contribution deficiency (excess)	<u>\$ 358,433</u>	<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>

Other Supplementary Information
December 31, 2024

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, 2024

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues				
Taxes	\$ 20,772,000	\$ 20,772,000	\$ 19,606,091	\$ (1,165,909)
Special assessments	46,571,050	47,151,854	47,716,582	564,728
Intergovernmental	6,294,390	6,294,390	6,294,990	600
Investment income	1,261,000	1,261,000	3,363,689	2,102,689
Miscellaneous	1,000,265	1,000,265	962,157	(38,108)
Total revenues	<u>75,898,705</u>	<u>76,479,509</u>	<u>77,943,509</u>	<u>1,464,000</u>
Expenditures				
Current				
Public works	-	-	17,891	(17,891)
Urban redevelopment	-	-	6,354,334	(6,354,334)
Debt service				
Principal	34,654,269	35,754,269	34,434,554	1,319,715
Interest and fiscal charges	20,563,355	22,246,114	23,566,409	(1,320,295)
Total expenditures	<u>55,217,624</u>	<u>58,000,383</u>	<u>64,373,188</u>	<u>(6,372,805)</u>
Deficiency of Revenues under Expenditures	20,681,081	18,479,126	13,570,321	(4,908,805)
Other Financing Sources (Uses)				
Transfers in	4,344,608	4,344,608	4,710,480	365,872
Transfers out	(12,796,660)	(12,820,235)	(18,303,467)	(5,483,232)
Issuance of bonds	-	-	5,376,054	5,376,054
Issuance of notes payable	-	-	6,083,885	6,083,885
Total other financing sources (uses)	<u>(8,452,052)</u>	<u>(8,475,627)</u>	<u>(2,133,048)</u>	<u>6,342,579</u>
Net Change in Fund Balances	<u>\$ 12,229,029</u>	<u>\$ 10,003,499</u>	11,437,273	<u>\$ 1,433,774</u>
Fund Balance, Beginning of Year			<u>85,437,202</u>	
Fund Balances, End of Year			<u>\$ 96,874,475</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.

Red River Valley UAS – 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.

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

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.

Health Department Donations - This fund is used to account for the collection and distribution of donations for Fargo Cass Public Health, which is a department of the City of Fargo.

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds				
	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Assets					
Equity in pooled investments	\$ 711,676	\$ -	\$ 31,498	\$ 220,985	\$ 186,523
Receivables (Net of allowance for uncollectibles)					
Taxes	11,413	-	-	-	-
Accounts	-	-	234,085	1,250	-
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	8,647
Leases	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	410	-
Total assets	<u>\$ 723,089</u>	<u>\$ -</u>	<u>\$ 265,583</u>	<u>\$ 222,645</u>	<u>\$ 195,170</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ -	\$ 206,162	\$ 2,376	\$ -
Retainage payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Accrued payroll	-	-	-	-	-
Special assessments payable	855,891	-	156	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>855,891</u>	<u>-</u>	<u>206,318</u>	<u>2,376</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	8,082	-	-	-	-
Lease related	-	-	-	-	-
Total deferred inflows of resources	<u>8,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit)					
Nonspendable	-	-	-	410	-
Restricted	-	-	59,265	219,859	195,170
Unassigned	(140,884)	-	-	-	-
Total fund balance (deficit)	<u>(140,884)</u>	<u>-</u>	<u>59,265</u>	<u>220,269</u>	<u>195,170</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 723,089</u>	<u>\$ -</u>	<u>\$ 265,583</u>	<u>\$ 222,645</u>	<u>\$ 195,170</u>

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds					
	SWAT	Skyway Maintenance	Downtown Business Improvement District	Red River Valley UAS	NRI Loan Program	Community Development
Assets						
Equity in pooled investments	\$ 2,672	\$ 13,547	\$ 57,824	\$ 59,202	\$ 121,493	\$ -
Receivables (Net of allowance for uncollectibles)						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	400	-
Special assessments	-	147,717	757,018	-	-	-
Intergovernmental	-	-	-	-	-	31,646
Leases	-	-	-	-	-	-
Loans	-	-	-	-	7,000	125,295
Prepaid items	932	2,648	-	-	-	-
Total assets	<u>\$ 3,604</u>	<u>\$ 163,912</u>	<u>\$ 814,842</u>	<u>\$ 59,202</u>	<u>\$ 128,893</u>	<u>\$ 156,941</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities						
Vouchers payable	\$ 1,973	\$ 9,674	\$ 46,509	\$ 238	\$ -	\$ 4,917
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	15,363
Accrued payroll	-	-	-	-	-	729
Special assessments payable	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	125,295
Total liabilities	<u>1,973</u>	<u>9,674</u>	<u>46,509</u>	<u>238</u>	<u>-</u>	<u>146,304</u>
Deferred Inflows of Resources						
Unavailable revenue	-	119,580	613,014	-	7,000	-
Lease related	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>119,580</u>	<u>613,014</u>	<u>-</u>	<u>7,000</u>	<u>-</u>
Fund Balance						
Nonspendable	932	2,648	-	-	-	-
Restricted	699	32,010	155,319	58,964	121,893	10,637
Unassigned	-	-	-	-	-	-
Total fund balance	<u>1,631</u>	<u>34,658</u>	<u>155,319</u>	<u>58,964</u>	<u>121,893</u>	<u>10,637</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,604</u>	<u>\$ 163,912</u>	<u>\$ 814,842</u>	<u>\$ 59,202</u>	<u>\$ 128,893</u>	<u>\$ 156,941</u>

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds				
	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	Parking Surplus
Assets					
Equity in pooled investments	\$ 5,000	\$ 183,143	\$ 1,425,802	\$ 383,408	\$ 27,587
Receivables (Net of allowance for uncollectibles)					
Taxes	-	-	-	-	-
Accounts	-	-	187,927	-	-
Special assessments	-	-	8,598	-	-
Intergovernmental	-	144,059	-	-	-
Leases	-	-	2,186,106	-	-
Loans	57,004	1,875,732	-	-	-
Prepaid items	-	-	46,826	-	-
Total assets	<u>\$ 62,004</u>	<u>\$ 2,202,934</u>	<u>\$ 3,855,259</u>	<u>\$ 383,408</u>	<u>\$ 27,587</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Vouchers payable	\$ -	\$ 119,025	\$ 114,953	\$ -	\$ -
Retainage payable	-	25,000	-	-	-
Due to other funds	-	-	-	-	-
Accrued payroll	-	91	865	-	-
Special assessments payable	-	-	38,136	-	-
Unearned revenue	28,269	400,950	-	-	-
Total liabilities	<u>28,269</u>	<u>545,066</u>	<u>153,954</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	28,735	1,618,795	40,940	-	-
Lease related	-	-	2,053,378	-	-
Total deferred inflows of resources	<u>28,735</u>	<u>1,618,795</u>	<u>2,094,318</u>	<u>-</u>	<u>-</u>
Fund Balance					
Nonspendable	-	-	46,826	-	-
Restricted	5,000	39,073	1,560,161	383,408	27,587
Unassigned	-	-	-	-	-
Total fund balance	<u>5,000</u>	<u>39,073</u>	<u>1,606,987</u>	<u>383,408</u>	<u>27,587</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,004</u>	<u>\$ 2,202,934</u>	<u>\$ 3,855,259</u>	<u>\$ 383,408</u>	<u>\$ 27,587</u>

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	COVID-19 Emergency	American Rescue Plan	Baseball Stadium	Opioid Abatement	Health Department Donations	
Assets						
Equity in pooled investments	\$ -	\$ 70	\$ -	\$ 700,801	\$ 37,879	\$ 4,169,110
Receivables (Net of allowance for uncollectibles)						
Taxes	-	-	-	-	-	11,413
Accounts	-	-	-	-	-	423,662
Special assessments	-	-	-	-	-	913,333
Intergovernmental	-	-	-	-	-	184,352
Leases	-	-	373,822	-	-	2,559,928
Loans	-	-	-	-	-	2,065,031
Prepaid items	-	-	5,513	-	-	56,329
Total assets	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 379,335</u>	<u>\$ 700,801</u>	<u>\$ 37,879</u>	<u>\$ 10,383,158</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance						
Liabilities						
Vouchers payable	\$ -	\$ 70	\$ 739	\$ -	\$ 3,275	\$ 509,911
Retainage payable	-	-	-	-	-	25,000
Due to other funds	-	-	130,734	-	-	146,097
Accrued payroll	-	-	-	-	-	1,685
Special assessments payable	-	-	336	-	-	894,519
Unearned revenue	-	-	-	-	-	554,514
Total liabilities	<u>-</u>	<u>70</u>	<u>131,809</u>	<u>-</u>	<u>3,275</u>	<u>2,131,726</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	2,436,146
Lease related	-	-	344,745	-	-	2,398,123
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>344,745</u>	<u>-</u>	<u>-</u>	<u>4,834,269</u>
Fund Balance (Deficit)						
Nonspendable	-	-	5,513	-	-	56,329
Restricted	-	-	-	700,801	34,604	3,604,450
Unassigned	-	-	(102,732)	-	-	(243,616)
Total fund balance (deficit)	<u>-</u>	<u>-</u>	<u>(97,219)</u>	<u>700,801</u>	<u>34,604</u>	<u>3,417,163</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 379,335</u>	<u>\$ 700,801</u>	<u>\$ 37,879</u>	<u>\$ 10,383,158</u>

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds				
	City Share of Specials	Noxious Weed	Convention and Visitors Bureau	Regional Training Center	Court Forfeits
Revenues					
Taxes	\$ 840,720	\$ 66,560	\$ 3,543,353	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	40,999	20,496
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	54,658
Investment income	-	-	-	-	-
Miscellaneous	-	-	8,057	39,825	-
Total revenues	840,720	66,560	3,551,410	80,824	75,154
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	63,805	37,477
Public works	918,630	-	-	-	-
Public health and welfare	-	11,929	-	-	-
Recreation and culture	-	-	3,531,178	-	-
Urban redevelopment	-	-	-	-	-
Public transportation	-	-	-	-	-
Capital outlay	-	-	-	-	194,961
Debt service					
Principal	-	-	-	-	97,929
Interest and fiscal charges	-	-	-	-	2,071
Total expenditures	918,630	11,929	3,531,178	63,805	332,438
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,910)	54,631	20,232	17,019	(257,284)
Other Financing Sources (Uses)					
Transfers in	-	-	-	33,545	-
Transfers out	-	(163,833)	-	-	-
Issuance of SBITAs	-	-	-	-	194,961
Sale of capital assets	-	-	-	-	1,524
Total other financing sources (uses)	-	(163,833)	-	33,545	196,485
Net Change in Fund Balance (Deficit)	(77,910)	(109,202)	20,232	50,564	(60,799)
Fund Balance (Deficit), Beginning of Year	(62,974)	109,202	39,033	169,705	255,969
Fund Balance (Deficit), End of Year	\$ (140,884)	\$ -	\$ 59,265	\$ 220,269	\$ 195,170

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds					
	SWAT	Skyway Maintenance	Downtown Business Improvement District	Red River Valley UAS	NRI Loan Program	Community Development
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	135,873	764,059	-	-	-
Intergovernmental	107,573	-	-	24,000	-	264,733
Charges for services	-	-	-	-	7,600	-
Fines and forfeits	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Miscellaneous	9,646	-	-	-	509	35,258
Total revenues	117,219	135,873	764,059	24,000	8,109	299,991
Expenditures						
Current						
General government	-	-	-	-	-	-
Public safety	155,349	-	-	4,909	-	-
Public works	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-
Recreation and culture	-	122,942	824,687	-	-	-
Urban redevelopment	-	-	-	-	9,858	139,151
Public transportation	-	-	-	-	-	-
Capital outlay	64,982	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	220,331	122,942	824,687	4,909	9,858	139,151
Excess (Deficiency) of Revenues Over (Under) Expenditures	(103,112)	12,931	(60,628)	19,091	(1,749)	160,840
Other Financing Sources (Uses)						
Transfers in	93,538	-	70,000	39,873	-	-
Transfers out	-	-	-	-	-	(102,134)
Issuance of SBITAs	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	93,538	-	70,000	39,873	-	(102,134)
Net Change in Fund Balance (Deficit)	(9,574)	12,931	9,372	58,964	(1,749)	58,706
Fund Balance (Deficit), Beginning of Year	11,205	21,727	145,947	-	123,642	(48,069)
Fund Balance (Deficit), End of Year	\$ 1,631	\$ 34,658	\$ 155,319	\$ 58,964	\$ 121,893	\$ 10,637

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds				
	HUD Home Program	HUD Home Participating Jurisdiction	Parking Authority	Parking Repair and Replacement	Parking Surplus
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	266,773	-	-	-
Charges for services	-	-	2,104,435	-	-
Fines and forfeits	-	-	-	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	52,420	206,692	11,710	-
Total revenues	-	319,193	2,311,127	11,710	-
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Public health and welfare	-	-	-	-	-
Recreation and culture	-	-	-	-	-
Urban redevelopment	-	211,560	-	-	-
Public transportation	-	-	1,207,579	37,674	-
Capital outlay	-	-	-	-	-
Debt service					
Principal	-	-	38,044	-	-
Interest and fiscal charges	-	-	6,046	-	-
Total expenditures	-	211,560	1,251,669	37,674	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	107,633	1,059,458	(25,964)	-
Other Financing Sources (Uses)					
Transfers in	-	-	664,746	118,200	27,587
Transfers out	-	-	(1,555,922)	-	-
Issuance of SBITAs	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total other financing sources (uses)	-	-	(891,176)	118,200	27,587
Net Change in Fund Balance (Deficit)	-	107,633	168,282	92,236	27,587
Fund Balance (Deficit), Beginning of Year	5,000	(68,560)	1,438,705	291,172	-
Fund Balance (Deficit), End of Year	\$ 5,000	\$ 39,073	\$ 1,606,987	\$ 383,408	\$ 27,587

City of Fargo, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2024

	Special Revenue Funds					Total Nonmajor Governmental Funds
	COVID-19 Emergency	American Rescue Plan	Baseball Stadium	Opioid Abatement	Health Department Donations	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,450,633
Special assessments	-	-	-	-	-	899,932
Intergovernmental	142,111	2,145,292	-	-	43,287	3,055,264
Charges for services	-	-	70,700	-	-	2,182,735
Fines and forfeits	-	-	-	-	-	54,658
Investment income	-	-	16,186	-	-	16,186
Miscellaneous	-	-	103,461	623,780	-	1,091,358
Total revenues	142,111	2,145,292	190,347	623,780	43,287	11,750,766
Expenditures						
Current						
General government	-	233,530	-	-	-	233,530
Public safety	-	196,389	-	-	-	457,929
Public works	-	-	-	-	-	918,630
Public health and welfare	142,112	186,421	-	-	34,834	375,296
Recreation and culture	-	-	190,793	-	-	4,669,600
Urban redevelopment	-	-	-	-	-	360,569
Public transportation	-	-	-	-	-	1,245,253
Capital outlay	-	-	58,920	-	-	318,863
Debt service						
Principal	-	-	-	-	-	135,973
Interest and fiscal charges	-	-	-	-	-	8,117
Total expenditures	142,112	616,340	249,713	-	34,834	8,723,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	1,528,952	(59,366)	623,780	8,453	3,027,006
Other Financing Sources (Uses)						
Transfers in	94,846	-	-	-	26,151	1,168,486
Transfers out	-	(1,753,415)	-	(91,412)	-	(3,666,716)
Issuance of SBITAs	-	-	-	-	-	194,961
Sale of capital assets	-	-	-	-	-	1,524
Total other financing sources (uses)	94,846	(1,753,415)	-	(91,412)	26,151	(2,301,745)
Net Change in Fund Balance (Deficit)	94,845	(224,463)	(59,366)	532,368	34,604	725,261
Fund Balance (Deficit), Beginning of Year	(94,845)	224,463	(37,853)	168,433	-	2,691,902
Fund Balance (Deficit), End of Year	\$ -	\$ -	\$ (97,219)	\$ 700,801	\$ 34,604	\$ 3,417,163

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, 2024

	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	\$ 843,404	\$ 843,404	\$ 840,720	\$ (2,684)	\$ 76,219	\$ 76,219	\$ 66,560	\$ (9,659)
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>843,404</u>	<u>843,404</u>	<u>840,720</u>	<u>(2,684)</u>	<u>76,219</u>	<u>76,219</u>	<u>66,560</u>	<u>(9,659)</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	836,200	836,200	918,630	(82,430)	-	-	-	-
Public health and welfare	-	-	-	-	22,000	22,000	11,929	10,071
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>836,200</u>	<u>836,200</u>	<u>918,630</u>	<u>(82,430)</u>	<u>22,000</u>	<u>22,000</u>	<u>11,929</u>	<u>10,071</u>
Excess (Deficiency) of Revenues over (under) Expenditures	7,204	7,204	(77,910)	(85,114)	54,219	54,219	54,631	412
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(163,833)	(163,833)
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(163,833)</u>	<u>(163,833)</u>
Net Change in Fund Balance (Deficit)	<u>\$ 7,204</u>	<u>\$ 7,204</u>	<u>(77,910)</u>	<u>\$ (85,114)</u>	<u>\$ 54,219</u>	<u>\$ 54,219</u>	<u>(109,202)</u>	<u>\$ (163,421)</u>
Fund Balance (Deficit), Beginning of Year			(62,974)				109,202	
Fund Balance (Deficit), End of Year			<u>\$ (140,884)</u>				<u>\$ -</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, 2024

	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	\$ 3,000,000	\$ 3,000,000	\$ 3,543,353	\$ 543,353	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	40,999	40,999	40,999	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	8,057	8,057	25,456	25,456	39,825	14,369
Total revenues	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,551,410</u>	<u>551,410</u>	<u>66,455</u>	<u>66,455</u>	<u>80,824</u>	<u>14,369</u>
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	97,444	97,444	63,805	33,639
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	3,000,000	3,000,000	3,531,178	(531,178)	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,531,178</u>	<u>(531,178)</u>	<u>97,444</u>	<u>97,444</u>	<u>63,805</u>	<u>33,639</u>
Excess (Deficiency) of Revenues over (under) Expenditures	-	-	20,232	20,232	(30,989)	(30,989)	17,019	48,008
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	33,545	33,545
Transfers out	-	-	-	-	-	-	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,545</u>	<u>33,545</u>
Net Change in Fund Balance (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>20,232</u>	<u>\$ 20,232</u>	<u>\$ (30,989)</u>	<u>\$ (30,989)</u>	<u>50,564</u>	<u>\$ 81,553</u>
Fund Balance (Deficit), Beginning of Year			39,033				169,705	
Fund Balance (Deficit), End of Year			<u>\$ 59,265</u>				<u>\$ 220,269</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, 2024

	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	-	-	20,496	20,496	56,420	56,420	107,573	51,153
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	100,000	54,658	(45,342)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	9,646	9,646
Total revenues	100,000	100,000	75,154	(24,846)	56,420	56,420	117,219	60,799
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	100,000	218,547	37,477	181,070	134,087	550,064	155,349	394,715
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	194,961	(194,961)	-	-	64,982	(64,982)
Debt service								
Principal	-	-	97,929	(97,929)	-	-	-	-
Interest and fiscal charges	-	-	2,071	(2,071)	-	-	-	-
Total expenditures	100,000	218,547	332,438	(113,891)	134,087	550,064	220,331	329,733
Excess (Deficiency) of Revenues over (under) Expenditures	-	(118,547)	(257,284)	(138,737)	(77,667)	(493,644)	(103,112)	390,532
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	55,081	55,081	93,538	38,457
Transfers out	-	-	-	-	-	-	-	-
Issuance of SBITAs	-	-	194,961	194,961	-	-	-	-
Sale of capital assets	-	-	1,524	1,524	-	-	-	-
Total other financing sources (uses)	-	-	196,485	196,485	55,081	55,081	93,538	38,457
Net Change in Fund Balance (Deficit)	\$ -	\$ (118,547)	(60,799)	\$ 57,748	\$ (22,586)	\$ (438,563)	(9,574)	\$ 428,989
Fund Balance (Deficit), Beginning of Year			255,969				11,205	
Fund Balance (Deficit), End of Year			\$ 195,170				\$ 1,631	

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, 2024

	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	117,500	117,500	135,873	18,373	739,000	739,000	764,059	25,059
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	117,500	117,500	135,873	18,373	739,000	739,000	764,059	25,059
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	191,200	130,700	122,942	7,758	763,000	818,000	824,687	(6,687)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	191,200	130,700	122,942	7,758	763,000	818,000	824,687	(6,687)
Excess (Deficiency) of Revenues over (under) Expenditures	(73,700)	(13,200)	12,931	26,131	(24,000)	(79,000)	(60,628)	18,372
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	43,000	43,000	70,000	27,000
Transfers out	-	-	-	-	-	-	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital asset	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	43,000	43,000	70,000	27,000
Net Change in Fund Balance (Deficit)	\$ (73,700)	\$ (13,200)	12,931	\$ 26,131	\$ 19,000	\$ (36,000)	9,372	\$ 45,372
Fund Balance (Deficit), Beginning of Year			21,727				145,947	
Fund Balance (Deficit), End of Year			\$ 34,658				\$ 155,319	

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, 2024

	Red River Valley UAS				NRI Loan Program			
	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	-	35,000	24,000	(11,000)	-	-	-	-
Charges for services	-	-	-	-	6,000	6,000	7,600	1,600
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	4,000	4,000	509	(3,491)
Total revenues	-	35,000	24,000	(11,000)	10,000	10,000	8,109	(1,891)
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	20,000	4,909	15,091	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	7,040	7,040	9,858	(2,818)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	20,000	4,909	15,091	7,040	7,040	9,858	(2,818)
Excess (Deficiency) of Revenues over (under) Expenditures	-	15,000	19,091	4,091	2,960	2,960	(1,749)	(4,709)
Other Financing Sources (Uses)								
Transfers in	-	-	39,873	39,873	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	39,873	39,873	-	-	-	-
Net Change in Fund Balance (Deficit)	\$ -	\$ 15,000	58,964	\$ 43,964	\$ 2,960	\$ 2,960	(1,749)	\$ (4,709)
Fund Balance (Deficit), Beginning of Year			-				123,642	
Fund Balance (Deficit), End of Year			\$ 58,964				\$ 121,893	

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, 2024

	Community Development				HUD Home Program			
	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	897,332	264,733	(632,599)	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	4,900	4,900	35,258	30,358	10,000	10,000	-	(10,000)
Total revenues	778,198	902,232	299,991	(602,241)	10,000	10,000	-	(10,000)
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	1,009,736	1,009,736	139,151	870,585	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	1,009,736	1,009,736	139,151	870,585	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(231,538)	(107,504)	160,840	268,344	10,000	10,000	-	(10,000)
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	(124,034)	(102,134)	21,900	-	-	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(124,034)	(102,134)	21,900	-	-	-	-
Net Change in Fund Balance (Deficit)	\$ (231,538)	\$ (231,538)	58,706	\$ 290,244	\$ 10,000	\$ 10,000	-	\$ (10,000)
Fund Balance (Deficit), Beginning of Year			(48,069)				5,000	
Fund Balance (Deficit), End of Year			\$ 10,637				\$ 5,000	

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, 2024

	HUD Home Participating Jurisdiction				Parking Authority			
	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	468,708	468,708	266,773	(201,935)	-	-	-	-
Charges for services	-	-	-	-	2,124,421	2,124,421	2,104,435	(19,986)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	75,000	75,000	52,420	(22,580)	-	-	206,692	206,692
Total revenues	543,708	543,708	319,193	(224,515)	2,124,421	2,124,421	2,311,127	186,706
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	471,388	471,388	211,560	259,828	-	-	-	-
Public transportation	-	-	-	-	1,116,200	1,116,200	1,207,579	(91,379)
Capital outlay	-	-	-	-	192,000	-	-	-
Debt service								
Principal	-	-	-	-	-	-	38,044	(38,044)
Interest and fiscal charges	-	-	-	-	1,800	1,800	6,046	(4,246)
Total expenditures	471,388	471,388	211,560	259,828	1,310,000	1,118,000	1,251,669	(133,669)
Excess (Deficiency) of Revenues over (under) Expenditures	72,320	72,320	107,633	35,313	814,421	1,006,421	1,059,458	53,037
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	188,000	638,000	664,746	26,746
Transfers out	-	-	-	-	(1,355,922)	(1,355,922)	(1,555,922)	(200,000)
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(1,167,922)	(717,922)	(891,176)	(173,254)
Net Change in Fund Balance (Deficit)	\$ 72,320	\$ 72,320	107,633	\$ 35,313	\$ (353,501)	\$ 288,499	168,282	\$ (120,217)
Fund Balance (Deficit), Beginning of Year			(68,560)				1,438,705	
Fund Balance (Deficit), End of Year			\$ 39,073				\$ 1,606,987	

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, 2024

	Parking Repair and Replacement				Parking Surplus			
	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	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	11,710	11,710	-	-	-	-
Total revenues	-	-	11,710	11,710	-	-	-	-
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	105,000	105,000	37,674	67,326	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	105,000	105,000	37,674	67,326	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	(105,000)	(105,000)	(25,964)	79,036	-	-	-	-
Other Financing Sources (Uses)								
Transfers in	105,000	105,000	118,200	13,200	-	-	27,587	27,587
Transfers out	-	-	-	-	-	-	-	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	105,000	105,000	118,200	13,200	-	-	27,587	27,587
Net Change in Fund Balance (Deficit)	\$ -	\$ -	92,236	\$ 92,236	\$ -	\$ -	27,587	\$ 27,587
Fund Balance (Deficit), Beginning of Year			291,172				-	
Fund Balance (Deficit), End of Year			\$ 383,408				\$ 27,587	

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, 2024

	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	-	142,111	142,111	-	5,500,000	2,145,292	2,145,292	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	-	142,111	142,111	-	5,500,000	2,145,292	2,145,292	-
Expenditures								
Current								
General government	-	-	-	-	5,500,000	233,530	233,530	-
Public safety	-	-	-	-	-	196,391	196,389	2
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	142,112	142,112	-	100,606	186,421	186,421	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	-	142,112	142,112	-	5,600,606	616,342	616,340	2
Excess (Deficiency) of Revenues over (under) Expenditures	-	(1)	(1)	-	(100,606)	1,528,950	1,528,952	2
Other Financing Sources (Uses)								
Transfers in	-	94,846	94,846	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,753,415)	(1,753,415)	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	94,846	94,846	-	-	(1,753,415)	(1,753,415)	-
Net Change in Fund Balance (Deficit)	\$ -	\$ 94,845	94,845	\$ -	\$ (100,606)	\$ (224,465)	(224,463)	\$ 2
Fund Balance (Deficit), Beginning of Year			(94,845)				224,463	
Fund Balance (Deficit), End of Year			\$ -				\$ -	

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, 2024

	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	70,700	(129,300)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	16,186	16,186	-	-	-	-
Miscellaneous	-	-	103,461	103,461	-	623,780	623,780	-
Total revenues	200,000	200,000	190,347	(9,653)	-	623,780	623,780	-
Expenditures								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	200,000	257,044	190,793	66,251	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	58,920	(58,920)	-	-	-	-
Debt service								
Principal	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	200,000	257,044	249,713	7,331	-	-	-	-
Excess (Deficiency) of Revenues over (under) Expenditures	-	(57,044)	(59,366)	(2,322)	-	623,780	623,780	-
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(91,412)	(91,412)	-
Issuance of SBITAs	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(91,412)	(91,412)	-
Net Change in Fund Balance (Deficit)	\$ -	\$ (57,044)	(59,366)	\$ (2,322)	\$ -	\$ 532,368	532,368	\$ -
Fund Balance (Deficit), Beginning of Year			(37,853)				168,433	
Fund Balance (Deficit), End of Year			<u>\$ (97,219)</u>				<u>\$ 700,801</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, 2024

	Health Department Donations				Total			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,919,623	\$ 3,919,623	\$ 4,450,633	\$ 531,010
Special assessments	-	-	-	-	856,500	856,500	899,932	43,432
Intergovernmental	-	43,287	43,287	-	6,839,425	3,829,149	3,055,264	(773,885)
Charges for services	-	-	-	-	2,330,421	2,330,421	2,182,735	(147,686)
Fines and forfeits	-	-	-	-	100,000	100,000	54,658	(45,342)
Investment income	-	-	-	-	-	-	16,186	16,186
Miscellaneous	-	-	-	-	119,356	743,136	1,091,358	348,222
Total revenues	-	43,287	43,287	-	14,165,325	11,778,829	11,750,766	(28,063)
Expenditures								
Current								
General government	-	-	-	-	5,500,000	233,530	233,530	-
Public safety	-	-	-	-	331,531	1,082,446	457,929	624,517
Public works	-	-	-	-	836,200	836,200	918,630	(82,430)
Public health and welfare	-	34,834	34,834	-	122,606	385,367	375,296	10,071
Recreation and culture	-	-	-	-	4,154,200	4,205,744	4,669,600	(463,856)
Urban redevelopment	-	-	-	-	1,488,164	1,488,164	360,569	1,127,595
Public transportation	-	-	-	-	1,221,200	1,221,200	1,245,253	(24,053)
Capital outlay	-	-	-	-	192,000	-	318,863	(318,863)
Debt service								
Principal	-	-	-	-	-	-	135,973	(135,973)
Interest and fiscal charges	-	-	-	-	1,800	1,800	8,117	(6,317)
Total expenditures	-	34,834	34,834	-	13,847,701	9,454,451	8,723,760	730,691
Excess (Deficiency) of Revenues over (under) Expenditures	-	8,453	8,453	-	317,624	2,324,378	3,027,006	702,628
Other Financing Sources (Uses)								
Transfers in	-	26,151	26,151	-	391,081	962,078	1,168,486	206,408
Transfers out	-	-	-	-	(1,355,922)	(3,324,783)	(3,666,716)	(341,933)
Issuance of SBITAs	-	-	-	-	-	-	194,961	194,961
Sale of capital assets	-	-	-	-	-	-	1,524	1,524
Total other financing sources (uses)	-	26,151	26,151	-	(964,841)	(2,362,705)	(2,301,745)	60,960
Net Change in Fund Balance (Deficit)	\$ -	\$ 34,604	34,604	\$ -	\$ (647,217)	\$ (38,327)	725,261	\$ 763,588
Fund Balance (Deficit), Beginning of Year			-				2,691,902	
Fund Balance (Deficit), End of Year			\$ 34,604				\$ 3,417,163	

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, 2024

	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	298,298	1,210,743	-	-	389,440	-	1,898,481
Receivables (net of allowance for uncollectibles):							
Accounts	24,014	80,866	867,562	371,994	370,751	16,272	1,731,459
Special assessments	-	-	-	87,472	-	-	87,472
Intergovernmental	-	-	-	-	230,095	-	230,095
Inventories	-	-	641,630	-	496,003	-	1,137,633
Prepaid items	-	40	103,975	2,431	47,141	-	153,587
Total current assets	322,312	1,291,649	1,613,167	461,897	1,534,030	16,272	5,239,327
Noncurrent Assets							
Capital assets							
Buildings	-	-	-	-	16,307,697	8,178,479	24,486,176
Improvements other than buildings	-	-	-	-	20,473	18,965	39,438
Machinery and equipment	-	26,547	684,413	1,788,359	20,008,576	284,318	22,792,213
Infrastructure	-	-	55,762,510	-	-	-	55,762,510
Right-of-use leased assets	-	-	-	132,728	17,924	-	150,652
Subscription-based IT assets	-	-	-	17,157	647,085	-	664,242
Less accumulated depreciation/amortization	-	(26,547)	(27,950,709)	(1,613,065)	(21,422,782)	(5,227,022)	(56,240,125)
Total capital assets, net of accumulated depreciation/amortization	-	-	28,496,214	325,179	15,578,973	3,254,740	47,655,106
Total noncurrent assets	-	-	28,496,214	325,179	15,578,973	3,254,740	47,655,106
Total assets	322,312	1,291,649	30,109,381	787,076	17,113,003	3,271,012	52,894,433
Deferred Outflows of Resources							
OPEB	-	-	2,810	11,552	21,134	809	36,305
Pensions	-	-	86,403	531,215	731,020	69,364	1,418,002
Total deferred outflows of resources	-	-	89,213	542,767	752,154	70,173	1,454,307

City of Fargo, North Dakota
Combining Balance Sheet
Nonmajor Enterprise Funds
December 31, 2024

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Liabilities							
Current Liabilities							
Vouchers payable	917	-	197,440	4,853	680,051	25,392	908,653
Due to other funds	-	-	2,208,649	139,740	1,546,830	124,913	4,020,132
Accrued payroll	131	-	23,581	30,672	86,887	-	141,271
Accrued interest payable	-	-	-	2,674	6,930	-	9,604
Current portion of special assessments payable	-	-	-	-	1,649	-	1,649
Current portion of financed purchases payable	-	-	-	10,588	-	-	10,588
Current portion of leases payable	-	-	-	32,752	2,941	-	35,693
Current portion of SBITA payable	-	-	-	4,243	127,536	-	131,779
Current portion of compensated absences	-	-	63,923	82,255	238,410	-	384,588
Unearned revenue	-	-	-	-	124,067	-	124,067
Total current liabilities	1,048	-	2,493,593	307,777	2,815,301	150,305	5,768,024
Noncurrent Liabilities							
Long-term debt, net of deferred refundings							
Special assessments payable	-	-	-	-	561	-	561
Financed purchases payable	-	-	-	48,968	-	-	48,968
Leases payable	-	-	-	2,736	-	-	2,736
SBITA payable	-	-	-	4,726	369,881	-	374,607
Compensated absences	-	-	-	61,816	12,121	-	73,937
Net OPEB liability	-	-	14,370	46,446	103,674	3,002	167,492
Net pension liability	-	-	355,260	1,235,048	2,494,716	113,311	4,198,335
Total noncurrent liabilities	-	-	369,630	1,399,740	2,980,953	116,313	4,866,636
Total liabilities	1,048	-	2,863,223	1,707,517	5,796,254	266,618	10,634,660
Deferred Inflows of Resources							
OPEB plans	-	-	5,585	6,540	15,686	83	27,894
Pension plans	-	-	451,397	559,343	1,071,602	18,188	2,100,530
Total deferred inflows resources	-	-	456,982	565,883	1,087,288	18,271	2,128,424
Net Position							
Net investment in capital assets	-	-	28,496,214	221,166	15,076,405	3,254,740	47,048,525
Unrestricted	321,264	1,291,649	(1,617,825)	(1,164,723)	(4,094,790)	(198,444)	(5,462,869)
Total net position	\$ 321,264	\$ 1,291,649	\$ 26,878,389	\$ (943,557)	\$ 10,981,615	\$ 3,056,296	\$ 41,585,656

City of Fargo, North Dakota
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Revenues							
Charges for services	\$ 188,249	\$ 812,374	\$ 7,550,912	\$ 3,316,328	\$ 3,211,729	\$ 32,925	\$ 15,112,517
Operating Expenses							
Personnel services	31,036	-	945,589	1,332,979	3,075,181	7,197	5,391,982
Other services	37,155	267,982	437,458	780,638	7,889,195	22,667	9,435,095
Materials and supplies	29,951	93,708	1,789,558	262,475	2,245,436	154,497	4,575,625
Depreciation/amortization	-	-	2,260,664	181,848	1,709,298	169,352	4,321,162
Total operating expenses	98,142	361,690	5,433,269	2,557,940	14,919,110	353,713	23,723,864
Operating Income (Loss)	90,107	450,684	2,117,643	758,388	(11,707,381)	(320,788)	(8,611,347)
Nonoperating Revenues (Expenses)							
Gain (loss) on disposal of assets	-	-	22,374	(3,528)	(24,638)	-	(5,792)
Interest expense and bond fees	-	-	-	(5,306)	(154,734)	-	(160,040)
Intergovernmental operating grants	-	-	-	89,231	4,223,441	-	4,312,672
Intergovernmental capital grants	-	-	-	-	5,597,457	-	5,597,457
Miscellaneous revenue	-	-	-	1,244	31,236	23,897	56,377
Total nonoperating revenues (expenses)	-	-	22,374	81,641	9,672,762	23,897	9,800,674
Income (Loss) before Contributions and Transfers	90,107	450,684	2,140,017	840,029	(2,034,619)	(296,891)	1,189,327
Transfers in	-	-	-	24,446	3,000,000	150,000	3,174,446
Transfers out	-	(162,481)	(6,601,354)	(662,372)	-	-	(7,426,207)
Capital contributions from governmental funds	-	-	3,352,789	-	-	-	3,352,789
Change in Net Position	90,107	288,203	(1,108,548)	202,103	965,381	(146,891)	290,355
Total Net Position (Deficit), Beginning of Year, as previously reported	231,157	1,003,446	27,986,937	(1,051,905)	10,134,167	3,203,187	41,506,989
Adjustments (Note 15)	-	-	-	(93,755)	(117,933)	-	(211,688)
Total Net Position (Deficit), Beginning of Year, as restated	231,157	1,003,446	27,986,937	(1,145,660)	10,016,234	3,203,187	41,295,301
Total Net Position, End of Year	\$ 321,264	\$ 1,291,649	\$ 26,878,389	\$ (943,557)	\$ 10,981,615	\$ 3,056,296	\$ 41,585,656

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	Southeast Cass Sewer District	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
Operating Activities							
Receipts from customers and users	\$ 188,109	\$ 815,083	\$ 7,264,992	\$ 3,225,958	\$ 3,385,862	\$ 44,139	\$ 14,924,143
Payments to suppliers	(74,768)	(361,879)	(2,271,111)	(1,058,786)	(10,087,358)	(164,477)	(14,018,379)
Payments to and on behalf of employees	(31,112)	-	(937,446)	(1,331,754)	(3,034,072)	(7,199)	(5,341,583)
Net cash from (used for) Operating Activities	82,229	453,204	4,056,435	835,418	(9,735,568)	(127,537)	(4,435,819)
Noncapital Financing Activities							
Transfers to other funds	-	(162,481)	(6,601,354)	(662,372)	-	-	(7,426,207)
Transfers from other funds	-	-	-	23,575	3,000,000	150,000	3,173,575
Intergovernmental operating grants	-	-	-	89,231	7,765,683	-	7,854,914
Payments received on interfund borrowing	-	-	2,208,649	-	-	-	2,208,649
Payments made for interfund borrowing	-	-	-	(169,274)	(494,292)	(46,363)	(709,929)
Net Cash from (Used for) Noncapital Financing Activities	-	(162,481)	(4,392,705)	(718,840)	10,271,391	103,637	5,101,002
Capital and Related Financing Activities							
Proceeds from sale of assets	-	-	22,374	-	34,613	-	56,987
Miscellaneous capital activities	-	-	-	1,244	31,236	23,897	56,377
Acquisition of capital assets	-	-	(51,320)	-	(5,517,273)	-	(5,568,593)
Debt service							
Principal	-	-	-	(113,843)	(144,208)	-	(258,051)
Interest	-	-	-	(3,979)	(148,208)	-	(152,187)
Intergovernmental capital grants	-	-	-	-	5,597,457	-	5,597,457
Net Cash from (Used for) Capital and Related Financing Activities	-	-	(28,946)	(116,578)	(146,383)	23,897	(268,010)
Investing Activities							
Investments redeemed	216,069	920,020	365,216	-	-	-	1,501,305
Purchase of investments	(298,298)	(1,210,743)	-	-	(389,440)	-	(1,898,481)
Interest and dividends from investments	-	-	-	-	-	3	3
Net Cash from (Used for) Investing Activities	(82,229)	(290,723)	365,216	-	(389,440)	3	(397,173)
Change in Cash and Cash Equivalents	-	-	-	-	-	-	-
Cash and Cash Equivalents, Beginning of Year	-	-	-	-	600	-	600
Cash and Cash Equivalents, End of Year	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ 600

City of Fargo, North Dakota
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended December 31, 2024

	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)	\$ 90,107	\$ 450,684	\$ 2,117,643	\$ 758,388	\$ (11,707,381)	\$ (320,788)	\$ (8,611,347)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities							
Depreciation/amortization	-	-	2,260,664	181,848	1,709,298	169,352	4,321,162
Changes in assets and liabilities							
Accounts receivable	(140)	2,709	(285,920)	(84,509)	167,477	11,214	(189,169)
Special assessments receivable	-	-	-	(5,861)	-	-	(5,861)
Inventories	-	-	65,667	-	11,929	-	77,596
Prepaid expenses	-	58	(103,299)	(99)	1,312	-	(102,028)
OPEB related deferred outflows	-	-	8,568	9,185	28,175	13	45,941
Pension related deferred outflows	-	-	328,446	409,771	1,105,233	486	1,843,936
Vouchers payable	(7,662)	(247)	(6,463)	(15,574)	34,032	12,687	16,773
Payroll payable	(76)	-	7,298	5,592	33,494	-	46,308
Compensated absences	-	-	2,112	(5,935)	9,651	-	5,828
Unearned revenue	-	-	-	-	6,656	-	6,656
Net OPEB liability	-	-	(8,160)	(8,747)	(26,833)	(13)	(43,753)
Net pension liability	-	-	(42,304)	(96,265)	(160,594)	(62)	(299,225)
OPEB related deferred inflows	-	-	1,146	1,228	3,768	2	6,144
Pension related deferred inflows	-	-	(288,963)	(313,604)	(951,785)	(428)	(1,554,780)
Net cash from (used for) Operating Activities	<u>\$ 82,229</u>	<u>\$ 453,204</u>	<u>\$ 4,056,435</u>	<u>\$ 835,418</u>	<u>\$ (9,735,568)</u>	<u>\$ (127,537)</u>	<u>\$ (4,435,819)</u>
Supplemental Schedule of Noncash Investing and Financing Activities							
Acquisition of capital assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,352,789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,352,789</u>
Acquisition of capital assets through debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,556</u>	<u>\$ 615,765</u>	<u>\$ -</u>	<u>\$ 690,321</u>
Transfer of capital assets, net of related debt, to other funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 871</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. As of January 1, 2024, Cass County began serving as Fiscal Agent for the Red River Regional Dispatch Center and, accordingly, all assets of the Red River Regional Dispatch Center were transferred from the City to Cass County on that date.

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, 2024

	Park District Special Assessments	Metro Flood Diversion Authority	Red River Regional Dispatch Center	Police Custodial	Total
Assets					
Cash and cash equivalents	\$ -	\$ 21,591,202	\$ -	\$ -	\$ 21,591,202
Equity in pooled investments	812,874	279,737,656	-	125,884	280,676,414
Receivables (net of allowance for uncollectibles):					
Interest	-	1,120,152	-	-	1,120,152
Special assessments	8,453,737	-	-	-	8,453,737
Intergovernmental	-	34,619,545	-	-	34,619,545
Prepaid items	-	3,443,653	-	-	3,443,653
Capital assets					
Construction in progress	-	17,583,109	-	-	17,583,109
Total assets	9,266,611	358,095,317	-	125,884	367,487,812
Liabilities					
Vouchers payable	-	30,966,255	-	-	30,966,255
Retainage payable	-	18,000	-	-	18,000
Deposits payable	812,875	18,250	-	-	831,125
Debt					
Accrued interest on settlement payable	-	3,202,192	-	-	3,202,192
Due in more than one year - note payable	-	19,334,469	-	-	19,334,469
Due in more than one year - settlement payable	-	40,000,000	-	-	40,000,000
Total liabilities	812,875	93,539,166	-	-	94,352,041
Net Position					
Net investment in capital assets	-	17,583,109	-	-	17,583,109
Restricted for					
Park District special assessments	8,453,736	-	-	-	8,453,736
Metro Flood Diversion Authority	-	246,973,042	-	-	246,973,042
Police custodial fund	-	-	-	125,884	125,884
Total net position	\$ 8,453,736	\$ 264,556,151	\$ -	\$ 125,884	\$ 273,135,771

City of Fargo, North Dakota
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended December 31, 2024

	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	\$ -	\$ 12,398,879	\$ -	\$ -	\$ 12,398,879
Aid from other governments	-	187,836,613	-	-	187,836,613
Miscellaneous	-	662,771	-	-	662,771
Police funds received into custody	-	-	-	63,586	63,586
Total additions	-	200,898,263	-	63,586	200,961,849
Deductions					
Payments of special assessments to other governments	471,684	-	-	-	471,684
Payments for public protection	-	148,821,397	-	-	148,821,397
Payments for dispatch center	-	-	2,638,845	-	2,638,845
Police funds released from custody	-	-	-	197,448	197,448
Interest expense	-	802,192	-	-	802,192
Total deductions	471,684	149,623,589	2,638,845	197,448	152,931,566
Change in Net Position	(471,684)	51,274,674	(2,638,845)	(133,862)	48,030,283
Net Position, Beginning	8,925,420	213,281,477	2,638,845	259,746	225,105,488
Net Position, Ending	\$ 8,453,736	\$ 264,556,151	\$ -	\$ 125,884	\$ 273,135,771

Capital Assets Used in the Operation of Governmental Funds
Year Ended December 31, 2024

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, 2024

Governmental Funds Capital Assets

Land	\$ 109,614,393
Intangible - right-of-way easements	15,156,606
Buildings	155,184,224
Improvements other than buildings	9,462,797
Machinery and equipment	58,078,252
Infrastructure	564,745,182
Flood control	100,991,957
Right-of-use leased assets	10,375,114
Subscription-based IT assets	3,943,347
Construction in progress	<u>12,634,977</u>
Total	<u><u>\$ 1,040,186,849</u></u>

Investments in Governmental Capital Assets by Source

General fund	\$ 40,369,582
Special revenue funds	9,853,089
Debt service funds	147,664
Capital projects funds	928,370,104
Enterprise funds	3,103,040
Federal and state grants	13,928,167
Donated	<u>44,415,203</u>
Total	<u><u>\$ 1,040,186,849</u></u>

City of Fargo, North Dakota
Schedule by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2024

	Land	Intangible Right-of-Way Easements	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	\$ -	\$ -	\$ -	\$ -	\$ 491,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 491,909
City Administrator	-	-	45,409	205,195	52,184	-	-	-	63,766	-	366,554
City Auditor	-	-	-	-	161,132	-	-	-	342,309	-	503,441
Information Technology	-	-	-	-	4,832,050	-	-	-	2,157,073	-	6,989,123
Public Information	-	-	180,220	910,226	1,978,258	-	-	14,694	-	-	3,083,398
Human Resources	-	-	-	-	173,932	-	-	-	-	-	173,932
City Assessor	-	-	-	-	194,270	-	-	-	-	-	194,270
Municipal Court	-	-	1,783,004	-	201,301	-	-	16,194	-	-	2,000,499
Planning & Development	70,093	-	-	3,457,224	132,704	-	-	38,267	-	-	3,698,288
Central Garage	-	-	5,490,155	127,813	1,885,869	-	-	-	-	-	7,503,837
City Buildings	-	-	31,538,422	-	953,420	-	-	-	-	-	32,491,842
Total General Government	70,093	-	39,037,210	4,700,458	11,057,029	-	-	69,155	2,563,148	-	57,497,093
Public Safety											
Traffic Engineering	-	-	-	-	258,123	-	-	-	-	-	258,123
Fire Department	436,448	-	18,128,993	15,442	11,141,917	-	-	-	-	1,016,117	30,738,917
Emergency Management	-	-	-	-	1,019,787	-	-	-	-	-	1,019,787
Police Department	35,000	-	15,606,196	15,098	7,501,165	-	-	375,105	1,062,058	-	24,594,622
Inspections	-	-	-	-	835,212	-	-	-	-	-	835,212
Total Public Safety	471,448	-	33,735,189	30,540	20,756,204	-	-	375,105	1,062,058	1,016,117	57,446,661
Public Works											
City Engineer	11,068,842	5,437,625	70,159	-	1,967,980	-	698,194	-	-	-	19,242,800
Street Department	810,900	4,559,909	3,890,379	562,808	17,054,287	563,496,157	-	525,142	106,798	-	591,006,380
Flood	93,046,495	5,159,072	-	-	956,918	1,249,025	100,293,763	8,648,565	-	-	209,353,838
Total Public Works	104,926,237	15,156,606	3,960,538	562,808	19,979,185	564,745,182	100,991,957	9,173,707	106,798	-	819,603,018
Public Health & Welfare											
Health Department	857,805	-	13,285,657	578,642	1,462,603	-	-	33,338	34,000	-	16,252,045
Recreation & Culture											
Public Library	-	-	13,222,323	-	3,710,545	-	-	531,309	-	-	17,464,177
Convention Bureau	199,505	-	1,093,906	-	18,275	-	-	-	-	-	1,311,686
Baseball Stadium	-	-	5,963,129	474,374	381,392	-	-	-	-	-	6,818,895
Total Recreation & Culture	199,505	-	20,279,358	474,374	4,110,212	-	-	531,309	-	-	25,594,758
Urban Development											
Home Grants	-	-	605,042	-	-	-	-	-	-	-	605,042
Community Development	1,150,812	-	3,942,108	28,446	34,650	-	-	-	-	-	5,156,016
Total Urban Development	1,150,812	-	4,547,150	28,446	34,650	-	-	-	-	-	5,761,058
Transportation											
Parking Authority	1,938,493	-	40,339,122	3,087,529	678,369	-	-	192,500	177,343	11,618,860	58,032,216
Total Governmental Funds	\$ 109,614,393	\$ 15,156,606	\$ 155,184,224	\$ 9,462,797	\$ 58,078,252	\$ 564,745,182	\$ 100,991,957	\$ 10,375,114	\$ 3,943,347	\$ 12,634,977	\$ 1,040,186,849

City of Fargo, North Dakota
Schedule of Changes by Function and Activity
Capital Assets Used in the Operation of Governmental Funds
December 31, 2024

	Balance January 1, 2024	Additions	Transfers	Deletions	Balance December 31, 2024
General Government					
City Commission	\$ 540,985	\$ -	\$ 56,391	\$ (105,467)	\$ 491,909
City Administrator	348,855	30,209	-	(12,510)	366,554
City Auditor	175,451	342,309	-	(14,319)	503,441
Information Technology	6,793,639	1,323,754	(56,391)	(1,071,879)	6,989,123
Public Information	3,076,439	50,328	-	(43,369)	3,083,398
Human Resources	183,332	-	-	(9,400)	173,932
City Assessor	200,160	-	-	(5,890)	194,270
Municipal Court	1,958,168	42,331	-	-	2,000,499
Planning & Development	3,717,984	-	-	(19,696)	3,698,288
Central Garage	5,997,180	1,410,897	328,868	(233,108)	7,503,837
City Buildings	32,941,506	15,344	25,654	(490,662)	32,491,842
Total General Government	55,933,699	3,215,172	354,522	(2,006,300)	57,497,093
Public Safety					
Traffic Engineering	362,111	-	-	(103,988)	258,123
Fire Department	26,333,089	4,742,234	-	(336,406)	30,738,917
Emergency Management	1,039,978	6,357	-	(26,548)	1,019,787
Police Department	12,679,153	12,639,582	(471,436)	(252,677)	24,594,622
Inspections	819,901	52,814	-	(37,503)	835,212
Total Public Safety	41,234,232	17,440,987	(471,436)	(757,122)	57,446,661
Public Works					
City Engineer	19,159,758	699,820	41,664	(658,442)	19,242,800
Street Department	563,624,208	31,274,274	(334,514)	(3,557,588)	591,006,380
Flood	208,463,719	1,161,200	-	(271,081)	209,353,838
Total Public Works	791,247,685	33,135,294	(292,850)	(4,487,111)	819,603,018
Public Health & Welfare					
Health Department	16,309,070	93,808	-	(150,833)	16,252,045
Recreation & Culture					
Public Library	17,283,189	284,452	-	(103,464)	17,464,177
Convention Bureau	1,108,189	203,497	-	-	1,311,686
Baseball Stadium	6,767,805	58,920	-	(7,830)	6,818,895
Total Recreation & Culture	25,159,183	546,869	-	(111,294)	25,594,758
Urban Development					
Home Grants	605,042	-	-	-	605,042
Community Development	5,162,977	-	-	(6,961)	5,156,016
Total Urban Development	5,768,019	-	-	(6,961)	5,761,058
Transportation					
Parking Authority	46,522,737	11,618,860	125,964	(235,345)	58,032,216
Capital Assets Constructed for Enterprise Funds	-	40,639,665	-	(40,639,665)	-
Total Governmental Funds	\$ 982,174,625	\$ 106,690,655	\$ (283,800)	\$ (48,394,631)	\$ 1,040,186,849

Statistical Section

Year Ended December 31, 2024

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 274,533,666
Restricted	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	316,448,315
Unrestricted	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)	(77,553,644)
Total Governmental Activities Net Position	<u>\$ 221,209,093</u>	<u>\$ 212,443,923</u>	<u>\$ 175,486,977</u>	<u>\$ 265,181,864</u>	<u>\$ 360,862,509</u>	<u>\$ 399,742,872</u>	<u>\$ 446,364,483</u>	<u>\$ 425,433,971</u>	<u>\$ 488,400,089</u>	<u>\$ 513,428,338</u>
Business-Type Activities										
Net investment in capital assets	\$ 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	\$ 765,576,873
Restricted	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	48,904,366
Unrestricted	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)	(17,733,223)
Total Business-Type Activities Net Position	<u>\$ 711,821,923</u>	<u>\$ 786,142,530</u>	<u>\$ 858,876,816</u>	<u>\$ 793,049,954</u>	<u>\$ 831,736,337</u>	<u>\$ 840,397,624</u>	<u>\$ 899,503,475</u>	<u>\$ 742,569,157</u>	<u>\$ 772,715,060</u>	<u>\$ 796,748,016</u>
Primary Government										
Net investment in capital assets	\$ 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	\$ 1,040,110,539
Restricted	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	365,352,681
Unrestricted	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)	(95,286,867)
Total Primary Government Net Position	<u>\$ 933,031,016</u>	<u>\$ 998,586,453</u>	<u>\$ 1,034,363,793</u>	<u>\$ 1,058,231,818</u>	<u>\$ 1,192,598,846</u>	<u>\$ 1,240,140,496</u>	<u>\$ 1,345,867,958</u>	<u>\$ 1,168,003,128</u>	<u>\$ 1,261,115,149</u>	<u>\$ 1,310,176,354</u>

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	\$ 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	\$ 33,179,930
Public safety	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	55,090,458
Public works	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	122,176,933
Public health & welfare	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	16,265,983
Recreation & culture	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	10,941,726
Urban redevelopment	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	6,818,996
Public transportation	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	3,781,906
Economic development	-	-	-	-	-	100,000	501,956	499,610	551,888	492,626
General support	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	1,825,812
Interest and fiscal charges	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	15,533,841
Total governmental activities expenses	<u>210,811,079</u>	<u>234,240,275</u>	<u>206,044,735</u>	<u>208,309,903</u>	<u>206,685,228</u>	<u>225,918,118</u>	<u>229,226,838</u>	<u>244,295,367</u>	<u>248,842,045</u>	<u>266,108,211</u>
Business-Type Activities										
Municipal airport authority*	8,483,692	8,823,490	8,981,905	10,309,142	10,600,697	10,359,737	11,015,664	-	-	-
Water	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	31,319,312
Water Reclamation	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	15,651,771
Storm sewer	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	8,860,901
Solid waste	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	13,448,196
FargoDome	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	14,258,965
Southeast Cass	54,315	49,345	90,210	59,253	79,715	99,473	56,240	68,197	57,509	98,142
Vector control	335,279	379,561	331,429	429,203	453,082	390,044	241,544	259,131	275,338	361,690
Street lighting	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	5,433,269
Forestry	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	2,566,774
Transit	-	-	-	-	-	-	13,578,079	12,733,347	13,218,977	15,098,482
Civic Memorial Auditorium	-	-	-	-	-	-	405,109	468,414	368,020	353,713
Total business-type activities expenses	<u>61,407,531</u>	<u>63,941,041</u>	<u>68,638,457</u>	<u>76,150,947</u>	<u>84,232,982</u>	<u>85,619,153</u>	<u>103,840,227</u>	<u>103,970,335</u>	<u>107,753,163</u>	<u>107,451,215</u>
Total Primary Government Expenses	<u>\$ 272,218,610</u>	<u>\$ 298,181,316</u>	<u>\$ 274,683,192</u>	<u>\$ 284,460,850</u>	<u>\$ 290,918,210</u>	<u>\$ 311,537,271</u>	<u>\$ 333,067,065</u>	<u>\$ 348,265,702</u>	<u>\$ 356,595,208</u>	<u>\$ 373,559,426</u>

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 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	\$ 3,849,363
Public safety	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	9,264,950
Public works	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	9,372,651
Public health & welfare	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	3,268,334
Recreation & culture	475,257	647,217	518,632	526,085	461,689	180,898	229,113	120,657	238,705	147,652
Urban redevelopment	229,405	637,583	183,000	249,471	34,920	459,849	239,816	50,940	1,237,729	721,879
Transportation	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	2,534,336
Operating grants and contributions	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	12,272,342
Capital grants and contributions	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	122,108,391
Total governmental activities program revenues	126,381,810	181,993,272	128,827,688	133,992,069	190,662,772	160,829,966	173,196,493	117,236,313	195,153,577	163,539,898
Business-Type Activities										
Charges for services										
Municipal airport authority*	8,546,795	8,296,226	8,583,335	9,309,037	10,190,031	6,722,634	9,914,685	-	-	-
Water	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	27,976,392
Water Reclamation	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	17,625,205
Storm sewer	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	4,715,743
Solid waste	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	19,170,402
FargoDome	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	10,639,633
Other activities	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	15,112,517
Operating grants and contributions	-	-	-	-	-	4,143,971	16,901,948	5,919,064	5,841,964	4,344,955
Capital grants and contributions	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	8,229,669
Total business-type activities program revenues	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	107,814,516
Total Primary Government Program Revenues	\$ 192,068,460	\$ 260,700,193	\$ 204,761,130	\$ 207,434,303	\$ 306,961,279	\$ 247,578,875	\$ 304,501,219	\$ 207,122,746	\$ 302,457,151	\$ 271,354,414
Net Revenue (Expense)										
Governmental Activities	\$ (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)	\$ (102,568,313)
Business-Type Activities	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)	363,301
Total Primary Government Net Revenue (Expense)	\$ (80,150,150)	\$ (37,481,123)	\$ (69,922,062)	\$ (77,026,547)	\$ 16,043,069	\$ (63,958,396)	\$ (28,565,846)	\$ (141,142,956)	\$ (54,138,057)	\$ (102,205,012)

* 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 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	\$ 43,293,547
Sales taxes	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	69,824,744
Gross business receipts taxes	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	9,667,362
Lodging taxes	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	3,543,353
Other taxes	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	3,209,148
Unrestricted intergovernmental	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	9,395,021
Unrestricted investment earnings (losses)	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	10,706,118
Miscellaneous	699,233	245,370	2,048,000	415,705	463,526	1,483,134	9,039,654	7,007,967	501,454	1,380,242
Transfers	(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)	(18,714,079)
Total governmental activities	<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>	<u>132,305,456</u>
Business-Type Activities										
Property taxes	744,009	840,443	941,291	1,009,429	1,065,589	1,159,827	1,248,941	-	-	-
Unrestricted investment earnings	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	3,952,868
Miscellaneous	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	1,984,771
Transfers	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	18,714,079
Total business-type activities	<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>	<u>24,651,718</u>
Total Primary Government	<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>	<u>\$ 156,957,174</u>
Change in Net Position										
Governmental Activities	\$ (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	\$ 29,737,143
Business-Type Activities	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	25,015,019
Total Primary Government Change in Net Position	<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>	<u>\$ 54,752,162</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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	\$ 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	\$ 3,652,607
Restricted	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	3,389,700
Committed	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	1,000,016
Assigned	696,289	1,639,608	1,531,414	542,423	598,370	234,832	1,079,780	181,794	183,690	478,357
Unassigned	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	23,067,873
Total General Fund	<u>\$ 39,176,055</u>	<u>\$ 39,396,504</u>	<u>\$ 37,846,574</u>	<u>\$ 35,539,021</u>	<u>\$ 33,684,725</u>	<u>\$ 45,942,992</u>	<u>\$ 38,435,934</u>	<u>\$ 29,717,494</u>	<u>\$ 30,677,044</u>	<u>\$ 31,588,553</u>
All Other Governmental Funds										
Nonspendable	\$ 164,444	\$ 34,352	\$ 26,858	\$ 25,926	\$ 22,384	\$ 767,462	\$ 96,618	\$ 83,788	\$ 96,899	\$ 87,658
Restricted	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	134,839,447
Unassigned	(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)	(243,616)
Total All Other Governmental Funds	<u>\$ 179,148,828</u>	<u>\$ 154,010,753</u>	<u>\$ 70,670,688</u>	<u>\$ 74,394,220</u>	<u>\$ 95,953,052</u>	<u>\$ 187,138,514</u>	<u>\$ 168,969,034</u>	<u>\$ 76,316,256</u>	<u>\$ 114,420,868</u>	<u>\$ 134,683,489</u>

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 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	\$ 129,399,542
Special assessments	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	49,053,611
Licenses and permits	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	6,623,356
Intergovernmental	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	65,351,403
Charges for services	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	18,230,444
Fines and forfeitures	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	1,566,399
Investment income (losses)	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	10,633,351
Miscellaneous	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	3,057,104
Total revenues	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	283,915,210
Expenditures										
General government	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	29,380,531
Public safety	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	51,611,755
Public works	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	100,026,188
Public health & welfare	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	15,869,854
Recreation & culture	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	10,226,605
Urban redevelopment	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	6,750,173
Public transportation	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	1,245,253
Economic development	-	-	-	-	-	100,000	501,956	499,610	551,888	492,626
General support	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	1,376,461
Capital outlay	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	106,434,158
Debt service										
Principal	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	36,153,841
Interest and fiscal charges	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	27,459,310
Total expenditures	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	387,026,755

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (Deficiency) of Revenues over (under) Expenditures	(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)	(103,111,545)
Other Financing Sources (Uses)										
Transfers in	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	57,421,778
Transfers out	(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)	(35,495,083)
Bonds issued (net of premium and discounts)	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	89,912,711
Notes payable issued	-	-	-	-	-	-	-	490,928	1,744,710	10,274,649
Financed purchase issued	164,456	-	42,700	38,332	259,000	270,750	228,700	371,558	929,753	14,889
Leases issued	-	-	-	-	-	-	-	577,466	157,958	269,993
SBITAs issued	-	-	-	-	-	-	-	-	552,565	1,800,297
Sale of capital assets	-	-	-	-	-	-	-	368,269	122,924	86,441
Total other financing sources (uses)	149,777,271	188,930,086	155,876,424	101,513,332	92,716,787	161,791,279	57,860,262	51,730,872	121,078,367	124,285,675
Net Change in Fund Balances	<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>	<u>\$ 21,174,130</u>
Debt Service as a Percentage of Noncapital Expenditures	20.1%	38.6%	46.3%	30.3%	25.1%	26.0%	47.6%	40.8%	29.3%	22.7%

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Revenues										
Governmental Activities										
General government	\$ 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	\$ 7,155,124
Public safety	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	10,856,092
Public works	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	130,758,220
Public health & welfare	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	10,374,418
Recreation & culture	644,517	836,724	700,382	843,185	652,854	428,365	374,999	245,679	562,577	404,826
Urban redevelopment	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	1,253,385
Transportation	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	2,737,833
Total governmental activities program revenues	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	163,539,898
Business-Type Activities										
Municipal airport authority*	12,764,183	21,662,496	14,787,035	11,465,172	11,444,202	21,961,182	22,779,169	-	-	-
Water	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	29,063,729
Water Reclamation	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	17,625,205
Storm sewer	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	4,715,743
Solid waste	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	20,747,560
FargoDome	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	10,639,633
Southeast Cass	41,399	28,554	32,224	38,588	43,652	58,998	185,600	176,173	184,460	188,249
Vector control	678,189	697,221	716,353	727,430	739,646	748,016	756,459	772,218	785,498	812,374
Street lighting	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	7,550,912
Forestry	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	3,405,559
Transit	-	-	-	-	-	-	25,131,990	9,111,588	8,863,125	13,032,627
Civic	-	-	-	-	-	-	3,965,564	62,599	109,192	32,925
Total business-type activities program revenues	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	107,814,516
Total Primary Government Program Revenues	\$ 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	\$ 271,354,414

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

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Business Tax</u>	<u>Sales Tax</u>	<u>Lodging Tax</u>	<u>Other Taxes</u>	<u>Total</u>
2024	\$ 43,154,935	\$ 9,667,362	\$ 69,824,744	\$ 3,543,353	\$ 3,209,148	\$ 129,399,542
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

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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Allocation of Receipts:										
Infrastructure (1)	\$ 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	\$ 8,690,599
Public Utility (1)	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	17,381,198
Flood Control (1)(2)(3)	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	43,452,995
Total Sales Tax Receipts	<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>	<u>\$ 69,524,792</u>

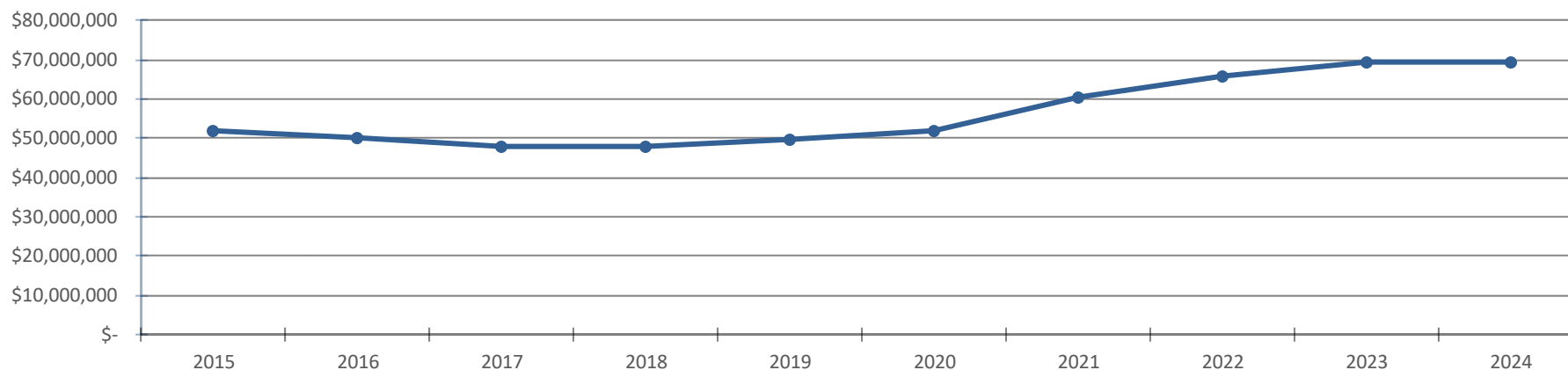
Receipts are shown net of state administrative fee.

(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.

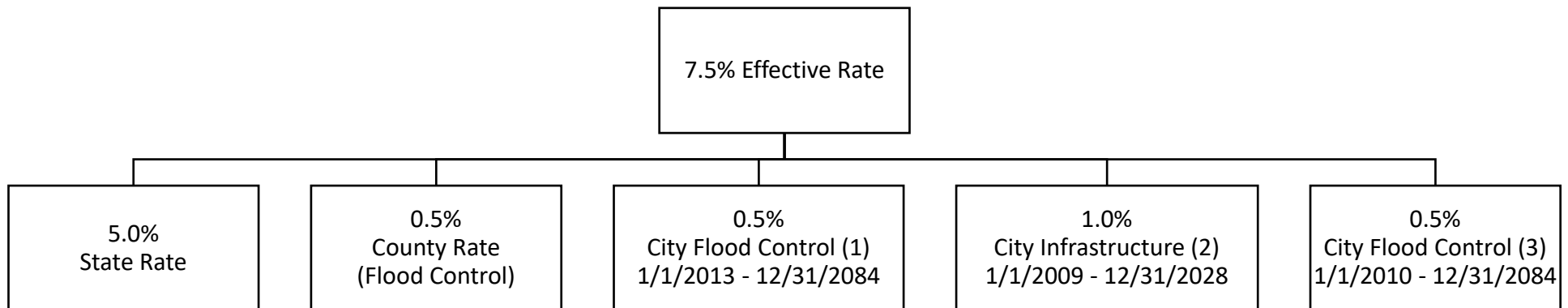
(2) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2084 for flood risk protection, mitigation, and reduction.

(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 2015 to 2024
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Construction	\$ 118,725	\$ 105,475	\$ 85,077	\$ 80,788	\$ 87,293	\$ 89,940	\$ 88,529	\$ 105,909	\$ 107,898	\$ 114,339	-3.69%
Manufacturing	179,881	160,397	138,143	156,593	156,024	157,105	170,655	192,007	220,679	199,551	10.94%
Wholesale Trade	479,306	408,786	382,305	352,940	353,018	349,572	415,081	489,422	483,646	479,255	-0.01%
Retail Trade	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	1,264,772	-0.52%
Transportation and Warehousing	3,566	3,703	4,810	5,274	6,272	4,954	4,964	8,090	7,691	5,756	61.41%
Information Industries	20,529	20,235	20,406	21,883	20,194	13,852	17,594	19,931	22,477	23,456	14.26%
Financial, Insurance, Real Estate, Rental, and Leasing	93,348	72,262	65,304	62,741	64,465	50,776	74,442	88,720	94,885	89,529	-4.09%
Professional, Scientific, Technology, and Management Services	21,936	19,953	19,323	20,868	20,652	18,597	21,141	23,604	23,655	20,666	-5.79%
Educational, Health Care, and Social Services	37,643	37,380	32,342	33,584	81,241	80,434	125,646	159,838	102,198	58,260	54.77%
Arts, Entertainment, and Recreation	27,308	32,026	27,299	30,644	33,995	14,199	22,006	36,940	43,726	44,494	62.93%
Accommodation and Food Services	419,240	416,835	410,254	417,610	426,718	328,611	440,764	478,419	507,987	522,893	24.72%
Other Services	46,657	46,427	41,304	42,896	38,572	37,341	44,241	51,841	55,653	55,480	18.91%
Miscellaneous	19,267	17,753	16,750	16,060	16,284	17,844	17,140	20,838	25,534	23,810	23.58%
Total	<u>\$ 2,738,760</u>	<u>\$ 2,578,605</u>	<u>\$ 2,439,355</u>	<u>\$ 2,449,142</u>	<u>\$ 2,491,979</u>	<u>\$ 2,344,038</u>	<u>\$ 2,779,019</u>	<u>\$ 2,975,656</u>	<u>\$ 3,005,759</u>	<u>\$ 2,902,261</u>	5.97%

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
2024	\$ 8,555,559,466	\$ 2,942,600	\$ 8,879,821,882	\$ 10,760,460	\$ 172,136,580	\$ (194,907,747)	\$ 17,426,313,241	\$ 8,713,156,621	\$ 828,691,958	57.00
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

(1) Assessed value is 50% of market value

(2) Taxable Value is determined as follows:

Commercial property - 10% of assessed value

Agricultural property - 10% of assessed value

Residential property - 9% of assessed value

Source: County Auditors Office

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

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

Levy Year	Collection Year	Mill Levy Rates*													Totals by School District		
		City of Fargo					Other Taxing Entities										
		General Revenue	Airport	City Share of Special Assessments**	Special Levies	Total City Tax Capacity Rate	School District #1	School District #2	School District #6	Park District	Cass County	State	Soil Conservation District	Flood Control	School District #1	School District #2	School District #6
2024	2025	53.90	2.00	1.10	0.00	57.00	154.13	148.35	129.42	35.58	45.85	1.00	1.12	3.50	298.18	292.40	273.47
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

* 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	2024			2015		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Sterling Properties (formerly INREIT)	\$ 349,933,700	1	4.02%	\$ 71,407,300	2	1.55%
Sanford	203,429,200	2	2.33%	77,071,950	1	1.68%
Dakota UPREIT	144,073,000	3	1.65%	23,752,900	6	0.52%
West Acres Development Company	127,489,700	4	1.46%	51,938,950	3	1.13%
Preylock Fargo (Amazon)	107,284,500	5	1.23%	-	N/A	N/A
Adams Investment Ltd. Partnership	98,568,800	6	1.13%	-	N/A	N/A
Comstock Land Company	87,985,300	7	1.01%	-	N/A	N/A
Enclave/Retreat & Encore @ Urban Plains	72,721,300	8	0.83%	-	N/A	N/A
Great Plains Software	63,701,000	9	0.73%	-	N/A	N/A
Innovis Health	58,935,600	10	0.68%	22,828,850	7	0.50%
Matrix Properties	-	N/A	N/A	30,997,250	4	0.67%
R & B Development	-	N/A	N/A	23,991,900	5	0.52%
Wal-Mart Real Estate	-	N/A	N/A	21,751,750	8	0.47%
Van Raden/RCV Ltd Partnership	-	N/A	N/A	20,276,750	9	0.44%
Osgood Investments	-	N/A	N/A	19,448,350	10	0.42%
Total attributable to top taxpayers	1,314,122,100		15.08%	363,465,950		7.90%
Total of all other properties	7,399,034,521		84.92%	4,235,041,284		92.10%
	<u>\$ 8,713,156,621</u>		<u>100.00%</u>	<u>\$ 4,598,507,234</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
2024	\$ 48,487,305	\$ 8,115,244	16.74%	\$ -	\$ 8,115,244	16.74%
2023	47,722,879	5,665,631	11.87%	39,084,453	44,750,084	93.77%
2022	40,696,619	4,434,117	10.90%	34,383,401	38,817,518	95.38%
2021	36,320,566	5,092,586	14.02%	29,423,686	34,516,272	95.03%
2020	35,482,579	7,950,141	22.41%	25,633,575	33,583,716	94.65%
2019	33,765,795	3,903,997	11.56%	28,329,212	32,233,209	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%

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
2024	\$ 235,323	\$ 8,115,244	16.74%	\$ 594,617	1.23%
2023	299,051	44,750,084	93.77%	396,128	0.83%
2022	196,825	38,817,518	95.38%	294,985	0.72%
2021	1,271,884	34,516,272	95.03%	335,921	0.92%
2020	353,639	33,583,716	94.65%	402,336	1.13%
2019	323,756	32,233,209	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%

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	
2024	\$ 45,618,947	\$ 7,964,981	17.46%	\$ -	\$ 7,964,981	17.46%	\$ -
2023	42,562,481	4,253,773	9.99%	37,307,051	41,560,824	97.65%	633,255
2022	39,463,391	3,607,808	9.14%	35,494,133	39,101,941	99.08%	247,913
2021	38,099,705	3,884,783	10.20%	34,124,972	38,009,755	99.76%	-
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%	32,740,570	35,603,121	99.08%	-
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%	-

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
2024	206	\$ 79,748,615	101	\$ 336,211,064	3	\$ 4,755,978	1,490	\$ 264,682,842	1,800	\$ 685,398,499
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

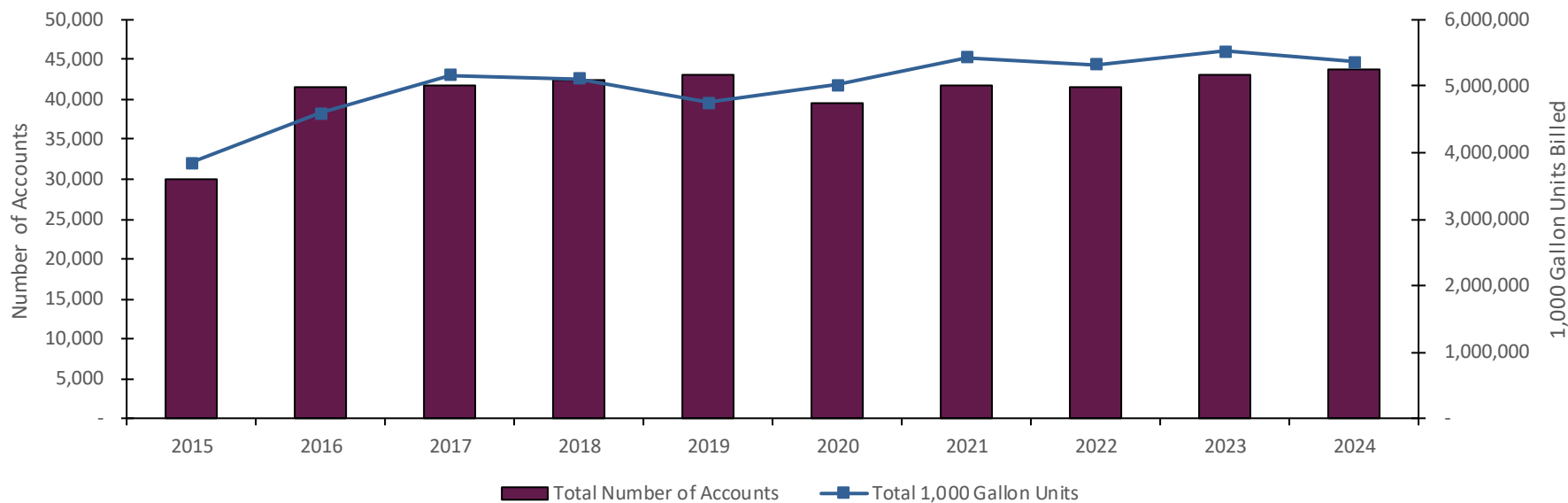
Source: City of Fargo Building Inspector

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

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Residential Customers (1,000 Gallon Units)	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	1,203,671
Commercial Customers (1,000 Gallon Units)	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	2,972,676
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	1,184,622
Total 1,000 Gallon Units	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	5,360,969
Total Number of Accounts	30,001	41,449	41,804	42,478	43,030	39,538	41,772	41,583	43,169	43,796

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, 2024

<u>Customer</u>	<u>1,000 Gallon Units</u>
City of West Fargo (1)	1,184,622
Cass Rural Water	458,954
Goldmark	222,950
North Dakota State University	147,774
Sanford Health	104,215
Valley Rental	65,568
BMI	50,061
Cass Clay Creamery	46,407
Campbell Property Management	31,268
Hegenes Management	29,147
Fargo Park District	27,673
Fargo Public Schools	26,738
Case New Holland	22,751
Northern Pipe Products	21,774
Ameripride	<u>20,342</u>
Total Attributable to Major Customers	<u><u>2,460,244</u></u>
Total Billed Consumption	<u><u>5,360,969</u></u>
Percentage Attributable to Major Customers	<u><u>45.9%</u></u>

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

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

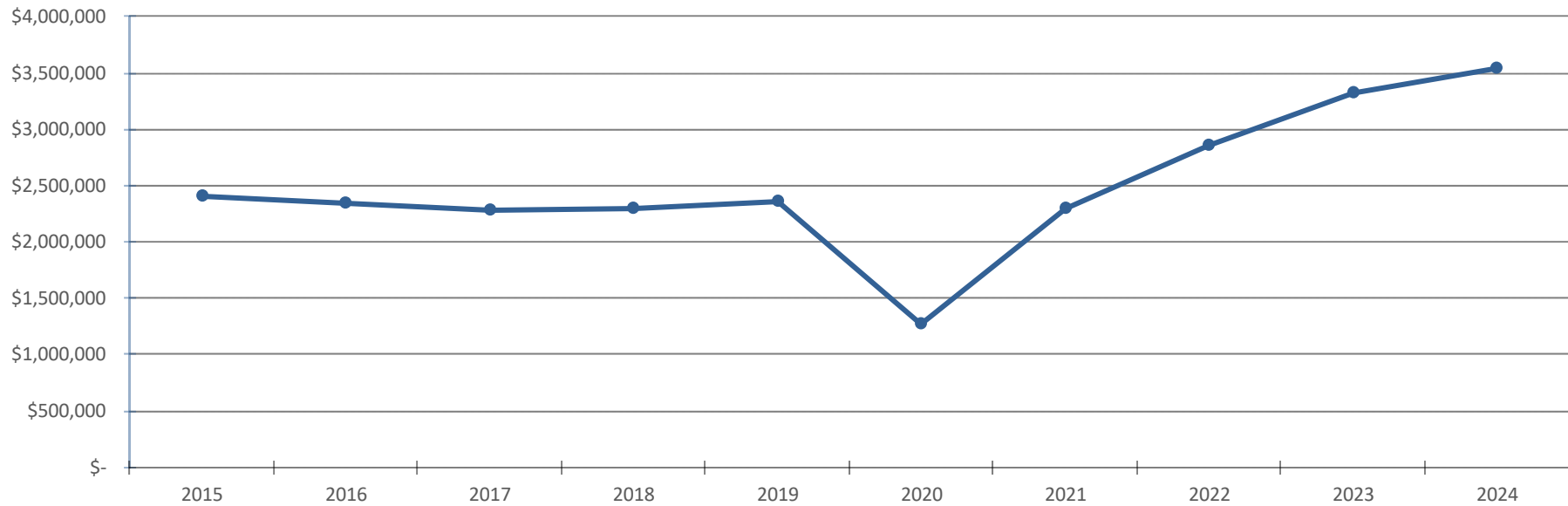
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Water (per 1,000 gallons)										
First 200,000 Gallons	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.90	\$ 4.90
200,000 to 2,000,000 gallons	4.00	4.00	4.00	4.15	4.15	4.15	4.15	4.15	4.65	4.65
Over 2,000,000 Gallons	3.65	3.65	3.65	3.75	3.75	3.75	3.75	3.75	4.25	4.25
Waste Water										
Residential (fixed rate)	16.00	16.00	16.00	16.50	16.50	16.50	19.00	19.00	21.50	25.00
Commercial (per 1,000 gallons)	2.05	2.05	2.05	2.10	2.10	2.10	2.20	2.20	2.40	2.55
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	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Storm Sewer										
Residential	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00	8.00
Commercial	15.00	15.00	15.00	15.00	8.00	8.00	8.00	12.00	12.00	17.00
Forestry	3.50	4.00	4.00	4.00	4.00	4.00	4.48	4.48	4.48	5.98
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	3.50	3.50	3.50	3.50	3.50	7.00
Commercial	8.00	8.00	8.00	8.00	16.00	16.00	16.00	16.00	16.00	32.00

Source: City Auditor's Office

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Lodging Tax Revenue										
2% Operating	\$ 1,606,176	\$ 1,559,922	\$ 1,522,443	\$ 1,533,398	\$ 1,568,735	\$ 845,582	\$ 1,530,649	\$ 1,905,811	\$ 2,219,663	\$ 2,362,340
1% Capital	802,535	779,872	761,222	766,699	784,367	422,791	765,325	952,905	1,109,830	1,181,013
Total Lodging Tax Revenue	<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>\$ 1,268,373</u>	<u>\$ 2,295,974</u>	<u>\$ 2,858,716</u>	<u>\$ 3,329,493</u>	<u>\$ 3,543,353</u>

Total Lodging Tax Revenue



Source: City Auditors Office

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

Year	Governmental Activities									
	Special Assessment Bonds	Other General Obligation Debt	Sales Tax Bonds	Taxable Annual Appropriation Bonds	Annual Appropriation Bonds	Notes Payable	Financed Purchases Payable	Leases Payable	SBITAs Payable	Unamortized Premium
2024	\$ 537,805,000	\$ 25,395,000	\$ 45,733,000	\$ 36,160,000	\$ 30,177,000	\$ 64,289,134	\$ 262,635	\$ 8,897,508	\$ 1,912,526	\$ 37,560,236
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

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			
2024	\$ 3,834,343	\$ 265,456,422	\$ 9,260,381	\$ 2,334,815	\$ 180,052	\$ 534,190	\$ 1,069,792,242	n/a	\$ 7,961
2023	4,833,495	251,163,977	9,629,498	3,613,584	346,392	314,086	1,000,550,285	5.58%	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

(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)
2024	\$ 25,395,000	0.15%	\$ 189
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

(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
2024	134,386	\$ 8,713,156,621	\$ 716,664,579	\$ 268,056,701	\$ 3,834,343	\$ 444,773,535	5.10%	\$ 3,310
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

(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 2024

Market Value of All Property (1)		\$ 17,426,313,241
		<u>50%</u>
Assessed Valuation		<u>\$ 8,713,156,621</u>
Debt Limit (5% of Assessed Value)		\$ 435,657,831
Debt applicable to limit		
City's share of special assessments (2)	\$ 15,346,696	
Debt supported solely by taxes (2)	25,395,000	
Governmental lease and financed purchase obligations (2)	9,160,143	
Less: Cash available in related debt service funds(2)	<u>(690,487)</u>	
Total net debt applicable to limit		<u>49,211,352</u>
Legal debt margin		<u>\$ 386,446,479</u>

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 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	\$ 435,657,831
Total net debt applicable to limit	<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>	<u>49,211,352</u>
Legal debt margin	<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>	<u>\$ 386,446,479</u>
Total net debt applicable to the limit as a percentage of debt limit	9.64%	19.33%	19.37%	18.89%	17.41%	15.40%	14.20%	15.40%	12.94%	11.30%

(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	2024 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 828,691,958	\$ 777,382,005	100.00%	\$ 777,382,005
Cass County	1,343,625,684	-	100.00%	-
Fargo Park District	828,691,958	69,505,000	100.00%	69,505,000
Fargo Public Schools	584,054,955	87,107,152	96.84%	84,354,566
Kindred Public Schools	38,934,645	25,641,304	0.02%	5,128
West Fargo Public Schools	617,898,886	240,263,314	45.13%	108,430,834
Subtotal overlapping debt		422,516,770		262,295,528
Total Direct and Overlapping Debt		\$ 1,199,898,775		\$ 1,039,677,533

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, 2024	Amount	Per Capita (134,386)	Percent of Market Value (\$17,426,313,241)
General Obligation Bonds Supported by Property Tax	\$ 25,416,689	\$ 189	0.15%
Improvement (Special Assessment) Bonds	492,373,542	3,664	2.83%
Revenue Bonds	64,978,951	484	0.37%
Financed Purchases Payable	2,597,450	19	0.01%
Notes Payable	10,188,418	76	0.06%
City Share of Special Assessments	9,260,381	69	0.05%
Overlapping Debt	422,516,770	3,144	2.42%
Total	<u>\$ 1,027,332,201</u>	<u>\$ 7,645</u>	<u>5.90%</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	
2024	\$ 49,053,611	\$ 20,590,000	\$ 16,515,190	\$ 37,105,190	1.32
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

Note:

At the end of 2024, there was \$59,485,536 in prepaid special assessments that can be used to make debt service payments.
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.

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	
2024	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on this note was made in 2020

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

Year	Sales Tax Revenue Bonds					Coverage
	Sales Tax Collections	Debt Service			Total	
		Principal	Interest			
2024	\$ 7,553,268	\$ 4,350,000	\$ 1,944,390	\$ 6,294,390	1.20	
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	

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	Principal	Debt Service Interest	Total	Coverage
2024	\$ -	\$ -	\$ -	\$ -	N/A
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

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

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

Year	SRLF Notes Payable				
	Sales Tax Collections	Debt Service			Coverage
		Principal	Interest	Total	
2024	\$ 17,456,186	\$ 5,213,000	\$ 828,843	\$ 6,041,843	2.89
2023	17,312,616	5,073,000	862,800	5,935,800	2.92
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

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

Water Revenue Bonds							
Year	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on these bonds made in 2017

SRLF Notes Payable							
Year	Net Water Revenue	Sales Tax Revenue	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2024	\$ 7,662,989	\$ 8,728,093	\$ 16,391,082	\$ 3,955,000	\$ 2,060,535	\$ 6,015,535	2.72
2023	9,795,556	8,656,308	18,451,864	3,855,000	2,040,952	5,895,952	3.13
2022	7,969,096	8,321,390	16,290,486	2,435,000	2,005,959	4,440,959	3.67
2021	10,740,524	7,980,100	18,720,624	2,375,000	1,929,530	4,304,530	4.35
2020	8,184,146	6,143,355	14,327,501	2,315,000	1,963,007	4,278,007	3.35
2019	7,868,483	6,466,603	14,335,086	1,000,000	1,911,785	2,911,785	4.92
2018	9,619,494	6,023,246	15,642,740	-	737,169	737,169	21.22
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	N/A

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

SRLF Notes Payable							
Year	Net Water Reclamation Revenue	Sales Tax Revenue	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2024	\$ 11,638,967	\$ 8,728,093	\$ 20,367,060	\$ 4,764,000	\$ 2,831,359	\$ 7,595,359	2.68
2023	8,986,357	8,656,308	17,642,665	4,075,000	2,659,355	6,734,355	2.62
2022	5,292,336	8,321,390	13,613,726	-	1,273,962	1,273,962	10.69
2021	5,586,336	7,980,101	13,566,437	-	765,690	765,690	17.72
2020	4,521,879	6,143,355	10,665,234	-	452,033	452,033	23.59
2019	2,056,220	6,466,604	8,522,824	-	95,660	95,660	89.09
2018	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	4,768,949	6373559	11,142,508	4,993,000	72,815	5,065,815	2.20

SRLF Notes Payable							
Year	Solid Waste Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Total	Coverage
				Principal	Interest		
2024	\$ 19,170,402	\$ 9,884,997	\$ 9,285,405	\$ -	\$ 55,546	\$ 55,546	167.17
2023	18,527,610	10,275,735	8,251,875	430,000	41,966	471,966	17.48
2022	-	-	-	-	-	-	N/A
2021	-	-	-	-	-	-	N/A
2020	-	-	-	-	-	-	N/A
2019	-	-	-	-	-	-	N/A
2018	-	-	-	-	-	-	N/A
2017	-	-	-	-	-	-	N/A
2016	-	-	-	-	-	-	N/A
2015	-	-	-	-	-	-	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		Total	Coverage
		Principal	Interest		
2024	\$ -	\$ -	\$ -	\$ -	N/A
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

Note: Final payment on these bonds made in 2021

Qualified Energy Conservation Bonds					
Year	Tipping Fee Revenue	Debt Service		Total	Coverage
		Principal	Interest		
2024	\$ 11,669,167	\$ 199,152	\$ 66,150	\$ 265,302	43.98
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

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	
2024	134,386	n/a (4)	n/a (4)	n/a (4)	n/a (4)	n/a (4)	11,366	2.5%	2.5%	3.8%	76,672
2023	134,200	17,943,699,000	68,326	96.2%	43.9%	31.5	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

(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) 2024 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
2024	\$ 13,847,034,000	\$ 7,671,553,000	\$ 66,545	\$ 69,728
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

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	2024			2015		
	Full Time Equivalent Employees (1)	Rank	Percentage of Total County Employment	Full Time Equivalent Employees (2)	Rank	Percentage of Total County Employment
Sanford Health	9,244	1	12.06%	6,664	1	10.15%
West Fargo Public Schools	2,265	2	2.95%	N/A	-	N/A
Innovis Health/Essentia Health	2,251	3	2.94%	3,167	3	4.82%
Fargo Public Schools	2,218	4	2.89%	1,816	4	2.77%
North Dakota State University	2,183	5	2.85%	4,232	2	6.44%
Marvin Windows	1,890	6	2.47%	N/A	-	N/A
Fargo VA Health Care System	1,400	7	1.83%	1,022	6	1.56%
Coborns Inc.	1,100	8	1.43%	N/A	-	N/A
City of Fargo	1,073	9	1.40%	881	9	1.34%
Scheels All Sports	696	10	0.91%	N/A	-	N/A
Noridian	N/A	-	N/A	1,666	5	2.54%
Blue Cross Blue Shield of ND	N/A	-	N/A	961	7	1.46%
US Bank - Service Center	N/A	-	N/A	955	8	1.45%
Microsoft Business Solutions	N/A	-	N/A	877	10	1.34%
Total	24,320		31.72%	22,241		33.87%

Sources: 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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government										
City Administrator	1	2	2	3	3	3	3	3	3	3
Diversity, Equity & Inclusion	-	-	-	-	-	-	-	-	2	2
Human Resources	6	7	8	8	8	8	9	9	10	10
Information Services	23	24	24	24	24	24	24	24	24	25
Public Information	2	2	2	3	4	4	7	10	12	12
Auditor	15	15	15	15	15	15	15	19	22	22
Municipal Court	8	8	8	8	8	8	8	7	7	7
City Assessor	11	11	11	11	11	11	11	12	12	12
Buildings & Grounds	7	13	13	14	14	15	15	18	18	19
Planning	13	14	15	13	14	14	14	14	14	14
Central Garage	23	23	23	24	24	24	24	24	24	24
City Commission	8	8	8	8	8	9	10	9	8	8
Public safety										
Inspections	21	22	23	23	24	25	25	26	26	26
Traffic Engineering	11	11	11	11	6	6	6	6	6	6
Fire Department	121	122	122	122	123	124	124	128	128	141
Police Department	180	187	197	204	205	209	209	213	213	225
Public works										
City Engineering	41	42	42	43	42	42	42	42	45	45
Streets & Sewers	54	55	55	55	55	57	58	60	61	64
Public health & welfare										
Health	117	116	116	112	112	111	110	110	111	109
Homeless Shelter	18	19	20	20	21	21	21	23	25	25
Recreation & culture										
Public Library	49	50	51	52	54	54	54	55	59	59
Urban redevelopment	2	2	2	2	2	3	3	3	3	2
Business-type funds										
Airport	26	27	27	27	28	28	28	*	*	*
Water	46	47	48	52	52	54	54	55	56	58
Water Reclamation	20	20	20	20	20	20	21	21	20	22
Storm Sewer	5	5	5	5	5	5	5	5	5	5
Solid Waste	50	50	50	50	50	49	49	49	49	49
Fargodome	21	21	23	23	23	25	25	25	25	26
Street Lighting	2	2	2	2	7	7	7	7	8	8
Forestry	11	11	11	11	11	12	12	12	12	13
Transit	21	23	25	25	25	25	30	31	32	32
Civic Memorial Auditorium	6	4	4	4	4	3	1	1	1	0
Total	939	963	983	994	1,002	1,015	1,024	1,021	1,041	1,073

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public safety										
Fire										
Number of calls answered	9,336	10,483	10,711	11,014	11,563	12,930	13,490	14,559	14,518	14,222
Number of fire inspections	6,437	6,005	6,007	6,956	6,245	6,375	6,522	6,611	7,803	8,918
Police										
Number of calls for service	74,516	78,784	89,162	89,565	93,590	77,477	82,317	83,174	83,795	95,405
Arrests	6,907	7,412	7,076	6,592	6,492	5,039	5,086	5,465	5,094	3,780
Public works										
Average daily water consumption (gallons)	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	14,687,585
Water Reclamation average flow per day (MGD)	12.17	12.72	11.81	11.78	13.00	14.64	15.32	15.68	13.42	17.46
Public health & welfare										
WIC participation	2,970	2,908	2,975	2,773	2,619	2,517	2,468	2,642	2,705	2,618
Nursing visits	144,985*	148,719*	145,353*	146,465*	157,786*	138,237	177,744*	140,669*	156,198*	146,210*
Recreation & culture										
Library circulation	1,004,966	987,851	992,711	1,026,953	1,047,165	692,372	849,325	912,525	994,211	1,059,690
Civic center attendance	48,945	46,001	37,240	33,963	32,740	9,979	23,025	30,700	26,750	22,900
Fargodome attendance	565,914	593,489	539,428	522,883	535,224	100,208	462,950	431,534	464,813	481,690
Public transportation										
Number of rides										
Fixed route	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	1,267,038
Paratransit	51,513	52,394	52,509	52,665	53,350	37,137	52,802	55,422	57,707	60,436
Public information										
Web site										
Total Sessions	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	1,132,982
Users	759,584	653,841	565,904	448,066	640,287	838,552	791,757	736,431	956,501	1,106,634
Page views	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	2,701,171
Pages per visit	2.26	2.22	2.44	2.44	2.14	1.99	2.04	1.95	1.98	1.53
Infrastructure										
New projects assessed	38	53	55	45	44	45	48	40	49	52
Value of new projects	\$ 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	\$ 50,980,861

* Amount does not include correctional health clinical nursing visits.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Area in square miles	49.22	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	8
Vehicles	31	23	20	17	17	15	16	20	18	17
Police										
Stations	2	2	2	2	2	2	3	3	3	2
Marked cars	44	44	48	47	47	47	53	53	53	54
Public Works										
Number of street lights	11,091	11,622	12,086	12,759	13,255	13,622	14,047	14,229	14,331	14,397
Miles of paved streets	525.47	590.04	615.35	651.04	669.47	687.67	706.11	736.34	765.28	796.71
Miles of water mains	484.03	490.01	495.22	504.72	509.31	515.84	523.35	526.50	532.05	534.84
Miles of sanitary sewer	460.87	466.28	473.46	468.06	471.13	454.98	459.05	464.57	466.81	479.21
Miles of storm sewer	455.86	464.51	470.96	494.18	501.71	508.48	515.51	525.43	524.72	527.74
Recreation & Culture										
Library Collection	305,539	274,536	275,981	271,187	313,604	321,390	319,151	318,992	264,801	261,059
Public Transportation										
Buses	29	29	31	46	43	44	45	46	44	49