



2021

ANNUAL COMPREHENSIVE FINANCIAL REPORT

The City of Fargo, North Dakota
for the fiscal year ended
December 31, 2021



CITY OF FARGO NORTH DAKOTA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

**PREPARED BY:
THE FINANCE DEPARTMENT
TERRI GAYHART, DIRECTOR OF FINANCE**

**CITY OF FARGO, NORTH DAKOTA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021**

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June 29, 2022

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

I am pleased to submit the City of Fargo's Annual Comprehensive Financial Report for the fiscal year ending December 31, 2021. 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, 2021. 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 compliment the MD&A and should be read in conjunction with it. The MD&A contains a more detailed analysis of changes in financial condition.

CITY OF FARGO PROFILE

The City of Fargo was incorporated in 1875 and is located in the eastern border of North Dakota at the intersection of Interstate Highways I-29 and I-94. This regional economic center continues to expand with a trend of consistent growth over the past several years. The current population based on the 2020 census is 125,990 representing a 19.3% growth since the 2010 census. Health care, education and retail have a strong presence that expands the local economy into a broader regional economic center. The City is empowered to levy taxes on real property located within its boundaries and continues to expand its size with many annexations completed in the past few years. A recent demographic study expects Fargo's population trend to continue to grow for the next several years to approximately 171,000 by 2040.

The City of Fargo operates under a Home Rule Charter, established in 1986, with a Mayor-Commission form of government. Policy making and legislative authority is vested in a five-member Commission. The City Commission is responsible for policy and ordinance adoption, approving budgets, committees, and

serving 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 of 2014, and was elected Mayor in April 2015, serving in that capacity since. A municipal election was held in June of 2022 to elect a Mayor and two City Commissioners. Mayor Mahoney and Commissioner Piepkorn were both reelected to four-year terms. Denise Kolpack was elected to replace Commissioner Gehrig who did not run for reelection.

All Department Heads serve on the Mayor's Cabinet, a venue that is used as a forum to communicate City and community issues. The City Administrator, Bruce Grubb, is the liaison to the City Commission and is responsible for overseeing the day-to-day operations of the City and its eighteen Departments. Michael Redlinger is the Assistant City Administrator. Mr. Grubb has announced his retirement effective June 25, 2022, the interim City Administrator will be Michael Redlinger. Long time Finance Director Kent Costin retired on April 1, 2022. After an exhaustive national search Terri Gayhart was selected as his replacement.

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

The City is required to adopt a preliminary budget by August 10 and a final budget by October 7 of each year. All Departments submit their requests to the Mayor during the budget development process that begins each May. Currently, the Mayor utilizes a budget team approach to discuss budget strategy with the City Administrator, Assistant City Administrator, and the Director of Finance; however, the Mayor is responsible for the final decisions relating to the preliminary budget presentation. The City Commission is responsible for adoption of the final budget. Budget control is maintained at the fund, function (e.g. Public Safety), and Department (e.g., Police) levels. Department Heads may make transfers of appropriations within a Department. Supplemental budget appropriations require approval by the City Commission.

COVID-19 PANDEMIC AND CARES ACT FUNDING

The City responded to the COVID 19 pandemic by coordinating a vaccination center site open to all citizens in the City. Additionally, the City operated a COVID testing site during all of 2021. The testing site was closed in March of 2022 as the City switched gears from a pandemic to an endemic response. The Fargo city offices returned to a "back to normal" approach for our municipal operations effective June 2, 2021.

Management initiated several cost saving measures in the first quarter of 2021 including a suspension of travel; a temporary hiring freeze; delaying capital expenditures; waiving penalties on delinquent utility accounts; and deferring of certain charge for services. Significant CARES Act grants were received during the year due to the COVID-19 pandemic, the largest was a State of North Dakota pass-through grant for public safety costs in the amount of \$15.9 million.

AMERICAN RESCUE PLAN IMPACTS AND FUNDING

The City of Fargo, as a metropolitan city, was awarded a direct allocation of American Rescue Plan (ARP) grant funding from the US Treasury to offset community impacts resulting from the COVID-19 pandemic. These funds are being programmed to cover one-time expenditures over the upcoming years. Half of the \$20.2 million that was awarded to the City of Fargo was received in 2021 while the second half will be received in 2022.

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 \$58,158 in 2020 as compared to \$50,364 in 2016 representing a 15.5% increase in income levels over the past five years. Our labor force has increased to 72,514 in 2021 as compared to 69,230 five years ago which represents an 4.7% increase. Fargo's unemployment rate is currently 2.2% while the State of North Dakota is 3.0%.

Spike in Building Permits

Construction activity in Fargo remained strong in 2021. Building permits totaled \$763 million in 2021 compared to \$720 million in 2020. Leading the way were Commercial permits for new construction and remodeling, those categories increased 45% in 2021. Demand for housing remains strong in our community in light of the strength of our local economy, low mortgage rates and overall quality of life we offer.

In October 2020, Amazon announced that it would build a fulfillment center in Fargo. This is a major new industry employer. The facility is valued at approximately \$100 million and employs hundreds of new employees. It became operational in late 2021.

Sales Taxes Funding Key Infrastructure

Fargo is utilizing sales tax revenues as a primary funding source for key infrastructure projects. All City sales tax resources (2% tax rate) are dedicated to various types of infrastructure. The most significant expenditures are being made in updating municipal utilities to accommodate present and future growth; flood levees to protect the community from Red River flood events; and improving the highway systems throughout the community. Existing sales tax authorizations expire in 2028, and 2084. In 2016, voters approved a long-term extension of sales tax to 2084 for the Fargo Moorhead Diversion Project, a multi-generational flood-control solution to protect the citizens and economy of the Fargo-Moorhead region.

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

Fargo's locally imposed sales tax collections totaled \$60.4 million this year as compared to \$51.7 in 2020, a 16.9% increase. We are pleased to show strong growth in sales tax year over year.

MAJOR INITIATIVES FOR THE YEAR

Fargo Moorhead Diversion Channel Project History and Status

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

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

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

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

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

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

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

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

The City's success in moving this project along is a result of its strong partnerships with the FM 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.

Status of Major Municipal Facility Projects

The former Fargo Police Department building in Downtown was temporarily repurposed for a winter shelter facility for the homeless population. Fargo also contributed significant funding to a homeless facility in Moorhead, MN that is operated by Churches United for the Homeless. These projects were funded with CARES Act funds.

The water treatment plant expansion was completed in 2019. The project incorporates advanced water treatment technologies due to changing water quality conditions on the Sheyenne River as a result of discharges from Devils Lake. In addition to advanced water treatment technologies, the project also increased the City's overall treatment capacity from 30 million gallons per day (MGD) to 45 MGD. This was important due to the fact that Fargo became a regional water supplier to the cities of West Fargo and Cass Rural Water. This project spanned four construction seasons and is a major expansion that will serve community needs well into the future. Work continued in 2021 in fine-tuning monitoring and quality water quality control systems.

An expansion of the wastewater treatment facility was initiated in 2018. This is a major expansion of current facilities, allowing an increase in treatment capacity from 26 MGD to 50 MGD per day. The City became a regional wastewater service provider to West Fargo in 2019 and Horace in 2021. This

expansion is expected to be completed in 2023. Significant construction work continued on this project. The Wastewater Treatment plant sells reclaimed water to the Tharaldson Ethanol plant near Casselton and will be expanding this program by selling reclaimed water to a soybean crushing plant in the near future.

A new Downtown mixed use development (Mercantile) was approved in 2019 that includes the construction of another parking facility in the heart of the City. The City partnered with private developers and is responsible for financing the construction of the parking ramp portion of the project. Bonds for this project were issued in early 2020. The Mercantile ramp facility opened in 2020 as planned; the apartments are currently occupied and commercial development will be completed in 2022.

Significant downtown redevelopment opportunity exists for several locations in the Downtown area due to recent flood control buyouts, and moving out of former facilities for Fargo Cass Public Health and the Police Department. The City expects to market these facilities for development opportunity in the future and plan to use tax increment financing as needed for a variety of extraordinary costs.

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, 2020. This is the twenty-third 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:

Jamie Bullock, Finance Manager
Emily Scholz, Senior Accountant
Wyatt Papenfuss, Accountant
Jessica Houim, Accountant
Jordan Corneliusen, Finance Manager

This fiscal year will be one to remember as the city's financial reporting staff was challenged by the pandemic, alternative work settings, staff turnover, and additional workload resulting from a multitude of new grants. I deeply appreciate the high level of professionalism exhibited during 2021.

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

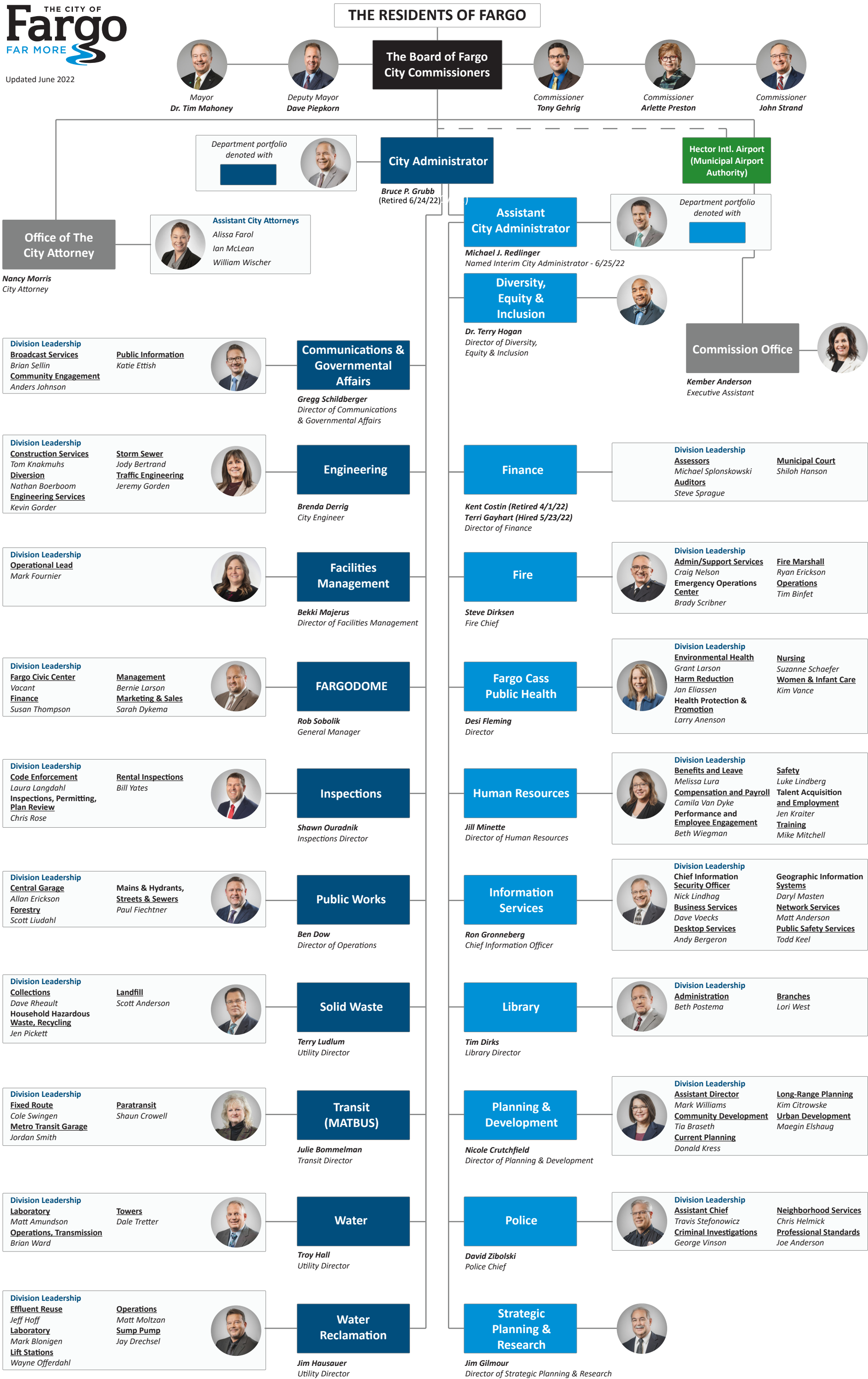
Respectfully submitted,

A handwritten signature in blue ink, appearing to read "mredlinger", is positioned above the printed name.

Michael Redlinger
Interim City Administrator

**CITY OF FARGO, NORTH DAKOTA
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2021**

NAME	OFFICE	TERM EXPIRES
Dr. Tim Mahoney	Mayor	June 2022
Dave Piepkorn	Commissioner	June 2022
Tony Gehrig	Commissioner	June 2022
Arlette Preston	Commissioner	June 2024
John Strand	Commissioner	June 2024
Bruce Grubb	City Administrator	
Michael Redlinger	Assistant City Administrator	
Kent Costin	Finance Director	
Steven Sprague	City Auditor	
Kember Anderson	City Commission Executive Assistant	





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, 2020

Christopher P. Morrell

Executive Director/CEO



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, each major fund, and the aggregate remaining fund information of the City of Fargo (City) as of and for the year ended December 31, 2021, 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, 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, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2021, 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.

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 (Government Auditing Standards)*, issued by the Comptroller General of the United States. 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Mankato, Minnesota
June 29, 2022

City of Fargo, North Dakota

Management's Discussion and Analysis

As management of the City of Fargo, we offer readers of the City of Fargo's financial statements this narrative overview and analysis of the financial activities of the City of Fargo for the fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages IV - IX of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

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 \$1,345,868 (net position). Of this amount, \$97,591 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

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 \$207,405 a decrease of \$25,677 in comparison with the prior year balance. Of this balance, \$25,836 constitutes unassigned fund balance, \$1,080 assigned fund balance, \$1,000 committed fund balance, \$175,605 restricted fund balance and \$3,884 nonspendable fund balance.

The City's twelve enterprise funds ended the year with net position of \$899,503. An increase of \$59,106 from the prior year balance. Net cash flows from operations were \$31,854 while net cash used by capital and financing activities was \$26,505.

The City's unassigned General Fund balance of \$27,145 represents 28 percent of the total General Fund expenditures. This exceeds 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 a Municipal Airport, Water, Wastewater, Storm Sewer, Solid Waste, Southeast Cass Sewer, Forestry, Vector Control, Street Lighting, Transit, Civic Memorial Auditorium, and the FargoDome, a multi-use facility.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund financial statements

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

Governmental funds

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

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

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

The City of Fargo adopts an annual appropriated budget for its governmental funds, except for capital projects funds. Budgetary comparison statements have been provided to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found on pages 15 - 18 of this report.

Proprietary funds

The City of Fargo maintains twelve different proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Fargo uses enterprise funds to account for its Municipal Airport, Water, Wastewater, Storm Sewer, Vector Control, Solid Waste, Southeast Cass Sewer, Forestry, Street Lighting, 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 Municipal Airport, Water, Wastewater, 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.

The basic proprietary fund financial statements can be found on pages 20 - 24 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of

those funds are not available to support the City of Fargo's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City's fiduciary funds consist of pension trust funds and custodial funds. The City's two pension funds, the City Employees' Pension Plan and the Police Pension Plan are reported as pension trust funds. The City has four custodial funds: Park District Special Assessments, Metro Flood Project Diversion Authority, Red River Regional Dispatch Center and Police Custodial Fund.

The basic fiduciary fund financial statements can be found on pages 25 and 26 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27 – 84 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Fargo's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found on pages 85 - 93 of this report.

The combining statements referred to earlier in connection with non-major governmental and proprietary funds as well as the custodial funds are presented immediately following the notes to the financial statements. Combining statements and schedules can be found on pages 94 - 118 of this report.

In 2021, as a way to improve administrative efficiency and provide for a greater ability to monitor operating performance, the Transit and Civic Memorial Auditorium functions were reclassified from the General Fund to separate proprietary funds. This reclassification had numerous effects on the 2021 financial statements. The largest being the transfer of \$16.9 million in capital assets net of accumulated depreciation from governmental activities into business-type activities. This was shown as contributed capital in the proprietary statements.

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 \$1,345,868 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (80%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City of Fargo uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Fargo's 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 two tables present condensed financial information on the City's Net Position and Changes in Net Position for the fiscal year ending December 31, 2021 and 2020.

City of Fargo's Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 677,426	\$ 703,913	\$ 131,568	\$ 111,482	\$ 808,994	\$ 815,395
Capital assets	630,655	631,752	1,017,543	932,734	1,648,198	1,564,486
Total assets	1,308,081	1,335,665	1,149,111	1,044,216	2,457,192	2,379,881
Deferred outflows of resources	41,331	52,481	13,676	17,332	55,007	69,813
Long-term liabilities outstanding	806,752	934,591	216,333	201,407	1,023,085	1,135,998
Other liabilities	35,187	26,458	23,012	13,715	58,199	40,173
Total liabilities	841,939	961,049	239,345	215,122	1,081,284	1,176,171
Deferred inflows of resources	61,108	27,355	23,939	6,028	85,047	33,383
Net position:						
Net investment in capital assets	262,441	152,409	817,425	769,928	1,079,866	922,337
Restricted	113,962	170,048	54,448	53,326	168,410	223,374
Unrestricted	69,962	77,285	27,630	17,144	97,592	94,429
Total net position	\$ 446,365	\$ 399,742	\$ 899,503	\$ 840,398	\$ 1,345,868	\$ 1,240,140

A portion of the City of Fargo's net position (13%) represents resources that are subject to external restrictions on how they may be used.

The unrestricted net position of \$97,592 may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in net position

The City's net position increased by \$105,728 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 increased by \$46,623 during the current fiscal year, thereby accounting for 44.1 percent of the total growth in the net position of the City.

Revenues increased by \$36,129 or 13.7 percent. This increase can be attributed to local grant proceeds received from the Cass County Joint Water Resource District to pay off the direct bank loan that the City was holding on behalf of the Metro Flood Diversion. Sales tax revenues also increased 30% from 2020 to 2021.

Business type activities

Business-type activities increased the City of Fargo's net position by \$59,105 during the current fiscal year, accounting for 55.9 percent of the total growth in the government's net position. Some of this growth is due to capital contributions relating to the transfer of Transit and Civic Memorial Auditorium fixed assets from governmental to business-type funds. 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's Changes in Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 24,863	\$ 25,278	\$ 86,230	\$ 71,176	\$ 111,093	\$ 96,454
Operating grants and contributions	13,034	38,966	16,902	4,144	29,936	43,110
Capital grants and contributions	135,300	96,585	11,230	11,429	146,530	108,014
General Revenues:						
Taxes	107,467	88,621	1,249	1,160	108,716	89,781
Unrestricted intergovernmental	7,708	6,366	-	-	7,708	6,366
Unrestricted investment earnings	2,155	6,139	5,238	5,226	7,393	11,365
Miscellaneous	9,040	1,483	1,435	2,505	10,475	3,988
Total revenues	299,567	263,438	122,284	95,640	421,851	359,078
Expenses:						
General government	22,518	24,328	-	-	22,518	24,328
Public safety	41,237	39,367	-	-	41,237	39,367
Public works	88,160	90,683	-	-	88,160	90,683
Public health and welfare	17,626	21,647	-	-	17,626	21,647
Recreation and culture	8,509	8,869	-	-	8,509	8,869
Urban redevelopment	2,482	1,741	-	-	2,482	1,741
Transportation	465	13,541	-	-	465	13,541
Economic development	502	100	-	-	502	100
General support	1,380	1,229	-	-	1,380	1,229
Interest and fiscal charges	29,404	24,413	-	-	29,404	24,413
Municipal airport authority	-	-	11,016	10,360	11,016	10,360
Water	-	-	25,585	25,684	25,585	25,684
Wastewater	-	-	16,051	14,193	16,051	14,193
Storm sewer	-	-	7,138	6,987	7,138	6,987
Solid waste	-	-	10,631	11,756	10,631	11,756
Fargodome	-	-	12,392	9,443	12,392	9,443
Southeast cass	-	-	56	99	56	99
Vector control	-	-	241	390	241	390
Street lighting	-	-	4,542	4,528	4,542	4,528
Forestry	-	-	2,205	2,179	2,205	2,179
Transit	-	-	13,578	-	13,578	-
Civic	-	-	405	-	405	-
Total expenses	212,283	225,918	103,840	85,619	316,123	311,537
Excess before Transfers	87,284	37,520	18,444	10,021	105,728	47,541
Transfers	(40,661)	1,359	40,661	(1,359)	-	-
Change in net position	46,623	38,879	59,105	8,662	105,728	47,541
Net position - beginning	399,742	360,863	840,398	831,736	1,240,140	1,192,599
Net position - ending	\$ 446,365	\$ 399,742	\$ 899,503	\$ 840,398	\$ 1,345,868	\$ 1,240,140

Financial Analysis of the City's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$207,405.

Approximately 12.5 percent, or \$25,836, of this combined ending fund balance constitutes unassigned fund balance. The remainder of fund balance is assigned (\$1,080, 0.5 percent), committed (\$1,000, 0.5 percent), restricted (\$175,605, 84.7 percent), or nonspendable (\$3,884, 1.9 percent).

The General Fund is the primary operating fund of the City of Fargo. At the end of the 2021 fiscal year, the General Fund unassigned fund balance was \$27,145, a decrease of \$7,485 from the prior year. Unassigned fund balance represents 28 percent of total general fund expenditures, while total fund balance represents

40 percent of that same amount. Managements fund balance goal of 25 percent has been achieved for this fiscal year

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

Overall General Fund revenues of this fund group decreased by 21 percent compared to the prior year, while total expenditures decreased by 4 percent.

The decrease in General Fund revenues is due to one-time grant funding received in 2020 via the CARES Act, as part of the COVID-19 pandemic response.

The debt service fund has a total fund balance of \$165,752, all of which is restricted for the payment of future debt service. The net decrease in fund balance during the current year was \$28,178 and was the result of crossover refunding of debt during 2021.

The capital projects fund had a net increase in fund balance of \$5,559. Capital project intergovernmental revenues increased by 49.7 percent in 2021. This rise is due to increased work on in-town flood control projects reimbursed by the Metro Flood Diversion.

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 position of the proprietary funds at the end of the year amounted to \$27,630. The Wastewater fund was the major proprietary fund that reported a decrease in net position. The Wastewater fund decrease is the result of significant transfers out of the fund, \$6,964, to fund various capital project and capital asset purchases.

Operating revenues of this fund group increased by \$15,054, or 21.1 percent. A portion of this increase was the result of transferring the Transit and Civic Memorial Auditorium Funds from the governmental fund type to an enterprise fund type. FargoDome charges for services increased 240% from 2020. This increase is due to the COVID-19 Pandemic, which resulted in very few concerts or events being held at the FargoDome in 2020.

Operating expenses increased by \$17,980, or 22.1 percent. This increase was the result of transferring the Transit and Civic Memorial Auditorium Funds from a governmental fund type to an enterprise fund type.

General Fund Budgetary Highlights

The City's low annual average unemployment rate of 2.2 percent and continued positive construction activity of \$763.3 million in valuations both point to a growing economy.

The General fund has two primary revenue sources, property tax and intergovernmental revenues, which count for around 68% of the budgeted revenues.

The City expenditures ended the year at \$95.7 million or 4.8% below final budget. This budgetary expense savings was a result of reduced expenditures relating to public health & welfare and capital outlay than what was expected.

Capital Asset and Debt Administration

Capital Assets. The City of Fargo's investment in capital assets for its governmental and business type activities as of December 31, 2021 amounts to \$1,648 (net of accumulated depreciation). This investment in capital assets includes land, intangibles, construction in progress, buildings, improvements, machinery and equipment, infrastructure, and flood control projects.

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

\$37.6 million was expended on the expansion of the City's Wastewater Treatment facility. This is a major expansion allowing an increase in treatment capacity from 26 MGD to 50 MGD per day. The completion of the expansion is expected to occur in 2023.

Significant projects were completed at the Municipal Airport Authority including a cargo apron expansion and a new SRE building and remodeling of the existing SRE facility. Nearly \$12 million was spent on these projects in 2021.

City of Fargo's Capital Assets (net of depreciation) (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 108,099	\$ 104,333	\$ 44,542	\$ 43,888	\$ 152,641	\$ 148,221
Construction in progress	852	30,103	98,120	67,607	98,972	97,710
Intangible	12,580	12,580	920	920	13,500	13,500
Buildings	102,335	102,845	275,066	265,823	377,401	368,668
Improvements other than buildings	6,745	7,180	27,437	28,973	34,182	36,153
Machinery and equipment	14,811	19,580	35,645	34,063	50,456	53,643
Infrastructure	291,509	282,588	535,813	491,460	827,322	774,048
Flood Control	93,724	72,543	-	-	93,724	72,543
Total	<u>\$ 630,655</u>	<u>\$ 631,752</u>	<u>\$ 1,017,543</u>	<u>\$ 932,734</u>	<u>\$ 1,648,198</u>	<u>\$ 1,564,486</u>

Additional information on the City of Fargo's capital assets can be found in Note 4. D. of this report.

Long Term Debt

At the end of the current fiscal year, the City of Fargo had total debt of \$1,023,604, a decrease of \$112,930 from the prior fiscal year.

Of this amount, \$526,910 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 \$252,040 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 \$66,412 from 2020. Most of this decrease was seen in the North Dakota Public Employee Retirement System Pension Plan due to assumption changes.

City of Fargo's Outstanding Debt (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Improvement bonds	\$ 526,910	\$ 549,200	\$ -	\$ -	\$ 526,910	\$ 549,200
Gross revenue bonds	-	-	1,852	2,142	1,852	2,142
Annual appropriation bonds	28,395	28,840	4,900	5,635	33,295	34,475
General obligation bonds	30,750	32,405	-	-	30,750	32,405
Sales tax bonds	58,226	62,039	-	-	58,226	62,039
Notes payable	71,545	123,322	180,495	146,454	252,040	269,776
Capital leases	457	383	2,512	2,047	2,969	2,430
Accumulated unpaid vacation	4,892	5,124	1,397	1,248	6,289	6,372
Unamortized premium on refunding	35,601	34,293	-	-	35,601	34,293
Special Assessments	-	-	10,359	10,795	10,359	10,795
Landfill closure/postclosure	-	-	5,473	5,486	5,473	5,486
Net pension liability	48,728	97,048	9,356	27,448	58,084	124,496
Net OPEB liability	1,249	1,937	507	688	1,756	2,625
Total	<u>\$ 806,753</u>	<u>\$ 934,591</u>	<u>\$ 216,851</u>	<u>\$ 201,943</u>	<u>\$ 1,023,604</u>	<u>\$ 1,136,534</u>

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

The City issued \$37,310 Refunding Improvement Bonds, Series 2021A at a true interest cost of 1.85%. These bonds were issued to reimburse the capital project fund for project costs previously incurred for the expansion of the City's utility infrastructure.

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 4. H. of this report.

Economic Factors and Next Year's Budgets and Rates

After a long 18 months of challenges brought on by the COVID-19 pandemic, the 2022 budget is getting the City back to the priorities and initiatives that make us Fargo and make our citizens proud to live here. The 2022 budget included a 7% increase in general fund expenditures. In order to attract and retain the best employees a 3.5% competitive wage adjustment was included in the 2022 budget along with adding 20 full time employees. The budget does not include any increase in tax mills for 2022. The City has had a stable City mill levy history for the past several years; in fact, mills have been reduced by 5.25 since 2013.

The budget team embraced the themes of attracting and retaining a talented team, funding essential infrastructure, reinforcing our strong commitment to public safety, supporting community equity initiatives, funding delayed requests due to COVID-19, and efficient and effective use of federal funds.

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

Requests for information

This financial report is designed to provide a general overview of the City of Fargo's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 225 4th Street North, City of Fargo, ND, 58102 or visit the City's web site at www.fargond.gov. The entire report is presented in the Finance department section.

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 95,590	\$ 44,464,579	\$ 44,560,169
Investments	78,831,359	-	78,831,359
Equity in pooled investments	107,471,971	11,866,183	119,338,154
Receivables (net of allowance for uncollectibles):			
Interest	137,831	-	137,831
Taxes	324,707	11,213	335,920
Accounts	6,351,388	8,579,385	14,930,773
Sales tax	12,109,127	-	12,109,127
Special assessments	454,913,635	57,219	454,970,854
Intergovernmental	9,440,923	6,710,370	16,151,293
Loans	2,152,569	-	2,152,569
Internal balances	(3,102,995)	3,102,995	-
Inventory	1,338,235	1,479,517	2,817,752
Prepaid expenses	2,546,013	419,299	2,965,312
Property held for resale	2,537,526	-	2,537,526
Net pension asset	2,278,092	1,406,209	3,684,301
Restricted assets:			
Equity in pooled investments	-	3,785,385	3,785,385
Investments	-	49,685,723	49,685,723
Capital assets not being depreciated:			
Land	108,099,779	44,541,504	152,641,283
Construction in progress	852,044	98,120,339	98,972,383
Intangible - Right-of-way Easements	12,579,840	420,036	12,999,876
Intangible - Water Rights	-	500,000	500,000
Capital assets (net of accumulated depreciation):			
Buildings	102,334,978	275,066,488	377,401,466
Improvements other than buildings	6,745,254	27,437,456	34,182,710
Machinery and equipment	14,811,082	35,645,082	50,456,164
Infrastructure	291,508,538	535,812,250	827,320,788
Flood Control	93,723,692	-	93,723,692
Total assets	<u>1,308,081,178</u>	<u>1,149,111,232</u>	<u>2,457,192,410</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pension	40,950,143	13,514,100	54,464,243
Deferred outflow of resources related to OPEB	380,496	162,278	542,774
Total deferred outflows of resources	<u>41,330,639</u>	<u>13,676,378</u>	<u>55,007,017</u>
LIABILITIES			
Vouchers payable	12,761,965	10,936,714	23,698,679
Retainage payable	2,037,904	6,046,201	8,084,105
Accrued payroll	2,839,914	325,050	3,164,964
Accrued interest payable	4,737,351	488,722	5,226,073
Accrued interest payable from restricted assets	-	1,079,712	1,079,712
Special assessments payable	869,889	518,056	1,387,945
Unearned revenue	11,411,452	3,610,670	15,022,122
Deposits	528,150	7,385	535,535
Debt			
Current debt - due within one year	88,326,849	2,262,350	90,589,199
Current debt - due within one year payable from restricted assets	-	3,682,868	3,682,868
Noncurrent debt - due in more than one year	668,448,727	200,524,377	868,973,104
Net pension liability	48,728,189	9,356,030	58,084,219
Net OPEB liability	1,248,817	507,114	1,755,931
Total liabilities	<u>841,939,207</u>	<u>239,345,249</u>	<u>1,081,284,456</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow of resources related to pension	60,657,961	23,730,865	84,388,826
Deferred Inflow of resources related to OPEB	450,166	208,021	658,187
Total deferred Inflows of resources	<u>61,108,127</u>	<u>23,938,886</u>	<u>85,047,013</u>
NET POSITION			
Net investment in capital assets	262,441,361	817,425,266	1,079,866,627
Restricted for:			
Debt service	79,776,298	4,762,580	84,538,878
Specific projects and programs	14,972,524	-	14,972,524
Capital improvements	19,212,790	49,685,723	68,898,513
Unrestricted	69,961,510	27,629,906	97,591,416
Total net position	<u>\$ 446,364,483</u>	<u>\$ 899,503,475</u>	<u>\$ 1,345,867,958</u>

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

**CITY OF FARGO, NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 22,517,526	\$ 3,178,041	\$ 1,093,108	\$ 118,834	\$ (18,127,543)	\$ -	\$ (18,127,543)
Public safety	41,237,465	6,700,909	665,338	473,014	(33,398,204)	-	(33,398,204)
Public works	88,160,036	8,477,310	-	134,689,438	55,006,712	-	55,006,712
Public health and welfare	17,626,615	4,278,481	9,005,097	-	(4,343,037)	-	(4,343,037)
Recreation and culture	8,508,657	229,113	145,886	-	(8,133,658)	-	(8,133,658)
Urban redevelopment	2,482,461	239,816	1,877,832	18,518	(346,295)	-	(346,295)
Transportation	465,086	1,758,864	246,894	-	1,540,672	-	1,540,672
Economic development	501,956	-	-	-	(501,956)	-	(501,956)
General support and unallocated	1,380,060	-	-	-	(1,380,060)	-	(1,380,060)
Interest and fiscal charges	29,404,274	-	-	-	(29,404,274)	-	(29,404,274)
Total governmental activities	212,284,136	24,862,534	13,034,155	135,299,804	(39,087,643)	-	(39,087,643)
Business-type activities:							
Municipal airport authority	11,015,664	9,914,685	4,579,323	8,285,161	-	11,763,505	11,763,505
Water	25,585,590	26,123,374	-	10,215	-	547,999	547,999
Wastewater	16,051,317	14,491,086	-	1,245	-	(1,558,986)	(1,558,986)
Storm sewer	7,137,768	3,095,185	-	705,832	-	(3,336,751)	(3,336,751)
Solid waste	10,631,087	17,032,533	11,301	-	-	6,412,747	6,412,747
Fargodome	12,391,698	6,231,388	4,836,614	-	-	(1,323,696)	(1,323,696)
Southeast Cass	56,240	185,600	-	-	-	129,360	129,360
Vector control	241,544	756,459	-	-	-	514,915	514,915
Street lighting	4,541,580	3,570,442	-	-	-	(971,138)	(971,138)
Forestry	2,204,551	2,357,032	-	-	-	152,481	152,481
Transit	13,578,079	2,416,713	7,474,710	2,227,744	-	(1,458,912)	(1,458,912)
Civic Memorial Auditorium	405,109	55,382	-	-	-	(349,727)	(349,727)
Total business-type activities	103,840,227	86,229,879	16,901,948	11,230,197	-	10,521,797	10,521,797
Total	\$ 316,124,363	\$ 111,092,413	\$ 29,936,103	\$ 146,530,001	(39,087,643)	10,521,797	(28,565,846)

General revenues:

Taxes:

Property taxes	34,242,887	1,248,941	35,491,828
Sales taxes	63,840,808	-	63,840,808
Gross business receipts taxes	5,401,665	-	5,401,665
Lodging taxes	2,295,974	-	2,295,974
Other taxes	1,686,063	-	1,686,063
Unrestricted intergovernmental	7,708,324	-	7,708,324
Unrestricted investment earnings	2,155,149	5,238,431	7,393,580
Miscellaneous revenue (expense)	9,039,654	1,435,412	10,475,066

Transfers

Total general revenues and transfers	85,709,254	48,584,054	134,293,308
Change in net position	46,621,611	59,105,851	105,727,462
Net position - beginning	399,742,872	840,397,624	1,240,140,496
Net position - ending	\$ 446,364,483	\$ 899,503,475	\$ 1,345,867,958

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

CITY OF FARGO, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 95,590	\$ -	\$ -	\$ -	\$ 95,590
Investments	-	78,831,359	-	-	78,831,359
Equity in pooled investments	33,657,463	59,440,478	-	14,374,030	107,471,971
Receivables (net of allowance for uncollectibles):					
Interest	80,117	56,058	1,656	-	137,831
Taxes	281,376	37,164	-	6,167	324,707
Accounts	5,059,578	-	863,769	428,041	6,351,388
Sales tax	-	3,027,282	9,081,845	-	12,109,127
Special assessments	386,334	453,868,175	-	659,126	454,913,635
Intergovernmental	4,113,459	-	4,183,977	1,143,487	9,440,923
Due from other funds	568,013	1,599,732	-	307,126	2,474,871
Loans	-	-	-	2,152,569	2,152,569
Inventory	1,338,235	-	-	-	1,338,235
Prepaid items	2,449,395	-	67,405	29,213	2,546,013
Property held for resale	-	-	2,500,000	37,526	2,537,526
Total assets	\$ 48,029,560	\$ 596,860,248	\$ 16,698,652	\$ 19,137,285	\$ 680,725,745
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Vouchers payable	\$ 2,568,438	\$ 62,190	\$ 9,327,272	\$ 804,065	\$ 12,761,965
Contract retainage payable	-	-	2,024,745	13,159	2,037,904
Advances from other funds	-	-	3,102,995	-	3,102,995
Due to other funds	-	-	1,599,732	875,139	2,474,871
Accrued payroll	2,813,241	-	2,687	23,986	2,839,914
Special assessments payable	-	5,261	42,191	822,437	869,889
Unearned revenue	108,101	-	227,546	11,075,805	11,411,452
Deposits	316,950	-	211,200	-	528,150
Total liabilities	5,806,730	67,451	16,538,368	13,614,591	36,027,140
Deferred inflows of resources					
Unavailable revenue	3,786,896	431,041,065	1,133,030	1,332,646	437,293,637
Fund balances					
Nonspendable	3,787,630	-	67,405	29,213	3,884,248
Restricted	5,423,514	165,751,732	-	4,429,468	175,604,714
Committed	1,000,015	-	-	-	1,000,015
Assigned	1,079,780	-	-	-	1,079,780
Unassigned	27,144,995	-	(1,040,151)	(268,633)	25,836,211
Total fund balance (deficit)	38,435,934	165,751,732	(972,746)	4,190,048	207,404,968
Total liabilities, deferred inflows of resources and fund balances	\$ 48,029,560	\$ 596,860,248	\$ 16,698,652	\$ 19,137,285	\$ 680,725,745

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

CITY OF FARGO, NORTH DAKOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2021

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds	\$ 207,404,968
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements	630,655,207
Other assets are not available to pay for current period expenditures and, therefore, are either not recognized as a receivable or are deferred in the funds	437,293,637
Net pension asset and liability and pension related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds	(66,157,915)
Net OPEB liability and OPEB related deferred outflows and inflows of resources are not due in the current period and, therefore, are not reported in the funds	(1,318,487)
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds	<u>(761,512,927)</u>
Net position of governmental activities	<u><u>\$ 446,364,483</u></u>

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 38,212,111	\$ 18,418,588	\$ 47,880,606	\$ 3,043,625	\$ 107,554,930
Special assessments	-	54,310,829	29,218	640,730	54,980,777
Licenses and permits	6,055,986	-	-	-	6,055,986
Intergovernmental revenues	19,857,699	56,754,920	28,607,714	6,593,843	111,814,176
Charges for services	13,798,463	-	-	1,958,542	15,757,005
Fines and forfeits	1,630,682	-	-	107,237	1,737,919
Investment income	2,017,186	194,948	(56,984)	-	2,155,150
Miscellaneous revenues	1,419,529	588,827	534,175	9,681,675	12,224,206
Total revenues	<u>82,991,656</u>	<u>130,268,112</u>	<u>76,994,729</u>	<u>22,025,652</u>	<u>312,280,149</u>
EXPENDITURES					
Current:					
General government	19,178,869	-	1,023,134	322,870	20,524,873
Public safety	43,333,537	-	147,604	269,568	43,750,709
Public works	12,366,489	13,588	60,320,580	801,756	73,502,413
Public health & welfare	13,030,593	-	-	3,977,541	17,008,134
Recreation and culture	4,993,133	-	-	3,120,825	8,113,958
Urban redevelopment	-	421,152	24,243	1,962,361	2,407,756
Public transportation	-	-	900	1,470,937	1,471,837
Economic development	501,956	-	-	-	501,956
General support	1,380,060	-	-	-	1,380,060
Capital outlay	762,902	-	72,690,537	351,553	73,804,992
Debt service:					
Principal	155,080	121,461,196	-	-	121,616,276
Interest and fiscal charges	15,636	31,606,814	111,535	-	31,733,985
Total expenditures	<u>95,718,255</u>	<u>153,502,750</u>	<u>134,318,533</u>	<u>12,277,411</u>	<u>395,816,949</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,726,599)</u>	<u>(23,234,638)</u>	<u>(57,323,804)</u>	<u>9,748,241</u>	<u>(83,536,800)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	16,081,458	4,073,942	19,664,572	1,541,186	41,361,158
Transfers out	(11,090,617)	(9,312,393)	(1,810,201)	(6,839,384)	(29,052,595)
Loans issued	-	-	4,171,143	-	4,171,143
Bonds issued	-	294,677	37,015,323	-	37,310,000
Bond premium	-	-	3,841,856	-	3,841,856
Capital lease	228,700	-	-	-	228,700
Total other financing sources (uses)	<u>5,219,541</u>	<u>(4,943,774)</u>	<u>62,882,693</u>	<u>(5,298,198)</u>	<u>57,860,262</u>
Net change in fund balances	(7,507,058)	(28,178,412)	5,558,889	4,450,043	(25,676,538)
Fund balance (deficit) - beginning of year	45,942,992	193,930,144	(6,531,635)	(259,995)	233,081,506
Fund balance (deficit) - end of year	<u>\$ 38,435,934</u>	<u>\$ 165,751,732</u>	<u>\$ (972,746)</u>	<u>\$ 4,190,048</u>	<u>\$ 207,404,968</u>

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

**CITY OF FARGO, NORTH DAKOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (25,676,538)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	53,400,135
Capital assets transferred to enterprise funds.	(52,950,874)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(1,546,353)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(11,557,928)
Changes to net pension asset and liability and pension related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported in the governmental funds	6,133,274
Changes to net OPEB liability and OPEB related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported in the governmental funds	193,674
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings 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.	76,064,577
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,561,644
Change in net position of governmental activities	\$ <u><u>46,621,611</u></u>

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

CITY OF FARGO, NORTH DAKOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 38,000,000	\$ 39,070,000	\$ 38,212,111	\$ (857,889)
Licenses & permits	5,724,400	6,091,400	6,055,986	(35,414)
Intergovernmental revenues	16,455,737	19,697,334	19,857,699	160,365
Charges for services	15,574,112	14,449,244	13,798,463	(650,781)
Fines and forfeits	2,267,500	1,722,500	1,630,682	(91,818)
Investment income	3,289,200	2,554,200	2,017,186	(537,014)
Miscellaneous revenues	3,929,650	2,897,310	1,419,529	(1,477,781)
Total revenues	<u>85,240,599</u>	<u>86,481,988</u>	<u>82,991,656</u>	<u>(3,490,332)</u>
EXPENDITURES				
Current:				
General government	20,251,725	20,783,546	19,178,869	1,604,677
Public safety	42,955,011	43,466,978	43,333,537	133,441
Public works	12,963,251	12,893,446	12,366,489	526,957
Public health & welfare	12,493,910	14,215,507	13,030,593	1,184,914
Recreation & culture	4,973,917	5,016,605	4,993,133	23,472
Economic development	457,500	457,500	501,956	(44,456)
General support	(440,481)	(215,816)	1,380,060	(1,595,876)
Capital outlay	346,090	3,749,643	762,902	2,986,741
Debt service:				
Principal	-	155,080	155,080	-
Interest and fiscal charges	-	15,636	15,636	-
Total expenditures	<u>94,000,923</u>	<u>100,538,125</u>	<u>95,718,255</u>	<u>4,819,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,760,324)</u>	<u>(14,056,137)</u>	<u>(12,726,599)</u>	<u>1,329,538</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11,309,401	15,997,401	16,081,458	84,057
Transfers out	(3,440,077)	(8,855,949)	(11,090,617)	(2,234,668)
Capital lease	-	-	228,700	228,700
Total other financing sources (uses)	<u>7,869,324</u>	<u>7,141,452</u>	<u>5,219,541</u>	<u>(1,921,911)</u>
Net change in fund balances	<u>(891,000)</u>	<u>(6,914,685)</u>	<u>(7,507,058)</u>	<u>(592,373)</u>
Fund balance - beginning of year			<u>45,942,992</u>	
Fund balance - end of year			<u>\$ 38,435,934</u>	

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
ASSETS								
Current assets								
Cash	\$ 36,073,907	\$ 50	\$ 50	\$ -	\$ 300	\$ 8,386,822	\$ 3,450	\$ 44,464,579
Equity in pooled investments	1,369,509	3,235,081	2,085,000	1,245,134	-	-	3,931,459	11,866,183
Receivables (net of allowance for uncollectibles):								
Special assessments	-	13,275	-	-	-	-	43,944	57,219
Taxes	11,213	-	-	-	-	-	-	11,213
Accounts	955,742	2,341,924	1,689,854	359,943	1,471,861	474,918	1,285,143	8,579,385
Intergovernmental	3,763,103	-	-	-	28,281	-	2,918,986	6,710,370
Due from other funds	-	-	2,401,623	-	-	-	-	2,401,623
Advances to other funds	-	1,523,663	1,686,040	-	-	-	-	3,209,703
Inventory	-	628,465	-	-	-	49,366	801,686	1,479,517
Prepaid expenses	-	87,965	27,436	5,967	86,804	117,356	93,771	419,299
Restricted equity in pooled investments	-	3,059,224	360,844	-	-	365,317	-	3,785,385
Total current assets	42,173,474	10,889,647	8,250,847	1,611,044	1,587,246	9,393,779	9,078,439	82,984,476
Noncurrent assets								
Net pension asset	176,964	438,454	173,674	1,021	494,068	-	122,028	1,406,209
Restricted assets								
Investments	-	-	-	-	-	49,685,723	-	49,685,723
Capital assets								
Land	8,516,547	5,591,951	583,744	27,634,732	2,214,530	-	-	44,541,504
Right of way	-	-	289,090	130,946	-	-	-	420,036
Construction in progress	590,340	16,441,446	66,942,034	6,261,662	4,476,989	1,528,586	1,879,282	98,120,339
Intangible	-	500,000	-	-	-	-	-	500,000
Buildings	33,543,778	217,913,062	61,021,419	-	5,626,724	59,768,715	23,190,051	401,063,749
Improvements other than buildings	2,676,347	2,190,737	2,306,389	3,714,279	29,131,593	6,064,049	39,438	46,122,832
Machinery and equipment	14,406,754	12,407,268	20,999,274	7,964,521	22,381,083	26,781,393	21,200,777	126,141,070
Infrastructure	140,081,488	155,291,611	167,791,005	273,401,652	6,158	-	51,802,295	788,374,209
Less accumulated depreciation	(81,235,973)	(88,694,068)	(86,196,666)	(86,723,643)	(28,244,924)	(65,032,733)	(51,612,577)	(487,740,584)
Total capital assets (net of accumulated depreciation)	118,579,281	321,642,007	233,736,289	232,384,149	35,592,153	29,110,010	46,499,266	1,017,543,155
Total noncurrent assets	118,756,245	322,080,461	233,909,963	232,385,170	36,086,221	78,795,733	46,621,294	1,068,635,087
Total assets	\$ 160,929,719	\$ 332,970,108	\$ 242,160,810	\$ 233,996,214	\$ 37,673,467	\$ 88,189,512	\$ 55,699,733	\$ 1,151,619,563
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources related to pension	1,446,157	3,113,742	1,473,608	611,774	2,525,472	1,670,774	2,672,573	13,514,100
Deferred outflows of resources related to OPEB	16,889	37,906	17,936	7,282	28,600	21,496	32,169	162,278
Total deferred outflows of resources	1,463,046	3,151,648	1,491,544	619,056	2,554,072	1,692,270	2,704,742	13,676,378

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2021

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
LIABILITIES								
Current liabilities								
Vouchers payable	\$ 1,567,274	\$ 1,424,325	\$ 5,485,497	\$ 12,020	\$ 852,228	\$ 410,536	\$ 1,184,834	\$ 10,936,714
Retainage payable	5,000	221,480	5,488,415	-	231,830	16,444	83,032	6,046,201
Interest payable	-	34,466	43,734	138,118	196,762	75,553	89	488,722
Advances from other funds	-	-	-	-	106,708	-	-	106,708
Due to other funds	-	-	-	-	2,055,293	-	346,330	2,401,623
Accrued payroll	52,313	71,894	32,282	9,327	60,501	38,160	60,573	325,050
Current portion of special assessments	-	35,896	64,957	144,460	210,059	59,938	2,746	518,056
Current portion of capital lease	-	1,420	17,436	-	846,697	-	-	865,553
Accrued vacation payable	265,070	311,368	155,746	61,220	263,048	123,788	216,557	1,396,797
Unearned revenue	-	-	-	-	-	3,580,468	30,202	3,610,670
Deposits	-	-	-	-	-	7,385	-	7,385
Current liabilities payable from restricted assets:								
Current portion of long-term debt	-	2,435,000	-	-	492,868	755,000	-	3,682,868
Accrued interest and other	-	624,224	360,844	-	66,289	28,355	-	1,079,712
Total current liabilities	<u>1,889,657</u>	<u>5,160,073</u>	<u>11,648,911</u>	<u>365,145</u>	<u>5,382,283</u>	<u>5,095,627</u>	<u>1,924,363</u>	<u>31,466,059</u>
Noncurrent liabilities								
Landfill closure accruals	-	-	-	-	5,472,965	-	-	5,472,965
Long-term debt, net of current portion:								
Special assessments payable	-	822,662	851,173	2,722,236	3,978,277	1,465,058	1,440	9,840,846
Capital lease	-	2,054	75,175	-	1,569,472	-	-	1,646,701
Revenue bonds, net of deferred amount of refunding	-	-	-	-	1,659,480	-	-	1,659,480
Annual appropriation bond	-	-	-	-	-	4,145,000	-	4,145,000
Notes payable	-	96,918,280	80,241,105	-	600,000	-	-	177,759,385
Net pension liability	1,114,487	2,209,848	1,037,612	555,446	2,077,952	603,725	1,756,960	9,356,030
Net OPEB liability	53,196	119,010	56,443	23,646	93,475	67,625	93,719	507,114
Total noncurrent liabilities	<u>1,167,683</u>	<u>100,071,854</u>	<u>82,261,508</u>	<u>3,301,328</u>	<u>15,451,621</u>	<u>6,281,408</u>	<u>1,852,119</u>	<u>210,387,521</u>
Total liabilities	<u>3,057,340</u>	<u>105,231,927</u>	<u>93,910,419</u>	<u>3,666,473</u>	<u>20,833,904</u>	<u>11,377,035</u>	<u>3,776,482</u>	<u>241,853,580</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows of resources related to pension	2,564,013	5,636,197	2,719,883	889,442	4,454,410	2,749,754	4,717,166	23,730,865
Deferred inflows of resources related to OPEB	22,097	47,957	23,818	8,732	35,189	26,820	43,408	208,021
Total deferred inflows of resources	<u>2,586,110</u>	<u>5,684,154</u>	<u>2,743,701</u>	<u>898,174</u>	<u>4,489,599</u>	<u>2,776,574</u>	<u>4,760,574</u>	<u>23,938,886</u>
NET POSITION								
Net investment in capital assets	118,579,281	221,426,695	152,486,443	229,517,453	26,235,300	22,685,014	46,495,080	817,425,266
Restricted for:								
Debt service	-	3,059,224	360,844	-	559,157	783,355	-	4,762,580
Capital improvements	-	-	-	-	-	49,685,723	-	49,685,723
Unrestricted	38,170,034	719,756	(5,849,053)	533,170	(11,890,421)	2,574,081	3,372,339	27,629,906
Total net position	<u>\$ 156,749,315</u>	<u>\$ 225,205,675</u>	<u>\$ 146,998,234</u>	<u>\$ 230,050,623</u>	<u>\$ 14,904,036</u>	<u>\$ 75,728,173</u>	<u>\$ 49,867,419</u>	<u>\$ 899,503,475</u>

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
OPERATING REVENUES								
Charges for services	\$ 9,914,685	\$ 26,123,374	\$ 14,491,086	\$ 3,095,185	\$ 17,032,533	\$ 6,231,388	\$ 9,341,628	\$ 86,229,879
OPERATING EXPENSES								
Personnel services	2,930,039	4,895,613	2,216,036	723,975	4,288,318	2,556,612	6,551,076	24,161,669
Other services	2,016,985	4,167,851	4,095,743	165,790	2,120,642	4,168,950	7,547,075	24,283,036
Materials and supplies	1,046,763	6,319,386	2,592,973	175,486	1,347,521	1,230,501	2,938,543	15,651,173
Depreciation	4,968,245	7,746,117	5,929,463	5,934,399	2,459,767	4,172,985	3,990,320	35,201,296
Total operating expenses	10,962,032	23,128,967	14,834,215	6,999,650	10,216,248	12,129,048	21,027,014	99,297,174
Operating income (loss)	(1,047,347)	2,994,407	(343,129)	(3,904,465)	6,816,285	(5,897,660)	(11,685,386)	(13,067,295)
NONOPERATING REVENUES (EXPENSES)								
Gain (loss) on disposal of assets	8,150	(70,910)	5,106	(229)	(20,194)	(55,167)	(5,825)	(139,069)
Investment income (expense)	106,836	57,825	63,902	-	-	5,009,868	-	5,238,431
Interest expense and bond fees	(53,632)	(2,456,623)	(1,217,102)	(138,118)	(414,839)	(262,650)	(89)	(4,543,053)
Amortization expense	-	-	-	-	-	-	-	-
General property tax revenue	1,248,941	-	-	-	-	-	-	1,248,941
Intergovernmental revenues	4,579,323	-	-	-	11,301	4,836,614	7,474,710	16,901,948
Miscellaneous revenue (expense)	8,599	2,882	-	-	65,711	52,633	123,113	252,938
Sale of byproducts	-	-	1,175,563	-	145,980	-	-	1,321,543
Total nonoperating revenues (expenses)	5,898,217	(2,466,826)	27,469	(138,347)	(212,041)	9,581,298	7,591,909	20,281,679
Income (loss) before contributions and transfers	4,850,870	527,581	(315,660)	(4,042,812)	6,604,244	3,683,638	(4,093,477)	7,214,384
Capital contributions	8,285,161	14,374,719	2,453,663	16,483,535	-	-	22,602,952	64,200,030
Transfers in:								
General	-	265,228	111,646	26,454	109,486	26,643	2,700,838	3,240,295
Special revenue	-	286,217	-	-	-	-	-	286,217
Capital projects	-	946,500	-	-	-	-	829,614	1,776,114
Enterprise	-	-	-	-	589,670	-	1,508,000	2,097,670
Transfers out:								
General	(90,000)	(3,834,074)	(2,191,941)	(455,000)	(3,403,276)	(50,000)	(1,162,800)	(11,187,091)
Special revenue	-	-	-	-	(53,230)	-	-	(53,230)
Capital projects	-	(1,898,307)	(3,572,678)	(203,414)	-	-	(696,469)	(6,370,868)
Enterprise	-	(529,000)	(1,199,670)	-	(369,000)	-	-	(2,097,670)
Change in net position	13,046,031	10,138,864	(4,714,640)	11,808,763	3,477,894	3,660,281	21,688,658	59,105,851
Total net position - beginning	143,703,284	215,066,811	151,712,874	218,241,860	11,426,142	72,067,892	28,178,761	840,397,624
Total net position - ending	\$ 156,749,315	\$ 225,205,675	\$ 146,998,234	\$ 230,050,623	\$ 14,904,036	\$ 75,728,173	\$ 49,867,419	\$ 899,503,475

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

Business-type activities - Enterprise Funds

	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 9,725,158	\$ 26,255,928	\$ 14,289,374	\$ 3,095,096	\$ 16,746,730	\$ 5,637,361	\$ 8,908,689	\$ 84,658,336
Payments to suppliers	(2,951,438)	(9,550,139)	(168,877)	(354,905)	(2,574,577)	(5,427,074)	(9,801,752)	(30,828,762)
Payments to employees	(2,330,292)	(3,701,785)	(1,712,062)	(535,975)	(3,275,226)	(1,966,416)	(3,157,464)	(16,679,220)
Payments of benefits on behalf of employees	(570,679)	(1,338,952)	(560,886)	(133,691)	(1,290,383)	(414,453)	(987,720)	(5,296,764)
Net cash provided (used) by operating activities	<u>3,872,749</u>	<u>11,665,052</u>	<u>11,847,549</u>	<u>2,070,525</u>	<u>9,606,544</u>	<u>(2,170,582)</u>	<u>(5,038,247)</u>	<u>31,853,590</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers to other funds	(90,000)	(6,261,381)	(6,964,289)	(658,414)	(3,825,506)	(50,000)	(1,859,269)	(19,708,859)
Transfers from other funds	-	1,497,945	111,646	26,454	699,156	26,643	5,038,452	7,400,296
Property taxes	1,249,793	-	-	-	-	-	-	1,249,793
Intergovernmental operating grants	3,321,328	-	-	-	11,301	4,836,614	4,849,801	13,019,044
Payments received on interfund borrowing	-	-	-	-	654,610	-	904	655,514
Payments made for interfund borrowing	-	-	(488,395)	-	-	-	(167,119)	(655,514)
Net cash provided (used) by noncapital financing activities	<u>4,481,121</u>	<u>(4,763,436)</u>	<u>(7,341,038)</u>	<u>(631,960)</u>	<u>(2,460,439)</u>	<u>4,813,257</u>	<u>7,862,769</u>	<u>1,960,274</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from sale of assets	8,150	4,370	5,106	-	4,186	-	-	21,812
Proceeds from byproduct sales	-	-	1,175,563	-	145,980	-	-	1,321,543
Payments received on advances to other funds	-	462,485	469,362	-	53,230	-	-	985,077
Payments made for advances to other funds	-	-	-	-	(208,707)	-	-	(208,707)
Capital debt proceeds	-	3,371,081	33,653,372	-	-	-	-	37,024,453
Acquisition of capital assets	(13,278,223)	(5,534,636)	(37,587,664)	-	(4,849,412)	(1,416,009)	(2,444,264)	(65,110,208)
Debt service - principal	-	(2,407,631)	(159,153)	(133,923)	(1,871,593)	(792,032)	-	(5,364,332)
Debt service - interest & fees	(53,632)	(2,482,351)	(1,069,782)	(163,205)	(419,789)	(268,950)	-	(4,457,709)
Intergovernmental capital grants	7,349,768	-	-	-	-	-	1,933,667	9,283,435
Net cash provided (used) by capital and related financing activities	<u>(5,973,937)</u>	<u>(6,586,682)</u>	<u>(3,513,196)</u>	<u>(297,128)</u>	<u>(7,146,105)</u>	<u>(2,476,991)</u>	<u>(510,597)</u>	<u>(26,504,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income (expense)	106,836	-	-	-	-	47,078	-	153,914
Investments redeemed	2,688,980	5,979,371	1,452,529	103,697	-	3,404,262	1,620,934	15,249,773
Investments (purchased)	(1,369,509)	(6,294,305)	(2,445,844)	(1,245,134)	-	(365,317)	(3,931,459)	(15,651,568)
Net cash provided (used) by investing activities	<u>1,426,307</u>	<u>(314,934)</u>	<u>(993,315)</u>	<u>(1,141,437)</u>	<u>-</u>	<u>3,086,023</u>	<u>(2,310,525)</u>	<u>(247,881)</u>
Net change in cash and cash equivalents	3,806,240	-	-	-	-	3,251,707	3,400	7,061,347
Cash and cash equivalents, January 1	32,267,667	50	50	-	300	5,135,115	50	37,403,232
Cash and cash equivalents, December 31	<u>\$ 36,073,907</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 8,386,822</u>	<u>\$ 3,450</u>	<u>\$ 44,464,579</u>

Continued

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

Business-type activities - Enterprise Funds

	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Enterprise Funds	Total
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	<u>\$ (1,047,347)</u>	<u>\$ 2,994,407</u>	<u>\$ (343,129)</u>	<u>\$ (3,904,465)</u>	<u>\$ 6,816,285</u>	<u>\$ (5,897,660)</u>	<u>\$ (11,685,386)</u>	<u>(13,067,295)</u>
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	4,968,245	7,746,117	5,929,463	5,934,399	2,459,767	4,172,985	3,990,320	35,201,296
Change in assets and liabilities								
Accounts receivable	(189,527)	139,097	(201,712)	(89)	(314,084)	(259,696)	(442,075)	(1,268,086)
Specials receivable	-	(6,543)	-	-	-	-	(21,066)	(27,609)
Inventories	-	(21,249)	-	-	-	(17,549)	(412,835)	(451,633)
Prepaid expenses	25,803	(3,595)	(1,579)	(410)	(30,772)	9,430	(80,909)	(82,032)
Net pension asset	(172,876)	(428,398)	(169,268)	(995)	(482,728)	-	(119,755)	(1,374,020)
Pension related deferred outflows	626,428	1,341,304	680,055	262,150	928,766	815,088	(1,010,067)	3,643,724
OPEB related deferred outflows	3,770	8,178	4,067	1,475	5,942	4,570	(16,478)	11,524
Accounts payable	883,796	750,366	4,002,147	(13,219)	736,641	10,704	1,094,578	7,465,013
Retainage payable	(797,289)	211,520	2,519,271	-	229,408	(30,208)	83,032	2,215,734
Landfill closure accruals	-	-	-	-	(13,410)	-	-	(13,410)
Payroll payable	21,656	19,033	8,975	2,178	10,623	14,069	41,142	117,676
Vacation payable	54,861	(11,424)	(7,373)	4,039	(5,998)	8,763	105,842	148,710
Unearned revenue	-	-	-	-	-	(334,241)	30,202	(304,039)
Deposits	-	56	-	-	-	(89)	-	(33)
Net pension liability	(2,326,112)	(5,036,477)	(2,504,516)	(905,743)	(3,664,141)	(2,813,292)	(841,469)	(18,091,750)
Net OPEB liability	(29,444)	(63,864)	(31,760)	(11,519)	(46,403)	(35,692)	37,565	(181,117)
Pension related deferred inflows	1,831,010	3,983,632	1,941,578	694,988	2,945,483	2,158,264	4,166,905	17,721,860
OPEB related deferred inflows	19,775	42,892	21,330	7,736	31,165	23,972	42,207	189,077
Total adjustments	<u>4,920,096</u>	<u>8,670,645</u>	<u>12,190,678</u>	<u>5,974,990</u>	<u>2,790,259</u>	<u>3,727,078</u>	<u>6,647,139</u>	<u>44,920,885</u>
Net cash provided (used) by operating activities	<u>\$ 3,872,749</u>	<u>\$ 11,665,052</u>	<u>\$ 11,847,549</u>	<u>\$ 2,070,525</u>	<u>\$ 9,606,544</u>	<u>\$ (2,170,582)</u>	<u>\$ (5,038,247)</u>	<u>\$ 31,853,590</u>
Noncash transactions affecting financial position:								
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ 14,374,719</u>	<u>\$ 2,453,663</u>	<u>\$ 16,483,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,375,208</u>	<u>\$ 53,687,125</u>
Acquisition of / change in assets through acquisition of debt	<u>\$ -</u>	<u>\$ 25,043</u>	<u>\$ 127,309</u>	<u>\$ -</u>	<u>\$ 1,221,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,374,283</u>

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	Pension Trust Funds	Custodial Funds	Total
ASSETS			
Cash	\$ 917,574	\$ 16,562,967	\$ 17,480,541
Equity in pooled investments	280,159	71,455,271	71,735,430
Receivables:			
Accounts receivable	5,668	100	5,768
Special assessments	-	10,323,508	10,323,508
Intergovernmental	-	62,487,195	62,487,195
Interest	93,364	88,630	181,994
Due from other funds	208,150		208,150
Total receivables	307,182	72,899,433	73,206,615
Investments, at fair value:			
Mutual funds	145,848,672	-	145,848,672
Exchange-traded products	7,298,996	-	7,298,996
Total investments	153,147,668	-	153,147,668
Prepaid items	-	248,428	248,428
Total assets	154,652,583	161,166,099	315,818,682
LIABILITIES			
Vouchers and benefits payable	25,797	14,104,583	14,130,380
Retainage payable	-	167,048	167,048
Due to other funds	208,150	-	208,150
Deposits	-	20,727	20,727
Long-term liabilities			
Accrued interest on settlement payable	-	800,000	800,000
Due in more than one year - settlement payable	-	40,000,000	40,000,000
Total liabilities	233,947	55,092,358	55,326,305
NET POSITION			
Restricted for:			
Pension benefits	154,418,636	-	154,418,636
Park district special assessments	-	10,323,508	10,323,508
Metro Flood Project Diversion Authority	-	93,435,929	93,435,929
Red River Regional Dispatch Center	-	1,613,491	1,613,491
Police Custodial Fund	-	700,813	700,813
Total net position	\$ 154,418,636	\$ 106,073,741	\$ 260,492,377

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2021

	Pension Trust Funds	Custodial Funds	Total
ADDITIONS			
Contributions			
Employer	\$ 5,295,154	\$ -	\$ 5,295,154
Employee	1,816,192	-	1,816,192
Total contributions	<u>7,111,346</u>	<u>-</u>	<u>7,111,346</u>
Investment income			
Net increase (decrease) in fair value of investments	15,581,886	(244,120)	15,337,766
Less investment expense	(515,578)	-	(515,578)
Net investment income	<u>15,066,308</u>	<u>(244,120)</u>	<u>14,822,188</u>
Special assessments collections for other governments	-	1,139,788	1,139,788
Aid from other governments	-	161,648,177	161,648,177
Miscellaneous	-	2,484,123	2,484,123
Member assessments	-	5,234,419	5,234,419
Police funds received into custody	-	497,381	497,381
Total additions	<u>22,177,654</u>	<u>170,759,768</u>	<u>192,937,422</u>
DEDUCTIONS			
Pension benefit payments	8,122,788	-	8,122,788
Member contribution refunds	498,086	-	498,086
Administrative expenses	81,944	-	81,944
Payments of special assessments to other governments	-	1,873,207	1,873,207
Payments for public protection	-	106,317,663	106,317,663
Payments for RRRDC	-	4,926,134	4,926,134
Police funds released from custody	-	313,127	313,127
Interest expense	-	800,000	800,000
Total deductions	<u>8,702,818</u>	<u>114,230,131</u>	<u>122,932,949</u>
Change in net position	13,474,836	56,529,637	70,004,473
Net position - beginning	140,943,800	49,544,104	190,487,904
Net position - ending	<u>\$ 154,418,636</u>	<u>\$ 106,073,741</u>	<u>\$ 260,492,377</u>

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. 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. Below are applicable statements, not yet required to be implemented.

GASB statement No. 87, *Leases* requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this statement are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter.

GASB statement No. 91, *Conduit Debt Obligations* clarifies the existing definition of a conduit debt obligation and establishes that is not a liability of the issuer as well as establishes standards for accounting and financial reporting for additional commitments and voluntary commitments extended by issuers, and improves required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

GASB statement No.92, *Omnibus 2020* is to enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature. This statement addresses GASB no. 73, 84 and 87 and other topics. The requirements of this statement are effective for fiscal years beginning after June 15, 2021.

GASB statement No. 93, *Replacement of Interbank Offered Rates* addresses the issue of the London Interbank Offered Rate (LIBOR) cease to exist as well as addresses the accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of this statement are effective for reporting period ending after December 31, 2022.

GASB statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* objective is to improve financial reporting by addressing issues related to public- private and public partnership arrangements (PPPs) and require those that meet the definition of a lease apply the guidance of GASB Statement No. 87, *Leases*. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB statement No. 96, *Subscription-Based Information Technology Arrangements* provides guidance on the accounting and financial reporting for subscription-based informational technology arrangements (SBITAs). Under this Statement, a government generally should recognize a right-to-use subscription asset – an intangible asset and a corresponding liability. The requirements of this statement are effective for fiscal years beginning after June 15, 2022.

GASB statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—is an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plan. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

Management has not yet determined the effect these statements will have on the City's financial statements.

B. 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.

C. 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

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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.

D. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. For FEMA grant funds, the City considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

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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:

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

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

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

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. As of January 1, 2016, the onsite FargoDome staff became employees of the City of Fargo and assumed the management of arena operations exclusive of a 3rd party Management Company.

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. The City's two pension funds, the City Employees' Pension Plan and the Police Pension Plan are reported as pension trust funds. The City has four custodial funds: Park District Special Assessments, Metro Flood Project Diversion Authority, Red River Regional Dispatch Center and Police Custodial Fund.

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.

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Equity in Pooled Investments, Cash 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 72 *Fair Value Measurement and Application*.

2. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by "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 2021 were fifty-three.

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

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

3. Inventories and Prepaid Items

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

Inventories held for resale are reported at lower of cost or market.

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.

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks, 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.

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

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

6. Compensated Absences

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

7. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net 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.

8. Net Position/Fund Balance

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, reduced by the outstanding balances of any long-term debt 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.

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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) 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.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET 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, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$761,512,927 difference are as follows:

Bonds payable	\$ 644,281,000
Notes payable	71,544,920
Capital leases	456,740
December 31, 2021 long-term debt outstanding	<u>\$ 716,282,660</u>
Accrued interest payable	4,737,351
Bond premium	35,600,959
Accumulated unpaid vacation	4,891,957
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 761,512,927</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$53,400,135 difference are as follows:

Capital Outlay	\$ 73,804,992
Plus: assets transferred in from enterprise funds	272,312
Plus: donated /contributed assets and gain/loss on asset trades	1,108,369
Plus: prior year construction in progress added as asset in current year	26,342,011
Capital asset increases per footnote 4.D	<u>\$ 101,527,684</u>
Less: assets transferred in from enterprise funds	(272,312)
Less: donated /contributed assets and gain/loss on asset trades	(1,108,369)
Less: prior year construction in progress added as asset in current year	(26,342,011)
Depreciation expense	<u>(20,404,857)</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>\$ 53,400,135</u></u>

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

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This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$76,054,577 difference are as follows:

Bonded debt issued	\$ (37,310,000)
Premium on bonded debt issued	(3,841,856)
Bonded debt principal payments	65,513,000
Capital lease proceeds	(228,700)
Capital lease payment	155,080
Loan proceeds	(4,171,143)
Loan payments	55,948,196
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 76,064,577</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$2,561,644 are as follows:

Compensated absences	\$ 231,933
Accrued interest	(203,794)
Amortization of bond premium	2,533,505
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 2,561,644</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

1. According to City charter, the Mayor submits a proposed budget each 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.

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6. The legal level of budgetary control is at the fund level. The Finance Director may approve transfers of budgeted amounts between departments within a given fund. Any transfers of budgeted amounts and any revisions that alter the total expenditures of any fund must be approved by the City Commission.
7. Formal budgetary integration is employed as a management control device during the period for the general fund, special revenue funds and the debt service fund at the fund level. Any expenditures in excess of the current year's budget must be approved by the Finance Committee and the City Commission. Supplemental appropriations granted for the 2021 year include \$6,929,900 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 \$234,832 for the year ended December 31, 2021.

B. EXCESS OF EXPENDITURES OVER BUDGET

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

Special Revenue Funds		
City Share of Specials	\$	131,062
Downtown Business Improvement District		50,033
Convention & Visitors Bureau		994,366
Neighborhood Stabilization		156,000
Parking Repair and Replacement		118,571
HUD Home Participating Jurisdiction		46,975
HUD Home Program		28,782
Baseball Stadium		26,772
COVID-19 Emergency		4,523,334

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

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C. NET POSITION/FUND BALANCE DEFICITS

Governmental Funds		
Capital Projects Funds		
Capital Projects Fund	\$ 972,746	This deficit will be eliminated by future bond financing and transfers from other funds.
Special Revenue Funds		
Parking Repair and Replacement	137,436	This deficit will be eliminated by future revenue growth from added facilities.
Community Development	2,523	This deficit will be eliminated by future grant reimbursements.
Baseball Stadium	9,656	The deficit will be recovered by future suite lease fees.
COVID-19 Emergency	113,018	This deficit will be eliminated by future transfers from other funds.
Proprietary Funds		
Southeast Cass Sewer	8,770	This deficit will be eliminated by future user fee revenue.
Forestry	699,496	This deficit will be eliminated by future user fee revenue.

D. NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$168,409,915 of restricted net position, of which \$64,027,056 is restricted by enabling legislation.

4. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

Deposits - In accordance with North Dakota Century Code, the City maintains deposits at those depository banks and brokerages authorized by the City Commission, all of which are covered by Federal Depository Insurance or Securities Investor Protection. Century Code requires that all City deposits be protected by insurance, collateral or surety bond. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. As of December 31, 2021, the carrying amount of the City's deposits was \$115,877,120 and the bank balance was \$120,208,909. 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, 2021, the City's deposits were either fully insured or properly collateralized, were held in the City's name, and have no custodial credit risk.

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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:

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

Pension funds may purchase any investments authorized by the Pension Boards.

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

Interest Rate Risk

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

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Credit Risk

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

Investment Type	Credit Rating	Fair Value	Investment Maturities (in years)				
			Not Applicable	< 1	1 - 5	> 5 - 10	> 10
Corporate Bonds	AAA	\$ 16,246,171	\$ -	\$ -	\$ 16,246,171	\$ -	\$ -
Corporate Bonds	AA2	337,247	-	-	337,247	-	-
Corporate Bonds	AA3	767,335	-	131,578	635,757	-	-
Corporate Bonds	A1	6,118,395	-	303,360	5,815,035	-	-
Corporate Bonds	A2	5,990,029	-	-	5,990,029	-	-
Corporate Bonds	A3	2,255,642	-	-	2,255,642	-	-
Money Market Funds	N/A	105,579,577	105,579,577	-	-	-	-
Municipal Bond	AAA	433,950	-	-	433,950	-	-
Municipal Bond	AA1	1,091,451	-	-	1,091,451	-	-
Municipal Bond	AA3	795,632	-	-	795,632	-	-
U.S. Agencies	NA	27,514,333	-	3,380,731	19,059,179	2,099,908	2,974,515
U.S. Treasury Note	NA	52,591,822	-	2,499,600	50,092,222	-	-
Bond Mutual Funds	N/A	47,125,814	9,161,822	-	29,107,348	8,856,644	-
Equity Mutual Funds	N/A	98,722,857	98,722,857	-	-	-	-
Equity Exchange Traded Fund	N/A	7,298,995	7,298,995	-	-	-	-
External Investment Pool *	N/A	49,685,723	49,685,723	-	-	-	-
		\$ 422,554,973	\$ 270,448,974	\$ 6,315,269	\$ 131,859,663	\$ 10,956,552	\$ 2,974,515

*The weighted average maturity of the portion of the external investment pool subject to maturity is 6.64 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 investment; direct obligations of the state of North Dakota shall not exceed 5 percent of the City's portfolio, investments in money market funds rated "AAAm" by Standard & Poor's shall not exceed 25 percent of the City's portfolio, repurchase agreements shall not exceed 25 percent of the City's portfolio, and aggregate Asset-backed securities may not exceed 25% of the portfolio at the time of purchase. None of the established limits were exceeded as of December 31, 2021.

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:

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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, 2021:

	Level 1	Level 2	Level 3	Total
Investments by fair value level				
Pooled Investments				
U.S. Government and Agency Securities	\$ 80,106,156	\$ -	\$ -	\$ 80,106,156
Money Market Mutual Funds	105,579,577	-	-	105,579,577
Corporate Bonds	-	31,714,819	-	31,714,819
Municipal Bonds	-	2,321,033	-	2,321,033
Total Pooled Investments	<u>\$ 185,685,733</u>	<u>\$ 34,035,852</u>	<u>\$ -</u>	<u>\$ 219,721,585</u>
Pension Investments				
Bond Mutual Funds	\$ -	\$ 47,125,815	\$ -	\$ 47,125,815
Equity Mutual Funds	-	98,722,857	-	98,722,857
Equity Exchange Traded Funds	-	7,298,995	-	7,298,995
Total Pension Investments	<u>\$ -</u>	<u>\$ 153,147,667</u>	<u>\$ -</u>	<u>\$ 153,147,667</u>

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

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B. RECEIVABLES

Loans receivable as of December 31, 2021 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	0%	Non-Repayment	\$ 229,950
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	7,000
HUD HOME	0%	8/27/2040	493,043
HUD HOME	0%	Non-Repayment	1,112,576
HUD HOME	0%	Due Upon Sale	290,000
Bridge Loan	0%		20,000
Total loans receivable			<u>\$ 2,152,569</u>

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

Of the above loans, \$1,342,526 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.

C. 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, 2021, 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,

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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.

<u>Tax Abatement Programs</u>	<u>Amount of Taxes Abated during the 2021 Fiscal Year</u>	
Residential New Construction - School District #1	\$	156,651
Residential New Construction - School District #6		64,742
Remodeling - Residential - School District #1		38,532
Remodeling - Commercial - School District #1		24,079
Remodeling - Commercial - School District #6		4,414
New Industry Exemption & Payment In Lieu - School District #1		372,502
New Industry Exemption & Payment In Lieu - School District #6		212,531
Traditional Tax Increment Financing		440,174
Renaissance Zone - Commercial - School District #1		459,378
Renaissance Zone - Residential - School District #1		40,614
Daycare, Fire Protection - Commercial - School District #1		39,326
Daycare, Fire Protection - Commercial - School District #6		26,222
	<u>\$</u>	<u>1,879,165</u>

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D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 104,332,960	\$ 4,352,199	\$ -	\$ (585,380)	\$ 108,099,779
Right of Way	12,579,840	-	-	-	12,579,840
Construction in progress	30,103,397	222,109	(3,131,451)	(26,342,011)	852,044
Total capital assets, not being depreciated	147,016,197	4,574,308	(3,131,451)	(26,927,391)	121,531,663
Capital assets, being depreciated					
Buildings	146,232,233	13,076,512	(20,693,389)	(4,802,842)	133,812,514
Improvements other than buildings	8,425,887	108,440	(20,473)	-	8,513,854
Machinery and equipment	70,779,774	4,409,349	(17,886,315)	(3,468,210)	53,834,598
Infrastructure	463,551,204	57,038,081	-	(37,132,433)	483,456,852
Flood control	76,296,617	22,048,682	-	-	98,345,299
Total capital assets being depreciated	765,285,715	96,681,064	(38,600,177)	(45,403,485)	777,963,117
Less accumulated depreciation for:					
Buildings	43,386,952	3,275,859	(12,130,855)	(3,054,420)	31,477,536
Improvements other than buildings	1,246,042	527,676	(5,118)	-	1,768,600
Machinery and equipment	51,199,260	3,643,459	(12,742,148)	(3,077,055)	39,023,516
Infrastructure	180,963,571	12,090,044	-	(1,105,301)	191,948,314
Flood control	3,753,788	867,819	-	-	4,621,607
Total accumulated depreciation	280,549,613	20,404,857	(24,878,121)	(7,236,776)	268,839,573
Total capital assets, being depreciated, net	484,736,102	76,276,207	(13,722,056)	(38,166,709)	509,123,544
Governmental activities capital assets, net	\$ 631,752,299	\$ 80,850,515	\$ (16,853,507)	\$ (65,094,100)	\$ 630,655,207

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

Governmental activities:	
General government	\$ 1,858,944
Public safety	1,913,131
Public works	14,358,595
Public health & welfare	467,736
Recreation & culture	547,517
Urban development	70,546
Transportation	1,188,388
Total depreciation expense - governmental activities	<u>\$ 20,404,857</u>

**CITY OF FARGO, NORTH DAKOTA
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	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 43,887,677	\$ 653,827	\$ -	\$ -	\$ 44,541,504
Intangible - Right-of-way Easements	420,036	-	-	-	420,036
Construction in progress	67,606,851	65,776,580	3,131,451	(38,394,543)	98,120,339
Intangible - Water rights	500,000	-	-	-	500,000
Total capital assets, not being depreciated	112,414,564	66,430,407	3,131,451	(38,394,543)	143,581,879
Capital assets, being depreciated					
Buildings	371,291,874	9,183,354	20,693,389	(104,868)	401,063,749
Improvements other than buildings	45,824,708	302,563	20,473	(24,912)	46,122,832
Machinery and equipment	105,504,156	4,960,804	17,886,315	(2,210,205)	126,141,070
Infrastructure	728,111,979	60,842,040	-	(579,810)	788,374,209
Total capital assets being depreciated	1,250,732,717	75,288,761	38,600,177	(2,919,795)	1,361,701,860
Less accumulated depreciation for:					
Buildings	105,468,612	8,443,322	12,130,855	(45,528)	125,997,261
Improvements other than buildings	16,851,307	1,853,863	5,118	(24,912)	18,685,376
Machinery and equipment	71,441,094	8,415,122	12,742,148	(2,102,376)	90,495,988
Infrastructure	236,652,553	16,488,989	-	(579,583)	252,561,959
Total accumulated depreciation	430,413,566	35,201,296	24,878,121	(2,752,399)	487,740,584
Total capital assets, being depreciated, net	820,319,151	40,087,465	13,722,056	(167,396)	873,961,276
Business-type activities capital assets, net	\$ 932,733,715	\$ 106,517,872	\$ 16,853,507	\$ (38,561,939)	\$ 1,017,543,155

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

Business-type activities:	
Airport	\$ 4,968,245
Water	7,746,117
Wastewater	5,929,463
Storm Sewer	5,934,399
Solid Waste	2,459,767
Fargodome	4,172,985
Street Lighting	2,075,364
Forestry	143,097
Transit	1,604,367
Civic Memorial Auditorium	167,492
Total depreciation expense - business-type activities	<u>\$ 35,201,296</u>

E. COMMITMENTS

Construction

As of December 31, 2021, the City had commitments on various construction contracts totaling approximately \$108,211,529.

Municipal Landfill Closure and Post-Closure Care Costs

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

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

The current landfill site design consists of Cells 1-25 on approximately 174 acres of land. The City has constructed all or portions of 19 cells to date, which vary in surface area from 4 to 10 acres. The cell depths range up to 35' below existing grade, varying based on their footprint location. Final elevations of cells range from 40' to 92' above existing grade. The cells have been designed with a leachate collection system and each cell is constructed with a composite liner system consisting of a compacted clay subgrade overlain by a 60-mil high-density polyethylene synthetic liner. Once cells have been filled to design capacity, final closure can be performed, which involves placement of 4' un-compacted clay-rich soils, in which 4" of yard waste compost is incorporated into the top 12", and 6" of topsoil.

Cells 1 through 14 are presently fully constructed and mostly filled. Cells 15 through 19 are fully constructed and partially filled. Based upon design capacity, the facility is 59.72% full (acres), and based upon present utilization rates; the remaining capacity is estimated at 23.11 years. The estimated liability for landfill closure and post closure care is \$5,472,965 as of December 31, 2021. 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, 2021. 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.

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F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

At December 31, 2021, the interfund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2021
Water - Civic Center HVAC Retrofit advance	\$ 390,000	\$ 110,966	\$ 279,034
Water - Border States Facility Acquisition Equipment advance	550,000	102,920	447,080
Water - Border States Facility Acquisition Building advance	872,524	74,975	797,549
Subtotal Water advances	<u>\$ 1,812,524</u>	<u>\$ 288,861</u>	<u>\$ 1,523,663</u>
Wastewater - Solid Waste equipment advance	\$ 518,000	\$ 411,292	\$ 106,708
Wastewater - Civic Center HVAC Retrofit advance	390,000	110,966	279,034
Wastewater - Border States Facility Acquisition Building advance	1,422,524	122,226	1,300,298
Subtotal Wastewater advance	<u>\$ 2,330,524</u>	<u>\$ 644,484</u>	<u>\$ 1,686,040</u>
Total advances to other funds	<u><u>\$ 4,143,048</u></u>	<u><u>\$ 933,345</u></u>	<u><u>\$ 3,209,703</u></u>

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

The Civic Center HVAC retrofit advance will be repaid to the Water and Wastewater 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 Wastewater funds over a twenty year period with future general fund budget appropriation transfers.

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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.

Below is a schedule of interfund transfers as of December 31, 2021:

Transfer Out:	Transfer In:										
	Major Funds								Nonmajor Funds		Total
	General	Debt Service	Capital Projects	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Governmental	Enterprise	
Major Funds:											
General	\$ -	\$ 2,436,732	\$ 4,066,187	\$ 265,228	\$ 111,646	\$ 26,454	\$ 109,486	\$ 26,643	\$ 1,347,403	\$ 2,700,838	\$ 11,090,617
Debt Service	206,367	-	9,099,560	-	-	-	-	-	6,466	-	9,312,393
Capital Projects	-	-	-	946,500	-	-	-	-	34,087	829,614	1,810,201
Airport	90,000	-	-	-	-	-	-	-	-	-	90,000
Water	3,834,074	-	1,898,307	-	-	-	-	-	-	529,000	6,261,381
Wastewater	2,191,941	-	3,572,678	-	-	-	589,670	-	-	610,000	6,964,289
Storm Sewer	455,000	-	203,414	-	-	-	-	-	-	-	658,414
Solid Waste	3,403,276	-	-	-	-	-	-	-	53,230	369,000	3,825,506
FargoDome	50,000	-	-	-	-	-	-	-	-	-	50,000
Nonmajor Funds:											
Governmental	4,688,000	1,637,210	127,957	286,217	-	-	-	-	100,000	-	6,839,384
Enterprise	1,162,800	-	696,469	-	-	-	-	-	-	-	1,859,269
Total	\$ 16,081,458	\$ 4,073,942	\$ 19,664,572	\$ 1,497,945	\$ 111,646	\$ 26,454	\$ 699,156	\$ 26,643	\$ 1,541,186	\$ 5,038,452	\$ 48,761,454

G. LEASES

Operating Leases

The City leases building and office facilities under noncancellable operating leases. Total costs for such leases were \$1,721,550 for the year ended December 31, 2021. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2022	\$ 1,728,716
2023	1,688,491
2024	740,920
2025	716,176
2026	427,630
2027-2031	1,900,000
2032-2036	1,900,000
2037-2041	1,900,000
2042-2046	1,108,333
	<u>\$ 12,110,266</u>

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Capital Leases

The City is obligated to the following capital lease agreements:

	Remaining Balance
GOVERNMENTAL	
2018 Chevy Tahoe	7,929
2019 Caterpillar Motor Grader	105,505
2020 John Deere Motor Grader with Wings	162,285
2021 John Deere Motor Grader with Wings	181,021
Total Governmental	\$ 456,740
BUSINESS-TYPE	
SOLID WASTE ENTERPRISE FUND	
2017 Wheel Loader	31,374
2018 Komatsu D65PXL-18 Crawler Tractor	148,074
2018 John Deere 644K	46,731
2018 Dual Arm Side Load	62,713
2019 International 7000 Loadmaster	69,426
2019 Crawler Dozer	315,023
2019 Excavator	212,442
2020 International Garbage Truck	64,347
2020 Bomag 772 Landfill Compactor	377,547
2020 Freightliner with Sideload	123,387
2021 Freightliner M2 Heil	160,884
2021 Freightliner M2 Heil	160,884
2021 International HV 607	126,160
2021 John Deere 644P	172,192
2021 Peterbilt 520	166,560
2021 Peterbilt 520	178,425
WASTEWATER ENTERPRISE FUND	
2020 Ford F450 with Crane Body	\$ 92,611
WATER ENTERPRISE FUND	
Savin IM C3000 Copier	\$ 3,474
Total Business-Type	\$ 2,512,254

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The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 846,782	\$ 4,794,982
Less: Accumulated depreciation	(146,130)	(1,388,431)
Total	<u>\$ 700,652</u>	<u>\$ 3,406,551</u>

Future Minimum Payments under the above capital lease agreements at December 31, 2021 are shown below:

	Governmental Activities	Business-type Activities
2022	\$ 170,716	\$ 955,383
2023	162,505	844,819
2024	106,576	508,471
2025	48,118	326,565
2026	-	69,302
2027-2031	-	-
Total minimum lease payments	487,915	2,704,540
Less: amount representing interest	(31,175)	(192,286)
Present value of minimum lease payments	<u>\$ 456,740</u>	<u>\$ 2,512,254</u>

Site and Facility Lease

Site Lease

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

Facility Lease

The Fargodome executed a one-year extension of the lease with North Dakota State University as of July 1, 2021. The lease addresses use of its facility and advertising revenue sharing through June 30, 2022. The lease allows NDSU a maximum of fifty days per lease year to rent the Fargodome at an annual rental rate paid over ten months. Rental income amounted to \$165,000 in both 2021 and 2020.

Locker Room Rental Agreement

An additional lease agreement was entered into with North Dakota State University for the use of approximately 23,461 square feet of its upstairs mezzanine level and lower level locker rooms. The agreement provides for annual rent of \$57,500 due August 1 of each year. In addition to the rent, North Dakota State University will pay annual fixed expenses of \$3,000 for the generator and building depreciation, as well as the variable costs associated with

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electrical usage and generator operating costs. The original lease expired in 2016, however it was renewed via an auto-renew clause for an additional 10 year period. The lease may be renewed for an additional period of another 10 years unless North Dakota State University gives the FargoDome Authority six months in advance at the end of any 10-year term their intent to not renew the lease. The annual rent will be increased 5% every ten years during the term of the lease. Rental income amounted to \$60,375 in both 2021 and 2020. Future minimum lease payments excluding considering for variable costs associated with electrical usage and generator operating costs are:

2022	\$	60,375
2023		60,375
2024		60,375
2025		60,375
	\$	<u>241,500</u>

The asset leased to NDSU is as follows:

	Business-type Activity
Asset:	
Fargodome	\$ 59,801,112
Less: Accumulated depreciation	(38,848,761)
Total	<u>\$ 20,952,351</u>

Baseball Stadium Lease

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

Fargo Baseball, LLC, as lessee, has leased the stadium for exclusive lease from May 29th of each year through the end of each baseball season. The lessee will pay the City funds raised from private suite and VIP seat licenses. A 30% commission from these revenue sources will be paid to the lessee by the City according to the lease agreement. The lessee retains the exclusive rights to the concession operations during the lease period. The lessee has responsibility for normal maintenance of the stadium and the lessor has responsibility for major structural improvements, maintenance and insurance.

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

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The leased asset is as follows:

	Governmental Activity
Asset:	
Baseball stadium	\$ 5,266,692
Less: Accumulated depreciation	(3,013,422)
Total	<u>\$ 2,253,270</u>

Lease of Rights to Sewer System

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

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

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

2022	\$ 45,684
2023	45,684
2024	45,684
2025	45,684
2026	45,684
Thereafter	<u>22,842</u>
	<u>\$ 251,262</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

H. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Due within one year
GOVERNMENTAL ACTIVITIES					
Improvement bonds	\$ 549,200,000	\$ 37,310,000	\$ 59,600,000	\$ 526,910,000	\$ 69,035,000
General obligation bonds	32,405,000	-	1,655,000	30,750,000	1,715,000
Sales tax revenue bonds	62,039,000	-	3,813,000	58,226,000	3,982,000
Taxable annual appropriation bonds	28,840,000	-	445,000	28,395,000	560,000
Total Bonds Payable	672,484,000	37,310,000	65,513,000	644,281,000	75,292,000
State revolving fund notes	50,312,129	4,171,143	4,780,000	49,703,272	4,920,000
Direct bank loan	53,657,486	-	50,607,538	3,049,948	362,632
Mercantile Parking Ramp	2,000,000	-	-	2,000,000	-
BND Infrastructure Loan	12,544,983	-	416,200	12,128,783	420,482
Tax increment revenue notes	4,807,375	-	144,458	4,662,917	-
Total Notes Payable	123,321,973	4,171,143	55,948,196	71,544,920	5,703,114
Capital leases	383,120	228,700	155,080	456,740	155,241
Total Debt	796,189,093	41,709,843	121,616,276	716,282,660	81,150,355
Accumulated unpaid vacation	5,123,890	4,891,957	5,123,890	4,891,957	4,891,957
Unamortized premium on refunding	34,292,608	3,841,856	2,533,505	35,600,959	2,284,537
Net pension liability	97,047,930	-	48,319,741	48,728,189	-
Net OPEB liability	1,937,190	-	688,373	1,248,817	-
TOTAL	\$ 934,590,711	\$ 50,443,656	\$ 178,281,785	\$ 806,752,582	\$ 88,326,849
	Balance 1/1/2021	Additions	Deletions	Balance 12/31/2021	Due within one year
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 2,142,149	\$ -	\$ 289,801	\$ 1,852,348	\$ 192,868
Annual appropriation bonds	5,635,000	-	735,000	4,900,000	755,000
Total Bonds Payable	7,777,149	-	1,024,801	6,752,348	947,868
State revolving fund notes	144,944,932	37,024,453	2,375,000	179,594,385	2,435,000
Direct bank loan	1,509,398	-	609,398	900,000	300,000
Total Notes Payable	146,454,330	37,024,453	2,984,398	180,494,385	2,735,000
Capital leases	2,046,863	1,334,775	869,384	2,512,254	865,553
Special assessments	10,794,379	59,791	495,268	10,358,902	518,056
Landfill closure/postclosure	5,486,375	-	13,410	5,472,965	-
Accumulated unpaid vacation	1,248,087	1,396,797	1,248,087	1,396,797	1,396,797
Net pension liability	27,447,780	5,049,630	23,141,380	9,356,030	-
Net OPEB liability	688,231	-	181,117	507,114	-
TOTAL	\$ 201,943,194	\$ 44,865,446	\$ 29,957,845	\$ 216,850,795	\$ 6,463,274

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

Net pension liability was recorded due to the implementation of *GASB Statement No. 68 Accounting and Financial Reporting for Pensions* and *GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date*. The General Fund will liquidate the bulk of the net pension liability.

The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when employees terminated their service with the City or with the use of annual leave throughout the year.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

BONDS PAYABLE

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

	Original Interest Rates	Original Issue Amounts	Balance Remaining
GOVERNMENTAL ACTIVITIES			
Improvement bonds			
(Special assessment debt)	1.80 - 5.00%	\$ 649,565,000	\$ 526,910,000
General obligation bonds	1.00 - 5.00%	38,745,000	30,750,000
Sales tax revenue bonds	2.00 - 5.00%	83,887,000	58,226,000
Taxable annual appropriation bonds	3.30 - 4.47%	28,840,000	28,395,000
TOTAL		<u>\$ 801,037,000</u>	<u>\$ 644,281,000</u>
BUSINESS-TYPE ACTIVITIES			
Qualified Energy Conservation Bond	4.85%	\$ 2,875,000	\$ 1,852,348
Annual Appropriation	1.75 - 3.85%	7,810,000	4,900,000
TOTAL		<u>\$ 10,685,000</u>	<u>\$ 6,752,348</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, 2021, consist of two issues backed and serviced by sales tax and one issue backed and serviced by Solid Waste utility revenues.

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 \$6,296,790. Net sales tax revenue totaled \$7,556,148 for the year.

The City has pledged future general fund appropriations to repay \$2.875 million in development bonds issued in 2009. Proceeds from the bond were used to finance the capital and equipment costs related to the construction of a new fire station in southwest Fargo. Principal and interest paid for the current year was \$199,788. Net general fund appropriations totaled \$199,788 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 \$284,243. Net landfill tipping fee revenue totaled \$9,990,370 for the year.

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

Debt service maturities for these revenue bonds at December 31, 2021, are as follows:

Sales Tax				Solid Waste			
Year	Principal	Interest	Total	Year	Principal	Interest	Total
2022	\$ 3,982,000	\$ 2,311,915	\$ 6,293,915	2022	\$ 192,868	\$ 85,162	\$ 278,030
2023	4,161,000	2,132,265	6,293,265	2023	195,985	75,732	271,717
2024	4,350,000	1,944,390	6,294,390	2024	199,152	66,150	265,302
2025	4,547,000	1,747,890	6,294,890	2025	202,370	56,413	258,783
2026	4,740,000	1,552,640	6,292,640	2026	205,640	46,519	252,159
2027-2031	26,776,000	4,697,080	31,473,080	2027-2031	856,333	83,897	940,230
2032-2036	9,670,000	339,000	10,009,000	Totals	<u>\$ 1,852,348</u>	<u>\$ 413,873</u>	<u>\$ 2,266,221</u>
Totals	<u>\$ 58,226,000</u>	<u>\$ 14,725,180</u>	<u>\$ 72,951,180</u>				

General Fund Appropriations			
Year	Principal	Interest	Total
2022	\$ 1,715,000	\$ 997,630	\$ 2,712,630
2023	1,780,000	927,301	2,707,301
2024	1,860,000	851,778	2,711,778
2025	1,940,000	771,921	2,711,921
2026	2,030,000	687,528	2,717,528
2027-2031	10,585,000	2,608,931	13,193,931
2032-2036	10,840,000	1,008,415	11,848,415
Totals	<u>\$ 30,750,000</u>	<u>\$ 7,853,504</u>	<u>\$ 38,603,504</u>

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

The City of Fargo is subject to the North Dakota Century Code, which limits the amount of general obligation indebtedness (exclusive of revenue-producing utility debt, special assessment debt, tax increment debt, and Housing Authority debt) that the City may have outstanding to 5% of assessed valuation. On December 31, 2021, the statutory limit for the City was \$344,362,427 providing a debt margin of \$295,451,350. This calculation can be found in the statistical section of this report.

NOTES PAYABLE

The City has obtained financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance expansion of the wastewater treatment facility, 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 wastewater system, a wastewater stabilization pond project, and a regional stormwater pond.

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.

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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.

The City has obtained financing through the Bank of North Dakota to finance construction costs of Improvement District projects.

Details relative to the outstanding notes payable are shown below:

TYPE AND ISSUE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/21
GOVERNMENTAL ACTIVITIES				
SRLF Water Tower	9/1/2027	2.50%	\$ 2,270,000	\$ 940,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	735,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	32,060,000
SRLF Transmission Lines South Side System	9/1/2029	2.82%	14,110,422	4,900,000
SRLF Wastewater Clarifier Improvements	9/1/2029	0.50%	699,374	335,000
SRLF Wastewater Stabilization Ponds	9/1/2030	2.50%	4,071,140	2,160,000
SRLF Regional Storm Water Pond - Construction	9/1/2052	1.50%	10,500,000	8,083,272
SRLF Regional Storm Water Pond - Engineering	9/1/2052	1.50%	500,000	490,000
TIF Revenue Notes	5/1/2038	5.00 - 6.00%	5,412,590	4,662,917
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	3,049,948
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	12,128,783
TOTAL GOVERNMENTAL ACTIVITIES			\$ 125,918,526	\$ 71,544,920
BUSINESS-TYPE ACTIVITIES				
SRLF Wastewater Construction Loan	9/1/2052	1.50%	\$ 126,500,000	\$ 64,805,945
SRLF Wastewater Engineering Loan	9/1/2052	1.50%	20,229,000	15,435,160
SRLF Water Treatment Plant	9/1/2048	1.50%	98,000,000	92,310,000
SRLF Water Supply and Treatment	9/1/2050	1.50%	23,950,000	7,043,280
Direct Bank Loan - Baling Facility	12/1/2024	1.63%	3,000,000	900,000
TOTAL BUSINESS-TYPE ACTIVITIES			\$ 271,679,000	\$ 180,494,385
TOTAL NOTES PAYABLE			\$ 397,597,526	\$ 252,039,305

The annual requirements to amortize long-term debt for the next five years (excluding accumulated unpaid vacation, capital leases, contract payable, landfill closure and post-closure, unamortized premium on refunding, and net pension obligations) as of December 31, 2021, are shown in the following table:

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

GOVERNMENTAL ACTIVITIES

	Special Assessment Bonds		General Obligation Bonds		Sales Tax Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 69,035,000	\$ 23,698,818	\$ 1,715,000	\$ 997,630	\$ 3,982,000	\$ 2,311,915
2023	23,010,000	16,275,059	1,780,000	927,301	4,161,000	2,132,265
2024	25,485,000	15,407,319	1,860,000	851,778	4,350,000	1,944,390
2025	25,740,000	13,704,999	1,940,000	771,921	4,547,000	1,747,890
2026	27,000,000	12,727,183	2,030,000	687,528	4,740,000	1,552,640
2027-2031	125,645,000	49,416,053	10,585,000	2,608,931	26,776,000	4,697,080
2032-2036	113,855,000	28,135,930	10,840,000	1,008,415	9,670,000	339,000
2037-2041	87,645,000	10,354,202	-	-	-	-
2042-2046	29,495,000	1,284,325	-	-	-	-
	<u>\$ 526,910,000</u>	<u>\$ 171,003,888</u>	<u>\$ 30,750,000</u>	<u>\$ 7,853,504</u>	<u>\$ 58,226,000</u>	<u>\$ 14,725,180</u>
	Notes Payable		Taxable Annual Appropriation Bond			
	Principal	Interest	Principal	Interest		
2022	\$ 5,703,114	\$ 1,491,072	\$ 560,000	\$ 1,095,786		
2023	6,904,348	1,351,080	600,000	1,077,479		
2024	6,226,317	1,207,857	620,000	1,057,474		
2025	6,152,890	1,060,209	645,000	1,036,063		
2026	6,330,732	908,653	740,000	1,013,094		
2027-2031	23,369,019	2,308,564	5,060,000	4,594,660		
2032-2036	6,796,423	1,059,008	6,305,000	3,527,958		
2037-2041	5,090,732	671,413	7,675,000	2,139,482		
2042-2046	3,563,611	258,958	6,190,000	498,860		
2047-2051	1,407,734	53,583	-	-		
	<u>\$ 71,544,920</u>	<u>\$ 10,370,397</u>	<u>\$ 28,395,000</u>	<u>\$ 16,040,856</u>		

BUSINESS-TYPE ACTIVITIES

	Revenue Bonds		Annual Appropriation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 192,868	\$ 85,162	755,000	170,131
2023	195,985	75,732	775,000	147,103
2024	199,152	66,150	800,000	122,536
2025	202,370	56,413	830,000	95,256
2026	205,640	46,519	855,000	65,708
2027-2031	856,333	83,897	885,000	34,073
	<u>\$ 1,852,348</u>	<u>\$ 413,873</u>	<u>\$ 4,900,000</u>	<u>\$ 634,807</u>
	Special Assessments		Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 518,056	\$ 488,722	\$ 2,735,000	\$ 3,179,406
2023	503,196	465,101	2,998,979	3,125,579
2024	538,775	440,411	5,289,256	3,071,103
2025	544,334	414,022	5,089,601	2,975,712
2026	566,508	387,252	5,191,924	2,885,989
2027-2031	2,945,547	1,503,041	27,591,133	13,019,933
2032-2036	2,466,606	833,860	30,510,369	10,478,697
2037-2041	1,831,958	311,883	33,764,295	7,652,770
2042-2046	443,922	31,677	37,391,296	4,517,669
2047-2051	-	-	26,545,372	1,319,672
2052-2056	-	-	3,387,160	51,330
	<u>\$ 10,358,902</u>	<u>\$ 4,875,969</u>	<u>\$ 180,494,385</u>	<u>\$ 52,277,860</u>

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Individual Bond Issues by Fund – The following is a summary of the individual bond issues, as of the year ended December 31, 2021.

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/21
GOVERNMENTAL ACTIVITIES						
SPECIAL ASSESSMENT BONDS						
2014 Series D Refunding	Advance refunding of 2005 Series A	6/25/2014	5/1/2030	2.00 - 5.00	\$ 12,640,000	\$ 8,410,000
2014 Series E Refunding	Current refunding of 2010 Series B	9/4/2014	5/1/2035	2.00 - 5.00	19,440,000	14,450,000
2010 Series C Refunding	Crossover refunding of 2002 Series A	5/25/2010	5/1/2027	3.00 - 5.00	8,250,000	2,475,000
2011 Series C	Infrastructure system construction	12/15/2011	5/1/2037	2.00 - 4.00	20,965,000	16,020,000
2011 Series E Refunding	Crossover refunding of 2003 Series A	12/15/2011	5/1/2028	2.00 - 3.25	9,515,000	4,690,000
2012 Series A Refunding	Crossover refunding of Series 2003D, 2004C, and 2004E	4/26/2012	5/1/2029	3.00 - 4.00	34,180,000	3,820,000
2013 Series C	Infrastructure system construction	9/12/2013	5/1/2039	2.00 - 4.60	16,705,000	580,000
2014 Series D	Infrastructure system construction	6/25/2014	5/1/2039	2.00 - 5.00	39,760,000	31,665,000
2014 Series F	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 5.00	40,445,000	33,275,000
2014 Series G	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 4.25	8,355,000	6,725,000
2015 Series A Refunding	Crossover refunding of Series 2006B and 2007B	2/25/2015	5/1/2031	2.00 - 5.00	18,250,000	13,045,000
2015 Series B Refunding	Crossover refunding of Series 2008E	9/30/2015	5/1/2033	2.50 - 5.00	15,235,000	11,100,000
2015 Series D	Infrastructure system construction	11/18/2015	5/1/2041	3.00 - 5.00	34,675,000	27,065,000
2016 Series B Refunding	Crossover refunding of Series 2009C	6/6/2016	5/1/2034	2.00 - 5.00	27,485,000	22,945,000
2016 Series C	Infrastructure system construction	11/7/2016	5/1/2042	2.00 - 5.00	41,745,000	37,150,000
2017 Series C	Infrastructure system construction	8/17/2017	5/1/2043	2.00 - 5.00	38,525,000	34,935,000
2017 Series D Refunding	Crossover refunding of Series 2013C	8/17/2017	5/1/2039	3.00 - 5.00	11,340,000	11,340,000
2018 Series D	Infrastructure system construction	7/24/2018	5/1/2044	2.70 - 5.00	42,965,000	40,515,000
2019 Series A	Infrastructure system construction	8/6/2019	5/1/2042	3.00 - 5.00	37,260,000	35,450,000
2019 Series B Refunding	Crossover refunding of Series 2011A	11/21/2019	5/1/2036	1.80 - 2.90	13,940,000	13,940,000
2020 Series B	Infrastructure system construction	11/5/2020	5/1/2045	2.00 - 5.00	29,565,000	28,990,000
2020 Series C Refunding	Crossover refunding of Series 2011C, 2012A, 2014D, and 2014F	11/5/2020	5/1/2023	1.50 - 2.30	91,015,000	91,015,000
2021 Series A	Infrastructure system construction	5/20/2021	5/1/2046	2.00 - 5.00	37,310,000	37,310,000
					<u>\$ 649,565,000</u>	<u>\$ 526,910,000</u>
GENERAL OBLIGATION BONDS						
2009 Series B	Fire station and fire truck	10/15/2009	5/1/2029	2.00 - 4.00	\$ 2,875,000	\$ 1,370,000
2015 Series E	Roberts Commons Parking Ramp	12/7/2015	12/1/2035	1.00 - 3.85	10,230,000	8,015,000
2016 Series A	City Hall building	6/14/2016	7/1/2036	2.00 - 5.00	25,640,000	21,365,000
					<u>\$ 38,745,000</u>	<u>\$ 30,750,000</u>
SALES TAX INFRASTRUCTURE BONDS						
2013 Series A	Flood mitigation projects	3/27/2013	6/1/2033	3.00 - 4.00	\$ 51,375,000	\$ 35,400,000
2014 Series B	Flood mitigation projects	4/22/2014	6/1/2032	2.00 - 5.00	32,512,000	22,826,000
					<u>\$ 83,887,000</u>	<u>\$ 58,226,000</u>
TAXABLE ANNUAL APPROPRIATION BONDS						
2018 Series E	Block Nine project	9/6/2018	5/1/2044	3.30 - 4.47	\$ 17,315,000	\$ 16,870,000
2020 Series A	Mercantile Parking Ramp	1/30/2020	12/1/2045	2.15 - 3.69	11,525,000	11,525,000
					<u>\$ 28,840,000</u>	<u>\$ 28,395,000</u>
TOTAL GOVERNMENTAL ACTIVITIES					<u>\$ 801,037,000</u>	<u>\$ 644,281,000</u>
BUSINESS-TYPE ACTIVITIES						
SOLID WASTE FUND						
Qualified Energy Conservation Bond	Conversion of landfill gas to compressed natural gas for use in landfill generator	9/30/2015	5/1/2030	4.85	\$ 2,875,000	\$ 1,852,348
FARGODOME BUILDING FUND						
Annual Appropriation Bonds of 2017	Fargodome video board upgrade	2/9/2017	11/1/2027	1.75 - 3.85	\$ 7,810,000	\$ 4,900,000
TOTAL BUSINESS-TYPE ACTIVITIES					<u>\$ 10,685,000</u>	<u>\$ 6,752,348</u>
TOTAL BONDED INDEBTEDNESS					<u>\$ 811,722,000</u>	<u>\$ 651,033,348</u>

**CITY OF FARGO, NORTH DAKOTA
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I. DEFERRED INFLOW OF RESOURCES/UNEARNED REVENUES

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	Liabilities Unearned	Total
Delinquent property taxes receivable	\$ 204,542	\$ -	\$ 204,542
Special assessments receivable	431,827,214	-	431,827,214
Grant resources held and grant items receivable	1,324,985	10,053,566	11,378,551
Loans/contracts/accounts receivable	3,936,896	1,357,886	5,294,782
Total unavailable revenue for governmental funds	<u>\$ 437,293,637</u>	<u>\$ 11,411,452</u>	<u>\$ 448,705,089</u>

J. CONDUIT DEBT OBLIGATIONS

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, 2021, the number of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is unknown. Neither the State of North Dakota nor the City of Fargo 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

K. FUND BALANCES

The City classified fund balances within the governmental funds as follows at December 31, 2021:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Fund balances:					
Nonspendable:					
Inventory	\$ 1,338,235	\$ -	\$ -	\$ -	\$ 1,338,235
Prepaid Items	2,449,395	-	67,405	29,213	2,546,013
Total Nonspendable	<u>3,787,630</u>	<u>-</u>	<u>67,405</u>	<u>29,213</u>	<u>3,884,248</u>
Restricted for:					
City Share of Specials	-	-	-	209,875	209,875
Convention & Visitors Bureau	-	-	-	58,245	58,245
Court Forfeits	-	-	-	87,855	87,855
Debt Service	-	165,751,732	-	-	165,751,732
Downtown Business Improvement District	-	-	-	196,873	196,873
Fire	165,834	-	-	-	165,834
Health	4,023,969	-	-	-	4,023,969
Highway and streets	1,072,885	-	-	-	1,072,885
HUD Home Participating Jurisdiction	-	-	-	80,741	80,741
Noxious Weeds	-	-	-	21,869	21,869
NRI Loan Program	-	-	-	171,108	171,108
Parking Authority	-	-	-	3,127,666	3,127,666
Police	160,826	-	-	-	160,826
Regional Training Center	-	-	-	361,287	361,287
Skyway Maintenance	-	-	-	96,988	96,988
SWAT	-	-	-	16,961	16,961
Total Restricted	<u>5,423,514</u>	<u>165,751,732</u>	<u>-</u>	<u>4,429,468</u>	<u>175,604,714</u>
Committed to:					
Revenue Stabilization	<u>1,000,015</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,015</u>
Assigned to:					
2022 Budget	<u>1,079,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,079,780</u>
Unassigned:	<u>27,144,995</u>	<u>-</u>	<u>(1,040,151)</u>	<u>(268,633)</u>	<u>25,836,211</u>
Total Fund Balances	<u>\$ 38,435,934</u>	<u>\$ 165,751,732</u>	<u>\$ (972,746)</u>	<u>\$ 4,190,048</u>	<u>\$ 207,404,968</u>

5. OTHER NOTES

A. RISK MANAGEMENT

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

INSURED RISKS

The City purchases commercial insurance for the risk of damage to or destruction of buildings and equipment. Present coverage is provided by the State Fire and Tornado Fund as 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.

B. PENSION PLANS

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

Plan Description, Contribution and Reserves Information

Employees' Pension Plan

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

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

Retirees and beneficiaries	260
Terminated vested and deferred beneficiaries	63
City active plan members	69
NDPERS active plan members	147

Number of participating employers: 2

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.

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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 55-65 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 7 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 (asset) was measured as of December 31, 2021. The total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation.

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

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.00%
Expected return on plan assets	7.00%
Inflation rate	2.50%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market 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.

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

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

Schedule of Changes in Net Pension Liability (Asset)

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

Changes in Net Pension Liability (Asset)				
	Increase (Decrease)			
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (c) = (a) - (b)	City of Fargo Proportionate Share
Balance at 1/1/2021	\$ 60,735,704	\$ 60,833,591	\$ (97,887)	\$ (86,894)
Changes for the year:				
Service cost	533,945	-	533,945	473,983
Interest	4,296,324	-	4,296,324	3,813,847
Differences between expected and actual experience	(50,217)	-	(50,217)	(44,578)
Changes of assumptions	1,529,548	-	1,529,548	1,357,780
Contributions - City and Park District	-	2,106,906	(2,106,906)	(1,870,301)
Contributions - member	-	386,154	(386,154)	(342,789)
Net investment income	-	7,916,223	(7,916,223)	(7,027,231)
Other additions (e.g. receivables)	-	-	-	-
Benefit payments, including refund of member contributions	(4,020,015)	(4,020,015)	-	-
Administrative expense	-	(47,180)	47,180	41,882
Net changes	2,289,585	6,342,088	(4,052,503)	(3,597,407)
Balance at 12/31/2021 Measurement Date	\$ 63,025,289	\$ 67,175,679	\$ (4,150,390)	\$ (3,684,301)
Funded Percentage (Plan Fiduciary Net Position / Total Pension Liability (Asset))	106.59%			

The following presents the net pension liability (asset) 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:

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate				
	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) c = (a) - (b)	City of Fargo Proportionate Share of Net Pension Liability (Asset)
1% Decrease in Discount Rate (6.00%)	\$ 69,305,796	\$ 67,175,679	\$ 2,130,117	\$ (1,890,905)
Current Discount Rate (7.00%)	63,025,289	67,175,679	(4,150,390)	(3,684,301)
1% Increase in Discount Rate (8.00%)	57,629,289	67,175,679	(9,546,390)	(8,474,330)

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

For the year ended December 31, 2021, the City recognized pension expense of (\$1,705,772). At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Outflows	Inflows
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual experience	\$ 3,724	\$ 103,190
Change of assumptions and methods	989,817	157,455
Net difference between projected and actual investment earnings	-	6,190,704
Changes in proportion and differences between Employer contributions and proportionate share of contributions	223,295	6,108
Total	\$ 1,216,836	\$ 6,457,457

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

Year ended:	Future recognition
2022	\$ (1,145,698)
2023	(2,208,957)
2024	(1,251,282)
2025	(634,684)
2026	-
Thereafter	-
	\$ (5,240,621)

Reserves The net position at December 31, 2020 is \$67,175,679 and the entire amount is reserved for employee pension benefits.

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

North Dakota Public Employee Retirement System Pension Plan

Plan Description As of January 1, 2008, all newly hired full-time and certain part-time employees (with the exception of Police and Fire department employees) of the City of Fargo are covered by defined benefit plans administered by the North Dakota Public Employee Retirement System (NDPERS). Voluntary enrollment in the NDPERS plan was offered to all members currently participating in the City Employee Pension Plan.

Summary of Significant Accounting Policies For purposes of measuring the net pension liability, deferred outflows of resources and 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) 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 (including refunds of employee

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contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

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

Pension Benefits Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

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

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

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period

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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, 2021, the City reported a liability of \$35,031,450 for its proportionate share of the net pension liability. The net pension liability was measured as of 6/30/2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At 6/30/2021, the Employer's proportion was 3.360974 percent which was an increase of .006639 from its proportion measured as of 6/30/2020.

For the year ended 12/31/2021, the Employer recognized pension expense of \$3,903,907. At 12/31/2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 604,808	\$ 3,575,439
Changes of assumptions	38,773,013	50,551,904
Net difference between projected and actual earnings on pension plan investments	-	12,992,612
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,400,375	120,626
Employer contributions subsequent to the measurement date (see below)	1,603,996 *	-
Total	\$ 43,382,192	\$ 67,240,581

*\$1,603,996 reported as deferred outflows of resources related to pensions resulting from employer contributions made after the measurement date of the net pension liability but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal period rather than in the current fiscal period.

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

<u>Year Ended June 30:</u>		
2022	\$	(2,913,446)
2023		(5,478,956)
2024		(4,646,062)
2025		(12,423,921)
2026		-
Thereafter		-
Total	\$	(25,462,385)

Actuarial Assumptions The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Inflation rate	2.25%
Salary increase	3.50% to 17.75% including inflation
Investment Rate of Return	7.00%, net of investment expenses
Cost-of-living adjustment	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.

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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	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
International Fixed Income	0%	0.00%
Global Real Assets	19%	4.77%
Cash Equivalents	0%	0.00%

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

Sensitivity of the Employer'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 7.00 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 or 1 percentage point higher than the current rate:

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate	
	Employer's proportionate share of the net pension liability
1% Decrease in Discount Rate (6.00%)	\$ 55,711,780
Current Discount Rate (7.00%)	35,031,450
1% Increase in Discount Rate (8.00%)	17,811,826

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

Police Pension Plan

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

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

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

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

Number of participating employers: 1

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

The Plan purchases life insurance for active employees, the proceeds of which are paid to a designated beneficiary in the amount of \$65,000. The designated beneficiary will also receive the participant's employee contribution plus interest earned on contributions at 6% per annum. Interest is accrued on contributions starting January 1, 1970. Non-active 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

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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, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation.

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

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.00%
Expected return on plan assets	7.00%
Inflation rate	2.50%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market 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 asset allocation as of the measurement date, with adjustment for the Plan's inflation assumption.

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

Schedule of Changes in Net Pension Liability

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2021	\$ 88,240,334	\$ 80,110,210	\$ 8,130,124
Changes for the year:			
Service cost	2,392,318	-	2,392,318
Interest	6,404,086	-	6,404,086
Differences between expected and actual experience	254,789	-	254,789
Changes of assumptions	2,991,523	-	2,991,523
Contributions - City and Pension Stability Fund	-	3,188,248	(3,188,248)
Contributions - member	-	1,428,983	(1,428,983)
Net investment income	-	7,150,085	(7,150,085)
Benefit payments, including refund of member contributions	(4,600,860)	(4,600,860)	-
Administrative expense	-	(33,709)	33,709
Net changes	7,441,856	7,132,747	309,109
Balance at 12/31/2021 Measurement Date	\$ 95,682,190	\$ 87,242,957	\$ 8,439,233
Funded Percentage (Plan Fiduciary Net Position / Total Pension Liability)	91.18%		

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:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability c = (a) - (b)
1% Decrease in Discount Rate (6.00%)	\$ 108,620,798	\$ 87,242,957	\$ 21,377,841
Current Discount Rate (7.00%)	95,682,190	87,242,957	8,439,233
1% Increase in Discount Rate (8.00%)	85,009,487	87,242,957	(2,233,470)

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

For the year ended December 31, 2021, the City recognized pension expense of \$22,166. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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	Outflows	Inflows
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual liability	\$ 1,045,105	\$ 201,283
Change of assumptions and methods	3,255,867	345,238
Net difference between projected and actual investment earnings	-	6,459,771
Total	\$ 4,300,972	\$ 7,006,292

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

Year ended:	Future recognition
2022	\$ (736,690)
2023	(2,475,619)
2024	(872,388)
2025	353,808
2026	665,618
Thereafter	359,951
	\$ (2,705,320)

Reserves The net position at December 31, 2021 is \$87,242,957 and the entire amount is reserved for employee pension benefits.

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

Fargo Firefighters' Relief Association Retirement Plan

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

All full time firefighters are required to enroll in the plan.

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

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

Number of participating employers: 1

Plan participants are eligible for normal retirement at age 55 with 10 years of eligible service. Effective August 1, 2001, the benefit formula was improved to provide 2.50% of earnings times years of service. The result is taken times the salary of a first class firefighter to determine

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

the monthly pension benefit amount. A monthly disability service pension benefit is also provided under an alternative formula along with family death benefits.

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

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

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

Contributions Participating employees contribute to the plan at a rate of 10.4% of salary and the City contributes at a rate of 15.65% for pre-1986 employees and 14.20% for post 1986 employees covered by Medicare. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

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

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

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.00%
Expected return on plan assets	7.00%
Inflation rate	2.50%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market 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 asset allocation as of the measurement date, with adjustment for the Plan's inflation assumption.

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

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

Schedule of Changes in Net Pension Liability

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

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2021	\$ 57,981,291	\$ 45,264,023	\$ 12,717,268
Changes for the year:			
Service cost	1,351,503	-	1,351,503
Interest	4,198,672	-	4,198,672
Differences between expected and actual experience	1,402,629	-	1,402,629
Changes of assumptions	2,015,570	-	2,015,570
Contributions - City and Pension Stability Fund	-	2,467,028	(2,467,028)
Contributions - member	-	922,596	(922,596)
Net investment income	-	3,728,930	(3,728,930)
Benefit payments, including refund of member contributions	(2,840,147)	(2,840,147)	-
Administrative expense	-	(46,448)	46,448
Net changes	6,128,227	4,231,959	1,896,268
Balance at 12/31/2021 Measurement Date	\$ 64,109,518	\$ 49,495,982	\$ 14,613,536

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:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability c = (a) - (b)
1% Decrease in Discount Rate (6.00%)	\$ 72,873,744	\$ 49,495,982	\$ 23,377,762
Current Discount Rate (7.00%)	64,109,518	49,495,982	14,613,536
1% Increase in Discount Rate (8.00%)	56,862,289	49,495,982	7,366,307

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the City recognized pension expense of \$1,224,913. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Outflows</u>	<u>Inflows</u>
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual liability	\$ 2,701,204	\$ -
Change of assumptions and methods	2,863,039	202,879
Net difference between projected and actual investment earnings	-	3,481,617
Total	<u>\$ 5,564,243</u>	<u>\$ 3,684,496</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:</u>	<u>Future recognition</u>
2022	\$ 381,400
2023	(493,665)
2024	261,300
2025	726,539
2026	707,618
Thereafter	296,555
	<u>\$ 1,879,747</u>

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.

Total Pension Expense

Aggregate Amount of Pension Expense					
<u>Year ended:</u>	<u>Employee's Pension Plan</u>	<u>NDPERS</u>	<u>Police Pension Plan</u>	<u>Fargo Firefighters' Relief Association Retirement Plan</u>	<u>Total</u>
2021	(1,705,772.00)	3,903,907.00	22,166.00	1,224,913.00	3,445,214.00
2022	(1,145,698.00)	(2,913,446.00)	(736,690.00)	381,400.00	(4,414,434.00)
2023	(2,208,957.00)	(5,478,956.00)	(2,475,619.00)	(493,665.00)	(10,657,197.00)
2024	(1,251,282.00)	(4,646,062.00)	(872,388.00)	261,300.00	(6,508,432.00)
2025	(634,684.00)	(12,423,921.00)	353,808.00	726,539.00	(11,978,258.00)
2026	-	-	665,618.00	707,618.00	1,373,236.00
Thereafter	-	-	359,951.00	296,555.00	656,506.00
Total	<u>(6,946,393.00)</u>	<u>(21,558,478.00)</u>	<u>(2,683,154.00)</u>	<u>3,104,660.00</u>	<u>(28,083,365.00)</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
December 31, 2021**

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ASSETS			
Cash	\$ 375,042	\$ 542,532	\$ 917,574
Equity in pooled investments	-	280,159	280,159
Receivables:			
Accounts receivable	5,668	-	5,668
Interest	5	93,359	93,364
Due from other funds	-	208,150	208,150
Total receivables	5,673	301,509	307,182
Investments, at fair value:			
Mutual funds	67,023,455	78,825,217	145,848,672
Exchange-traded products	-	7,298,996	7,298,996
Total investments	67,023,455	86,124,213	153,147,668
Total assets	\$ 67,404,170	\$ 87,248,413	\$ 154,652,583
LIABILITIES			
Vouchers and benefits payable	\$ 20,341	\$ 5,456	\$ 25,797
Due to other funds	208,150	-	208,150
Total liabilities	\$ 228,491	\$ 5,456	\$ 233,947
NET POSITION			
Restricted for pension benefits	\$ 67,175,679	\$ 87,242,957	\$ 154,418,636

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

**CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS
For the Year Ended December 31, 2021**

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ADDITIONS			
Contributions			
Employer	\$ 2,023,398	\$ 3,188,248	\$ 5,211,646
Employer (Fargo Park District)	83,508	-	83,508
Employee	315,355	1,428,983	1,744,338
Employee (Fargo Park District)	71,854	-	71,854
Total contributions	<u>2,494,115</u>	<u>4,617,231</u>	<u>7,111,346</u>
Investment income			
Net appreciation in fair value of investments, and interest and dividends	8,103,392	7,478,494	15,581,886
Less investment expense	(187,168)	(328,410)	(515,578)
Net investment income (loss)	<u>7,916,224</u>	<u>7,150,084</u>	<u>15,066,308</u>
Total additions (deductions)	<u>10,410,339</u>	<u>11,767,315</u>	<u>22,177,654</u>
DEDUCTIONS			
Pension benefit payments	3,880,676	4,242,112	8,122,788
Member contribution refunds	139,339	358,747	498,086
Administrative expenses	48,235	33,709	81,944
Total deductions	<u>4,068,250</u>	<u>4,634,568</u>	<u>8,702,818</u>
Change in net position	6,342,089	7,132,747	13,474,836
Total net position - beginning	<u>60,833,590</u>	<u>80,110,210</u>	<u>140,943,800</u>
Total net position - ending	<u>\$ 67,175,679</u>	<u>\$ 87,242,957</u>	<u>\$ 154,418,636</u>

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Related Party Investments During 2021 and as of December 31, 2021 the pension plans (City Employees', Police and Firefighters Relief Association) held no securities issued by the City of Fargo or other related parties.

C. POST-EMPLOYMENT HEALTH CARE BENEFITS (OPEB)

Summary of Significant Accounting Policies For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and 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.

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

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

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

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

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 12/31/2021 the City reported a liability of \$1,755,931 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of 6/30/2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At 6/30/2021, the Employer's proportion was 3.1571680 percent, which was an increase of 0.0361180 from its proportion measured as of 6/30/2020.

For the year ended 12/31/2021, the Employer recognized OPEB expense of \$271,012. At 12/31/2021, the Employer 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	\$ 100,841	\$ 48,130
Changes of assumptions and methods	271,925	-
Net difference between projected and actual earnings on OPEB plan investments	-	601,625
Changes in proportion and differences between Employer contributions and proportionate share of contributions	151,512	8,432
Employer contributions subsequent to the measurement date	18,496	-
Total	<u>\$ 542,774</u>	<u>\$ 658,187</u>

\$18,496 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended 12/31/2022.

CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEBs will be recognized in OPEB expense as follows:

Year Ended June 30:		
2022	\$	(5,277)
2023		(9,609)
2024		(35,255)
2025		(96,386)
2026		12,618
Thereafter		-
Total	\$	(133,909)

Actuarial Assumptions The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Significant Assumptions and Methods Used to Measure the Total OPEB Liability

Inflation rate	2.25%
Salary increase	Not applicable
Investment Rate of Return	6.5%, net of investment expenses
Cost-of-living adjustment	None

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
International Equities	40%	0.50%
Core-Plus Fixed Income	21%	6.25%

**CITY OF FARGO, NORTH DAKOTA
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Discount Rate The discount rate used to measure the total OPEB liability was 6.50%. 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 Employer'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, 2021, calculated using the discount rate of 6.50%, 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 (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%)
Employer's proportionate share of the net OPEB liability	\$ 2,604,273	\$ 1,755,931	\$ 1,038,108

D. JOINT POWERS AGREEMENT

Regional Dispatch Center

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

Effective January 1, 2015 the joint powers agreement was amended as a result of the county-wide 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.

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Prior to 2015, each governmental entity contributed to the joint operations in the following percentages:

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

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

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

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

E. CONTINGENT LIABILITIES

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.

The City is a defendant in various lawsuits incident to its operations. 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.

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, 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.

F. SUBSEQUENT EVENTS

On February 7, 2022, the Board of City Commissioners approved a resolution authorizing the issuance of \$22,855,000, Refunding Improvement Bonds, Series 2022A to finance the construction of infrastructure improvements within various improvement districts. The bonds closed on March 10, 2022.

On November 9, 2021, the Board of City Commission approved a resolution authorizing the issuance of \$4,620,000, State Revolving Fund loans, Series 2022B and C, to finance the construction of Solid Waste's Leachate Collection Improvements project. The bonds closed on January 24, 2022.

On April 18, 2022, the Board of City Commissioners approved a resolution authorizing the issuance of \$8,103,000, Appropriation Bonds, Series 2022D to finance the construction of Fire Station #8 along with the associated vehicles and equipment necessary for an operating fire station. The bonds closed on April 28, 2022.

On May 1, 2022, the City of Fargo called for redemption the following obligations. This call redemption resulted in cost savings of \$1,233,587.

- The May 1, 2023 through May 1, 2025 maturities of the Refunding Improvement Refunding Bonds, Series 2010C, dated May 25, 2010
- The May 1, 2023 through May 1, 2028 maturities of the Refunding Improvement Refunding Bonds, Series 2011E, dated December 15, 2011
- The May 1, 2023 through May 1, 2024 maturities of the Refunding Improvement and Refunding Bonds, Series 2014D, dated June 25, 2014
- The May 1, 2023 through May 1, 2025 maturities of the Refunding Improvement Bonds, Series 2014F, dated December 22, 2014
- The May 1, 2023 through May 1, 2024 maturities of the Refunding Improvement Bonds, Series 2016C, dated November 22, 2016
- The May 1, 2023 through May 1, 2025 maturities of the Refunding Improvement Bonds, Series 2017C, dated August 17, 2017

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

Schedules are intended to show information for ten years commencing with the fiscal year ended December 31, 2014. Additional years will be displayed as they occur.

CITY EMPLOYEES' PENSION PLAN

Schedule of Change in Net Pension Liability (Asset)								
	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability (Asset)								
Service Cost	\$ 533,945	\$ 365,929	\$ 401,832	\$ 432,671	\$ 469,907	\$ 487,463	\$ 529,173	\$ 557,997
Interest	4,296,324	4,245,644	4,191,703	4,113,116	4,019,115	4,000,397	4,014,233	3,646,552
Differences between expected and actual experience	(50,217)	-	(333,799)	74,079	409,699	232,443	(297,322)	138,298
Changes in assumptions and methods	1,529,548	(307,341)	-	(111,771)	(280,032)	(1,434,752)	174,274	3,112,904
Benefit payments and refunds	(4,020,015)	(3,526,401)	(3,433,240)	(3,353,355)	(3,216,427)	(2,803,193)	(2,644,555)	(2,404,469)
Net change in total pension liability	2,289,585	777,831	826,496	1,154,740	1,402,262	482,358	1,775,803	5,051,282
Total Pension Liability (Asset) - beginning of year	60,735,704	59,957,873	59,131,377	57,976,637	56,574,375	56,092,017	54,316,214	49,264,932
Total Pension Liability (Asset) - end of year (a)	<u>\$ 63,025,289</u>	<u>\$ 60,735,704</u>	<u>\$ 59,957,873</u>	<u>\$ 59,131,377</u>	<u>\$ 57,976,637</u>	<u>\$ 56,574,375</u>	<u>\$ 56,092,017</u>	<u>\$ 54,316,214</u>
Plan fiduciary net position								
Contributions - employer	\$ 2,106,906	\$ 2,355,393	\$ 2,233,282	\$ 2,213,651	\$ 2,035,460	\$ 1,955,478	\$ 1,946,591	\$ 1,782,708
Contributions - member	386,154	452,023	450,243	481,258	503,548	564,107	596,282	626,300
Net investment income	7,916,223	8,741,227	9,229,281	(2,841,329)	6,769,009	2,590,225	122,865	2,220,334
Benefit payments and refunds	(4,020,015)	(3,526,401)	(3,433,240)	(3,353,355)	(3,216,427)	(2,803,193)	(2,644,555)	(2,404,469)
Administrative expense	(48,235)	(52,226)	(56,158)	(50,056)	(55,719)	(50,264)	(43,830)	(48,178)
Other changes	1,055	1,055	-	-	6,149	4,209	-	-
Net change in plan fiduciary net position	6,342,088	7,971,071	8,423,408	(3,549,831)	6,042,020	2,260,562	(22,647)	2,176,695
Plan fiduciary net position - beginning of year	60,833,591	52,862,520	44,439,112	47,988,943	41,946,923	39,686,361	39,709,008	37,532,313
Plan fiduciary net position - end of year (b)	<u>\$ 67,175,679</u>	<u>\$ 60,833,591</u>	<u>\$ 52,862,520</u>	<u>\$ 44,439,112</u>	<u>\$ 47,988,943</u>	<u>\$ 41,946,923</u>	<u>\$ 39,686,361</u>	<u>\$ 39,709,008</u>
Net Pension Liability (Asset) - end of year (a) - (b)	\$ (4,150,390)	\$ (97,887)	\$ 7,095,353	\$ 14,692,265	\$ 9,987,694	\$ 14,627,452	\$ 16,405,656	\$ 14,607,206

CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

Schedule of Employer Contributions

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution (ADC)	\$ 2,204,263	\$ 2,204,263	\$ 2,639,134	\$ 1,745,338	\$ 2,262,115	\$ 2,324,774	\$ 1,980,838	\$ 1,569,560
Contributions in relation to the ADC	2,106,906	2,355,393	2,233,282	2,213,651	2,035,460	1,955,478	1,946,591	1,782,708
Contribution deficiency (excess)	<u>\$ 97,357</u>	<u>\$ (151,130)</u>	<u>\$ 405,852</u>	<u>\$ (468,313)</u>	<u>\$ 226,655</u>	<u>\$ 369,296</u>	<u>\$ 34,247</u>	<u>\$ (213,148)</u>

Schedule of Investment Returns

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	13.2%	16.7%	20.9%	-5.9%	16.3%	6.6%	0.3%	5.9%

Contributions and Net Pension Liability (Asset) as a Percent of Payroll

	2021	2020	2019	2018	2017	2016	2015	2014
Payroll	\$ 17,882,104	\$ 19,752,588	\$ 20,322,191	\$ 20,993,347	\$ 21,459,747	\$ 21,788,871	\$ 22,786,760	\$ 23,051,797
Contributions as a percent of payroll	11.8%	11.9%	11.0%	10.5%	9.5%	9.0%	8.5%	7.7%
Net pension liability (asset) as a percent of payroll	-23.2%	-0.5%	34.9%	69.9%	46.5%	67.1%	72.0%	63.4%

CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

Schedule of Net Pension Liability (Asset) - City of Fargo's Proportionate Share

Fiscal Year Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2021	88.77%	\$ (3,684,301)	\$ 15,815,811	-23.30%	106.59%
2020	88.77%	\$ (86,894)	\$ 17,601,166	-0.49%	100.16%
2019	88.93%	\$ 6,309,897	\$ 17,964,987	35.12%	88.17%
2018	87.85%	\$ 12,907,155	\$ 18,565,983	69.52%	75.15%
2017	89.27%	\$ 8,916,014	\$ 19,132,995	46.60%	82.77%
2016	89.96%	\$ 13,158,856	\$ 19,189,598	68.57%	74.14%
2015	89.44%	\$ 14,673,219	\$ 20,056,043	73.16%	70.75%

Schedule of Employer Contributions - City of Fargo's Proportionate Share

Fiscal Year Ending	Contractually Required Contributions	Contributions in relation to the required contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2021	\$ 1,956,638	\$ (2,023,398)	\$ (66,760)	\$ 15,815,811	12.79%
2020	\$ 1,956,638	\$ (2,274,111)	\$ (317,473)	\$ 17,601,166	12.92%
2019	\$ 2,346,966	\$ (1,938,175)	\$ 408,791	\$ 17,964,987	10.79%
2018	\$ 1,533,328	\$ (2,012,265)	\$ (478,937)	\$ 18,565,983	10.84%
2017	\$ 2,019,399	\$ (1,809,129)	\$ 210,270	\$ 19,132,995	9.46%
2016	\$ 2,091,436	\$ (1,770,290)	\$ 321,146	\$ 19,189,598	9.23%
2015	\$ 1,771,591	\$ (1,792,333)	\$ (20,742)	\$ 20,056,043	8.94%

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

NORTH DAKOTA PUBLIC EMPLOYEE RETIREMENT SYSTEM PENSION PLAN

Schedule of Employer's Share of Net Pension Liability							
	As of measurement date of						
	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Employer's proportion of the net pension liability	3.360974%	3.294584%	3.294081%	3.156226%	2.912473%	2.742572%	2.611792%
Employer's proportionate share of the net pension liability	\$ 35,031,450	\$ 103,648,318	\$ 38,609,013	\$ 53,264,757	\$ 46,812,999	\$ 26,729,038	\$ 17,759,740
Employer's covered payroll	\$ 38,059,358	\$ 36,343,235	\$ 34,264,052	\$ 32,424,454	\$ 29,731,782	\$ 27,638,652	\$ 23,267,898
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	92.04%	285.19%	112.68%	164.27%	157.45%	96.71%	76.33%
Plan fiduciary net position as a percentage of the total pension liability	79.13%	49.44%	72.53%	63.53%	61.98%	70.46%	77.15%

The amounts presented for each fiscal year were determined as of the measurement date of the City's net pension liability, which is June 30, of the previous year for NDPERS.

Schedule of Employer Contributions							
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Statutorily required contribution	\$ 2,500,163	\$ 2,693,322	\$ 2,500,366	\$ 2,371,434	\$ 2,189,026	\$ 2,012,946	\$ 1,776,751
Contributions in relation to the statutorily required contribution	(2,500,163)	(2,693,322)	(2,500,366)	(2,371,434)	(2,189,026)	(2,012,946)	(1,776,751)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 35,114,651	\$ 37,827,559	\$ 35,117,500	\$ 33,306,661	\$ 30,744,747	\$ 28,271,713	\$ 24,954,368
Contributions as a percentage of covered payroll	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%	7.12%

The amounts presented for each fiscal year were determined as of the City's year end which is December 31.

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.

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

POLICE PENSION PLAN

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

CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

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

Schedule of Investment Returns								
	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.9%	16.0%	21.5%	-4.9%	15.6%	6.9%	-0.2%	5.9%

Contributions and Net Pension Liability as a Percent of Payroll								
	2021	2020	2019	2018	2017	2016	2015	2014
Payroll	\$ 13,295,371	\$ 14,564,739	\$ 13,305,433	\$ 12,669,718	\$ 11,604,167	\$ 10,882,568	\$ 10,312,350	\$ 10,050,543
Contributions as a percent of payroll	24.0%	22.5%	23.4%	23.6%	25.1%	23.9%	22.7%	25.0%
Net pension liability as a percent of payroll	63.5%	55.8%	109.7%	175.5%	142.2%	197.3%	208.9%	158.9%

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021**

FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN

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

CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2021

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

Schedule of Investment Returns								
	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.2%	16.2%	22.3%	-5.1%	17.3%	6.8%	-0.2%	6.0%

Contributions and Net Pension Liability as a Percent of Payroll								
	2021	2020	2019	2018	2017	2016	2015	2014
Payroll	\$ 8,869,450	\$ 8,658,216	\$ 8,118,061	\$ 7,966,082	\$ 7,487,808	\$ 7,362,577	\$ 7,129,995	\$ 6,813,000
Contributions as a percent of payroll	27.8%	30.3%	30.4%	31.2%	28.6%	26.0%	26.5%	24.4%
Net pension liability as a percent of payroll	164.8%	146.9%	195.2%	260.1%	232.9%	253.6%	253.0%	229.7%

NORTH DAKOTA PUBLIC EMPLOYEE RETIREMENT SYSTEM OPEB PLAN

Schedule of Employer's Share of Net OPEB Liability			
	As of measurement date of		
	6/30/2021	6/30/2020	
Employer's proportion of the net OPEB Liability	3.157168%	3.121050%	
Employer's proportionate share of the net OPEB liability	\$ 1,755,931	\$ 2,625,420	
Employer's covered payroll	\$ 34,421,272	\$ 35,579,046	
Employer's proportionate share of the net OPEB liability as a percentage of its covered payroll	5.10%	7.38%	
Plan fiduciary net position as a percentage of the total OPEB liability	76.63%	63.38%	

Schedule of Employer Contributions			
	As of measurement date of		
	12/30/2021	12/30/2020	
Statutorily required contribution	\$ 413,925	\$ 417,979	
Contributions in relation to the statutorily required contribution	(444,411)	(377,645)	
Contribution deficiency (excess)	\$ (30,486)	\$ 40,334	
Employer's covered payroll	\$ 35,114,651	\$ 37,827,559	
Contributions as a percentage of covered payroll	1.27%	1.00%	

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.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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 eighteen 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.

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.

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

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

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.

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.

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

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

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

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.

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.

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

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.

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.

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.

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	Special Revenue					
	City Share of Specials	Noxious Weeds	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
ASSETS						
Equity in pooled investments	\$ 699,406	\$ 21,869	\$ 43,066	\$ 17,356	\$ -	\$ 369,869
Receivables (net of allowance for uncollectibles):						
Taxes	6,167	-	-	-	-	-
Accounts	-	-	-	230,211	-	3,750
Special assessments	-	-	561,138	-	-	-
Intergovernmental	-	-	-	-	-	-
Due from other funds	307,126	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	272
Loans	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-
Total assets	\$ 1,012,699	\$ 21,869	\$ 604,204	\$ 247,567	\$ -	\$ 373,891
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Vouchers payable	\$ 18,769	\$ -	\$ 9,895	\$ 188,720	\$ -	\$ 12,332
Contract retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued payroll	-	-	-	-	-	-
Special assessments payable	780,093	-	-	602	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	798,862	-	9,895	189,322	-	12,332
Deferred inflows of resources						
Unavailable revenue	3,962	-	397,436	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	272
Restricted	209,875	21,869	196,873	58,245	-	361,287
Unassigned	-	-	-	-	-	-
Total fund balances	209,875	21,869	196,873	58,245	-	361,559
Total liabilities, deferred inflows of resources and fund balances	\$ 1,012,699	\$ 21,869	\$ 604,204	\$ 247,567	\$ -	\$ 373,891

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2021

		Special Revenue				
	Parking Authority	Parking Repair and Replacement	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
ASSETS						
Equity in pooled investments	\$ 3,083,651	\$ -	\$ -	\$ 61,217	\$ -	\$ 136,495
Receivables (net of allowance for uncollectibles):						
Taxes	-	-	-	-	-	-
Accounts	189,130	-	-	-	-	-
Special assessments	8,598	-	-	-	-	-
Intergovernmental	-	-	494,076	20,001	-	-
Due from other funds	-	-	-	-	-	-
Prepaid expenditures	21,188	-	-	-	-	-
Loans	-	20,000	229,950	1,795,829	99,790	7,000
Property held for resale	-	-	-	-	-	37,526
Total assets	<u>\$ 3,302,567</u>	<u>\$ 20,000</u>	<u>\$ 724,026</u>	<u>\$ 1,877,047</u>	<u>\$ 99,790</u>	<u>\$ 181,021</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Vouchers payable	\$ 78,871	\$ 1,000	\$ 307,006	\$ 11	\$ -	\$ 525
Contract retainage payable	-	-	13,159	-	-	-
Due to other funds	-	136,436	161,540	-	-	-
Accrued payroll	1,098	-	1,735	466	-	-
Special assessments payable	36,221	-	-	-	-	2,388
Unearned revenue	-	-	229,950	1,046,521	66,056	-
Total liabilities	<u>116,190</u>	<u>137,436</u>	<u>713,390</u>	<u>1,046,998</u>	<u>66,056</u>	<u>2,913</u>
Deferred inflows of resources						
Unavailable revenue	<u>37,523</u>	<u>20,000</u>	<u>13,159</u>	<u>749,308</u>	<u>33,734</u>	<u>7,000</u>
Fund balances						
Nonspendable	21,188	-	-	-	-	-
Restricted	3,127,666	-	-	80,741	-	171,108
Unassigned	-	(137,436)	(2,523)	-	-	-
Total fund balances	<u>3,148,854</u>	<u>(137,436)</u>	<u>(2,523)</u>	<u>80,741</u>	<u>-</u>	<u>171,108</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,302,567</u>	<u>\$ 20,000</u>	<u>\$ 724,026</u>	<u>\$ 1,877,047</u>	<u>\$ 99,790</u>	<u>\$ 181,021</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2021

				Special Revenue			
	Court Forfeits	Skyway Maintenance	Baseball Stadium	COVID-19 Emergency	American Rescue Plan	SWAT	Total
ASSETS							
Equity in pooled investments	\$ 86,251	\$ 63,800	\$ -	\$ -	\$ 9,770,493	\$ 20,557	\$ 14,374,030
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	-	-	-	6,167
Accounts	1,604	-	2,627	719	-	-	428,041
Special assessments	-	89,390	-	-	-	-	659,126
Intergovernmental	-	-	-	629,410	-	-	1,143,487
Due from other funds	-	-	-	-	-	-	307,126
Prepaid expenditures	-	1,753	-	6,000	-	-	29,213
Loans	-	-	-	-	-	-	2,152,569
Property held for resale	-	-	-	-	-	-	37,526
Total assets	<u>\$ 87,855</u>	<u>\$ 154,943</u>	<u>\$ 2,627</u>	<u>\$ 636,129</u>	<u>\$ 9,770,493</u>	<u>\$ 20,557</u>	<u>\$ 19,137,285</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ -	\$ 10,703	\$ -	\$ 135,422	\$ 37,215	\$ 3,596	\$ 804,065
Contract retainage payable	-	-	-	-	-	-	13,159
Due to other funds	-	-	9,150	568,013	-	-	875,139
Accrued payroll	-	-	-	20,687	-	-	23,986
Special assessments payable	-	-	3,133	-	-	-	822,437
Unearned revenue	-	-	-	-	9,733,278	-	11,075,805
Total liabilities	<u>-</u>	<u>10,703</u>	<u>12,283</u>	<u>724,122</u>	<u>9,770,493</u>	<u>3,596</u>	<u>13,614,591</u>
Deferred inflows of resources							
Unavailable revenue	<u>-</u>	<u>45,499</u>	<u>-</u>	<u>25,025</u>	<u>-</u>	<u>-</u>	<u>1,332,646</u>
Fund balances							
Nonspendable	-	1,753	-	6,000	-	-	29,213
Restricted	87,855	96,988	-	-	-	16,961	4,429,468
Unassigned	-	-	(9,656)	(119,018)	-	-	(268,633)
Total fund balances	<u>87,855</u>	<u>98,741</u>	<u>(9,656)</u>	<u>(113,018)</u>	<u>-</u>	<u>16,961</u>	<u>4,190,048</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 87,855</u>	<u>\$ 154,943</u>	<u>\$ 2,627</u>	<u>\$ 636,129</u>	<u>\$ 9,770,493</u>	<u>\$ 20,557</u>	<u>\$ 19,137,285</u>

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Special Revenue					
	City Share of Specials	Noxious Weed	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
REVENUES						
Taxes	\$ 687,711	\$ 59,940	\$ -	\$ 2,295,974	\$ -	\$ -
Special assessments	-	-	530,197	-	-	-
Intergovernmental revenues	-	-	-	-	-	40,999
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	14,803	156,000	27,065
Total revenues	<u>687,711</u>	<u>59,940</u>	<u>530,197</u>	<u>2,310,777</u>	<u>156,000</u>	<u>68,064</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	70,254
Public works	800,062	-	-	-	-	-
Public health & welfare	-	30,397	-	-	-	-
Recreation & culture	-	-	550,033	2,259,766	-	-
Urban redevelopment	-	-	-	-	156,000	-
Public transportation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>800,062</u>	<u>30,397</u>	<u>550,033</u>	<u>2,259,766</u>	<u>156,000</u>	<u>70,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(112,351)</u>	<u>29,543</u>	<u>(19,836)</u>	<u>51,011</u>	<u>-</u>	<u>(2,190)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
General fund	-	-	43,000	-	-	33,545
Special revenue funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-
Transfers out						
General fund	-	-	-	-	-	-
Special revenue funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital projects	(127,957)	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(127,957)</u>	<u>-</u>	<u>43,000</u>	<u>-</u>	<u>-</u>	<u>33,545</u>
Net change in fund balances	(240,308)	29,543	23,164	51,011	-	31,355
Fund balance (deficit) - beginning of year	450,183	(7,674)	173,709	7,234	-	330,204
Fund balance (deficit) - end of year	<u>\$ 209,875</u>	<u>\$ 21,869</u>	<u>\$ 196,873</u>	<u>\$ 58,245</u>	<u>\$ -</u>	<u>\$ 361,559</u>

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2021

	Special Revenue					
	Parking Authority	Parking Repair and Replacement	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Intergovernmental revenues	-	-	1,392,252	477,752	-	-
Charges for services	1,758,862	-	-	-	-	3,200
Fines and forfeits	-	-	-	-	-	-
Miscellaneous revenues	9,370,178	-	-	92,359	-	3,500
Total revenues	11,129,040	-	1,392,252	570,111	-	6,700
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Public health & welfare	-	-	12,168	-	-	-
Recreation & culture	-	-	-	-	-	-
Urban redevelopment	-	-	1,226,491	544,988	28,782	6,040
Public transportation	1,155,859	152,292	-	-	-	-
Capital outlay	-	-	163,037	-	-	-
Total expenditures	1,155,859	152,292	1,401,696	544,988	28,782	6,040
Excess (deficiency) of revenues over (under) expenditures	9,973,181	(152,292)	(9,444)	25,123	(28,782)	660
OTHER FINANCING SOURCES (USES)						
Transfers in						
General fund	646	-	1,615	323	-	-
Special revenue funds	-	100,000	-	-	-	-
Debt service	6,466	-	-	-	-	-
Capital Projects	-	34,087	-	-	-	-
Enterprise funds	-	-	-	-	-	-
Transfers out						
General fund	(4,688,000)	-	-	-	-	-
Special revenue funds	(100,000)	-	-	-	-	-
Debt service	(1,637,210)	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-
Total other financing sources (uses)	(6,418,098)	134,087	1,615	323	-	-
Net change in fund balances	3,555,083	(18,205)	(7,829)	25,446	(28,782)	660
Fund balance (deficit) - beginning of year	(406,229)	(119,231)	5,306	55,295	28,782	170,448
Fund balance (deficit) - end of year	\$ 3,148,854	\$ (137,436)	\$ (2,523)	\$ 80,741	\$ -	\$ 171,108

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
For the Year Ended December 31, 2021

	Special Revenue					
	Court Forfeits	Skyway Maintenance	Baseball Stadium	COVID-19 Emergency	American Rescue Plan	SWAT
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	110,533	-	-	-	-
Intergovernmental revenues	-	-	-	4,259,167	369,239	54,434
Charges for services	-	-	191,975	4,505	-	-
Fines and forfeits	107,237	-	-	-	-	-
Miscellaneous revenues	13,305	-	-	-	-	4,465
Total revenues	120,542	110,533	191,975	4,263,672	369,239	58,899
EXPENDITURES						
Current:						
General government	-	-	-	239,848	83,022	-
Public safety	87,573	-	-	24,402	-	87,339
Public works	-	-	-	1,694	-	-
Public health & welfare	-	-	-	3,934,976	-	-
Recreation & culture	-	113,083	192,772	5,171	-	-
Urban redevelopment	-	-	-	60	-	-
Public transportation	-	-	-	162,786	-	-
Capital outlay	-	34,119	-	154,397	-	-
Total expenditures	87,573	147,202	192,772	4,523,334	83,022	87,339
Excess (deficiency) of revenues over (under) expenditures	32,969	(36,669)	(797)	(259,662)	286,217	(28,440)
OTHER FINANCING SOURCES (USES)						
Transfers in						
General fund	-	-	949,697	273,176	-	45,401
Special revenue funds	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital Projects	-	-	-	-	-	-
Enterprise funds	-	-	53,230	-	-	-
Transfers out						
General fund	-	-	-	-	-	(4,688,000)
Special revenue funds	-	-	-	-	-	(100,000)
Debt service	-	-	-	-	-	(1,637,210)
Capital projects	-	-	-	-	-	(127,957)
Enterprise funds	-	-	-	-	(286,217)	-
Total other financing sources (uses)	-	-	1,002,927	273,176	(286,217)	45,401
Net change in fund balances	32,969	(36,669)	1,002,130	13,514	-	16,961
Fund balance (deficit) - beginning of year	54,886	135,410	(1,011,786)	(126,532)	-	-
Fund balance (deficit) - end of year	\$ 87,855	\$ 98,741	\$ (9,656)	\$ (113,018)	\$ -	\$ 16,961

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	City Share of Specials				Noxious Weeds			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 659,000	\$ 659,000	\$ 687,711	\$ 28,711	\$ 62,000	\$ 62,000	\$ 59,940	\$ (2,060)
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	659,000	659,000	687,711	28,711	62,000	62,000	59,940	(2,060)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	299,000	669,000	800,062	(131,062)	-	-	-	-
Public health and welfare	-	-	-	-	46,750	46,750	30,397	16,353
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	299,000	669,000	800,062	(131,062)	46,750	46,750	30,397	16,353
Excess (deficiency) of revenues over (under) expenditures	360,000	(10,000)	(112,351)	(102,351)	15,250	15,250	29,543	14,293
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	(500,000)	(130,000)	(127,957)	2,043	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(500,000)	(130,000)	(127,957)	2,043	-	-	-	-
Net change in fund balances	(140,000)	(140,000)	(240,308)	(100,308)	15,250	15,250	29,543	14,293
Fund balance (deficit) - beginning of year	450,183	450,183	450,183	-	(7,674)	(7,674)	(7,674)	-
Fund balance (deficit) - end of year	\$ 310,183	\$ 310,183	\$ 209,875	\$ (100,308)	\$ 7,576	\$ 7,576	\$ 21,869	\$ 14,293

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Downtown Business Improvement District				Convention & Visitors Bureau			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,265,400	\$ 1,265,400	\$ 2,295,974	\$ 1,030,574
Special assessments	500,000	443,000	530,197	87,197	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	14,803	14,803
Total revenues	500,000	443,000	530,197	87,197	1,265,400	1,265,400	2,310,777	1,045,377
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	500,000	500,000	550,033	(50,033)	1,265,400	1,265,400	2,259,766	(994,366)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	500,000	500,000	550,033	(50,033)	1,265,400	1,265,400	2,259,766	(994,366)
Excess (deficiency) of revenues over (under) expenditures	-	(57,000)	(19,836)	37,164	-	-	51,011	51,011
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	43,000	43,000	43,000	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	43,000	43,000	43,000	-	-	-	-	-
Net change in fund balances	43,000	(14,000)	23,164	37,164	-	-	51,011	51,011
Fund balance (deficit) - beginning of year	173,709	173,709	173,709	-	7,234	7,234	7,234	-
Fund balance (deficit) - end of year	\$ 216,709	\$ 159,709	\$ 196,873	\$ 37,164	\$ 7,234	\$ 7,234	\$ 58,245	\$ 51,011

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Neighborhood Stabilization				Regional Training Center			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	40,999	40,999	40,999	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	156,000	156,000	25,456	25,456	27,065	1,609
Total revenues	-	-	156,000	156,000	66,455	66,455	68,064	1,609
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	100,000	100,000	70,254	29,746
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	156,000	(156,000)	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	156,000	(156,000)	100,000	100,000	70,254	29,746
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(33,545)	(33,545)	(2,190)	31,355
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	33,545	33,545	33,545	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	33,545	33,545	33,545	-
Net change in fund balances	-	-	-	-	-	-	31,355	31,355
Fund balance (deficit) - beginning of year	-	-	-	-	330,204	330,204	330,204	-
Fund balance (deficit) - end of year	\$ -	\$ -	\$ -	\$ -	\$ 330,204	\$ 330,204	\$ 361,559	\$ 31,355

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Parking Authority				Parking Repair and Replacement			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	2,462,200	1,766,000	1,758,862	(7,138)	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	505,000	9,881,000	9,370,178	(510,822)	-	-	-	-
Total revenues	<u>2,967,200</u>	<u>11,647,000</u>	<u>11,129,040</u>	<u>(517,960)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	1,276,378	1,277,024	1,155,859	121,165	33,721	33,721	152,292	(118,571)
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,276,378</u>	<u>1,277,024</u>	<u>1,155,859</u>	<u>121,165</u>	<u>33,721</u>	<u>33,721</u>	<u>152,292</u>	<u>(118,571)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,690,822</u>	<u>10,369,976</u>	<u>9,973,181</u>	<u>(396,795)</u>	<u>(33,721)</u>	<u>(33,721)</u>	<u>(152,292)</u>	<u>(118,571)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	646	646	-	-	-	-	-
Special revenue	-	-	-	-	-	100,000	100,000	-
Debt service	6,000	6,000	6,466	466	-	-	-	-
Capital projects	-	-	-	-	-	-	34,087	34,087
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	(109,200)	(4,797,200)	(4,688,000)	109,200	-	-	-	-
Special revenue	-	(100,000)	(100,000)	-	-	-	-	-
Debt service	(1,129,974)	(1,129,974)	(1,637,210)	(507,236)	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	(154,521)	(154,521)	-	154,521	-	-	-	-
Total other financing sources (uses)	<u>(1,387,695)</u>	<u>(6,175,049)</u>	<u>(6,418,098)</u>	<u>(243,049)</u>	<u>-</u>	<u>100,000</u>	<u>134,087</u>	<u>34,087</u>
Net change in fund balances	303,127	4,194,927	3,555,083	(639,844)	(33,721)	66,279	(18,205)	(84,484)
Fund balance (deficit) - beginning of year	(406,229)	(406,229)	(406,229)	-	(119,231)	(119,231)	(119,231)	-
Fund balance (deficit) - end of year	<u>\$ (103,102)</u>	<u>\$ 3,788,698</u>	<u>\$ 3,148,854</u>	<u>\$ (639,844)</u>	<u>\$ (152,952)</u>	<u>\$ (52,952)</u>	<u>\$ (137,436)</u>	<u>\$ (84,484)</u>

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Community Development				HUD Home Participating Jurisdiction			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	789,187	1,747,538	1,392,252	(355,286)	495,234	495,234	477,752	(17,482)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	100	100	-	(100)	1,000	1,000	-	(1,000)
Miscellaneous revenue	6,900	6,900	-	(6,900)	100,000	100,000	92,359	(7,641)
Total revenues	<u>796,187</u>	<u>1,754,538</u>	<u>1,392,252</u>	<u>(362,286)</u>	<u>596,234</u>	<u>596,234</u>	<u>570,111</u>	<u>(26,123)</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	24,683	323	12,168	(11,845)	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	795,069	1,591,674	1,226,491	365,183	497,690	498,013	544,988	(46,975)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	163,037	163,037	-	-	-	-	-
Total expenditures	<u>819,752</u>	<u>1,755,034</u>	<u>1,401,696</u>	<u>353,338</u>	<u>497,690</u>	<u>498,013</u>	<u>544,988</u>	<u>(46,975)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,565)</u>	<u>(496)</u>	<u>(9,444)</u>	<u>(8,948)</u>	<u>98,544</u>	<u>98,221</u>	<u>25,123</u>	<u>(73,098)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	1,615	1,615	-	-	323	323	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,615</u>	<u>1,615</u>	<u>-</u>	<u>-</u>	<u>323</u>	<u>323</u>	<u>-</u>
Net change in fund balances	(23,565)	1,119	(7,829)	(8,948)	98,544	98,544	25,446	(73,098)
Fund balance (deficit) - beginning of year	5,306	5,306	5,306	-	55,295	55,295	55,295	-
Fund balance (deficit) - end of year	<u>\$ (18,259)</u>	<u>\$ 6,425</u>	<u>\$ (2,523)</u>	<u>\$ (8,948)</u>	<u>\$ 153,839</u>	<u>\$ 153,839</u>	<u>\$ 80,741</u>	<u>\$ (73,098)</u>

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	HUD Home Program				NRI Loan Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000	3,000	3,200	200
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	2,500	2,500	-	(2,500)
Miscellaneous revenue	10,000	10,000	-	(10,000)	36,000	36,000	3,500	(32,500)
Total revenues	10,000	10,000	-	(10,000)	41,500	41,500	6,700	(34,800)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	28,782	(28,782)	8,650	8,650	6,040	2,610
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	-	28,782	(28,782)	8,650	8,650	6,040	2,610
Excess (deficiency) of revenues over (under) expenditures	10,000	10,000	(28,782)	(38,782)	32,850	32,850	660	(32,190)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	10,000	10,000	(28,782)	(38,782)	32,850	32,850	660	(32,190)
Fund balance (deficit) - beginning of year	28,782	28,782	28,782	-	170,448	170,448	170,448	-
Fund balance (deficit) - end of year	\$ 38,782	\$ 38,782	\$ -	\$ (38,782)	\$ 203,298	\$ 203,298	\$ 171,108	\$ (32,190)

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Court Forfeits				Skyway Maintenance			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	120,000	91,000	110,533	19,533
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	100,000	107,237	7,237	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	13,305	13,305	-	-	-	-
Total revenues	100,000	100,000	120,542	20,542	120,000	91,000	110,533	19,533
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	100,000	100,000	87,573	12,427	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	204,000	169,881	113,083	56,798
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	34,119	34,119	-
Total expenditures	100,000	100,000	87,573	12,427	204,000	204,000	147,202	56,798
Excess (deficiency) of revenues over (under) expenditures	-	-	32,969	32,969	(84,000)	(113,000)	(36,669)	76,331
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	32,969	32,969	(84,000)	(113,000)	(36,669)	76,331
Fund balance (deficit) - beginning of year	54,886	54,886	54,886	-	135,410	135,410	135,410	-
Fund balance (deficit) - end of year	\$ 54,886	\$ 54,886	\$ 87,855	\$ 32,969	\$ 51,410	\$ 22,410	\$ 98,741	\$ 76,331

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Baseball Stadium				COVID-19 Emergency			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	4,259,167	4,259,167
Charges for services	216,000	216,000	191,975	(24,025)	-	-	4,505	4,505
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	216,000	216,000	191,975	(24,025)	-	-	4,263,672	4,263,672
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	239,848	(239,848)
Public safety	-	-	-	-	-	-	24,402	(24,402)
Public works	-	-	-	-	-	-	1,694	(1,694)
Public health and welfare	-	-	-	-	-	-	3,934,976	(3,934,976)
Recreation and culture	166,000	166,000	192,772	(26,772)	-	-	5,171	(5,171)
Urban redevelopment	-	-	-	-	-	-	60	(60)
Public transportation	-	-	-	-	-	-	162,786	(162,786)
Capital outlay	-	-	-	-	-	-	154,397	(154,397)
Total expenditures	166,000	166,000	192,772	(26,772)	-	-	4,523,334	(4,523,334)
Excess (deficiency) of revenues over (under) expenditures	50,000	50,000	(797)	(50,797)	-	-	(259,662)	(259,662)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	949,697	949,697	-	-	273,176	273,176
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	53,230	53,230	-	-	-	-
Transfers out:								
General fund	(40,000)	(40,000)	-	40,000	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(40,000)	(40,000)	1,002,927	1,042,927	-	-	273,176	273,176
Net change in fund balances	10,000	10,000	1,002,130	992,130	-	-	13,514	13,514
Fund balance (deficit) - beginning of year	\$ (1,011,786)	\$ (1,011,786)	\$ (1,011,786)	\$ -	\$ (126,532)	\$ (126,532)	\$ (126,532)	\$ -
Fund balance (deficit) - end of year	(1,001,786)	(1,001,786)	(9,656)	992,130	(126,532)	(126,532)	(113,018)	13,514

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	American Rescue Plan				SWAT			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	369,239	369,239	-	-	46,133	54,434	8,301
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	4,465	4,465
Total revenues	-	369,239	369,239	-	-	46,133	58,899	12,766
EXPENDITURES								
Current:								
General government	-	83,022	83,022	-	-	-	-	-
Public safety	-	-	-	-	-	91,535	87,339	4,196
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	-	83,022	83,022	-	-	91,535	87,339	4,196
Excess (deficiency) of revenues over (under) expenditures	-	286,217	286,217	-	-	(45,402)	(28,440)	16,962
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	45,401	45,401	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	(286,217)	(286,217)	-	-	-	-
Total other financing sources (uses)	-	-	(286,217)	(286,217)	-	45,401	45,401	-
Net change in fund balances	-	286,217	-	(286,217)	-	(1)	16,961	16,962
Fund balance (deficit) - beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balance (deficit) - end of year	-	286,217	-	(286,217)	-	(1)	16,961	16,962

CITY OF FARGO, NORTH DAKOTA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended December 31, 2021

	Totals			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,986,400	\$ 1,986,400	\$ 3,043,625	\$ 1,057,225
Special assessments	620,000	534,000	640,730	106,730
Intergovernmental revenues	1,325,420	2,699,143	6,593,843	3,894,700
Charges for services	2,681,200	1,985,000	1,958,542	(26,458)
Fines and forfeits	100,000	100,000	107,237	7,237
Investment income	3,600	3,600	-	(3,600)
Miscellaneous revenue	683,356	10,059,356	9,681,675	(377,681)
Total revenues	<u>7,399,976</u>	<u>17,367,499</u>	<u>22,025,652</u>	<u>4,658,153</u>
EXPENDITURES				
Current:				
General government	-	83,022	322,870	(239,848)
Public safety	200,000	291,535	269,568	21,967
Public works	299,000	669,000	801,756	(132,756)
Public health and welfare	71,433	47,073	3,977,541	(3,930,468)
Recreation and culture	2,135,400	2,101,281	3,120,825	(1,019,544)
Urban redevelopment	1,301,409	2,098,337	1,962,361	135,976
Public transportation	1,310,099	1,310,745	1,470,937	(160,192)
Capital outlay	-	197,156	351,553	(154,397)
Total expenditures	<u>5,317,341</u>	<u>6,798,149</u>	<u>12,277,411</u>	<u>(5,479,262)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,082,635</u>	<u>10,569,350</u>	<u>9,748,241</u>	<u>(821,109)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	76,545	124,530	1,347,403	1,222,873
Special revenue	-	100,000	100,000	-
Debt service	6,000	6,000	6,466	466
Capital projects	-	-	34,087	34,087
Enterprise	-	-	53,230	53,230
Transfers out:				
General fund	(149,200)	(4,837,200)	(4,688,000)	149,200
Special revenue	-	(100,000)	(100,000)	-
Debt service	(1,129,974)	(1,129,974)	(1,637,210)	(507,236)
Capital projects	(500,000)	(130,000)	(127,957)	2,043
Enterprise	(154,521)	(154,521)	(286,217)	(131,696)
Total other financing sources (uses)	<u>(1,851,150)</u>	<u>(6,121,165)</u>	<u>(5,298,198)</u>	<u>822,967</u>
Net change in fund balances	231,485	4,448,185	4,450,043	1,858
Fund balance (deficit) - beginning of year	(259,995)	(259,995)	(259,995)	-
Fund balance (deficit) - end of year	<u>\$ (28,510)</u>	<u>\$ 4,188,190</u>	<u>\$ 4,190,048</u>	<u>\$ 1,858</u>

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

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 STATEMENT OF NET POSITION
NON MAJOR PROPRIETARY FUNDS
December 31, 2021

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
ASSETS							
Current assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 700	\$ 2,750	\$ 3,450
Equity in pooled investments	-	1,165,984	645,045	-	2,120,430	-	3,931,459
Receivables (net of allowance for uncollectibles):							
Special assessments	-	-	-	43,944	-	-	43,944
Accounts	20,439	79,140	525,993	275,608	383,963	-	1,285,143
Intergovernmental	-	-	-	-	2,918,986	-	2,918,986
Inventory	-	-	409,385	-	392,301	-	801,686
Prepaid expenses	-	1,175	5,715	5,964	80,277	640	93,771
Total current assets	<u>20,439</u>	<u>1,246,299</u>	<u>1,586,138</u>	<u>325,516</u>	<u>5,896,657</u>	<u>3,390</u>	<u>9,078,439</u>
Noncurrent assets							
Net Pension Asset	-	-	726	84,735	36,567	-	122,028
Capital assets							
Construction in progress	-	-	-	-	1,879,282	-	1,879,282
Buildings	-	-	-	-	15,005,572	8,184,479	23,190,051
Improvements other than buildings	-	-	-	-	20,473	18,965	39,438
Machinery and equipment	-	53,232	460,624	1,627,072	18,639,188	420,661	21,200,777
Infrastructure	-	-	51,802,295	-	-	-	51,802,295
Less accumulated depreciation	-	(53,232)	(23,675,052)	(1,249,788)	(21,753,090)	(4,881,415)	(51,612,577)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>28,588,593</u>	<u>462,019</u>	<u>13,827,992</u>	<u>3,742,690</u>	<u>46,621,294</u>
Total assets	<u>20,439</u>	<u>1,246,299</u>	<u>30,174,731</u>	<u>787,535</u>	<u>19,724,649</u>	<u>3,746,080</u>	<u>55,699,733</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources related to pension	-	-	365,260	740,881	1,498,831	67,601	2,672,573
Deferred outflows of resources related to OPEB	-	-	3,766	8,691	19,003	709	32,169
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>369,026</u>	<u>749,572</u>	<u>1,517,834</u>	<u>68,310</u>	<u>2,704,742</u>
LIABILITIES							
Current liabilities							
Vouchers payable	2,412	-	168,341	6,092	991,226	16,763	1,184,834
Retainage payable	-	-	-	-	83,032	-	83,032
Interest payable	-	-	-	-	89	-	89
Due to other funds	26,612	-	-	318,814	-	904	346,330
Accrued payroll	185	-	9,775	15,321	35,292	-	60,573
Current portion of special assessments	-	-	-	-	2,746	-	2,746
Accrued vacation payable	-	-	60,890	44,759	110,908	-	216,557
Unearned revenue	-	-	-	-	30,202	-	30,202
Total current liabilities	<u>29,209</u>	<u>-</u>	<u>239,006</u>	<u>384,986</u>	<u>1,253,495</u>	<u>17,667</u>	<u>1,924,363</u>
Long-term liabilities							
Special assessments payable	-	-	-	-	1,440	-	1,440
Net pension liability	-	-	16,991	584,687	1,048,131	107,151	1,756,960
Net OPEB liability	-	-	3,307	27,593	60,015	2,804	93,719
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>20,298</u>	<u>612,280</u>	<u>1,109,586</u>	<u>109,955</u>	<u>1,852,119</u>
Total liabilities	<u>29,209</u>	<u>-</u>	<u>259,304</u>	<u>997,266</u>	<u>2,363,081</u>	<u>127,622</u>	<u>3,776,482</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources related to pension	-	-	856,602	1,228,726	2,610,514	21,324	4,717,166
Deferred inflows of resources related to OPEB	-	-	7,551	10,611	25,108	138	43,408
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>864,153</u>	<u>1,239,337</u>	<u>2,635,622</u>	<u>21,462</u>	<u>4,760,574</u>
NET POSITION							
Net investment in capital assets	-	-	28,587,867	377,284	13,787,239	3,742,690	46,495,080
Unrestricted	(8,770)	1,246,299	832,433	(1,076,780)	2,456,541	(77,384)	3,372,339
Total net position	<u>\$ (8,770)</u>	<u>\$ 1,246,299</u>	<u>\$ 29,420,300</u>	<u>\$ (699,496)</u>	<u>\$ 16,243,780</u>	<u>\$ 3,665,306</u>	<u>\$ 49,867,419</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NON MAJOR PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
OPERATING REVENUES							
Charges for services	\$ 185,600	\$ 756,459	\$ 3,570,442	\$ 2,357,032	\$ 2,416,713	\$ 55,382	\$ 9,341,628
OPERATING EXPENSES							
Personnel services	12,824	-	761,881	1,115,253	4,581,983	79,135	6,551,076
Other services	7,767	186,157	304,666	703,960	6,337,017	7,508	7,547,075
Materials and supplies	35,649	55,387	1,399,669	242,241	1,054,623	150,974	2,938,543
Depreciation	-	-	2,075,364	143,097	1,604,367	167,492	3,990,320
Total operating expenses	56,240	241,544	4,541,580	2,204,551	13,577,990	405,109	21,027,014
Operating income (loss)	129,360	514,915	(971,138)	152,481	(11,161,277)	(349,727)	(11,685,386)
NONOPERATING REVENUES (EXPENSES)							
Gain (loss) on disposal of assets	-	-	-	-	(5,825)	-	(5,825)
Interest expense and bond fees	-	-	-	-	(89)	-	(89)
Intergovernmental revenues	-	-	-	-	7,474,710	-	7,474,710
Miscellaneous revenue	-	-	2,635	3,349	117,129	-	123,113
Total nonoperating revenues	-	-	2,635	3,349	7,585,925	-	7,591,909
Income (loss) before contributions and transfers	129,360	514,915	(968,503)	155,830	(3,575,352)	(349,727)	(4,093,477)
Capital Contributions	-	-	3,452,203	-	15,240,567	3,910,182	22,602,952
Transfers in:							
General	108	1,069	24,506	29,353	2,540,951	104,851	2,700,838
Capital projects	-	-	-	-	829,614	-	829,614
Enterprise	-	-	-	300,000	1,208,000	-	1,508,000
Transfers out:							
General	-	(150,800)	(573,000)	(439,000)	-	-	(1,162,800)
Capital projects	-	-	(696,469)	-	-	-	(696,469)
Change in net position	129,468	365,184	1,238,737	46,183	16,243,780	3,665,306	21,688,658
Total net position - beginning	(138,238)	881,115	28,181,563	(745,679)	-	-	28,178,761
Total net position - ending	\$ (8,770)	\$ 1,246,299	\$ 29,420,300	\$ (699,496)	\$ 16,243,780	\$ 3,665,306	\$ 49,867,419

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2021

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Transit	Civic Memorial Auditorium	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Receipts from customers and users	\$ 180,576	\$ 756,714	\$ 3,541,273	\$ 2,311,792	\$ 2,062,952	\$ 55,382	\$ 8,908,689
Payments to suppliers	(48,197)	(241,479)	(1,759,892)	(941,180)	(6,668,645)	(142,359)	(9,801,752)
Payments to employees	(10,587)	-	(556,192)	(852,739)	(1,724,222)	(13,724)	(3,157,464)
Payments of benefits on behalf of employees	(2,181)	-	(155,635)	(305,406)	(522,194)	(2,304)	(987,720)
Net cash provided (used) by operating activities	119,611	515,235	1,069,554	212,467	(6,852,109)	(103,005)	(5,038,247)
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES							
Transfers to other funds	-	(150,800)	(1,269,469)	(439,000)	-	-	(1,859,269)
Transfers from other funds	108	1,069	24,506	329,353	4,578,565	104,851	5,038,452
Payments made for interfund borrowing	(119,719)	-	-	(47,400)	-	-	(167,119)
Intergovernmental operating grants	-	-	-	-	4,849,801	-	4,849,801
Payments received on interfund borrowing	-	-	-	-	-	904	904
Net cash provided (used) by noncapital financing activities	(119,611)	(149,731)	(1,244,963)	(157,047)	9,428,366	105,755	7,862,769
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of capital assets	-	-	-	(55,470)	(2,388,794)	-	(2,444,264)
Intergovernmental capital grants	-	-	-	-	1,933,667	-	1,933,667
Net cash provided (used) by capital and related financing activities	-	-	-	(55,470)	(455,127)	-	(510,597)
CASH FLOWS FROM INVESTING ACTIVITIES							
Investments redeemed	-	800,480	820,454	-	-	-	1,620,934
Investments (purchased)	-	(1,165,984)	(645,045)	-	(2,120,430)	-	(3,931,459)
Net cash provided (used) by investing activities	-	(365,504)	175,409	-	(2,120,430)	-	(2,310,525)
Net change in cash and cash equivalents	-	-	-	(50)	700	2,750	3,400
Cash and cash equivalents, January 1	-	-	-	50	-	-	50
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700</u>	<u>\$ 2,750</u>	<u>\$ 3,450</u>
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income (loss)	\$ 129,360	\$ 514,915	\$ (971,138)	\$ 152,481	\$ (11,161,277)	\$ (349,727)	\$ (11,685,386)
Adjustments to reconcile operating income to net cash provided by operating activities							
Depreciation	-	-	2,075,364	143,097	1,604,367	167,492	3,990,320
Change in assets and liabilities							
Accounts receivable	(5,024)	255	(29,169)	(24,174)	(383,963)	-	(442,075)
Special assessment receivable	-	-	-	(21,066)	-	-	(21,066)
Inventories	-	-	(20,534)	-	(392,301)	-	(412,835)
Prepaid expenses	-	65	206	(263)	(80,277)	(640)	(80,909)
Net pension asset	-	-	(710)	(82,478)	(36,567)	-	(119,755)
Pension related deferred outflows	-	-	256,256	300,109	(1,498,831)	(67,601)	(1,010,067)
OPEB related deferred outflows	-	-	1,431	1,803	(19,003)	(709)	(16,478)
Accounts payable	(4,781)	-	(35,229)	5,284	1,112,541	16,763	1,094,578
Retainage payable	-	-	-	-	83,032	-	83,032
Payroll payable	56	-	2,163	3,631	35,292	-	41,142
Vacation payable	-	-	415	(5,481)	110,908	-	105,842
Unearned revenue	-	-	-	-	30,202	-	30,202
Net pension liability	-	-	(885,158)	(1,111,593)	1,048,131	107,151	(841,469)
Net OPEB liability	-	-	(11,176)	(14,078)	60,015	2,804	37,565
Pension related deferred inflows	-	-	679,327	855,740	2,610,514	21,324	4,166,905
OPEB related deferred inflows	-	-	7,506	9,455	25,108	138	42,207
Total adjustments	(9,749)	320	2,040,692	59,986	4,309,168	246,722	6,647,139
Net cash provided (used) by operating activities	<u>\$ 119,611</u>	<u>\$ 515,235</u>	<u>\$ 1,069,554</u>	<u>\$ 212,467</u>	<u>\$ (6,852,109)</u>	<u>\$ (103,005)</u>	<u>\$ (5,038,247)</u>
Noncash transactions affecting financial position:							
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,452,203</u>	<u>\$ -</u>	<u>\$ 13,012,823</u>	<u>\$ 3,910,182</u>	<u>\$ 20,375,208</u>

CUSTODIAL FUNDS

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 four custodial funds as described below.

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

Metro Flood Project Diversion Authority Fund is used to account for the collection and disbursement of funds for the Metro Flood Project Diversion Authority.

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

Police Custodial Fund is used 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 NET POSITION
CUSTODIAL FUNDS
December 31, 2021

	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Police Custodial Fund	Total
ASSETS					
Cash	\$ -	\$ 16,562,967	\$ -	\$ -	\$ 16,562,967
Equity in pooled investments	1,377	69,163,825	1,589,256	700,813	71,455,271
Receivables:					
Accounts	-	100	-	-	100
Special assessments receivable	10,323,508	-	-	-	10,323,508
Intergovernmental	-	62,487,195	-	-	62,487,195
Interest	-	88,630	-	-	88,630
Prepaid items	-	223,728	24,700	-	248,428
Total assets	<u>10,324,885</u>	<u>148,526,445</u>	<u>1,613,956</u>	<u>700,813</u>	<u>161,166,099</u>
LIABILITIES					
Vouchers payable	-	14,104,118	465	-	14,104,583
Retainage payable	-	167,048	-	-	167,048
Deposits	1,377	19,350	-	-	20,727
Long-term liabilities					
Accrued interest on settlement payable	-	800,000	-	-	800,000
Due in more than one year - settlement payable	-	40,000,000	-	-	40,000,000
Total liabilities	<u>1,377</u>	<u>55,090,516</u>	<u>465</u>	<u>-</u>	<u>55,092,358</u>
NET POSITION					
Restricted for:					
Park district special assessments	10,323,508	-	-	-	10,323,508
Metro Flood Project Diversion Authority	-	93,435,929	-	-	93,435,929
Red River Regional Dispatch Center	-	-	1,613,491	-	1,613,491
Police Custodial Fund	-	-	-	700,813	700,813
Total net position	<u>\$ 10,323,508</u>	<u>\$ 93,435,929</u>	<u>\$ 1,613,491</u>	<u>\$ 700,813</u>	<u>\$ 106,073,741</u>

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

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
December 31, 2021

	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Police Custodial Fund	Total
ADDITIONS					
Investment income					
Net increase (decrease) in fair value of investments	\$ -	\$ (244,120)	\$ -	\$ -	\$ (244,120)
Net investment income	-	(244,120)	-	-	(244,120)
Special assessments collections for other governments	1,139,788	-	-	-	1,139,788
Aid from other governments	-	161,648,177	-	-	161,648,177
Miscellaneous	-	2,484,123	-	-	2,484,123
Member assessments	-	-	5,234,419	-	5,234,419
Police funds received into custody	-	-	-	497,381	497,381
Total additions	<u>1,139,788</u>	<u>163,888,180</u>	<u>5,234,419</u>	<u>497,381</u>	<u>170,759,768</u>
DEDUCTIONS					
Payments of special assessments to other governments	1,873,207	-	-	-	1,873,207
Payments for public protection	-	106,317,663	-	-	106,317,663
Payments for RRRDC	-	-	4,926,134	-	4,926,134
Police funds released from custody	-	-	-	313,127	313,127
Interest expense	-	800,000	-	-	800,000
Total deductions	<u>1,873,207</u>	<u>107,117,663</u>	<u>4,926,134</u>	<u>313,127</u>	<u>114,230,131</u>
Change in net position	(733,419)	56,770,517	308,285	184,254	56,529,637
Net position - beginning	11,056,927	36,665,412	1,305,206	516,559	49,544,104
Net position - ending	<u>\$ 10,323,508</u>	<u>\$ 93,435,929</u>	<u>\$ 1,613,491</u>	<u>\$ 700,813</u>	<u>\$ 106,073,741</u>

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

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

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULES BY SOURCE
DECEMBER 31, 2021

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 108,099,779
Intangible - Right of way	12,579,840
Buildings	133,812,514
Improvements other than buildings	8,513,854
Machinery and equipment	53,834,598
Infrastructure	483,456,852
Flood Control	98,345,299
Construction in progress	852,044
Total governmental funds capital assets	<u>\$ 899,494,780</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	\$ 39,439,321
Special revenue funds	6,164,033
Debt service funds	70,093
Capital projects	791,227,206
Enterprise funds	3,408,735
Federal and state grants	14,667,508
Donated	44,517,884
Total governmental funds capital assets	<u>\$ 899,494,780</u>

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2021

FUNCTION AND ACTIVITY	Land	Right of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Flood Control	Construction in Progress	Total
General Government:									
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 513,413	\$ -	\$ -	\$ -	\$ 513,413
City Administrator	-	-	-	108,440	58,074	-	-	11,804	178,318
City Auditor	-	-	-	-	185,641	-	-	-	185,641
Information Technology	-	-	-	-	5,295,360	-	-	-	5,295,360
Public Information	-	-	180,220	-	1,721,524	-	-	39,333	1,941,077
Human Resources	-	-	-	-	171,273	-	-	-	171,273
City Assessor	-	-	-	-	173,194	-	-	-	173,194
Municipal Court	-	-	1,596,948	-	158,970	-	-	-	1,755,918
Planning & Development	70,093	-	-	3,457,224	120,645	-	-	-	3,647,962
Central Garage	-	-	4,279,350	127,813	1,335,212	-	-	100,000	5,842,375
City Buildings	-	-	28,927,208	7,866	644,634	-	-	-	29,579,708
Total	70,093	-	34,983,726	3,701,343	10,377,940	-	-	151,137	49,284,239
Public Safety:									
Traffic Engineering	-	-	-	-	362,111	-	-	-	362,111
Fire Department	436,448	-	11,825,617	20,932	9,899,359	-	-	-	22,182,356
Emergency Management	-	-	-	-	1,039,978	-	-	-	1,039,978
Police Department	43,000	-	7,756,436	31,654	6,953,966	-	-	-	14,785,056
Inspections	-	-	-	-	767,799	-	-	-	767,799
Total	479,448	-	19,582,053	52,586	19,023,213	-	-	-	39,137,300
Public Works:									
City Engineer	11,936,334	3,737,416	-	-	2,318,944	-	-	-	17,992,694
Street Department	817,500	4,588,892	1,595,332	587,965	15,124,398	482,207,827	-	-	504,921,914
Flood	91,611,448	4,253,532	-	134,240	956,918	1,249,025	98,345,299	639,734	197,190,196
Total	104,365,282	12,579,840	1,595,332	722,205	18,400,260	483,456,852	98,345,299	639,734	720,104,804
Public Health & Welfare:									
Health Department	857,805	-	13,295,621	556,196	1,530,657	-	-	-	16,240,279
Total	857,805	-	13,295,621	556,196	1,530,657	-	-	-	16,240,279
Recreation & Culture:									
Public Library	-	-	13,230,681	-	3,637,313	-	-	-	16,867,994
Convention Bureau	199,505	-	749,851	-	-	-	-	-	949,356
Baseball Stadium	-	-	5,266,692	365,549	389,223	-	-	50,574	6,072,038
Total	199,505	-	19,247,224	365,549	4,026,536	-	-	50,574	23,889,388
Urban Redevelopment									
Home Grants	-	-	605,042	-	-	-	-	-	605,042
Community Development	189,153	-	3,942,108	28,446	34,650	-	-	-	4,194,357
Total	189,153	-	4,547,150	28,446	34,650	-	-	-	4,799,399
Transportation									
Parking Authority	1,938,493	-	40,561,408	3,087,529	441,342	-	-	10,599	46,039,371
Total	1,938,493	-	40,561,408	3,087,529	441,342	-	-	10,599	46,039,371
Grand Total	\$ 108,099,779	\$ 12,579,840	\$ 133,812,514	\$ 8,513,854	\$ 53,834,598	\$ 483,456,852	\$ 98,345,299	\$ 852,044	\$ 899,494,780

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>FUNCTION AND ACTIVITY</u>	<u>Balance January 1, 2021</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deletions</u>	<u>Balance December 31, 2021</u>
GENERAL GOVERNMENT:					
City Commission	\$ 513,413	\$ -	\$ -	\$ -	\$ 513,413
City Administrator	58,074	120,244	-	-	178,318
City Auditor	185,641	-	-	-	185,641
Information Technology	5,169,545	125,815	-	-	5,295,360
Public Information	1,540,845	400,232	-	-	1,941,077
Human Resources	200,058	-	(28,785)	-	171,273
City Assessor	173,194	-	-	-	173,194
Municipal Court	1,644,761	111,157	-	-	1,755,918
Planning & Development	3,647,962	-	-	-	3,647,962
Central Garage	5,766,839	318,522	-	(242,986)	5,842,375
City Buildings	29,461,817	71,099	71,656	(24,864)	29,579,708
Total	48,362,149	1,147,069	42,871	(267,850)	49,284,239
PUBLIC SAFETY:					
Traffic Engineer	390,249	-	(28,138)	-	362,111
Fire Department	21,461,755	1,504,136	-	(783,535)	22,182,356
Emergency Management	785,794	279,935	-	(25,751)	1,039,978
Police Department	18,088,181	289,939	-	(3,593,064)	14,785,056
Inspections	785,987	46,816	-	(65,004)	767,799
Total	41,511,966	2,120,826	(28,138)	(4,467,354)	39,137,300
PUBLIC WORKS:					
City Engineer	15,879,956	2,132,534	-	(19,796)	17,992,694
Street Department	484,142,386	22,541,905	200,657	(1,963,034)	504,921,914
Flood	187,189,763	10,585,814	-	(585,381)	197,190,196
Total	687,212,105	35,260,253	200,657	(2,568,211)	720,104,804
PUBLIC HEALTH & WELFARE:					
Health Department	14,254,068	1,986,211	-	-	16,240,279
Total	14,254,068	1,986,211	-	-	16,240,279
RECREATION & CULTURE:					
Public Library	16,787,686	80,308	-	-	16,867,994
City Auditorium	8,586,904	-	(8,586,904)	-	-
Convention Bureau	949,356	-	-	-	949,356
Baseball Stadium	6,021,464	50,574	-	-	6,072,038
Total	32,345,410	130,882	(8,586,904)	-	23,889,388
URBAN REDEVELOPMENT					
Home Grants	605,042	-	-	-	605,042
Community Development	4,194,357	-	-	-	4,194,357
Total	4,799,399	-	-	-	4,799,399
TRANSPORTATION:					
Transit	33,360,114	-	(33,360,114)	-	-
Parking Authority	50,456,701	401,383	-	(4,818,713)	46,039,371
Total	83,816,815	401,383	(33,360,114)	(4,818,713)	46,039,371
Grand Total	\$ 912,301,912	\$ 41,046,624	\$ (41,731,628)	\$ (12,122,128)	\$ 899,494,780

STATISTICAL SECTION

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	124
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	129
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	145
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	158
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	161
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
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(UNAUDITED)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 198,360,557	\$ 189,087,362	\$ 206,472,245	\$ 181,249,168	\$ 138,920,327	\$ 155,724,812	\$ 133,461,710	\$ 182,947,036	\$ 152,409,494	\$ 262,441,361
Restricted	91,329,393	94,565,364	86,385,806	36,575,596	71,485,506	15,592,239	62,858,162	121,144,992	170,048,177	113,961,612
Unrestricted	(19,974,535)	416,679	13,702,900	3,384,329	2,038,090	4,169,926	68,861,992	56,770,481	77,285,201	69,961,510
Total governmental activities	269,715,415	284,069,405	306,560,951	221,209,093	212,443,923	175,486,977	265,181,864	360,862,509	399,742,872	446,364,483
Business-type activities										
Net investment in capital assets	534,544,356	554,814,340	580,624,402	632,351,653	708,548,590	763,810,437	707,758,594	754,735,747	769,927,969	817,425,266
Restricted	35,995,567	39,793,330	47,453,013	42,919,415	38,133,351	46,242,709	44,229,649	50,570,951	53,325,855	54,448,303
Unrestricted	31,301,382	36,016,908	36,694,655	36,550,855	39,460,589	48,823,670	41,061,711	26,429,639	17,143,800	27,629,906
Total business-type	601,841,305	630,624,578	664,772,070	711,821,923	786,142,530	858,876,816	793,049,954	831,736,337	840,397,624	899,503,475
Primary government										
Net investment in capital assets	732,904,913	743,901,702	787,096,647	813,600,821	847,468,917	919,535,249	841,220,304	937,682,783	922,337,463	1,079,866,627
Restricted	127,324,960	134,358,694	133,838,819	79,495,011	109,618,857	61,834,948	107,087,811	171,715,943	223,374,032	168,409,915
Unrestricted	11,326,847	36,433,587	50,397,555	39,935,184	41,498,679	52,993,596	109,923,703	83,200,120	94,429,001	97,591,416
Total primary government	\$ 871,556,720	\$ 914,693,983	\$ 971,333,021	\$ 933,031,016	\$ 998,586,453	\$ 1,034,363,793	\$ 1,058,231,818	\$ 1,192,598,846	\$ 1,240,140,496	\$ 1,345,867,958

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental activities:										
General government	\$ 13,785,114	\$ 12,980,379	\$ 15,657,870	\$ 16,818,838	\$ 17,776,492	\$ 18,745,925	\$ 21,121,650	\$ 22,172,478	\$ 24,328,279	\$ 22,520,224
Public safety	33,428,258	33,861,695	34,415,785	37,826,165	39,029,094	38,539,794	40,386,651	40,099,055	39,366,726	41,257,161
Public works	42,392,349	69,082,966	73,315,688	103,297,687	122,801,345	88,777,599	85,922,794	83,187,071	90,683,363	88,160,036
Public health & welfare	9,083,491	9,682,135	9,937,389	11,683,089	11,442,822	12,950,823	13,636,149	12,966,788	21,646,822	17,626,615
Recreation & culture	7,132,599	7,497,540	8,222,506	8,151,402	8,424,874	8,624,606	9,393,133	9,448,369	8,869,345	12,416,140
Urban redevelopment	2,278,779	1,293,873	2,534,044	2,117,333	1,849,153	4,673,263	1,530,806	1,380,054	1,740,816	2,482,461
Transportation	8,653,280	9,448,794	9,670,550	10,045,459	9,941,816	10,320,580	12,157,449	13,177,659	13,541,248	13,477,911
Economic Development	-	-	-	-	-	-	-	-	100,000	501,956
General support	1,200,633	1,214,200	1,002,608	1,200,135	1,057,122	1,151,575	1,192,789	1,069,637	1,228,890	1,380,060
Interest and fiscal charges	15,751,657	17,090,585	18,545,356	19,670,971	21,917,557	22,260,570	22,968,482	23,184,117	24,412,629	29,404,274
Total governmental activities expenses	133,706,160	162,152,167	173,301,796	210,811,079	234,240,275	206,044,735	208,309,903	206,685,228	225,918,118	229,226,838
Business-type activities:										
Municipal airport authority	6,570,226	7,908,632	8,299,826	8,483,692	8,823,490	8,981,905	10,309,142	10,600,697	10,359,737	11,015,664
Water	13,293,762	14,474,710	14,112,129	14,200,256	15,000,452	17,416,843	20,414,032	23,384,899	25,684,536	25,585,590
Wastewater	8,733,862	9,279,582	8,956,040	9,814,203	9,907,111	10,796,934	11,061,329	14,760,568	14,193,049	16,051,317
Storm sewer	3,988,408	4,525,630	4,737,663	5,082,586	5,283,166	5,679,382	6,029,507	6,326,433	6,986,738	7,137,768
Solid waste	9,272,784	9,856,134	9,889,337	10,798,649	11,111,432	10,674,156	11,606,061	10,947,670	11,755,799	10,631,087
Fargodome	7,099,483	7,868,558	8,236,303	7,893,940	8,399,909	9,394,765	10,680,289	11,310,794	9,442,827	12,391,698
Southeast Cass	67,079	67,763	73,926	54,315	49,345	90,210	59,253	79,715	99,473	56,240
Vector control	327,920	445,567	397,296	335,279	379,561	331,429	429,203	453,082	390,044	241,544
Street lighting	2,604,698	2,644,451	2,779,110	3,024,018	3,216,418	3,349,777	3,502,155	4,283,578	4,527,542	4,541,580
Forestry	1,477,668	1,630,661	1,603,197	1,720,593	1,770,157	1,923,056	2,059,976	2,085,546	2,179,408	2,204,551
Transit	-	-	-	-	-	-	-	-	-	13,578,079
Civic	-	-	-	-	-	-	-	-	-	405,109
Total business-type activities expenses	53,435,890	58,701,688	59,084,827	61,407,531	63,941,041	68,638,457	76,150,947	84,232,982	85,619,153	103,840,227
Total primary government expenses	\$ 187,142,050	\$ 220,853,855	\$ 232,386,623	\$ 272,218,610	\$ 298,181,316	\$ 274,683,192	\$ 284,460,850	\$ 290,918,210	\$ 311,537,271	\$ 333,067,065
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,989,977	\$ 2,953,292	\$ 3,548,664	\$ 3,166,528	\$ 2,916,943	\$ 2,960,802	\$ 3,274,293	\$ 2,920,609	\$ 2,750,524	\$ 3,178,041
Public safety	5,433,194	5,467,052	8,337,597	6,247,357	6,119,964	6,240,462	6,238,735	5,071,568	6,675,823	6,700,909
Public works	8,064,249	9,708,531	11,731,930	13,399,541	15,343,800	10,530,618	11,747,317	9,825,876	8,972,236	8,477,310
Public health & welfare	2,590,591	2,802,846	2,839,283	3,026,151	2,946,313	3,030,070	2,865,791	2,933,469	2,380,936	4,278,481
Recreation & culture	716,288	764,587	777,310	475,257	647,217	518,632	526,085	461,689	180,898	229,113
Urban redevelopment	151,670	465,744	82,815	229,405	637,583	183,000	249,471	34,920	459,849	239,816
Transportation	3,441,492	3,589,903	3,876,963	4,023,455	3,982,718	4,304,515	4,651,756	4,864,224	3,857,806	1,758,864
Operating grants and contributions	10,084,351	11,957,140	10,523,934	9,661,729	11,034,507	10,040,237	9,673,151	11,563,442	38,966,469	13,034,155
Capital grants and contributions	65,485,536	68,048,195	76,383,369	86,152,387	138,364,227	91,019,352	94,795,470	152,986,975	96,585,425	135,299,804
Total governmental activities program revenues	98,957,348	105,757,290	118,101,865	126,381,810	181,993,272	128,827,688	134,022,069	190,662,772	160,829,966	173,196,493

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities:										
Charges for services:										
Airport	6,716,756	7,546,237	8,641,627	8,546,795	8,296,226	8,583,335	9,309,037	10,190,031	6,722,634	9,914,685
Water	19,828,733	19,051,936	18,311,211	19,134,802	21,779,615	23,706,110	23,888,031	22,744,596	23,773,689	26,123,374
Wastewater	10,905,355	11,046,790	10,176,950	10,328,605	10,526,541	10,714,193	10,961,261	11,276,502	12,266,270	14,491,086
Storm sewer	1,528,614	1,588,515	1,582,079	1,602,497	1,634,581	1,663,088	1,690,018	2,988,746	3,032,860	3,095,185
Solid waste	10,724,500	11,181,542	12,310,654	11,850,605	12,504,724	14,905,074	14,975,672	15,213,314	17,156,780	17,032,533
Fargodome	5,161,637	5,447,421	6,442,044	6,069,576	6,578,942	5,792,841	5,773,223	6,451,080	1,837,932	6,231,388
Other activities	3,672,429	3,740,032	3,824,210	3,923,673	4,019,445	4,350,101	4,525,857	6,376,936	6,386,087	9,341,628
Operating grants and contributions	-	-	-	-	-	-	-	-	4,143,971	16,901,948
Capital grants and contributions	10,312,478	3,975,726	3,774,958	4,230,097	13,366,847	6,218,700	2,319,135	41,057,302	11,428,686	28,172,899
Total business-type activities program revenues	68,850,502	63,578,199	65,063,733	65,686,650	78,706,921	75,933,442	73,442,234	116,298,507	86,748,909	131,304,726
Total primary government program revenues	\$ 167,807,850	\$ 169,335,489	\$ 183,165,598	\$ 192,068,460	\$ 260,700,193	\$ 204,761,130	\$ 207,464,303	\$ 306,961,279	\$ 247,578,875	\$ 304,501,219
NET (EXPENSE) REVENUE										
Governmental activities	\$ (34,748,812)	\$ (56,394,877)	\$ (55,199,931)	\$ (84,429,269)	\$ (52,247,003)	\$ (77,217,047)	\$ (74,287,834)	\$ (16,022,456)	\$ (65,088,152)	\$ (56,030,345)
Business-type activities	15,414,612	4,876,511	5,978,906	4,279,119	14,765,880	7,294,985	(2,708,713)	32,065,525	1,129,756	27,464,499
Total primary government net expense	\$ (19,334,200)	\$ (51,518,366)	\$ (49,221,025)	\$ (80,150,150)	\$ (37,481,123)	\$ (69,922,062)	\$ (76,996,547)	\$ 16,043,069	\$ (63,958,396)	\$ (28,565,846)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	\$ 20,979,784	\$ 21,988,667	\$ 22,618,520	\$ 24,076,015	\$ 26,065,359	\$ 28,283,311	\$ 29,435,063	\$ 31,360,332	\$ 31,722,101	\$ 34,242,887
Sales taxes	39,471,099	47,107,737	48,336,282	50,988,474	51,109,289	47,653,443	48,185,965	51,732,825	49,146,842	63,840,808
Gross business receipts taxes	4,360,497	4,789,001	5,177,263	4,943,429	4,839,170	5,108,969	5,264,571	5,074,870	4,920,360	5,401,665
Lodging taxes	2,152,130	2,310,646	2,556,722	2,408,710	2,339,795	2,286,414	2,300,096	2,353,102	1,268,373	2,295,974
Other taxes	2,586,200	2,907,258	2,953,800	1,874,754	1,762,599	1,737,382	1,713,618	1,772,002	1,563,737	1,686,063
Unrestricted intergovernmental	8,188,288	8,404,341	9,446,998	8,778,310	6,112,343	5,768,743	6,741,796	7,258,781	6,365,987	7,708,324
Unrestricted investment earnings	2,267,527	2,677,208	3,141,709	2,722,190	3,786,334	5,219,212	5,942,482	7,852,248	6,138,825	2,155,149
Miscellaneous	262,848	855,955	205,642	699,233	245,370	2,048,000	415,705	463,526	1,483,134	9,039,654
Transfers	(14,234,080)	(16,294,658)	(23,562,793)	(48,659,781)	(52,778,426)	(57,845,373)	63,983,425	3,835,415	1,359,156	(23,718,568)
Total governmental activities	66,034,293	74,746,155	70,874,143	47,831,334	43,481,833	40,260,101	163,982,721	111,703,101	103,968,515	102,651,956
Business-type activities:										
Property taxes	637,860	664,036	692,977	744,009	840,443	941,291	1,009,429	1,065,589	1,159,827	1,248,941
Unrestricted investment earnings	4,566,253	5,597,897	2,715,512	407,886	3,842,990	5,539,034	(1,874,911)	8,139,904	5,225,915	5,238,431
Miscellaneous	1,536,024	1,581,978	1,197,304	1,270,719	2,092,868	1,113,603	1,730,758	1,250,780	2,504,945	1,435,412
Transfers	14,234,080	16,294,658	23,562,793	48,659,781	52,778,426	57,845,373	(63,983,425)	(3,835,415)	(1,359,156)	23,718,568
Total business-type activities	20,974,217	24,138,569	28,168,586	51,082,395	59,554,727	65,439,301	(63,118,149)	6,620,858	7,531,531	31,641,352
Total primary government	\$ 87,008,510	\$ 98,884,724	\$ 99,042,729	\$ 98,913,729	\$ 103,036,560	\$ 105,699,402	\$ 100,864,572	\$ 118,323,959	\$ 111,500,046	\$ 134,293,308
CHANGE IN NET POSITION										
Governmental activities	\$ 31,285,481	\$ 18,351,278	\$ 15,674,212	\$ (36,597,935)	\$ (8,765,170)	\$ (36,956,946)	\$ 89,694,887	\$ 95,680,645	\$ 38,880,363	\$ 46,621,611
Business-type activities	36,388,829	29,015,080	34,147,492	55,361,514	74,320,607	72,734,286	(65,826,862)	38,686,383	8,661,287	59,105,851
Total primary government	\$ 67,674,310	\$ 47,366,358	\$ 49,821,704	\$ 18,763,579	\$ 65,555,437	\$ 35,777,340	\$ 23,868,025	\$ 134,367,028	\$ 47,541,650	\$ 105,727,462

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nondisposable	\$ 2,396,008	\$ 3,193,345	\$ 3,077,850	\$ 3,458,674	\$ 3,407,591	\$ 3,639,923	\$ 4,080,149	\$ 3,254,912	\$ 4,562,747	\$ 3,787,630
Restricted	2,099,862	1,408,205	2,933,454	2,724,557	2,913,219	3,170,287	3,054,111	3,299,447	5,515,852	5,423,514
Committed	3,276,615	3,311,267	3,273,816	3,255,360	2,581,150	1,405,918	1,000,016	1,000,016	1,000,015	1,000,015
Assigned	1,634,896	1,542,711	2,063,907	696,286	1,639,608	1,531,414	542,423	598,370	234,832	1,079,780
Unassigned	23,280,959	22,428,922	25,881,011	29,041,175	28,854,936	28,099,032	26,862,322	25,531,980	34,629,546	27,144,995
Total general fund	<u>\$ 32,688,340</u>	<u>\$ 31,884,450</u>	<u>\$ 37,230,038</u>	<u>\$ 39,176,052</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>
All other governmental funds										
Nondisposable	\$ 988,582	\$ 1,309,969	\$ 191,946	\$ 164,444	\$ 34,352	\$ 26,858	\$ 25,926	\$ 22,384	\$ 767,462	\$ 96,618
Restricted	105,663,729	105,306,381	134,026,444	180,217,679	155,484,797	83,337,552	76,935,852	97,388,036	195,339,825	170,181,200
Unassigned	(34,364,189)	(11,865,327)	281,528	(1,233,295)	(1,508,396)	(12,693,722)	(2,567,558)	(1,457,368)	(8,968,773)	(1,308,784)
Total all other governmental funds	<u>\$ 72,288,122</u>	<u>\$ 94,751,023</u>	<u>\$ 134,499,918</u>	<u>\$ 179,148,828</u>	<u>\$ 154,010,753</u>	<u>\$ 70,670,688</u>	<u>\$ 74,394,220</u>	<u>\$ 95,953,052</u>	<u>\$ 187,138,514</u>	<u>\$ 168,969,034</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 69,609,843	\$ 79,112,438	\$ 81,677,930	\$ 84,314,320	\$ 86,124,681	\$ 85,022,900	\$ 86,748,354	\$ 92,278,548	\$ 88,698,627	\$ 107,554,930
Special assessments	28,443,896	28,217,162	33,035,969	26,817,909	37,005,479	38,133,231	38,646,930	43,926,433	48,726,546	54,980,777
Licenses and permits	3,195,162	3,672,166	7,224,633	4,990,708	4,832,453	4,628,182	5,198,720	4,493,214	5,737,598	6,055,986
Intergovernmental revenues	46,724,100	47,217,292	48,117,275	57,016,153	62,477,689	31,049,211	48,717,857	49,907,681	76,296,854	111,814,176
Charges for services	16,451,021	18,309,587	20,670,015	22,189,233	23,956,424	18,926,090	19,298,417	17,989,560	16,295,423	15,757,005
Fines and forfeits	2,809,790	2,615,896	2,309,818	2,460,352	2,341,248	2,191,577	2,172,109	1,950,589	1,662,365	1,737,919
Investment income	2,267,491	2,677,209	3,141,709	2,722,189	3,786,337	5,219,212	5,942,482	7,852,247	6,138,828	2,155,150
Miscellaneous revenues	1,800,660	2,306,385	1,773,931	1,721,220	2,104,307	3,641,141	3,160,450	2,285,814	2,345,312	12,224,206
Total revenues	171,301,963	184,128,135	197,951,280	202,232,084	222,628,618	188,811,544	209,885,319	220,684,086	245,901,553	312,280,149
EXPENDITURES										
Current:										
General government	12,927,891	13,369,708	14,737,626	15,246,262	16,407,262	16,856,505	17,703,650	19,366,846	20,270,944	20,524,873
Public safety	28,662,756	31,456,126	33,369,095	33,451,426	36,082,072	36,998,027	37,747,717	39,058,816	41,617,827	43,750,709
Public works	32,735,925	58,425,075	63,871,726	92,616,311	111,640,200	76,318,240	72,031,169	69,421,244	73,333,640	73,502,413
Public health & welfare	8,991,350	9,600,626	9,772,583	10,995,285	10,848,965	11,579,236	11,416,597	11,660,635	17,845,112	17,008,134
Recreation & culture	6,296,540	6,759,915	7,487,173	7,260,040	7,579,386	7,675,423	8,205,305	8,520,434	7,203,951	8,113,958
Urban redevelopment	2,197,434	1,229,670	2,475,041	2,043,111	1,784,835	4,606,638	1,438,043	1,293,763	1,621,118	2,407,756
Public transportation	6,949,410	7,699,061	7,790,355	8,032,340	7,996,823	8,295,435	9,636,184	10,542,775	10,314,110	1,471,837
Economic Development	-	-	-	-	-	-	-	-	100,000	501,956
General support	1,200,633	1,214,200	1,002,608	1,200,135	1,057,122	1,151,575	1,192,789	1,069,637	1,228,890	1,380,060
Capital outlay	54,920,932	65,404,888	79,884,239	91,605,305	121,451,027	125,327,223	81,234,761	78,807,560	69,742,369	73,804,992
Debt service										
Principal	30,418,791	27,353,897	46,567,553	22,888,927	99,578,791	115,922,066	44,419,181	28,786,345	34,571,644	121,616,276
Interest and fiscal charges	16,756,119	17,469,622	19,319,856	20,075,289	22,049,844	24,847,595	24,957,276	25,168,282	26,399,498	31,733,985
Total expenditures	202,057,781	239,982,788	286,277,855	305,414,431	436,476,327	429,577,963	309,982,672	293,696,337	304,249,103	395,816,949
Excess of revenues over (under) expenditures	(30,755,818)	(55,854,653)	(88,326,575)	(103,182,347)	(213,847,709)	(240,766,419)	(100,097,353)	(73,012,251)	(58,347,550)	(83,536,800)
OTHER FINANCING SOURCES (USES)										
Transfers in	46,061,220	48,232,207	50,428,758	33,963,296	27,850,260	27,716,989	39,711,889	40,399,483	41,539,919	41,361,158
Transfers out	(38,384,136)	(36,515,024)	(40,841,318)	(27,934,670)	(14,081,833)	(15,134,537)	(16,519,651)	(18,347,905)	(17,733,637)	(29,052,595)
Lease proceeds	25,845	-	-	-	-	-	-	-	-	-
Loans issued	2,750,577	3,777,275	9,286,885	59,753,882	73,448,663	90,656,881	16,917,260	16,637,168	540,246	4,171,143
Bonds issued	34,180,000	68,080,000	153,152,000	78,480,000	94,870,000	49,865,000	60,280,000	51,200,000	132,105,000	37,310,000
Bond premium	2,500,244	4,634,206	13,463,660	5,350,307	6,842,996	2,729,391	1,085,502	2,569,041	5,069,001	3,841,856
Other financing uses - payment to bond escrow agent	-	-	(14,420,000)	-	-	-	-	-	-	-
Other financing uses - debt service - principal	(8,080,000)	(10,695,000)	(39,290,000)	-	-	-	-	-	-	-
Capital lease	-	-	244,935	164,456	-	42,700	38,332	259,000	270,750	228,700
Total other financing sources (uses)	39,053,750	77,513,664	132,024,920	149,777,271	188,930,086	155,876,424	101,513,332	92,716,787	161,791,279	57,860,262
Net change in fund balances	\$ 8,297,932	\$ 21,659,011	\$ 43,698,345	\$ 46,594,924	\$ (24,917,623)	\$ (84,889,995)	\$ 1,415,979	\$ 19,704,536	\$ 103,443,729	\$ (25,676,538)
Debt service as a percentage of noncapital expenditures	32.1%	25.7%	31.9%	20.1%	38.6%	46.3%	30.3%	25.1%	26.0%	47.6%

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function/Programs										
Governmental Activities:										
General government	\$ 3,584,780	\$ 3,727,768	\$ 4,572,894	\$ 3,396,977	\$ 3,388,698	\$ 3,383,996	\$ 3,791,309	\$ 3,474,653	\$ 3,674,162	\$ 4,389,983
Public safety	7,521,154	6,467,611	9,015,911	7,073,142	7,587,684	7,351,510	7,061,916	6,240,611	23,818,438	7,839,261
Public works	73,015,009	78,027,652	87,673,073	97,619,054	153,229,840	100,569,567	103,639,312	162,464,447	103,469,103	143,166,748
Public health & welfare	5,590,433	6,090,635	6,403,493	6,677,501	6,664,336	6,968,921	6,747,855	7,063,507	14,671,639	13,283,578
Recreation & culture	885,669	909,441	1,421,032	644,517	836,724	700,382	843,185	652,854	428,365	374,999
Urban redevelopment	1,676,716	1,056,476	1,448,840	1,847,404	1,542,512	1,772,556	1,220,520	1,117,960	1,542,039	2,136,166
Transportation	6,683,587	9,477,706	7,566,621	9,123,215	8,743,478	8,080,756	10,717,972	9,648,740	13,226,220	2,005,758
Total governmental activities	98,957,348	105,757,289	118,101,864	126,381,810	181,993,272	128,827,688	134,022,069	190,662,772	160,829,966	173,196,493
Business-type activities:										
Municipal airport authority	17,004,234	11,471,963	12,391,585	12,764,183	21,662,496	14,787,035	11,465,172	11,444,202	21,961,182	22,779,169
Water	19,828,733	19,051,936	18,311,211	19,134,802	21,779,615	23,706,110	24,051,031	23,964,846	24,036,459	26,133,589
Wastewater	10,905,355	11,046,790	10,176,950	10,328,605	10,526,541	10,714,193	10,961,261	15,316,392	12,266,270	14,492,331
Storm sewer	1,528,614	1,558,515	1,582,079	1,602,497	1,634,581	1,663,088	1,690,018	37,148,343	3,032,860	3,801,017
Solid waste	10,724,500	11,181,542	12,310,654	11,850,605	12,505,301	14,920,074	14,975,672	15,213,314	17,156,780	17,043,834
FargoDome	5,161,637	5,447,421	6,442,044	6,069,576	6,578,942	5,792,841	5,773,223	6,481,080	1,909,271	11,068,002
Southeast Cass	64,064	88,414	55,593	41,399	28,554	32,224	38,588	43,652	58,998	185,600
Vector control	631,774	646,742	660,007	678,189	697,221	716,353	727,430	739,646	748,016	756,459
Street lighting	1,642,346	1,669,511	1,696,469	1,753,908	1,812,382	1,877,197	1,986,450	3,869,189	3,514,060	3,590,139
Forestry	1,359,245	1,385,365	1,437,141	1,462,886	1,481,288	1,724,327	1,773,389	2,077,843	2,065,013	2,357,032
Transit	-	-	-	-	-	-	-	-	-	25,131,990
Civic	-	-	-	-	-	-	-	-	-	3,965,564
Total business-type activities	68,850,502	63,548,199	65,063,733	65,686,650	78,706,921	75,933,442	73,442,234	116,298,507	86,748,909	131,304,726
Total	\$ 167,807,850	\$ 169,305,488	\$ 183,165,597	\$ 192,068,460	\$ 260,700,193	\$ 204,761,130	\$ 207,464,303	\$ 306,961,279	\$ 247,578,875	\$ 304,501,219

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

Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other	Totals
2021	\$ 34,340,421	\$ 5,401,665	\$ 63,840,808	\$ 2,295,974	\$ 1,676,062	\$ 107,554,930
2020	31,799,316	4,920,360	49,146,842	1,268,373	1,563,737	88,698,628
2019	31,345,749	5,074,870	51,732,825	2,353,102	1,772,002	92,278,548
2018	29,284,104	5,264,571	48,185,965	2,300,096	1,713,618	86,748,354
2017	28,236,693	5,108,969	47,653,443	2,286,413	1,737,382	85,022,900
2016	26,073,828	4,839,170	51,109,289	2,339,795	1,762,599	86,124,681
2015	24,098,953	4,943,429	50,988,474	2,408,710	1,874,754	84,314,320
2014	22,653,864	5,177,263	48,336,282	2,556,722	2,953,800	81,677,931
2013	21,997,795	4,789,001	47,107,737	2,310,646	2,907,259	79,112,438
2012	21,039,916	4,360,497	39,471,099	2,152,130	2,586,201	69,609,843

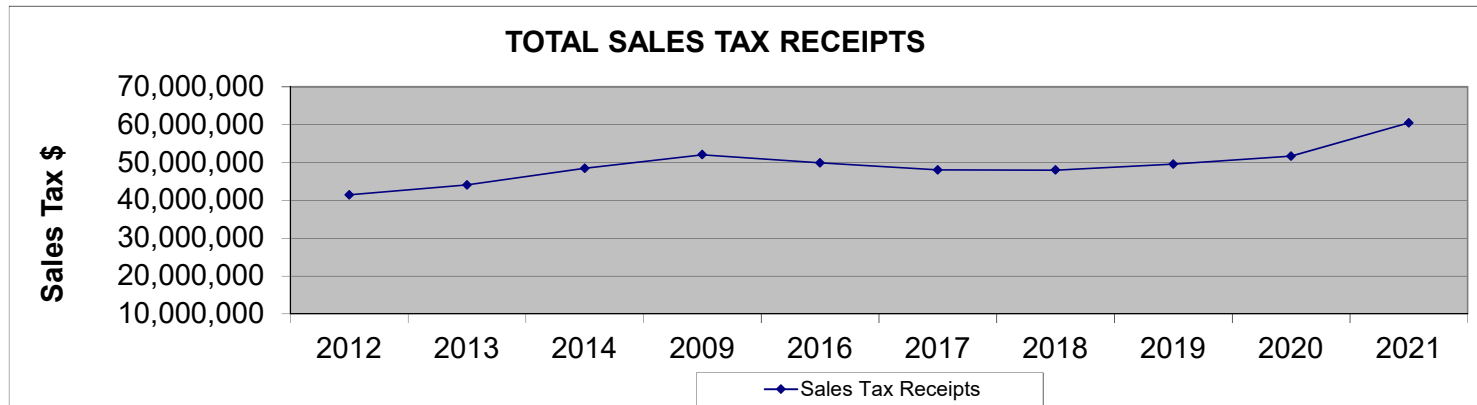
Note: The Other category includes the following revenues; Telephone tax, homestead credit, veteran's tax, cigarette tax, fire premium tax gaming tax, and PILOT revenue.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Allocation of Receipts:										
Infrastructure (1)	\$ 15,046,337	\$ 10,806,389	\$ 11,528,271	\$ 13,018,973	\$ 12,481,805	\$ 6,008,839	\$ 6,004,775	\$ 6,202,932	\$ 6,465,123	\$ 7,557,091
Public Utility (1)	15,047,541	13,102,714	13,313,638	13,018,973	12,481,804	12,017,677	12,009,551	12,405,863	12,930,246	15,114,183
Flood Control (1)(2)(3)	11,368,486	20,202,834	23,651,664	26,037,946	24,963,610	30,044,193	30,023,876	31,014,659	32,325,614	37,785,457
Total Sales Tax Receipts	\$ 41,462,364	\$ 44,111,937	\$ 48,493,573	\$ 52,075,892	\$ 49,927,219	\$ 48,070,709	\$ 48,038,202	\$ 49,623,454	\$ 51,720,983	\$ 60,456,731

Receipts are shown net of state administrative fee.

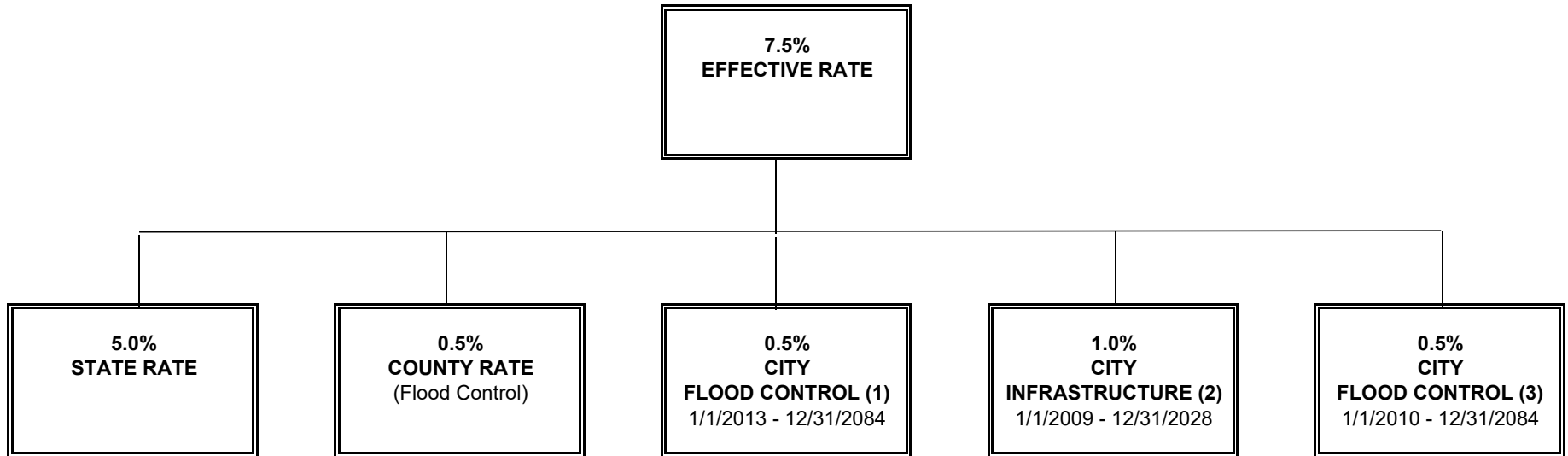
- (1) Beginning in 2009 a 1 cent sales tax was authorized through December 2028 for infrastructure capital improvement funding related primarily to an approved utility infrastructure master plan
- (2) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2084 for flood risk protection, 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.



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

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

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



- (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
(UNAUDITED)

Fiscal Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percent change from 2012 to 2021
Construction	\$ 102,562	\$ 121,777	\$ 119,922	\$ 118,725	\$ 105,475	\$ 85,077	\$ 80,788	\$ 87,293	\$ 89,940	\$ 88,529	-15.85%
Manufacturing	176,696	154,645	189,713	179,881	160,397	138,143	156,593	156,024	157,105	170,655	-3.54%
Wholesale Trade	518,411	527,446	546,741	479,306	408,786	382,305	352,940	353,018	349,572	415,081	-24.89%
Retail Trade	1,225,611	1,251,316	1,264,918	1,271,354	1,237,373	1,196,038	1,207,261	1,187,251	1,180,813	1,336,816	8.32%
Transportation and Warehousing	2,868	3,166	4,185	3,566	3,703	4,810	5,274	6,272	4,954	4,964	42.22%
Information Industries	17,664	17,080	19,702	20,529	20,235	20,406	21,883	20,194	13,852	17,594	-0.40%
Finc, Ins. Real Estate, Rental & Leasing	87,578	93,327	100,771	93,348	72,262	65,304	62,741	64,465	50,776	74,442	-17.65%
Professional, Scientific, Tech., & Mgmt Serv.	26,893	24,260	24,027	21,936	19,953	19,323	20,868	20,652	18,597	21,141	-27.21%
Educational, Health Care, and Social Serv.	33,254	29,370	26,464	37,643	37,380	32,342	33,584	81,241	80,434	125,646	73.53%
Arts, Entertainment & Recreation	21,060	24,760	27,254	27,308	32,026	27,299	30,644	33,995	14,199	22,006	4.30%
Accommodation & Food Services	371,266	379,938	409,666	419,240	416,835	410,254	417,610	426,718	328,611	440,764	15.77%
Other Services	44,282	50,751	50,272	46,657	46,427	41,304	42,896	38,572	37,341	44,241	-0.09%
Miscellaneous	11,952	13,061	14,190	19,267	17,753	16,750	16,060	16,284	17,844	17,140	30.27%
Total	\$ 2,640,097	\$ 2,690,897	\$ 2,797,825	\$ 2,738,760	\$ 2,578,605	\$ 2,439,355	\$ 2,449,142	\$ 2,491,979	\$ 2,344,038	\$ 2,779,019	5.00%

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
(UNAUDITED)

Fiscal Year	Residential	Agriculture	Commercial	Railroad	Other Utilities	Less: Incremental Value	Estimated (True & Full) Market Value	Assessed Value (1)	Taxable Value (2)	Total Direct Tax Rate
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	(294,755,526)	10,298,300,686	\$ 5,149,150,343	489,481,255	53.00
2015	4,640,747,077	3,005,900	4,703,499,495	6,088,160	96,224,260	(252,550,425)	9,197,014,467	\$ 4,598,507,234	436,837,979	55.00
2014	4,235,747,016	3,655,120	4,066,383,200	5,823,820	84,829,680	(235,985,692)	8,160,453,144	\$ 4,080,226,572	387,008,093	57.25
2013	4,012,709,775	3,265,100	3,666,459,320	5,664,700	77,865,780	(161,713,089)	7,604,251,586	\$ 3,802,125,793	360,271,576	57.25
2012	3,905,833,955	3,105,400	3,467,182,570	4,553,780	75,715,960	(132,482,929)	7,323,908,736	\$ 3,661,954,368	346,750,408	58.25

(1) Assessed value is 50% of market value

(2) Taxable Value is determined as follows:

Commercial property - 10% of assessed value

Agricultural property - 10% of assessed value

Residential property - 9% of assessed value

Source: County Auditors Office

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

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

MILL LEVY RATES *

Levy Year	Collect Year	CITY OF FARGO					OTHER TAXING ENTITIES								TOTALS BY SCHOOL DISTRICT		
		General Revenue	Airport	City Share of Special Assessments **	Special Levies	Total City of Fargo Mills	School District #1	School District #2	School District #6	Park District	Cass County	State	Soil Conservation District	Flood Control	School District #1	School District #2	School District #6
2021	2022	49.90	2.00	1.10	-	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	-	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	-	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	-	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	-	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	-	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	-	55.00	166.35	126.88	139.71	29.52	58.32	1.00	0.63	6.50	317.32	277.85	290.68
2014	2015	54.15	2.00	1.00	0.10	57.25	165.35	133.05	142.20	30.71	63.67	1.00	0.44	7.00	325.42	293.12	302.27
2013	2014	54.15	2.00	1.00	0.10	57.25	165.35	137.51	142.20	30.74	63.67	1.00	0.70	7.00	325.71	297.87	302.56
2012	2013	55.15	2.00	1.00	0.10	58.25	219.28	179.22	192.20	31.25	64.60	1.00	0.68	7.00	382.06	342.00	354.98

* 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
2021 AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2021			2012		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
Sterling Properties (formerly INREIT)	\$ 206,680,000	1	3.00	\$ 62,773,150	1	1.71
Sanford	175,576,800	2	2.55	31,921,500	3	0.87
West Acres Development Company	120,486,400	3	1.75	46,182,250	2	1.26
Dakota UPREIT	112,930,700	4	1.64	-	-	-
Comstock Land Company	77,413,000	5	1.12	-	-	-
Great Plains Software	75,522,900	6	1.10	-	-	-
Matrix Properties	62,996,300	7	0.91	25,801,100	4	0.70
Innovis Health	56,733,400	8	0.82	16,731,750	8	0.46
R & B Development	51,974,800	9	0.75	20,477,000	6	0.56
Van Raden/RCV Ltd Partnership	48,390,900	10	0.70	16,526,450	9	0.45
Osgood Investments	-	-	-	21,484,550	5	0.59
Wal-Mart Real Estate	-	-	-	18,800,550	7	0.51
JPR Investments	-	-	-	15,911,650	10	0.43
Total attributable to top taxpayers	988,705,200		14.36	276,609,950		7.54
Total of all other properties	5,898,543,334		85.64	3,385,344,418		92.46
	<u>\$ 6,887,248,534</u>		<u>100.00</u>	<u>\$ 3,661,954,368</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
(UNAUDITED)**

Fiscal Year	Taxes levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$	36,320,566	\$ 5,092,586	14.02%	\$ -	\$ 5,092,586	14.02%
2020		35,482,579	7,950,141	22.41%	25,440,957	33,391,098	94.11%
2019		33,765,795	3,903,997	11.56%	28,273,448	32,177,445	95.30%
2018		33,447,420	7,630,249	22.81%	25,373,381	33,003,630	98.67%
2017		31,586,925	9,132,902	28.91%	21,009,037	30,141,939	95.43%
2016		30,267,785	7,104,488	23.47%	21,877,178	28,981,666	95.75%
2015		28,012,985	7,034,130	25.11%	19,815,987	26,850,117	95.85%
2014		26,036,427	5,892,963	22.63%	18,960,421	24,853,384	95.46%
2013		23,964,157	4,924,969	20.55%	17,998,400	22,923,369	95.66%
2012		23,439,045	6,631,277	28.29%	15,862,925	22,494,202	95.97%

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:

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

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
(UNAUDITED)**

Fiscal Year	Delinquent Taxes Collections	Total Collections	Collections as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2021	\$ 1,271,884	\$ 5,092,586	14.02%	\$ 335,921	0.92%
2020	353,639	33,391,098	94.11%	402,336	1.13%
2019	323,756	32,177,445	95.30%	507,466	1.50%
2018	199,534	33,003,630	98.67%	461,929	1.38%
2017	133,236	30,141,939	95.43%	282,259	0.89%
2016	178,552	28,981,666	95.75%	245,133	0.81%
2015	203,665	26,850,117	95.85%	244,633	0.87%
2014	205,187	24,853,384	95.46%	287,782	1.11%
2013	216,366	22,923,369	95.66%	300,177	1.25%
2012	267,098	22,494,202	95.97%	319,323	1.36%

Source: County Auditors Office

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

Fiscal Year	Specials levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Specials
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2021	\$	38,099,705	\$ 3,884,783	10.20%	\$ -	\$ 3,884,783	10.20%	\$ -
2020		37,809,484	7,299,483	19.31%	29,662,861	36,962,344	97.76%	693,313
2019		35,934,663	2,862,551	7.97%	32,531,502	35,394,053	98.50%	221,973
2018		34,362,056	6,575,340	19.14%	27,688,279	34,263,619	99.71%	-
2017		32,166,352	8,072,103	25.09%	24,009,553	32,081,656	99.74%	-
2016		29,347,696	6,583,191	22.43%	22,752,771	29,335,962	99.96%	-
2015		25,074,877	6,096,259	24.31%	18,976,808	25,073,067	99.99%	-
2014		25,147,316	5,779,384	22.98%	18,484,299	24,263,683	96.49%	-
2013		22,649,269	3,757,745	16.59%	18,785,355	22,543,100	99.53%	-
2012		21,063,661	4,850,681	23.03%	15,980,752	20,831,433	98.90%	-

Source: County Auditors Office

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

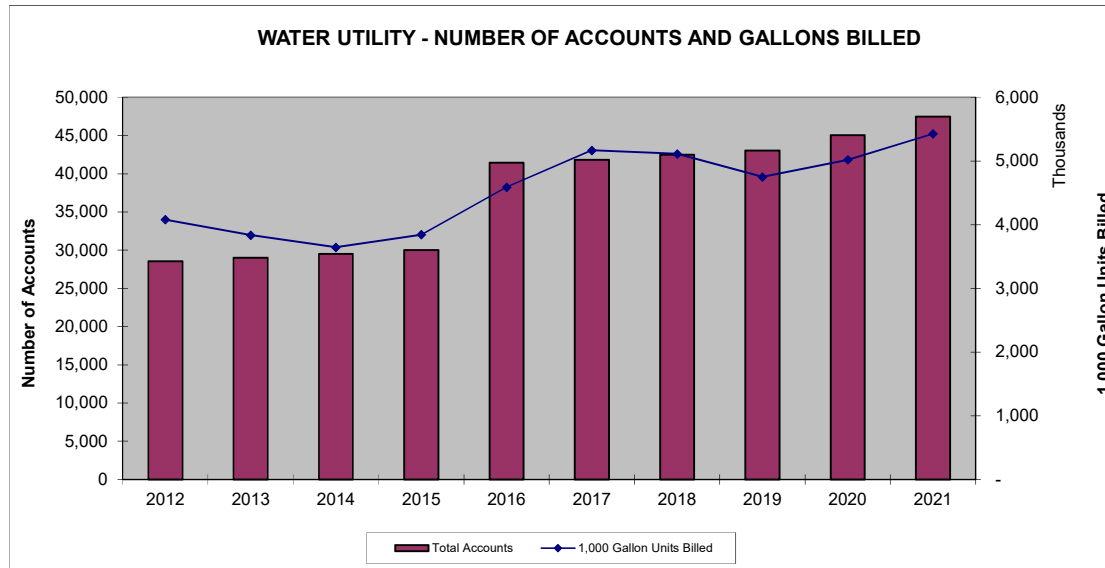
Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2021	379	\$ 115,677,974	78	\$ 250,440,874	6	\$ 63,930,000	1,684	\$ 333,294,978	2,147	\$ 763,343,826
2020	386	108,333,733	64	136,734,323	15	110,395,603	1,682	364,787,533	2,147	720,251,192
2019	268	68,393,961	53	86,207,856	2	1,940,000	1,704	224,673,878	2,027	381,215,695
2018	278	73,167,154	63	119,031,408	26	92,097,292	1,764	230,802,890	2,131	515,098,744
2017	318	79,983,547	61	106,436,485	14	68,378,598	2,121	220,015,776	2,514	474,814,406
2016	369	103,364,854	61	82,030,623	29	77,798,646	2,084	230,596,081	2,543	493,790,204
2015	366	90,050,759	82	60,341,584	27	76,040,603	1,985	274,312,784	2,460	500,745,730
2014	312	75,353,306	79	516,998,923	44	148,775,000	1,953	271,008,516	2,388	1,012,135,745
2013	411	82,346,838	64	76,140,336	29	84,674,999	1,887	134,605,425	2,391	377,767,598
2012	306	59,679,260	54	65,903,210	23	52,561,747	1,925	114,491,655	2,308	292,635,872

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
(UNAUDITED)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential Customers (1,000 Gallon Units)	1,456,310	1,323,864	1,178,140	1,239,102	1,292,389	1,343,577	1,352,441	1,144,070	1,255,648	1,408,963
Commercial Customers (1,000 Gallon Units)	2,624,512	2,511,811	2,468,018	2,604,483	2,678,618	2,860,390	2,754,660	2,675,536	2,701,537	2,751,088
Other Communities (1,000 Gallon Units)	-	-	-	-	619,527	963,249	1,005,826	931,971	1,061,659	1,268,986
Total 1,000 Gallon Units	4,080,822	3,835,675	3,646,158	3,843,585	4,590,534	5,167,216	5,112,927	4,751,577	5,018,844	5,429,037
Total Number of Accounts	28,539	29,027	29,525	30,001	41,449	41,804	42,478	43,030	45,054	47,463



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, 2021
(UNAUDITED)**

Customer	1,000 Gallon Units
City of West Fargo (1)	1,268,986
Cass Rural Water	361,660
Goldmark	221,761
North Dakota State Univeristy	153,804
Sanford Health	107,979
Valley Rental	70,909
BMI	48,192
Cass Clay Creamery	46,505
Campbell Property Management	31,596
Hegenes Management	29,331
William Block	25,166
Fargo Housing Authority	22,358
Edge of Osgood	20,424
Innovis Health	20,158
Ameripride	19,330
Total Attributable to Major Customers	<u>2,448,159</u>
Total Billed Consumption	<u>5,429,037</u>
Percentage Attributable to Major Customers	<u>45.1%</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
(UNAUDITED)**

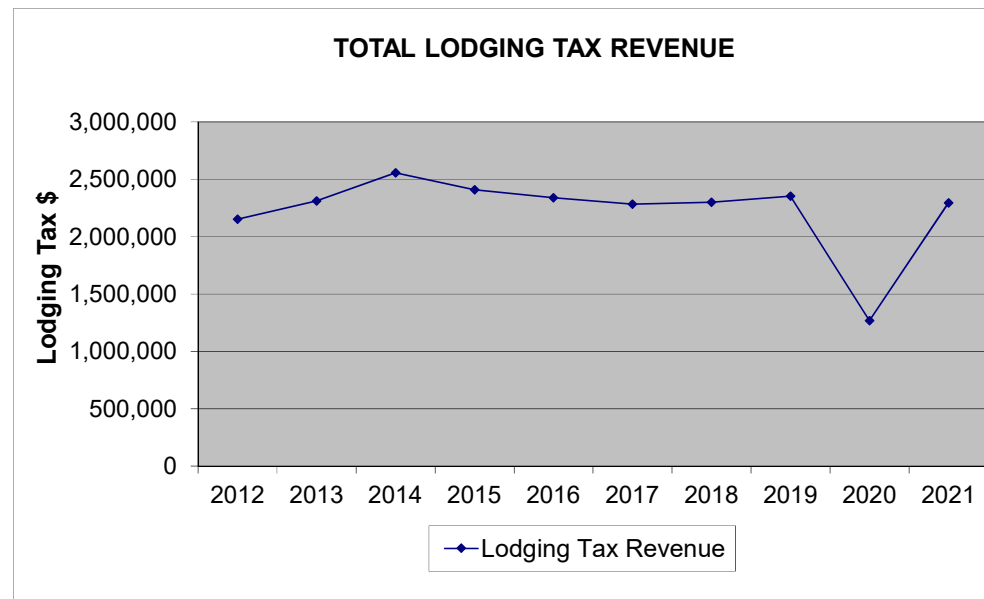
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water (\$ per 1,000 gallons)										
First 200,000 Gallons	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.40	\$ 4.40	\$ 4.40	\$ 4.40
200,000 Gallons to 2,000,000 Gallons	4.00	4.00	4.00	4.00	4.00	4.00	4.15	4.15	4.15	4.15
Over 2,000,000 Gallons	3.65	3.65	3.65	3.65	3.65	3.65	3.75	3.75	3.75	3.75
Waste Water										
Residential (fixed rate)	19.00	19.00	16.00	16.00	16.00	16.00	16.50	16.50	16.50	19.00
Commercial (per 1000 gallons)	2.05	2.05	2.05	2.05	2.05	2.05	2.10	2.10	2.10	2.20
Garbage										
Small (48-gallon)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Medium (65-gallon)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Large (96-gallon)	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Recycling	N/A	N/A	N/A	N/A	N/A	3.00	3.00	3.00	4.00	4.00
Storm Sewer										
Residential	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Commercial	15.00	15.00	15.00	15.00	15.00	15.00	15.00	8.00	8.00	8.00
Forestry	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.48
Mosquito	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Street Lights										
Residential	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.50	3.50	3.50
Commercial	8.00	8.00	8.00	8.00	8.00	8.00	8.00	16.00	16.00	16.00

Source: City Auditor's Office

**CITY OF FARGO, NORTH DAKOTA
LODGING TAX REVENUE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Lodging Tax Revenue -
2% Operating
1% Capital
Total

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	\$ 1,434,821	\$ 1,540,920	\$ 1,705,336	\$ 1,606,176	\$ 1,559,922	\$ 1,522,443	\$ 1,533,398	\$ 1,568,735	\$ 845,582	\$ 1,530,649
	717,309	769,726	851,386	802,535	779,872	761,222	766,699	784,367	422,791	765,325
	\$ 2,152,130	\$ 2,310,646	\$ 2,556,722	\$ 2,408,711	\$ 2,339,794	\$ 2,283,665	\$ 2,300,097	\$ 2,353,102	\$ 1,268,373	\$ 2,295,974



Source: City Auditors Office

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

Fiscal Year	Governmental Activities								Business-Type Activities					Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Special Assessment Bonds	Other General Obligation Debt	Gross Revenue Debt	Sales Tax Bonds	Taxable Annual Appropriation	Notes Payable	Capital Leases	Unamortized Premium	Revenue Bonds	Notes Payable	Special Assessments	Capital Leases	Unamortized Premium			
2021	\$ 526,910,000	\$ 30,750,000	\$ -	\$ 58,226,000	\$ 28,395,000	\$ 71,544,920	\$ 456,740	\$35,600,959	\$ 6,752,348	\$ 180,494,385	\$ 10,358,902	\$ 2,512,254	\$ -	952,001,508	n/a	7,444
2020	549,200,000	32,405,000	-	62,039,000	28,840,000	123,321,973	383,120	34,292,608	7,777,149	146,454,330	10,794,379	2,046,863	-	997,554,422	6.90%	7,918
2019	450,485,000	33,995,000	-	65,696,000	17,315,000	130,127,690	226,051	31,255,233	8,778,931	127,700,446	10,849,169	2,017,877	-	878,446,397	6.50%	7,047
2018	418,055,000	35,515,000	-	69,215,000	17,315,000	118,260,400	174,518	30,589,507	9,762,743	100,101,771	14,215,945	1,638,398	-	814,843,282	6.30%	6,527
2017	409,335,000	36,980,000	-	72,609,000	-	179,727,693	221,267	31,341,672	10,728,632	3,309,253	12,689,133	1,550,898	-	758,492,548	6.20%	6,199
2016	415,715,000	37,910,000	-	75,889,000	-	144,462,044	254,398	30,814,050	7,258,473	3,900,000	8,269,708	3,379,814	-	727,852,487	6.07%	6,027
2015	386,760,000	12,390,000	-	79,063,000	-	126,954,821	322,749	25,609,116	11,258,659	2,700,000	6,727,823	4,625,543	-	656,411,711	5.62%	5,538
2014	332,360,000	2,285,000	-	82,142,000	-	72,962,978	231,179	21,522,490	16,785,000	7,993,000	6,916,821	4,848,864	452,028	548,499,360	4.91%	4,734
2013	299,160,000	2,400,000	100,036	57,040,000	-	68,709,176	165,679	9,115,418	20,595,000	5,754,000	6,599,787	5,944,453	601,743	476,185,292	4.53%	4,249
2012	304,920,000	2,515,000	4,957,727	11,245,000	-	69,923,438	205,352	5,043,589	24,230,000	6,495,000	5,501,788	6,822,916	751,458	442,611,268	4.41%	4,032

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

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

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

Fiscal Year	General Bonded Debt Outstanding			Percentage of Market Value of Property	Per Capita (1)
	Other General Obligation Debt	Gross Revenue Debt	Total		
2021	\$ 30,750,000	\$ -	\$ 30,750,000	0.22%	\$ 240
2020	32,405,000	-	32,405,000	0.25%	257
2019	33,995,000	-	33,995,000	0.27%	273
2018	35,515,000	-	35,515,000	0.30%	284
2017	36,980,000	-	36,980,000	0.33%	302
2016	37,910,000	-	37,910,000	0.37%	314
2015	12,390,000	-	12,390,000	0.13%	105
2014	2,285,000	-	2,285,000	0.03%	20
2013	2,400,000	100,036	2,500,036	0.03%	22
2012	2,515,000	4,957,727	7,472,727	0.10%	68

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

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

Fiscal Year	Estimated Population (1)	Assessed Valuation (2)	Gross Bonded Debt	Debt Service Balance Available	Debt payable from Enterprise Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
2021	127,880	\$ 6,887,248,534	\$ 686,634,307	\$ 79,776,298	\$ 6,752,348	\$ 600,105,661	8.71%	\$ 4,693
2020	125,990	6,523,395,985	714,553,757	138,499,891	7,777,149	568,276,717	8.71%	4,510
2019	124,662	6,252,586,604	607,525,164	95,473,525	8,778,931	503,272,708	8.05%	4,037
2018	124,844	5,857,474,962	580,452,250	30,936,317	9,762,743	539,753,190	9.21%	4,323
2017	122,359	5,558,693,511	560,994,304	10,617,978	10,728,632	539,647,694	9.71%	4,410
2016	120,762	5,149,150,343	567,586,523	49,091,269	7,258,473	511,236,781	9.93%	4,233
2015	118,523	4,598,507,234	515,080,775	16,996,377	11,258,659	486,825,739	10.59%	4,107
2014	115,863	4,080,226,572	455,546,518	38,512,874	17,237,028	399,796,616	9.80%	3,451
2013	112,075	3,802,125,793	389,012,197	77,905,850	21,196,743	289,909,604	7.62%	2,587
2012	109,779	3,661,954,368	353,662,774	76,079,741	24,981,458	252,601,575	6.90%	2,301

1) Source - 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
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2021

Market Value of all property (1)	\$ 13,774,497,068
	50%
Assessed valuation	<u>\$ 6,887,248,534</u>
Debt limit (5% of assessed value)	\$ 344,362,427
Debt applicable to limit:	
City's Share of Special Assessments	16,691,497 (2)
Debt Supported Solely by Taxes	30,750,000 (2)
Governmental Lease Obligations	456,740 (2)
Less:	
Debt available in related debt service funds	<u>1,012,840 (2)</u>
Total net debt applicable to limit	<u>48,911,077</u>
Legal debt margin	<u>\$ 295,451,350</u>

	Fiscal Year									
	2012	2013	2014	2015	2016 (3)	2017	2018	2019	2020	2021
Debt limit	\$ 183,097,718	\$ 190,106,290	\$ 204,011,329	\$ 229,925,362	\$ 257,457,517	\$ 277,934,676	\$ 292,873,748	\$ 312,629,330	\$ 326,169,799	\$ 344,362,427
Total net debt applicable to limit	10,613,336	10,762,778	10,949,030	22,174,224	49,759,291	53,840,734	55,309,257	54,440,883	50,219,709	48,911,077
Legal debt margin	<u>\$ 172,484,382</u>	<u>\$ 179,343,512</u>	<u>\$ 193,062,299</u>	<u>\$ 207,751,138</u>	<u>\$ 207,698,226</u>	<u>\$ 224,093,942</u>	<u>\$ 237,564,491</u>	<u>\$ 258,188,447</u>	<u>\$ 275,950,090</u>	<u>\$ 295,451,350</u>
Total net debt applicable to the limit as a percentage of debt limit	6.15%	6.00%	5.67%	10.67%	23.96%	24.03%	23.28%	21.09%	18.20%	16.55%

(1) Source - Cass County Auditor

(2) Source - City Auditors Office

(3) \$26 million GO Bonds issued for construction of new City Hall

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

**CITY OF FARGO, NORTH DAKOTA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2021
(UNAUDITED)**

Taxing Entity	2021 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 655,291,882	\$ 751,883,619	100.00%	\$ 751,883,619
Cass County	1,034,208,806	840,000	63.36%	532,224
Fargo Park District	655,291,882	18,565,000	100.00%	18,565,000
Fargo Public Schools	459,680,762	84,303,626	96.92%	81,707,074
Kindred Public Schools	31,743,010	2,493,316	0.04%	997
West Fargo Public Schools	455,574,386	267,766,881	47.37%	126,841,172
Subtotal overlapping debt		373,968,823		227,646,467
Total Direct and Overlapping Debt		\$ 1,125,852,442		\$ 979,530,086

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

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.

CITY OF FARGO, NORTH DAKOTA
SUMMARY OF DIRECT DEBT AND DEBT RATIOS
AS OF DECEMBER 31, 2021
(UNAUDITED)

<u>Direct Debt as of December 31, 2021</u>	Amount	Per Capita (127,880)	Percent of Market Value \$ (13,774,497,068)
General Obligation Supported by Property Tax	\$ 30,743,692	\$ 240	0.22%
Special Assessment	487,891,495	3,815	3.54%
Revenue	92,892,311	726	0.67%
Leases Payable	2,968,994	23	0.02%
Notes Payable	4,662,918	36	0.03%
Specials Payable	10,358,902	81	0.08%
Overlapping Debt	373,968,823	2,924	2.71%
 Total	 \$ 1,003,487,135	 \$ 7,847	 7.29%

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

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

Fiscal Year	Special Assessment Bonds				
	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest		
2021	\$ 54,980,777	\$ 20,635,000	\$ 17,390,796		1.45
2020	48,726,546	19,455,000	17,770,522		1.31
2019	43,926,433	17,435,000	15,804,696		1.32
2018	38,646,930	15,335,000	15,394,480		1.26
2017	38,133,231	14,250,000	15,703,700		1.27
2016	37,005,479	13,985,000	14,561,616		1.30
2015	26,817,909	13,850,000	13,431,966		0.98
2014	33,035,969	11,810,000	11,159,663		1.44
2013	28,217,162	11,770,000	12,014,553		1.19
2012	28,443,896	11,275,000	12,614,955		1.19

Note: At the end of 2021, there was \$51,024,851.58 in prepaid special assessments that can be used to make debt service payments.
At the end of 2020, there was \$39,553,617 in prepaid special assessments that can be used to make debt service payments.
At the end of 2019, there was \$34,534,157 in prepaid special assessments that can be used to make debt service payments.
At the end of 2018, there was \$30,278,380 in prepaid special assessments that can be used to make debt service payments.
At the end of 2017, there was \$22,850,773 in prepaid special assessments that can be used to make debt service payments.
At the end of 2016, there was \$16,848,334 in prepaid special assessments that can be used to make debt service payments.
At the end of 2015, there was \$25,971,050 in prepaid special assessments that can be used to make debt service payments.
At the end of 2014, there was \$30,263,636 in prepaid special assessments that can be used to make debt service payments.
At the end of 2013, there was \$28,062,003 in prepaid special assessments that can be used to make debt service payments.

Fiscal Year	SRLF Storm Sewer Project Note Payable				
	Special Assessment Collections	Debt Service			Coverage
		Principal	Interest		
2021	\$ -	\$ -	\$ -		-
2020	65,790	110,000	2,750		0.58
2019	69,674	110,000	5,500		0.60
2018	114,402	110,000	8,250		0.97
2017	117,211	105,000	10,875		1.01
2016	131,218	105,000	13,500		1.11
2015	113,343	100,000	16,000		0.98
2014	77,574	100,000	18,500		0.65
2013	64,883	95,000	20,875		0.56
2012	65,533	95,000	23,250		0.55

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

Sales Tax Revenue Bonds						
Fiscal Year	Sales Tax		Debt Service		Coverage	
			Principal	Interest		
2021	\$	7,556,148	\$ 3,813,000	\$ 2,483,790	1.20	
2020		7,553,418	3,657,000	2,637,515	1.20	
2019		7,551,678	3,519,000	2,774,065	1.20	
2018		7,555,260	3,394,000	2,902,050	1.20	
2017		7,554,672	3,280,000	3,015,560	1.20	
2016		10,412,492	3,174,000	3,118,500	1.65	
2015		12,747,118	3,079,000	3,217,930	2.02	
2014		24,168,140	7,410,000	2,848,951	2.36	
2013		20,609,635	5,580,000	1,591,026	2.87	
2012		16,455,425	10,800,000	672,463	1.43	

Sales Tax Note Payable - Direct Bank Loan - FM Diversion Financing*						
Fiscal Year	Sales Tax		Debt Service		Coverage	
			Principal	Interest		
2021	\$	32,344,357	\$ 50,250,000	\$ 203,930	0.64	
2020		23,163,359	-	585,424	39.57	
2019		24,781,337	-	1,393,067	17.79	
2018		22,560,969	-	1,095,209	20.60	
2017		22,228,730	-	606,737	36.64	
2016		16,324,568	-	100,573	162.32	
2015		-	-	-	-	
2014		-	-	-	-	
2013		-	-	-	-	
2012		-	-	-	-	

* 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 (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	SRLF Notes Payable				
	Sales Tax	Debt Service		Coverage	
		Principal	Interest		
2021	\$ 15,956,556	\$ 4,780,000	\$ 1,150,876	2.69	
2020	12,299,310	4,375,000	1,261,083	2.18	
2019	12,957,605	4,250,000	1,368,117	2.31	
2018	12,046,492	4,132,409	2,054,132	1.95	
2017	13,303,870	4,120,422	2,124,443	2.13	
2016	12,775,522	4,980,000	1,726,812	1.90	
2015	12,747,118	4,851,075	1,581,750	1.98	
2014	12,084,070	4,725,000	1,649,348	1.90	
2013	17,665,401	4,604,374	1,679,810	2.81	
2012	14,029,328	4,556,000	1,710,247	2.24	

Fiscal Year	Parking Revenue Bonds					
	Parking Revenue	Less: Operating Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	-	-	-	-	-	-
2014	-	-	-	-	-	-
2013	1,282,636	540,165	742,471	765,000	10,089	0.96
2012	1,158,192	610,978	547,214	60,000	52,531	4.86

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

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

Lease Revenue Bonds						
Fiscal Year	Lease Revenue	Debt Service			Coverage	
		Principal	Interest			
2021	\$ -	\$ -	\$ -		-	
2020	-	-	-		-	
2019	-	-	-		-	
2018	-	-	-		-	
2017	-	-	-		-	
2016	-	-	-		-	
2015	-	-	-		-	
2014	-	-	-		-	
2013	1,611,020	3,005,000	96,020		0.52	
2012	384,948	230,000	151,610		1.01	

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

Housing Revenue Bonds						
Fiscal Year	NRI Loan Repayments	Debt Service			Coverage	
		Principal	Interest			
2021	\$ -	\$ -	\$ -		-	
2020	-	-	-		-	
2019	-	-	-		-	
2018	-	-	-		-	
2017	-	-	-		-	
2016	-	-	-		-	
2015	-	-	-		-	
2014	100,036	100,036	-		1.00	
2013	50,000	50,000	-		1.00	
2012	442,756	428,297	14,458		1.00	

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

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

Fiscal Year	Water Revenue Bonds					
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	23,706,110	13,030,159	10,675,951	3,840,000	100,800	2.71
2016	21,779,615	10,558,497	11,221,118	3,650,000	201,600	2.91
2015	19,134,802	9,604,660	9,530,142	3,470,000	393,225	2.47
2014	18,311,211	9,459,296	8,851,915	3,295,000	575,400	2.29
2013	19,051,936	9,704,611	9,347,325	3,130,000	748,388	2.41
2012	19,828,733	8,815,325	11,013,408	2,975,000	912,713	2.83

Note: Final payment made on these bonds on 1/1/2018.

Fiscal Year	Airport Revenue Bonds					
	Airport Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2021	\$ -	\$ -	\$ -	\$ -	\$ -	-
2020	-	-	-	-	-	-
2019	-	-	-	-	-	-
2018	-	-	-	-	-	-
2017	-	-	-	-	-	-
2016	-	-	-	-	-	-
2015	8,546,795	4,281,126	4,265,669	5,125,000	146,597	0.81
2014	8,641,627	4,364,638	4,276,989	415,000	229,255	6.64
2013	7,546,237	4,406,659	3,139,578	405,000	245,731	4.82
2012	6,716,756	3,151,206	3,565,550	2,540,000	340,259	1.24

Note: Final payment was made on these bonds in 2015.

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

Fiscal Year	SRLF Notes Payable						
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2021	\$ 26,123,374	\$ 15,382,850	\$ 10,740,524	\$ 2,375,000	\$ 1,929,530	2.50	
2020	23,773,689	15,589,543	8,184,146	2,315,000	1,963,007	1.91	
2019	22,744,596	14,876,113	7,868,483	1,000,000	1,911,785	2.70	
2018	23,888,031	14,268,537	9,619,494	-	737,169	13.05	
2017	-	-	-	-	-	-	
2016	-	-	-	-	-	-	
2015	-	-	-	-	-	-	
2014	-	-	-	-	-	-	
2013	-	-	-	-	-	-	
2012	-	-	-	-	-	-	

Fiscal Year	SRLF Notes Payable						
	Wastewater Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage	
				Principal	Interest		
2021	\$ 14,491,086	\$ 8,904,750	5,586,336	\$ -	\$ 765,690	7.30	
2020	12,266,270	7,744,391	4,521,879	-	452,033	10.00	
2019	11,276,502	9,220,282	2,056,220	-	95,660	21.50	
2018	-	-	-	-	-	-	
2017	-	-	-	-	-	-	
2016	-	-	-	-	-	-	
2015	10,328,605	5,559,656	4,768,949	4,993,000	72,815	0.94	
2014	10,176,950	4,866,238	5,310,712	761,000	140,327	5.89	
2013	11,046,790	5,252,745	5,794,045	741,000	155,411	6.46	
2012	10,905,355	4,769,262	6,136,093	4,117,766	233,609	1.41	

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

Clean Renewable Energy Bond						
Fiscal Year	Sale of by products		Debt Service			Coverage
			Principal	Interest		
2021	\$	145,980	\$	100,000	\$ 850	1.45
2020		175,783		100,000	1,700	1.73
2019		27,474		100,000	2,550	0.27
2018		177,869		100,000	3,400	1.72
2017		341,470		100,000	4,250	3.28
2016		337,527		100,000	5,100	3.21
2015		335,117		100,000	5,950	3.16
2014		316,396		100,000	6,800	2.96
2013		416,658		100,000	7,650	3.87
2012		375,264		100,000	8,500	3.46

Qualified Energy Conservation Bonds						
Fiscal Year	Tipping Fee Revenue	Debt Service			Coverage	
		Principal		Interest		
2021	\$ 9,990,370	\$ 189,801	\$ 94,442		35.15	
2020	10,350,021	186,782	103,574		35.65	
2019	8,903,000	183,812	112,561		30.04	
2018	8,781,299	180,889	121,405		29.05	
2017	9,218,332	178,012	130,108		29.92	
2016	7,517,651	103,356	148,938		29.80	
2015	-	-	-		-	
2014	-	-	-		-	
2013	-	-	-		-	
2012	-	-	-		-	

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

Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (1)	Level of Education (1) % High School Grad or Higher	% Bachelor's Degree or higher	K - 12 Public School Enrollment (1)	Fargo Unemployment Rate (3)	State Unemployment Rate (3)	National Unemployment Rate (3)	Fargo Labor Force (3)
2021	127,880	n/a (4)	n/a (4)	n/a (4)	n/a (4)	n/a (4)	11,296	2.2%	3.0%	3.7%	72,514
2020	125,990	\$ 14,457,643,000	\$ 58,158	31.4	94.6%	40.9%	11,204	3.2%	4.8%	6.5%	73,397
2019	124,662	13,521,155,000	54,932	31.0	94.3%	40.0%	11,368	1.8%	2.2%	3.4%	69,702
2018	124,844	12,939,269,000	52,712	31.2	93.9%	39.5%	11,242	2.2%	2.4%	3.7%	68,195
2017	122,359	12,242,900,000	50,725	30.7	93.8%	38.8%	11,317	2.2%	2.6%	3.9%	70,726
2016	120,762	11,992,967,000	50,364	31.0	93.9%	38.2%	11,175	2.2%	3.2%	4.9%	69,230
2015	118,523	11,688,827,000	49,987	30.7	94.6%	38.0%	11,157	2.2%	2.7%	5.3%	65,665
2014	115,863	11,166,605,000	48,914	29.5	94.7%	38.6%	11,026	2.5%	2.8%	6.2%	65,038
2013	112,075	10,509,203,000	47,023	31.7	93.7%	35.3%	10,903	3.0%	2.9%	7.4%	61,896
2012	109,779	10,033,320,000	46,384	32.1	94.9%	37.1%	10,821	3.2%	3.1%	8.1%	60,869

(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) 2021 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 & ESTIMATED BUYING INCOME
CASS COUNTY
(UNAUDITED)**

	Retail Sales (\$000)	Effective Buying Income (EBI) (\$000)	Median Household EBI	
			MSA	State
2021	10,158,772	\$ 7,092,440	\$ 61,543	\$ 62,792
2020	9,189,477	6,307,429	57,120	56,424
2019	5,679,415	6,274,069	57,602	56,623
2018	5,433,331	5,529,837	54,109	55,194
2017	4,368,865	5,363,344	50,722	53,172
2016	4,788,922	5,172,302	49,082	52,472
2015	4,946,200	4,556,037	46,208	49,198
2014	4,839,445	4,231,840	45,276	46,365
2013	2,862,674	3,667,475	42,550	40,911
2012	3,435,135	3,198,040	37,714	36,558

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
(UNAUDITED)**

Employer	2021			2012		
	Employees ¹	Rank	Percentage of Total City Employment	Employees ²	Rank	Percentage of Total City Employment
Sanford Health	9,555	1	13.18%	6,739	1	11.07%
North Dakota State University	5,961	2	8.22%	2,339	2	3.84%
Innovis Health/Essentia Health	2,555	3	3.52%	967	7	1.59%
Fargo Public Schools	2,153	4	2.97%	1,762	3	2.89%
West Fargo Public Schools	2,103	5	2.90%	-	-	-
Coborns Inc.	1,236	6	1.70%	-	-	-
Microsoft	1,200	7	1.65%	870	9	1.43%
Fargo VA Health Care System	1,199	8	1.65%	870	8	1.43%
US Bank - Service Center	1,150	9	1.59%	975	6	1.60%
City of Fargo	1,024	10	1.41%	773	10	1.27%
Noridian/Blue Cross Blue Shield	-	-	-	1,345	4	2.21%
Case New Holland	-	-	-	1,055	5	1.73%

Source: ¹ North Dakota Labor Market Information

¹ Survey of Individual employers

² Fargo Moorhead Chamber of Commerce

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

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
City Administrator	1	1	1	1	2	2	3	3	3	3
Human Resources	6	6	6	6	7	8	8	8	8	9
Information Services	22	23	23	23	24	24	24	24	24	24
Public Information	2	2	2	2	2	2	3	4	4	7
Auditor	15	15	15	15	15	15	15	15	15	15
Municipal Court	8	8	8	8	8	8	8	8	8	8
City Assessor	11	11	11	11	11	11	11	11	11	11
Buildings & Grounds	7	7	7	7	13	13	14	14	15	15
Planning	12	11	12	13	14	15	13	14	14	14
Central Garage	23	23	23	23	23	23	24	24	24	24
City Commission	8	8	8	8	8	8	8	8	9	10
Public safety										
Inspections	20	20	20	21	22	23	23	24	25	25
Traffic Engineering	9	9	9	11	11	11	11	6	6	6
Fire Department	117	117	121	121	122	122	122	123	124	124
Police Department	167	169	172	180	187	197	204	205	209	209
Public works										
City Engineering	37	37	37	41	42	42	43	42	42	42
Streets & Sewers	49	51	51	54	55	55	55	55	57	58
Public health & welfare										
Health	110	112	114	117	116	116	112	112	111	110
Homeless Shelter	15	16	18	18	19	20	20	21	21	21
Recreation & culture										
Public Library	48	48	49	49	50	51	52	54	54	54
Urban redevelopment	3	2	2	2	2	2	2	2	3	3
Business-type funds										
Airport	16	16	16	26	27	27	27	28	28	28
Water	42	44	45	46	47	48	52	52	54	54
Wastewater	20	20	20	20	20	20	20	20	20	21
Storm Sewer	5	5	5	5	5	5	5	5	5	5
Solid Waste	50	50	50	50	50	50	50	50	49	49
Fargodome	18	20	21	21	21	23	23	23	25	25
Street Lighting	2	2	2	2	2	2	2	7	7	7
Forestry	10	10	11	11	11	11	11	11	12	12
Transit	19	21	22	21	23	25	25	25	25	30
Civic Memorial Auditorium	6	6	6	6	4	4	4	4	3	1
Total	878	890	907	939	963	983	994	1,002	1,015	1,024

- Number includes budgeted full-time equivalent (FTE) positions

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Percent Change from 2012 to 2021
Public safety											
Fire											
Number of calls answered	6,262	6,984	7,196	9,336	10,483	10,711	11,014	11,563	12,930	13,490	115%
Number of fire inspections	7,109	6,552	6,470	6,437	6,005	6,007	6,956	6,245	6,375	6,522	-8%
Police											
Number of calls for service	55,584	62,836	65,682	74,516	78,784	89,162	89,565	93,590	77,477	82,317	48%
Arrests	7,632	6,067	6,063	6,907	7,412	7,076	6,592	6,492	5,039	5,086	-33%
Public works											
Average daily water consumption (gallons)	11,180,334	10,508,699	9,989,474	10,530,370	12,576,805	14,156,756	14,008,019	13,018,019	13,750,258	14,874,074	33%
Wastewater avg flow per day (MGD)	12.23	13.39	12.84	12.17	12.72	11.81	11.78	13.00	14.64	15.32	25%
Public health & welfare											
WIC participation	2,695	2,702	2,701	2,970	2,908	2,975	2,773	2,619	2,517	2,468	-8%
Nursing visits	192,853	214,637	152,266*	144,985*	148,719*	145,353*	146,465*	157,786*	138,237	177,744*	-8%
Recreation & culture											
Library circulation	986,773	997,492	1,000,024	1,004,966	987,851	992,711	1,026,953	1,047,165	692,372	849,325	-14%
Civic center attendance	82,870	88,355	91,660	48,945	46,001	37,240	33,963	32,740	9,979	23,025	-72%
Fargodome attendance	529,657	539,285	550,330	565,914	593,489	539,428	522,883	535,224	100,208	462,950	-13%
Public transportation											
Number of rides											
Fixed route	1,608,628	1,682,267	1,751,824	1,600,610	1,483,667	1,419,067	1,440,766	1,336,401	855,848	1,098,670	-32%
Paratransit	54,217	53,403	53,893	51,513	52,394	52,509	52,665	53,350	37,137	52,802	-3%
Public information											
Web site											
Total Sessions	1,220,404	1,269,295	1,272,993	1,378,527	1,239,551	1,078,806	993,435	1,234,414	1,499,449	1,491,319	22%
Users	620,800	716,763	745,192	759,584	653,841	565,904	448,066	640,287	838,552	791,757	28%
Page views	3,640,975	3,216,029	3,017,692	3,110,926	2,751,964	2,635,927	2,424,353	2,646,277	2,991,319	3,048,779	-16%
Pages per visit	2.98	2.50	2.37	2.26	2.22	2.44	2.44	2.14	1.99	2.04	-32%
Infrastructure											
New projects assessed	50	51	43	38	53	55	45	44	45	48	-4%
Value of new projects	\$ 27,829,486	\$ 27,096,674	\$ 42,278,237	\$ 34,950,435	\$ 77,220,449	\$ 58,787,981	\$ 46,058,863	\$ 40,214,225	\$ 46,058,863	\$ 25,187,472	-9%

* Amount does not include correctional health clinical nursing visits.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Area in square miles	48.60	48.80	48.84	49.22	49.22	49.22	49.22	49.22	49.22	49.22
Public safety										
Fire										
Stations	7	7	7	7	7	7	7	7	7	7
Vehicles	27	31	31	31	23	20	17	17	15	16
Police										
Stations	3	2	1	2	2	2	2	2	2	3
Marked cars	41	41	41	44	44	48	47	47	47	53
Public works										
Number of street lights	9,785	10,113	10,402	11,091	11,622	12,086	12,759	13,255	13,622	14,047
Miles of paved streets	400.92	407.43	464.39	525.47	590.04	615.35	651.04	669.47	687.67	706.11
Miles of water mains	449.79	459.93	472.90	484.03	490.01	495.22	504.72	509.31	515.84	523.35
Miles of sanitary sewer	433.98	443.30	453.99	460.87	466.28	473.46	468.06	471.13	454.98	459.05
Miles of storm sewer	416.49	429.74	442.51	455.86	464.51	470.96	494.18	501.71	508.48	515.51
Recreation & culture										
Library Collection	252,618	282,462	298,344	305,539	274,536	275,981	271,187	313,604	321,390	319,151
Public transportation										
Buses	28	32	32	29	29	31	46	43	44	45