

# 2013

## Comprehensive Annual Financial Report

City of Fargo, North Dakota  
For the fiscal year ended  
December 31, 2013



**CITY OF FARGO  
NORTH DAKOTA**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
DECEMBER 31, 2013**

**PREPARED BY:  
FINANCE DEPARTMENT**

**CITY OF FARGO, NORTH DAKOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

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**May 29, 2014**

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

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Fargo for the fiscal year ending December 31, 2013. This report satisfies audit and financial reporting requirements pursuant to North Dakota Century Code 54-10-14 and the Single Audit Act of 1985.

This report is prepared by the City's Finance Department in accordance with generally accepted accounting principles. The Finance Department is responsible for the accuracy, clarity, and presentation of the financial statements. We believe that this report fairly and accurately presents the financial position of the City and the results of operation of the various funds for the period covered, and that all disclosures necessary for such presentation have been included.

Eide Bailly LLP has issued an unmodified "clean" opinion on the City of Fargo's financial statements for the year ended December 31, 2013. The independent auditor's report is located at the front of the financial section of this report.

It is management's responsibility to develop a system of internal controls to safeguard the assets of the City. In developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. Because the cost of internal controls should not exceed their benefits, the City's internal controls have been designed to provide reasonable basis rather than absolute assurance that the financial statements will be free from material misstatement. We assert that this financial report is complete and reliable in all material respects.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements. Management's Discussion and Analysis is included in this report on page 4. This letter of transmittal has been designed to compliment the MD&A and should be read in conjunction with it. The MD&A contains a more detailed analysis of changes in financial condition.

### **CITY OF FARGO PROFILE**

The City of Fargo was incorporated in 1875 and is located in the eastern border of North Dakota at the intersection of Interstate Highways I-29 and I-94. This regional economic center continues to expand with a trend of consistent growth over the past several years. The current population is estimated at 115,000. Health care, education and retail have a strong presence that expands the local economy into a broader regional economic center. The City is empowered to levy taxes on real property located within its boundaries and continues to expand its size with many annexations being completed in the past few years. This trend is predicted for the next several years as our population and economy expands.

The City of Fargo operates under a Home Rule Charter, established in 1986, with a Mayor-Commission form of government. Policy making and legislative authority is vested in a five member Commission. The City Commission is responsible for policy and ordinance adoption, approving budgets, committees, and serving needs of the community. All Department Heads serve on the Mayor's Cabinet which is used as a

forum to communicate City and Community issues. The City Administrator, Pat Zavoral is the liaison to the City Commission and is responsible for overseeing the day to day operations of the City and its eight Departments.

The Mayor and City Commissioners are elected at large and serve four year terms. Dennis Walaker is currently serving his second term as Mayor of the City of Fargo. The next municipal election will be held in June, 2014 at which time the citizen will elect a Mayor and two Commissioners.

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

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

## **STABLE ECONOMIC CONDITIONS IN FARGO AND STATE OF NORTH DAKOTA**

### **Favorable Statewide Financial Conditions**

Statewide economic conditions remain very strong in North Dakota resulting primarily from the impact of oil discovery and related extraction in the Bakken oil formation in the Western portions of the State. State intergovernmental revenues remitted to the City have increased significantly over the past three years. The growth of intergovernmental revenues is discussed in more detail in the management discussion and analysis section of this report.

Median Fargo per capita incomes have risen from \$40,644 up 6.8% over the past three years. During this same timeframe national household incomes declined.

### **Building Permit Activity Recorded At All Time High**

We are pleased to report that building permit totals set new all time high records. During the year there was significant growth in all major building categories. This is reflective of a strong and growing local and statewide economy.

Permits issued for 2013 totaled \$378 million, up from \$ 293 million in 2013 which represents a 29% increase. We anticipate that 2014 will be another robust construction year based upon the local demand for new housing sub-developments already approved or in the planning process. The largest increases were reported in the multi-family category of construction this year. The previous record was reported at \$340 million in 2006.

## **Sales Taxes Funding Key Infrastructure**

Fargo is utilizing sales tax revenues as a primary funding source for key infrastructure projects. All of our sales tax resources are dedicated to various types of infrastructure. The most significant expenditures are being made in updating municipal utilities to accommodate present and future growth, flood levees to protect us from Red River flood events, and improving our highway systems throughout our community. Existing sales tax authorizations expire in 2028, 2029 and 2032 providing a solid stream of resources to plan well into the future.

Local sales tax collections reported in 2013 totaled \$47.1 million, up from \$39.5 in 2012. City voters approved an extension of a ½ cent sales tax for infrastructure that expired on June 30, 2012, effective on January 1, 2013. The increases reported this year appear higher than normal because of the tax rate change that was in place for the six month period from July 1, 2012 through December 31, 2012.

A more comprehensive review of these statistics is contained in the statistical section of this report which begins on page 113.

## **State and Local Sales Tax Revenue Trends**

Sales tax collections across the State of North Dakota slowed considerably from the past two fiscal years. Local collections increased by 2% in Fargo, slightly above the statewide average. Based upon our housing and commercial growth expected next year we anticipate continued growth in our locally collected sales tax revenues.

## **MAJOR INITIATIVES FOR THE YEAR**

### **Fargo Moorhead Diversion Channel Project**

The Army Corp of Engineers has been studying various alternative flood protection projects for the Fargo-Moorhead area for the past two years. They have recommended a large flood diversion channel that will redirect and lower record river flood levels significantly. The estimated current project cost is \$1.8 billion. This will be funded by various Federal, State and local stakeholders.

In October of 2012 a record of decision was approved by the Chief of the Army Corp of Engineers. This critical step recognized the feasibility, final review, and concurrence to include this project on the Federal Government's approved projects listing.

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. The construction project will take about eight to ten years to construct subject to funds being appropriated in a timely manner.

Funding has been secured for the State and local share of this project. The project design continued during the year and much of the overall project design has been completed. The appropriation of Federal funds will trigger the commencement of construction.

### **Flood Levee Construction Continues**

Flood levees are being constructed or enhanced along the Red River corridor. These levees require removal of existing homes and construction of levees or flood walls along the river. A five year capital improvement plan has been approved for work in various neighborhoods where flood control levees are needed. 2013 is the third year of this strategic plan. A levee project was completed in the River Villi neighborhood and new projects were initiated in Mickelson Field, Rose Creek and the Golden Valley addition. During the year forty five homes were acquired to clear the area for construction of flood levees.

Construction of levees will accelerate in 2014 since the floodways have been cleared in several neighborhoods.

### **Municipal Building Projects in Progress**

The City is currently working on two new municipal building projects. The first project is the acquisition and remodeling of a large retail facility which has been vacant for several years into the new home for Fargo Cass Public Health operations. The building was purchased in 2012 and final design work was completed in 2013. Construction bids will be awarded in the spring of 2014 with an eighteen month project completion timeline. The total project costs anticipated for this work is \$11.7 million. It is being funded by a combination of pay as we go financing from the General Fund and short term financing.

The second project is the design and construction of a new City Hall. The existing City Hall was built in 1960 and is not meeting the needs of our growing community. It will be demolished once the new facility is constructed. During the year an architect was hired and the project is presently in the design phase. The anticipated cost of this new building is estimated at about \$20 million. This will be financed with the issuance of bonds and repaid with General Fund appropriations.

### **Strategic Planning and Long Term Capital Improvement Plans**

Strategic planning efforts are ongoing for a 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 comprehensive annual financial report for the fiscal year ended December 31, 2012. This will be the sixteenth consecutive award received since submission to this voluntary quality review program. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

The preparation of this Comprehensive Annual Financial Report could not have been accomplished without the dedicated services of our entire staff. The staff members who were responsible for the achievement of this goal include:

Jenica Flanagan, Accounting Manager  
Jamie Bullock, Grant Accountant  
Sheree Calkins, Accounting Supervisor  
Veronica Dye, Accountant

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

Respectfully submitted,

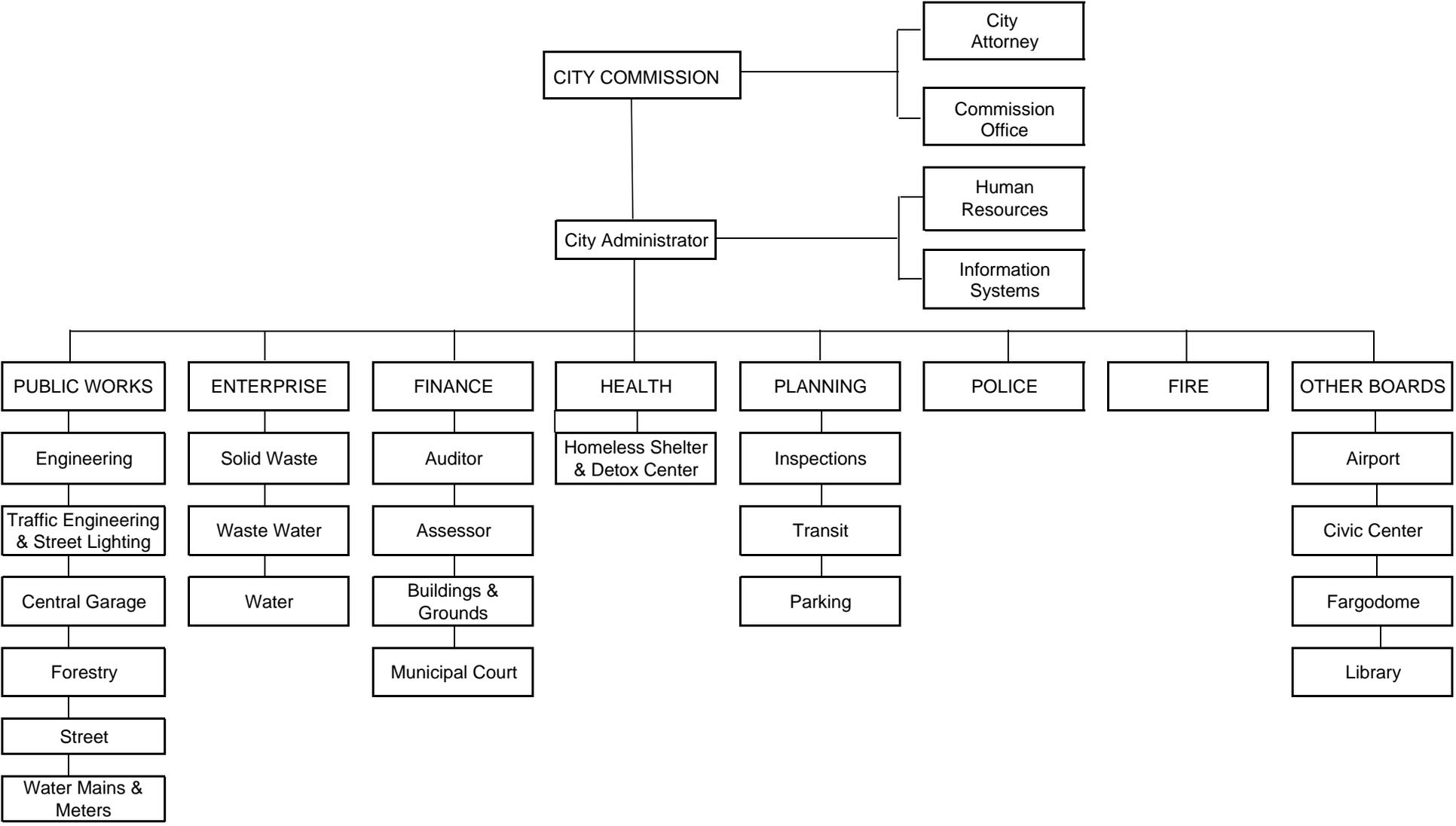
A handwritten signature in black ink that reads "Kent A. Costin". The signature is written in a cursive style with a large, prominent initial "K".

Kent A. Costin  
Director of Finance

**CITY OF FARGO, NORTH DAKOTA  
LISTING OF CITY OFFICIALS  
AS OF DECEMBER 31, 2013**

<b>NAME</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Dennis Walaker	Mayor	June 2014
Tim Mahoney	Deputy Mayor	June 2014
Brad Wimmer	Commissioner	June 2014
Melissa Sobolik	Commissioner	June 2016
Michael Williams	Commissioner	June 2016
Pat Zavoral	City Administrator	
Kent Costin	Finance Director	
Steven Sprague	City Auditor	
Sharon Odegaard	City Commission Executive Assistant	

# CITY OF FARGO, NORTH DAKOTA ORGANIZATIONAL CHART



CITY COMMISSION

City Attorney

Commission Office

City Administrator

Human Resources

Information Systems

PUBLIC WORKS

ENTERPRISE

FINANCE

HEALTH

PLANNING

POLICE

FIRE

OTHER BOARDS

Engineering

Solid Waste

Auditor

Homeless Shelter & Detox Center

Inspections

Airport

Traffic Engineering & Street Lighting

Waste Water

Assessor

Transit

Civic Center

Central Garage

Water

Buildings & Grounds

Parking

Fargodome

Forestry

Municipal Court

Library

Street

Water Mains & Meters



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Fargo  
North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2012**

Executive Director/CEO



## **Independent Auditor's Report**

The Honorable Mayor  
and Members of City Commission  
City of Fargo, North Dakota  
Fargo, North Dakota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Fargo, North Dakota (the City), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility 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; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

[www.eidebailly.com](http://www.eidebailly.com)

## **Opinions**

In our opinion, the 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, 2013, 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.

## **Adoption of New Accounting Standard**

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. As discussed in Note 4.K. to the financial statements, the City has retroactively restated the previously reported net position to account for bond issuance costs in accordance with this Statement. Our opinions are not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management discussion and analysis be presented to supplement the basic financial statements. Such information, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual fund statements and schedules, capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 statement and schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory section, capital assets used in the operation of governmental funds, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Fargo, North Dakota  
May 29, 2014

## **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, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages III - VI of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### **FINANCIAL HIGHLIGHTS**

The assets of the City of Fargo exceeded its liabilities at the close of the most recent fiscal year by \$914,694 (net position).

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$126,635 an increase of \$21,659 in comparison with the prior year. The increase in fund balance is explained in subsequent sections of this analysis.

The City's unassigned General Fund balance of 29% of the total General Fund expenditures exceeds our management goal of maintaining a 25% fund balance. Current year revenue projections were revised upward by 9% during the 2014 budget development process. This was a significant revision impacted by State Legislative changes in how Municipal Highway funds were allocated. During the year the State remitted \$4.9 million in additional "one time funding" to help fund street infrastructure. Other growth related revenues exceeded original budget projections for capital project administration and building permit fees. Unrestricted state aid that is derived from state sales tax collections slowed considerably this year as compared to the past two fiscal years. State aid levels have increased by 101% as compared to 2010.

Fargo experienced a record level of building permits issued in 2013 and is also expecting 2014 to be another robust construction year. The total value of building permits issued was \$378 million which is an all time record for our community.

A total of \$37 million was expended on flood control projects this year which is consistent with our long term capital improvement plans. Work progressed during the year on acquisition of forty five homes in the flood plain and the completion of a flood levy in the River Villi neighborhood. New projects were initiated in several neighborhoods as part of our five year flood mitigation plan.

City defined benefit pension funds experienced a stronger than anticipated investment performance related to the ongoing improvement in the National economy. Progress has been made in improving their overall funded status by the adoption of a funding policy that increases employee and employer contributions to our plans.

#### **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 between the two 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, and general support. The business-type activities of the City of Fargo include a Municipal Airport, Water, Wastewater, Storm Sewer, Solid Waste collection and landfill, Southeast Cass Sewer, Urban Forestry, Vector Control, Street Lighting and the FargoDome, a multi-use facility.

The government-wide financial statements can be found on pages 14 and 15 of this report.

### **Fund financial statements**

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

### **Governmental funds**

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

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

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

The City of Fargo adopts an annual appropriated budget for its governmental funds, except for capital projects funds. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

### **Proprietary funds**

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Municipal

Airport, Water, Wastewater, Storm Sewer, Solid Waste, and FargoDome activities which are considered to be major funds of the City of Fargo. Data from the other four enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 22 - 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 basic fiduciary fund financial statements can be found on pages 28 and 29 of this report.

### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31 – 79 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Fargo's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 65 - 77 of this report.

The combining statements referred to earlier in connection with non-major governmental funds is presented immediately following the notes to the financial statements. Combining statements and schedules can be found on pages 83 - 99 of this report.

### **Government-wide Financial Analysis**

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 exceeded liabilities by \$914,694 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (81%) 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, 2013 and 2012. During the year, the City implemented new accounting pronouncements which required the restatement of prior year net position. These changes are reflected in the changes in net position found later in this discussion.

City of Fargo's Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 400,633	\$ 367,375	\$ 93,755	\$ 84,712	\$ 494,388	\$ 452,087
Capital assets	348,790	326,804	588,696	573,087	937,486	899,891
Total assets	<u>749,423</u>	<u>694,179</u>	<u>682,451</u>	<u>657,799</u>	<u>1,431,874</u>	<u>1,351,978</u>
Long-term liabilities outstanding	448,997	410,888	43,700	48,049	492,697	458,937
Other liabilities	16,357	13,576	8,126	7,909	24,483	21,485
Total liabilities	<u>465,354</u>	<u>424,464</u>	<u>51,826</u>	<u>55,958</u>	<u>517,180</u>	<u>480,422</u>
Net position:						
Net investment in capital assets	189,087	198,360	554,814	534,544	743,901	732,904
Restricted	94,565	91,329	39,794	35,996	134,359	127,325
Unrestricted	417	(19,974)	36,017	31,301	36,434	11,327
Total net position	<u>\$ 284,069</u>	<u>\$ 269,715</u>	<u>\$ 630,625</u>	<u>\$ 601,841</u>	<u>\$ 914,694</u>	<u>\$ 871,556</u>

A portion of the City of Fargo's net position (15%) represents resources that are subject to external restrictions on how they may be used.

The City's net position increased by \$47,336 during the current fiscal year.

City of Fargo's Changes in Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	25,752	23,387	59,572	58,539	85,324	81,926
Operating grants and contributions	11,957	10,084	-	-	11,957	10,084
Capital grants and contributions	68,048	65,486	3,976	10,312	72,024	75,798
General Revenues:						
Taxes	79,104	69,550	664	638	79,768	70,188
Unrestricted intergovernmental	8,404	8,188	-	-	8,404	8,188
Unrestricted investment earnings	2,677	2,267	5,598	4,566	8,275	6,833
Miscellaneous	856	263	1,582	1,536	2,438	1,799
Total revenues	<u>196,798</u>	<u>179,225</u>	<u>71,392</u>	<u>75,591</u>	<u>268,190</u>	<u>254,816</u>
Expenses:						
General government	12,980	13,785	-	-	12,980	13,785
Public safety	33,862	33,428	-	-	33,862	33,428
Public works	69,083	42,392	-	-	69,083	42,392
Public health and welfare	9,682	9,083	-	-	9,682	9,083
Recreation and culture	7,497	7,133	-	-	7,497	7,133
Urban redevelopment	1,294	2,279	-	-	1,294	2,279
Transportation	9,449	8,653	-	-	9,449	8,653
General support	1,214	1,201	-	-	1,214	1,201
Interest and fiscal charges	17,091	15,752	-	-	17,091	15,752
Municipal airport authority	-	-	7,908	6,570	7,908	6,570
Water	-	-	14,475	13,294	14,475	13,294
Wastewater	-	-	9,279	8,734	9,279	8,734
Storm sewer	-	-	4,526	3,988	4,526	3,988
Solid waste	-	-	9,856	9,273	9,856	9,273
Fargodome	-	-	7,869	7,100	7,869	7,100
Southeast cass	-	-	68	67	68	67
Vector control	-	-	446	328	446	328
Street lighting	-	-	2,644	2,605	2,644	2,605
Forestry	-	-	1,631	1,477	1,631	1,477
Total expenses	<u>162,152</u>	<u>133,706</u>	<u>58,702</u>	<u>53,436</u>	<u>220,854</u>	<u>187,142</u>
Excess before Transfers	34,646	45,519	12,690	22,155	47,336	67,674
Transfers	(16,295)	(14,234)	16,295	14,234	-	-
Change in net position	18,351	31,285	28,985	36,389	47,336	67,674
Net position - beginning - as restated	265,718	238,430	601,639	565,452	867,358	803,882
Net position - ending	<u>284,069</u>	<u>269,715</u>	<u>630,624</u>	<u>601,841</u>	<u>914,694</u>	<u>871,556</u>

## **Governmental activities**

The governmental activities' net position increased by \$18,351 during the current fiscal year. A sales tax rate change was enacted by voters starting on January 1, 2013 which increased our sales tax rate by .5%. This tax extension will run through 2033 and is dedicated to infrastructure funding.

Public works expenses increased by \$26,691 as work on Fargo's flood mitigation projects continues at an accelerated pace. Work included the removal of homes from the floodway and construction of earthen levees or permanent flood walls. We anticipate this sustained level of spending for this work over the next three fiscal years as part of our long term capital plan. Permanent flood control is one of our top strategic goals.

Urban redevelopment expenses declined in conjunction with overall reductions in Federal grants resources from the Department of Housing and Urban Development.

## **Business type activities.**

Business-type activities increased the City of Fargo's net position by \$28,985. There were no notable changes in our business activities in 2013. Rates remained stable for all utility funds with the exception of the Solid Waste Utility where landfill charges were increased.

The FargoDome permanent capital escrow fund grew by \$4 million as a result improved investment results from a recovering National economy. This restricted resource now totals \$38.6 million. City leaders are looking to expand convention space in the future.

## **Financial Analysis of the Government's Funds**

As noted earlier, the City of Fargo uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### **Governmental funds.**

The focus of the City of Fargo's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Fargo's financing requirements. In particular, unassigned fund balance serves as a useful measure of a government's net resources available for spending during the fiscal year.

As of the end of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$126,635, an increase of \$21,659 in comparison with the prior year.

The General Fund is the chief operating fund of the City of Fargo. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$22,429 while total fund balance reached \$31,884. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29% percent of total general fund expenditures, while total fund balance represents 41% percent of that same amount. Managements fund balance goal of 25% has been achieved for this fiscal year. This fund balance level represents a decrease of \$804 during the year due to planned pay as we go capital financing for municipal building projects. The remainder of fund balance is assigned (\$1,543, 5 percent), committed (\$3,311, 10 percent), restricted (\$1,408, 4 percent) or nonspendable (\$3,193, 10 percent).

Overall General Fund revenues increased by 11% and intergovernmental revenues increased by the same percentage. As mentioned in the transmittal letter State Intergovernmental resources have increased significantly over the past three years. Unrestricted state aid is the most notable with an increase of 101% since 2010. Charges for services decreased by 14% in conjunction with capital project levels of spending. There has been a trend of decreasing Federal intergovernmental revenues and a corresponding increase in State intergovernmental revenues due to the strength of our local and State-wide economy.

Total General Fund expenditures increased by 5%. All functional categories of spending were below budget with the exception of public works and recreation and culture. The most significant budget

savings are related to the timing of capital outlay funding which lagged budget levels by \$1,770. Capital funds will be carried forward into the 2014 budget.

The debt service fund has a total fund balance of \$102,875, all of which is restricted for the payment of future debt service. The net decrease in fund balance during the current year was \$734. The infrastructure capital projects fund has a fund deficit of (\$8,504). This will be recovered by future bonds sales and other revenues and transfers. Work in progress is bonded as completed and certified during the special assessment process.

Capital project expenditures increased by 53% in 2013 due to an aggressive housing acquisition program and for flood control projects and continued expansion of our new housing sub developments. The City has been experiencing strong demand for housing with many new projects slated for 2014.

### **Proprietary funds**

The City of Fargo's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year amounted to \$36,017. All individual proprietary funds reported increases in net position, except for Solid Waste.

Operating revenues of this fund group increased by 1.5%, while the operating expenses increased by 10%. Airport Authority expenditures increased by 24% due to the additional costs associated with a federally funded grant program that provides subsidies to airlines for certain strategic destinations. Approximately \$600,000 was expended under this new grant program this fiscal year.

### **General Fund Budgetary Highlights**

Significant variances between original and final budget are noted as follows:

General Fund revenue projections exceeded the originally adopted by 13% and .5% of the revised budget. Changes were made to our revenue projections mid-year due to stronger than anticipated charge for services revenues and additional state intergovernmental revenues. State intergovernmental revenues continue to grow as a result of the State's robust economy. The City has been following a budget strategy to appropriate surplus revenues to fund municipal building projects over the past two years with the growth in State resources shared with political subdivisions.

Noted variances between final budget and actual are as follows:

Overall General Fund expenditures were incurred at 96% of final budget, a variance that was more positive than our historical spending trends.

Capital outlay expenditures lagged budget by \$1,770 resulting due to the project timelines for various capital projects. Unexpended funds will be carried forward into the 2014 budget.

### **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, 2013 amounts to \$937,486 (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:

A runway and taxiway reconstruction project was completed at the Airport in 2013. A total of \$9 million was expended on the project. This was a grant funded project.

City of Fargo's Capital Assets (net of depreciation) (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2011
Land	\$ 50,863	\$ 45,233	\$ 39,772	\$ 38,853	\$ 90,635	\$ 84,086
Construction in progress	3,835	3,697	12,661	19,316	16,496	23,013
Intangible	7,003	5,771	915	905	7,918	6,676
Buildings	46,291	46,371	140,191	142,688	186,482	189,059
Improvements other than buildings	758	489	16,259	11,271	17,017	11,760
Machinery and equipment	17,592	15,378	20,817	21,799	38,409	37,177
Infrastructure	196,244	190,936	358,081	338,255	554,325	529,191
Flood Control	26,204	18,929	-	-	26,204	18,929
Total	\$ 348,790	\$ 326,804	\$ 588,696	\$ 573,087	\$ 937,486	\$ 899,891

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

### Long Term Debt.

At the end of the current fiscal year, the City of Fargo had total bonded debt and notes outstanding of \$459,868. Of this amount, \$299,160 is special assessment debt (improvement bonds) for which the government is liable in the event of default by the property owners subject to the assessment. The remainder of the City of Fargo's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

The City of Fargo's total outstanding debt increased by \$28 million during the current fiscal year. This increase can be associated with the need to finance ongoing capital project funding and expansion of the City's utility infrastructure.

City of Fargo's Outstanding Debt (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Improvement bonds	\$ 299,160	\$ 304,920	\$ -	\$ -	\$ 299,160	\$ 304,920
Gross revenue bonds	100	4,958	20,595	24,230	20,695	29,188
General obligation bonds	2,400	2,515	-	-	2,400	2,515
Sales tax bonds	57,040	11,245	-	-	57,040	11,245
Notes payable	68,709	69,923	5,754	6,495	74,463	76,418
Capital leases	166	205	5,944	6,823	6,110	7,028
Total	\$ 427,575	\$ 393,766	\$ 32,293	\$ 37,548	\$ 459,868	\$ 431,314

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

On March 27, 2013 the City issued \$51,375 Capital Financing Program Bonds, Series 2013A to finance the construction and installation of flood mitigation projects. These bonds were sold with a true interest cost of 3.11%

On August 19, 2013 the City issued \$16,705 Refunding Improvement Bonds, Series 2013C at a true interest cost of 4.25%. These bonds were issued to reimburse the capital project fund for project costs previously incurred.

Additional information on the City of Fargo's long-term debt can be found in Note 4. G. of this report.

### Economic Factors and Next Year's Budgets and Rates

Fargo experience a record level of building permits issued in 2013 and is also expecting 2014 to be another robust construction year. The total value of building permits issued was \$378 million which is an all time record. We anticipate that 2014 will exceed \$700 million due the significant demand for housing and also new or expanded hospital facilities being constructed by Sanford and Essentia Health which are two of our top employers.

Our economic statistics are evidence of a strong and growing environment. We are ranked highly in national surveys that measure various community factors and pride ourselves in the quality of life in Fargo.

The 2014 budget was approved with a 5% increase in our General Fund. There were no major changes in the budget as compared to the previous year. Debt service fund expenditures increased by 33% to service bond issues that finance our growth related infrastructure and flood control projects. In addition to local funds, the North Dakota State Legislature appropriated an additional \$100 million to aid in the construction of flood control projects. This is in addition to \$75 million previously approved in the 2009 and 2011 legislative sessions. Flood risk mitigation continues to be a top goal for our community.

Utility charges for service fees were mostly unchanged for 2014. All utility rates remained the same with the exception of lowering of Wastewater rates by \$3 per month and an increase in the Solid Waste landfill tipping fees from \$35 to \$38 per ton. Large scale infrastructure related to Water and Wastewater services are being funded by sales tax collections vs. rate funded revenue which explains our ability to lower Wastewater fees.

### **Requests for information**

This financial report is designed to provide a general overview of the City of Fargo's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 200 3<sup>rd</sup> Street North, City of Fargo, ND, 58102 or visit the City's web site at [www.cityoffargo.com](http://www.cityoffargo.com). The entire report is presented in the City information section.



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**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2013**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 118,333	\$ 6,488,173	\$ 6,606,506
Investments	42,563,142	100,036	42,663,178
Equity in pooled investments	64,255,214	39,751,218	104,006,432
Receivables (net of allowance for uncollectibles):			
Interest	105,740	48,157	153,897
Taxes	290,639	9,538	300,177
Accounts	4,436,700	4,872,713	9,309,413
Sales tax	9,521,961	-	9,521,961
Special assessments	263,862,010	8,701	263,870,711
Intergovernmental	10,982,035	198,721	11,180,756
Contract	52,877	-	52,877
Loans	2,813,681	-	2,813,681
Internal balances	(1,349,415)	1,349,415	-
Inventory	858,331	708,843	1,567,174
Prepaid expenses	1,352,188	425,692	1,777,880
Property held for resale	408,098	-	408,098
Restricted assets:			
Equity in pooled investments	-	1,076,015	1,076,015
Investments	-	38,632,255	38,632,255
Prepaid expenses	-	85,060	85,060
Unamortized debt costs	361,705	-	361,705
Capital assets (net of accumulated depreciation):			
Land	50,862,630	39,771,847	90,634,477
Construction in progress	3,835,426	12,661,608	16,497,034
Intangible - Right-of-way Easements	7,003,274	414,773	7,418,047
Intangible - Water Rights	-	500,000	500,000
Buildings	46,291,295	140,191,514	186,482,809
Improvements other than buildings	757,559	16,258,652	17,016,211
Machinery and equipment	17,591,851	20,817,055	38,408,906
Infrastructure	196,244,480	358,080,935	554,325,415
Flood Control	26,203,970	-	26,203,970
Total capital assets	348,790,485	588,696,384	937,486,869
Total assets	749,423,724	682,450,921	1,431,874,645
<b>LIABILITIES</b>			
Vouchers payable	7,799,491	2,054,806	9,854,297
Retainage payable	1,698,188	271,655	1,969,843
Accrued payroll	1,491,168	372,980	1,864,148
Accrued interest payable	2,820,517	375,753	3,196,270
Accrued interest payable from restricted assets	-	550,668	550,668
Special assessments payable	416,791	-	416,791
Unearned revenue	1,916,191	4,488,457	6,404,648
Deposits	214,843	11,979	226,822
Noncurrent liabilities:			
Due within one year	67,453,107	3,237,717	70,690,824
Due within one year payable from restricted assets	-	4,571,000	4,571,000
Due in more than one year	381,544,023	35,891,328	417,435,351
Total liabilities	465,354,319	51,826,343	517,180,662
<b>NET POSITION</b>			
Net investment in capital assets	189,087,362	554,814,340	743,901,702
Restricted for:			
Debt service	77,905,850	1,067,816	78,973,666
Specific projects and programs	16,339,448	-	16,339,448
Capital improvements	320,066	38,725,514	39,045,580
Unrestricted	416,679	36,016,908	36,433,587
Total net position	\$ 284,069,405	\$ 630,624,578	\$ 914,693,983

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, 2013**

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
<b>Governmental activities:</b>							
General government	\$ 12,980,379	\$ 2,953,292	\$ 774,476	\$ -	\$ (9,252,611)	\$ -	\$ (9,252,611)
Public safety	33,861,695	5,467,052	869,397	131,162	(27,394,083)	-	(27,394,083)
Public works	69,082,966	9,708,531	2,654,900	65,664,221	8,944,686	-	8,944,686
Public health & welfare	9,682,135	2,802,846	3,287,789	-	(3,591,500)	-	(3,591,500)
Recreation & culture	7,497,540	764,587	144,854	-	(6,588,099)	-	(6,588,099)
Urban redevelopment	1,293,873	465,744	590,732	-	(237,397)	-	(237,397)
Transportation	9,448,794	3,589,903	3,634,992	2,252,811	28,912	-	28,912
General support	1,214,200	-	-	-	(1,214,200)	-	(1,214,200)
Interest and fiscal charges	17,090,585	-	-	-	(17,090,585)	-	(17,090,585)
Total governmental activities	<u>162,152,167</u>	<u>25,751,954</u>	<u>11,957,140</u>	<u>68,048,195</u>	<u>(56,394,878)</u>	<u>-</u>	<u>(56,394,878)</u>
<b>Business-type activities:</b>							
Municipal airport authority	7,908,632	7,546,237	-	3,925,726	-	3,563,331	3,563,331
Water	14,474,710	19,051,936	-	-	-	4,577,226	4,577,226
Wastewater	9,279,582	11,046,790	-	-	-	1,767,208	1,767,208
Storm sewer	4,525,630	1,558,515	-	-	-	(2,967,115)	(2,967,115)
Solid waste	9,856,134	11,181,542	-	-	-	1,325,408	1,325,408
Fargodome	7,868,558	5,447,421	-	-	-	(2,421,137)	(2,421,137)
Southeast Cass	67,763	38,414	-	50,000	-	20,651	20,651
Vector control	445,567	646,742	-	-	-	201,175	201,175
Street lighting	2,644,451	1,669,511	-	-	-	(974,940)	(974,940)
Forestry	1,630,661	1,385,365	-	-	-	(245,296)	(245,296)
Total business-type activities	<u>58,701,688</u>	<u>59,572,473</u>	<u>-</u>	<u>3,975,726</u>	<u>-</u>	<u>4,846,511</u>	<u>4,846,511</u>
<b>Total</b>	<u>\$ 220,853,855</u>	<u>\$ 85,324,427</u>	<u>\$ 11,957,140</u>	<u>\$ 72,023,921</u>	<u>(56,394,878)</u>	<u>4,846,511</u>	<u>(51,548,367)</u>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					21,988,667	664,036	22,652,703
Sales taxes					47,107,737	-	47,107,737
Gross business receipts taxes					4,789,001	-	4,789,001
Lodging taxes					2,310,646	-	2,310,646
Other taxes					2,907,258	-	2,907,258
Unrestricted intergovernmental					8,404,341	-	8,404,341
Unrestricted investment earnings					2,677,208	5,597,897	8,275,105
Miscellaneous revenue					855,955	1,581,978	2,437,933
Transfers					(16,294,658)	16,294,658	-
Total general revenues and transfers					<u>74,746,155</u>	<u>24,138,569</u>	<u>98,884,724</u>
Change in net position					<u>18,351,277</u>	<u>28,985,080</u>	<u>47,336,357</u>
Net position - beginning - as restated					<u>265,718,128</u>	<u>601,639,498</u>	<u>867,357,626</u>
Net position - ending					<u>\$ 284,069,405</u>	<u>\$ 630,624,578</u>	<u>\$ 914,693,983</u>

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

**CITY OF FARGO, NORTH DAKOTA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2013**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 66,647	\$ -	\$ 51,686	\$ -	\$ 118,333
Investments	-	42,563,142	-	-	42,563,142
Equity in pooled investments	28,704,124	32,471,983	-	3,079,107	64,255,214
Receivables (net of allowance for uncollectibles):					
Interest	51,105	32,817	21,818	-	105,740
Taxes	261,946	21,190	-	7,503	290,639
Accounts	3,935,616	-	13,468	487,616	4,436,700
Sales tax	-	7,736,593	1,785,368	-	9,521,961
Special assessments	-	262,711,986	201,390	948,634	263,862,010
Contracts	-	52,877	-	-	52,877
Intergovernmental	3,192,775	-	7,622,406	166,854	10,982,035
Due from other funds	-	9,995,642	-	-	9,995,642
Loans	-	-	-	2,813,681	2,813,681
Advances to other funds	1,884,697	-	-	-	1,884,697
Inventory	858,331	-	-	-	858,331
Prepaid items	431,548	-	913,402	7,238	1,352,188
Property held for resale	18,769	-	159,846	229,483	408,098
	<u>39,405,558</u>	<u>355,586,230</u>	<u>10,769,384</u>	<u>7,740,116</u>	<u>413,501,288</u>
<b>Total assets</b>	<b>\$ 39,405,558</b>	<b>\$ 355,586,230</b>	<b>\$ 10,769,384</b>	<b>\$ 7,740,116</b>	<b>\$ 413,501,288</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Vouchers payable	\$ 3,678,910	\$ 52,431	\$ 3,827,714	\$ 240,436	\$ 7,799,491
Contract retainage payable	-	-	1,698,188	-	1,698,188
Advances from other funds	-	-	-	2,057,927	2,057,927
Due to other funds	-	-	9,995,642	1,176,185	11,171,827
Accrued payroll	1,483,858	-	-	7,310	1,491,168
Special assessments payable	-	49,168	131,058	236,565	416,791
Unearned revenue	2,188,497	252,609,943	3,575,396	3,641,744	262,015,580
Deposits	169,843	-	45,000	-	214,843
<b>Total liabilities</b>	<b><u>7,521,108</u></b>	<b><u>252,711,542</u></b>	<b><u>19,272,998</u></b>	<b><u>7,360,167</u></b>	<b><u>286,865,815</u></b>
<b>Fund balances</b>					
Nonspendable	3,193,345	-	1,073,248	236,721	4,503,314
Restricted	1,408,205	102,874,688	-	2,431,693	106,714,586
Committed	3,311,267	-	-	-	3,311,267
Assigned	1,542,711	-	-	-	1,542,711
Unassigned	22,428,922	-	(9,576,862)	(2,288,465)	10,563,595
<b>Total fund balance (deficit)</b>	<b><u>31,884,450</u></b>	<b><u>102,874,688</u></b>	<b><u>(8,503,614)</u></b>	<b><u>379,949</u></b>	<b><u>126,635,473</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 39,405,558</u></b>	<b><u>\$ 355,586,230</u></b>	<b><u>\$ 10,769,384</u></b>	<b><u>\$ 7,740,116</u></b>	<b><u>\$ 413,501,288</u></b>

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, 2013**

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

Total fund balance - governmental funds (page 16)	\$ 126,635,473
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements	348,790,485
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	260,099,389
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds	<u>(451,455,942)</u>
Net position of governmental activities (page 14)	<u><u>\$ 284,069,405</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, 2013**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 25,117,451	\$ 41,109,411	\$ 8,832,701	\$ 4,052,875	\$ 79,112,438
Special assessments	-	26,783,153	1,009,687	424,322	28,217,162
Licenses and permits	3,672,166	-	-	-	3,672,166
Intergovernmental revenues	28,452,375	350,154	17,746,218	668,545	47,217,292
Charges for services	16,883,991	-	-	1,425,596	18,309,587
Fines and forfeits	2,458,979	-	-	156,917	2,615,896
Investment income	2,320,162	305,081	49,154	2,812	2,677,209
Miscellaneous revenues	1,067,675	61,679	223,473	953,558	2,306,385
<b>Total revenues</b>	<u>79,972,799</u>	<u>68,609,478</u>	<u>27,861,233</u>	<u>7,684,625</u>	<u>184,128,135</u>
<b>EXPENDITURES</b>					
Current:					
General government	13,227,490	-	142,219	-	13,369,709
Public safety	29,191,990	-	179,502	2,084,634	31,456,126
Public works	8,989,463	752,153	48,451,371	232,088	58,425,075
Public health & welfare	9,487,094	-	93,654	19,878	9,600,626
Recreation and culture	4,095,944	-	2,406	2,661,565	6,759,915
Urban redevelopment	-	75,038	1,658	1,152,974	1,229,670
Public transportation	7,032,387	-	18,951	647,723	7,699,061
General support	1,214,200	-	-	-	1,214,200
Capital outlay	3,785,189	-	61,574,330	45,369	65,404,888
Debt service:					
Principal	39,673	27,314,228	-	-	27,353,901
Interest and fiscal charges	7,543	16,462,917	999,158	-	17,469,618
<b>Total expenditures</b>	<u>77,070,973</u>	<u>44,604,336</u>	<u>111,463,249</u>	<u>6,844,231</u>	<u>239,982,789</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,901,826</u>	<u>24,005,142</u>	<u>(83,602,016)</u>	<u>840,394</u>	<u>(55,854,654)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,099,874	4,387,008	33,166,498	578,827	48,232,207
Transfers out	(13,805,590)	(19,369,843)	(2,058,511)	(1,281,079)	(36,515,023)
Loans issued	-	25,870	3,751,405	-	3,777,275
Bonds issued	-	903,121	67,176,879	-	68,080,000
Bond premium	-	10,048	4,624,158	-	4,634,206
Other financing uses - debt service - principal	-	(10,695,000)	-	-	(10,695,000)
<b>Total other financing sources (uses)</b>	<u>(3,705,716)</u>	<u>(24,738,796)</u>	<u>106,660,429</u>	<u>(702,252)</u>	<u>77,513,665</u>
Net change in fund balances	(803,890)	(733,654)	23,058,413	138,142	21,659,011
Fund balance (deficit) - beginning of year	32,688,340	103,608,342	(31,562,027)	241,807	104,976,462
Fund balance (deficit) - end of year	<u>\$ 31,884,450</u>	<u>\$ 102,874,688</u>	<u>\$ (8,503,614)</u>	<u>\$ 379,949</u>	<u>\$ 126,635,473</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, 2013**

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

Net change in fund balances - total governmental funds (page 18)	\$ 21,659,011
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	51,443,561
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(29,457,439)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	12,676,282
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(38,442,580)
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.	150,096
Internal service funds are used by management to charge the costs of health and liability insurance to individual funds. The net revenue of certain activities of internal service funds are reported with governmental activities.	322,346
Change in net position of governmental activities (page 15)	\$ 18,351,277

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, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 24,789,803	\$ 25,189,803	\$ 25,117,451	\$ (72,352)
Licenses & permits	3,195,000	3,455,000	3,672,166	217,166
Intergovernmental revenues	22,827,068	28,332,422	28,452,375	119,953
Charges for services	15,164,546	17,039,248	16,883,991	(155,257)
Fines and forfeits	2,816,500	2,816,500	2,458,979	(357,521)
Investment income	1,215,000	1,915,000	2,320,162	405,162
Miscellaneous revenues	488,083	797,611	1,067,675	270,064
Total revenues	<u>70,496,000</u>	<u>79,545,584</u>	<u>79,972,799</u>	<u>427,215</u>
<b>EXPENDITURES</b>				
Current:				
General government	13,231,623	13,508,718	13,227,490	281,228
Public safety	30,104,215	29,955,084	29,191,990	763,094
Public works	8,730,627	8,915,128	8,989,463	(74,335)
Public health & welfare	8,943,236	9,571,007	9,487,094	83,913
Recreation & culture	4,003,641	4,067,688	4,095,944	(28,256)
Public Transportation	7,088,431	7,116,193	7,032,387	83,806
General support	1,125,833	1,257,400	1,214,200	43,200
Capital outlay	6,713,531	5,554,794	3,785,189	1,769,605
Debt service:				
Principal	-	39,673	39,673	-
Interest and fiscal charges	-	7,543	7,543	-
Total expenditures	<u>79,941,137</u>	<u>79,993,228</u>	<u>77,070,973</u>	<u>2,922,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,445,137)</u>	<u>(447,644)</u>	<u>2,901,826</u>	<u>3,349,470</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,004,000	10,179,000	10,099,874	(79,126)
Transfers out	<u>(873,000)</u>	<u>(13,885,200)</u>	<u>(13,805,590)</u>	<u>79,610</u>
Total other financing sources (uses)	<u>9,131,000</u>	<u>(3,706,200)</u>	<u>(3,705,716)</u>	<u>484</u>
Net change in fund balances	<u>\$ (314,137)</u>	<u>\$ (4,153,844)</u>	<u>(803,890)</u>	<u>\$ 3,349,954</u>
Fund balance - beginning of year			<u>32,688,340</u>	
Fund balance - end of year			<u>\$ 31,884,450</u>	

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



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**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**December 31, 2013**

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash	\$ -	\$ 50	\$ 50	\$ -	\$ 300	\$ 6,487,723	\$ 50	\$ 6,488,173
Equity in pooled investments	15,692,461	7,648,213	9,759,553	231,931	-	645,038	800,592	34,777,788
Receivables (net of allowance for uncollectibles):								
Interest	-	26,619	21,538	-	-	-	-	48,157
Special assessments	-	-	-	-	-	-	8,701	8,701
Taxes	9,538	-	-	-	-	-	-	9,538
Accounts	529,922	1,401,315	1,087,136	145,676	991,769	291,209	425,686	4,872,713
Intergovernmental	198,721	-	-	-	-	-	-	198,721
Due from other funds	-	4,984,323	-	-	-	-	-	4,984,323
Advances to other funds	-	-	-	-	173,230	-	-	173,230
Inventory	-	206,845	-	-	-	45,493	456,505	708,843
Prepaid expenses	17,650	67,864	42,448	7,689	74,681	204,172	11,188	425,692
Restricted equity in pooled investments	493,310	3,669,194	810,926	-	-	-	-	4,973,430
<b>Total current assets</b>	<b>16,941,602</b>	<b>18,004,423</b>	<b>11,721,651</b>	<b>385,296</b>	<b>1,239,980</b>	<b>7,673,635</b>	<b>1,702,722</b>	<b>57,669,309</b>
<b>Noncurrent assets</b>								
Investments	-	100,036	-	-	-	-	-	100,036
<b>Restricted assets</b>								
Equity in pooled investments	537,989	143,850	300,917	-	-	93,259	-	1,076,015
Investments	-	-	-	-	-	38,632,255	-	38,632,255
Prepaid expenses	9,524	75,536	-	-	-	-	-	85,060
<b>Capital assets</b>								
Land	8,049,047	4,617,145	333,448	23,581,441	3,190,766	-	-	39,771,847
Right of way	-	-	289,090	125,683	-	-	-	414,773
Construction in progress	3,379,082	6,120,707	229,460	263,869	98,169	2,570,321	-	12,661,608
Intangible	-	500,000	-	-	-	-	-	500,000
Buildings	28,011,807	85,714,229	31,550,528	-	5,699,195	58,256,248	-	209,232,007
Improvements other than buildings	2,118,927	1,567,963	1,943,430	2,355,403	10,865,990	4,715,233	-	23,566,946
Machinery and equipment	7,382,625	5,984,547	11,707,791	3,788,288	15,558,848	16,804,069	1,306,054	62,532,222
Infrastructure	83,212,565	110,833,238	120,573,765	163,187,249	6,158	-	29,568,523	507,381,498
Less accumulated depreciation	(47,468,637)	(47,777,919)	(50,124,650)	(51,060,755)	(14,736,643)	(41,985,506)	(14,210,407)	(267,364,517)
<b>Total capital assets (net of accumulated depreciation)</b>	<b>84,685,416</b>	<b>167,559,910</b>	<b>116,502,862</b>	<b>142,241,178</b>	<b>20,682,483</b>	<b>40,360,365</b>	<b>16,664,170</b>	<b>588,696,384</b>
<b>Total noncurrent assets</b>	<b>85,232,929</b>	<b>167,879,332</b>	<b>116,803,779</b>	<b>142,241,178</b>	<b>20,682,483</b>	<b>79,085,879</b>	<b>16,664,170</b>	<b>628,589,750</b>
<b>Total assets</b>	<b>\$ 102,174,531</b>	<b>\$ 185,883,755</b>	<b>\$ 128,525,430</b>	<b>\$ 142,626,474</b>	<b>\$ 21,922,463</b>	<b>\$ 86,759,514</b>	<b>\$ 18,366,892</b>	<b>\$ 686,259,059</b>

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, 2013**

	Business Type Activities-Proprietary Funds							
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Vouchers payable	\$ 399,550	\$ 438,504	\$ 155,367	\$ 16,437	\$ 174,384	\$ 720,313	\$ 150,251	\$ 2,054,806
Retainage payable	151,150	-	-	-	3,778	116,727	-	271,655
Interest payable	-	24,688	49,986	120,629	150,134	30,316	-	375,753
Due to other funds	-	-	-	-	3,808,138	-	-	3,808,138
Accrued payroll	28,886	79,669	36,135	11,357	80,395	113,144	23,394	372,980
Current portion of special assessments	-	16,592	49,544	83,421	152,851	24,777	-	327,185
Current portion of capital lease	-	-	19,199	-	585,424	1,090,000	-	1,694,623
Current portion of contract payable	-	-	365,834	-	-	-	-	365,834
Accrued vacation payable	78,384	218,247	112,439	37,731	196,908	-	56,651	700,360
Unearned revenue	-	-	-	-	-	4,488,457	-	4,488,457
Deposits	-	-	-	-	-	11,979	-	11,979
<b>Current liabilities payable from restricted assets:</b>								
Current portion of long-term debt	415,000	3,295,000	761,000	-	100,000	-	-	4,571,000
Accrued interest and other	78,310	374,194	49,926	-	-	48,238	-	550,668
<b>Total current liabilities</b>	<u>1,151,280</u>	<u>4,446,894</u>	<u>1,599,430</u>	<u>269,575</u>	<u>5,252,012</u>	<u>6,643,951</u>	<u>230,296</u>	<u>19,593,438</u>
<b>Noncurrent liabilities</b>								
Landfill closure accruals	-	-	-	-	3,076,395	-	-	3,076,395
<b>Long-term debt, net of current portion:</b>								
Special assessments payable	-	478,211	879,470	2,230,804	2,235,155	448,962	-	6,272,602
Capital lease	-	-	101,559	-	698,271	3,450,000	-	4,249,830
Contract Payable	-	-	62,473	-	-	-	-	62,473
Revenue bonds, net of unamortized premium	5,139,426	11,547,317	-	-	700,000	-	-	17,386,743
Notes payable	-	-	4,993,000	-	-	-	-	4,993,000
<b>Total noncurrent liabilities</b>	<u>5,139,426</u>	<u>12,025,528</u>	<u>6,036,502</u>	<u>2,230,804</u>	<u>6,709,821</u>	<u>3,898,962</u>	<u>-</u>	<u>36,041,043</u>
<b>Total liabilities</b>	<u>6,290,706</u>	<u>16,472,422</u>	<u>7,635,932</u>	<u>2,500,379</u>	<u>11,961,833</u>	<u>10,542,913</u>	<u>230,296</u>	<u>55,634,481</u>
<b>NET POSITION</b>								
Net investment in capital assets	80,171,813	156,111,370	110,382,626	139,926,953	16,210,782	35,346,626	16,664,170	554,814,340
<b>Restricted for:</b>								
Debt service	547,513	219,386	300,917	-	-	-	-	1,067,816
Capital improvements	-	-	-	-	-	38,725,514	-	38,725,514
Unrestricted	15,164,499	13,080,577	10,205,955	199,142	(6,250,152)	2,144,461	1,472,426	36,016,908
<b>Total net position</b>	<u>\$ 95,883,825</u>	<u>\$ 169,411,333</u>	<u>\$ 120,889,498</u>	<u>\$ 140,126,095</u>	<u>\$ 9,960,630</u>	<u>\$ 76,216,601</u>	<u>\$ 18,136,596</u>	<u>\$ 630,624,578</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, 2013**

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
<b>OPERATING REVENUES</b>								
Charges for services	\$ 7,546,237	\$ 19,051,936	\$ 11,046,790	\$ 1,558,515	\$ 11,181,542	\$ 5,447,421	\$ 3,740,032	\$ 59,572,473
<b>OPERATING EXPENSES</b>								
Personnel services	1,262,246	3,306,659	1,590,872	460,336	3,535,395	2,262,392	1,078,013	13,495,913
Other services	2,689,052	2,463,558	1,914,159	134,004	2,126,593	2,781,815	977,135	13,086,316
Materials and supplies	455,631	3,934,394	1,746,714	158,265	1,847,895	319,280	1,442,959	9,905,138
Depreciation	3,188,705	3,881,437	3,719,036	3,640,109	2,032,634	2,339,798	1,264,547	20,066,266
Total operating expenses	7,595,634	13,586,048	8,970,781	4,392,714	9,542,517	7,703,285	4,762,654	56,553,633
Operating income (loss)	(49,397)	5,465,888	2,076,009	(2,834,199)	1,639,025	(2,255,864)	(1,022,622)	3,018,840
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Gain (loss) on disposal of assets	42,254	5,470	-	1,739	77,940	1,200	2,059	130,662
Investment income (expense)	55,010	27,903	20,284	-	-	5,494,695	5	5,597,897
Interest expense and bond fees	(291,752)	(773,075)	(263,673)	(123,246)	(187,903)	(165,273)	-	(1,804,922)
Amortization expense	(1,905)	(18,884)	-	-	-	-	-	(20,789)
General property tax revenue	664,036	-	-	-	-	-	-	664,036
Miscellaneous revenue (expense)	-	151,849	-	-	82,050	-	-	233,899
Sale of byproducts	-	-	800,759	-	416,658	-	-	1,217,417
Total nonoperating revenues (expenses)	467,643	(606,737)	557,370	(121,507)	388,745	5,330,622	2,064	6,018,200
Income (loss) before contributions and transfers	418,246	4,859,151	2,633,379	(2,955,706)	2,027,770	3,074,758	(1,020,558)	9,037,040
Capital contributions	3,925,726	10,049,518	5,042,129	10,521,608	922	-	1,785,604	31,325,507
Transfers in:								
Capital projects	-	-	106,944	-	-	-	-	106,944
Enterprise	-	1,276,273	-	-	-	-	355,000	1,631,273
Transfers out:								
General	(50,000)	(3,114,417)	(1,504,310)	(300,000)	(2,333,686)	(50,000)	(450,000)	(7,802,413)
Capital projects	-	(2,273,182)	(978,688)	(107,784)	-	-	-	(3,359,654)
Enterprise	-	-	(1,351,273)	-	(280,000)	-	-	(1,631,273)
Change in net position	4,293,972	10,797,343	3,948,181	7,158,118	(584,994)	3,024,758	670,046	29,307,424
Total net position - beginning - as restated	91,589,853	158,613,990	116,941,317	132,967,977	10,545,624	73,191,843	17,466,550	601,317,154
Total net position - ending	\$ 95,883,825	\$ 169,411,333	\$ 120,889,498	\$ 140,126,095	\$ 9,960,630	\$ 76,216,601	\$ 18,136,596	\$ 630,624,578

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



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**CITY OF FARGO, NORTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Business-type activities - Enterprise Funds

	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers and users	\$ 7,592,148	\$ 19,042,292	\$ 11,044,114	\$ 1,554,735	\$ 11,040,405	\$ 7,783,411	\$ 3,734,337	\$ 61,791,442
Payments to suppliers	(5,172,864)	(6,212,336)	(3,719,273)	(354,342)	(3,591,873)	(3,282,614)	(2,508,080)	(24,841,382)
Payments to employees	(918,533)	(2,444,472)	(1,211,961)	(365,443)	(2,620,963)	(2,235,991)	(833,789)	(10,631,152)
Payments of benefits on behalf of employees	(332,302)	(821,399)	(375,786)	(86,969)	(920,336)	-	(234,879)	(2,771,671)
Net cash provided (used) by operating activities	<u>1,168,449</u>	<u>9,564,085</u>	<u>5,737,094</u>	<u>747,981</u>	<u>3,907,233</u>	<u>2,264,806</u>	<u>157,589</u>	<u>23,547,237</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfers to other funds	(50,000)	(5,387,599)	(3,834,271)	(407,784)	(2,613,686)	(50,000)	(450,000)	(12,793,340)
Transfers from other funds	-	1,276,273	106,944	-	-	-	355,000	1,738,217
Contributions to other funds	-	-	-	-	-	-	-	-
Property taxes	664,683	-	-	-	-	-	-	664,683
Payments received on advances to other funds	-	-	-	-	30,000	-	-	30,000
Payments received on interfund borrowing	-	3,971,616	-	-	3,808,138	-	-	7,779,754
Payments made for interfund borrowing	-	(4,984,323)	-	-	(3,162,989)	-	-	(8,147,312)
Net cash provided (used) by noncapital financing activities	<u>614,683</u>	<u>(5,124,033)</u>	<u>(3,727,327)</u>	<u>(407,784)</u>	<u>(1,938,537)</u>	<u>(50,000)</u>	<u>(95,000)</u>	<u>(10,727,998)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Proceeds from sale of assets	42,254	5,470	-	17,140	17,140	1,200	2,059	85,263
Proceeds from byproduct sales	-	-	800,759	-	416,658	-	-	1,217,417
Proceeds from capital lease financing	-	-	-	-	-	-	-	-
Acquisition of capital assets	(4,177,613)	(140,039)	(87,245)	21,992	(1,248,635)	(198,035)	(48,737)	(5,878,312)
Debt service - principal	(405,000)	(3,136,572)	(1,122,857)	(132,740)	(976,965)	(1,071,038)	-	(6,845,172)
Debt service - interest & fees	(297,152)	(843,605)	(291,390)	(88,212)	(176,894)	(179,410)	-	(1,876,663)
Intergovernmental capital grants	5,503,899	-	-	-	-	-	50,000	5,553,899
Net cash provided (used) by capital and related financing activities	<u>666,388</u>	<u>(4,114,746)</u>	<u>(700,733)</u>	<u>(181,820)</u>	<u>(1,968,696)</u>	<u>(1,447,283)</u>	<u>3,322</u>	<u>(7,743,568)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Investment income (expense)	55,010	82,083	63,942	-	-	1,737	5	202,777
Investments redeemed	14,219,230	11,102,843	9,539,748	73,554	-	2,597,200	734,676	38,267,251
Investments (purchased)	(16,723,760)	(11,510,232)	(10,912,724)	(231,931)	-	(738,297)	(800,592)	(40,917,536)
Net cash provided (used) by investing activities	<u>(2,449,520)</u>	<u>(325,306)</u>	<u>(1,309,034)</u>	<u>(158,377)</u>	<u>-</u>	<u>1,860,640</u>	<u>(65,911)</u>	<u>(2,447,508)</u>
Net change in cash and cash equivalents	-	-	-	-	-	2,628,163	-	2,628,163
Cash and cash equivalents, January 1	-	50	50	-	300	3,859,560	50	3,860,010
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 6,487,723</u>	<u>\$ 50</u>	<u>\$ 6,488,173</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, 2013**

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)	\$ (49,397)	\$ 5,465,888	\$ 2,076,009	\$ (2,834,199)	\$ 1,639,025	\$ (2,255,864)	\$ (1,022,622)	\$ 3,018,840
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	3,188,705	3,881,437	3,719,036	3,640,109	2,032,634	2,339,798	1,264,547	20,066,266
Change in assets and liabilities								
Accounts receivable	45,911	(9,644)	(2,676)	(3,780)	(141,137)	(69,589)	(7,244)	(188,159)
Specials receivable	-	-	-	-	-	-	1,549	1,549
Inventories	-	45,978	-	-	-	(8,368)	(53,705)	(16,095)
Prepaid expenses	(3,761)	56,262	(15,584)	(1,539)	(8,459)	19,133	(644)	45,408
Accounts payable	(1,218,056)	83,376	(42,816)	(60,534)	108,358	(182,284)	(33,637)	(1,345,593)
Retainage payable	(806,365)	-	-	-	3,778	(10,000)	-	(812,587)
Landfill closure accruals	-	-	-	-	278,938	-	-	278,938
Payroll payable	4,950	11,645	3,767	1,618	12,519	26,401	3,136	64,036
Vacation payable	6,462	29,143	(642)	6,306	(18,423)	-	6,209	29,055
Unearned revenue	-	-	-	-	-	2,423,575	-	2,423,575
Deposits	-	-	-	-	-	(17,996)	-	(17,996)
Total adjustments	1,217,846	4,098,197	3,661,085	3,582,180	2,268,208	4,520,670	1,180,211	20,528,397
Net cash provided (used) by operating activities	<u>\$ 1,168,449</u>	<u>\$ 9,564,085</u>	<u>\$ 5,737,094</u>	<u>\$ 747,981</u>	<u>\$ 3,907,233</u>	<u>\$ 2,264,806</u>	<u>\$ 157,589</u>	<u>\$ 23,547,237</u>
Noncash transactions affecting financial position:								
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ 10,049,518</u>	<u>\$ 5,042,129</u>	<u>\$ 10,521,608</u>	<u>\$ 922</u>	<u>\$ -</u>	<u>\$ 1,735,604</u>	<u>\$ 27,349,781</u>
Acquisition of assets through acquisition of debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,621</u>	<u>\$ -</u>	<u>\$ 1,245,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,326,919</u>
Capital asset trade-ins	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,000</u>
Acquisition of / change in inventory through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Change in fair value of investments	<u>\$ -</u>	<u>\$ (48,975)</u>	<u>\$ (41,328)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (90,303)</u>

Concluded

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

**CITY OF FARGO, NORTH DAKOTA**  
**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**December 31, 2013**

	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash	\$ 198,111	\$ 13,820
Equity in pooled investments	396,711	(2,364,201)
Receivables:		
Accounts receivable	38,312	764,460
Special assessments	-	3,879,278
Intergovernmental	-	8,293,533
Interest	5,977	-
Total receivables	<u>44,289</u>	<u>12,937,271</u>
Investments, at fair value:		
Domestic equities	1,728,563	-
International equities	1,296,941	-
Domestic fixed income	691,317	-
International fixed income	155,844	-
Real estate	645,288	-
Alternative investments	152,072	-
Corporate stocks	27,283	-
Mutual funds	76,540,430	-
Total investments	<u>81,237,738</u>	<u>-</u>
Total assets	<u>\$ 81,876,849</u>	<u>\$ 10,586,890</u>
<b>LIABILITIES</b>		
Vouchers and benefits payable	\$ 52,226	\$ 1,388,716
Due to other governments	-	8,527,672
Deposits	-	670,502
Total liabilities	<u>\$ 52,226</u>	<u>\$ 10,586,890</u>
<b>NET POSITION</b>		
Held in trust for pension benefits	<u>\$ 81,824,623</u>	<u>\$ -</u>

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

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**For the Year Ended December 31, 2013**

	Pension Trust
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 4,290,923
Employee	1,514,842
Total contributions	5,805,765
Investment income	
Net appreciation in fair value of investments	13,453,988
Less investment expense	(262,092)
Net investment income	13,191,896
Total additions	18,997,661
<b>DEDUCTIONS</b>	
Pension benefit payments	5,120,535
Member contribution refunds	197,045
Administrative expenses	99,689
General Fund (ARC)	662,062
Total deductions	6,079,331
Change in net position	12,918,330
Total net position - beginning	68,906,293
Total net position - ending	\$ 81,824,623

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



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**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**INDEX**

**NOTE 1        SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A.        Basis of presentation
- B.        Reporting entity
- C.        Government-wide and fund financial statements
- D.        Measurement focus, basis of accounting and financial statement presentation
- E.        Assets, liabilities, and net position/fund balance

**NOTE 2        RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A.        Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position
- B.        Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

**NOTE 3        STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

- A.        Budgetary information
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- C.        Net position/fund balance deficits
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**NOTE 4        DETAIL NOTES ON ALL FUNDS**

- A.        Deposits and investments
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**NOTE 5        OTHER NOTES**

- A.        Risk management
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**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**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 board for governmental accounting and financial reporting.

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City.

GASB Statement No. 67, Financial Reporting for Pension Plans. The objective of Statement 67 is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pension with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of GASB No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trust or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pension. GASB 67 is effective for periods beginning after June 15, 2013.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, establishes accounting and financial reporting requirements related to pension for governments whose employees are provided with pension through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement – determine pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. GASB 68 is effective for periods beginning after June 15, 2014.

Management has not yet determined the effect these statements will have on the entity'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.

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

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 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 pension trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Although agency funds have no measurement focus, they also use the accrual basis of accounting to recognize receivables and payables.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

**Debt Service Fund** – The debt service fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

**Capital Projects Fund** – The capital projects fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed directly by proprietary funds. Major capital facilities include infrastructure such as streets, sidewalks, street lighting, paving, sanitary storm sewers, water mains, sewer lines, flood control and other projects.

The City reports the following major proprietary funds:

**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 and is currently operated under a management contract with Global Spectrum, Inc.

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

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**Pension Trust Funds** – Pension trust funds are used to account for the activities of the City Employees' Pension Plan and the Police Pension Plan, which accumulates resources for pension benefit payments.

**Agency Funds** – Agency funds are used to account for assets held by the City as agent for other individuals, organizations, or governmental units. The City has four agency funds, the Performance Deposits fund, the Park District Special Assessments fund, the Red River Regional Dispatch Center fund, and the Metro Flood Diversion Authority.

As a general rule, the City has eliminated the effect of interfund activity from the government-wide financial statements. Exceptions to this rule are when various charges exist between different functions of the government (i.e. water and sewer charges to other various functions of the City). Elimination of these charges would distort direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include the following: amounts received from those who purchase, use or directly benefit from a program; amounts received from parties outside the City that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

Proprietary funds report operating revenues and expenses separately from nonoperating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**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. Three of the investment pools used by the City are managed by the PFM Financial Advisors Group.

Investments are reported at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties. Cash and cash equivalents, for the purposes of GASB Statement No. 9 include cash, demand deposits, and certificates of deposit with a maturity of less than three months at the time of purchase.

**2. Receivables and Payables**

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

Advances between funds, as reported in the fund financial statements, are offset by "nonspendable: fund balance in the applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

The City is permitted under provisions of the Home Rule Charter to levy taxes as needed for general governmental services and payment of principal and interest on long-term debt. The current Home Rule Charter maximum mill levy is sixty-four mills. Total mills levied for 2011 were fifty-eight and one-quarter.

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

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

### **3. Inventories and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods 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 \$5,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Intangible assets consist of water rights and right-of-way easements. The water rights were purchased from Cass Rural Water Users. Both the water rights and right-of-way easement assets are considered to have an indefinite useful life as there are no legal, contractual, regulatory, technological, or other factors that limit the useful life of the assets and therefore the assets are not amortized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

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

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

<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, proprietary, and fiduciary fund financial statements. In the governmental funds, a liability would be reported only if they have matured, for example, as a result of employee retirements or resignations. The entire portion of accumulated unpaid vacation is considered short term for the reason that historically, unpaid vacation is utilized within one year either through vacation payouts when employees terminate their service with the City or with the use of annual leave throughout the year.

## **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**

The difference between assets and liabilities is "Net Position" on the government-wide, proprietary and fiduciary fund financial statements and "Fund Balance" on the governmental fund financial statements.

Net position represents the difference between assets and liabilities 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 fixed assets, 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.

In the General Fund, the City strives to maintain an unassigned fund balance to be used for cash flow and unanticipated expenditures of approximately 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 \$451,455,942 difference are as follows:

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Bonds payable	\$ 358,700,036
Notes payable	68,709,176
Capital leases	165,679
December 31, 2013 long-term debt outstanding	<u>\$ 427,574,891</u>
Accrued interest payable	2,820,517
Bond premium	9,115,418
Accumulated unpaid vacation	3,382,064
Bond discount and bond insurance	(361,705)
Net pension obligation liability	<u>8,924,757</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 451,455,942</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 \$51,443,561 difference are as follows:

Capital Outlay	\$ 65,404,888
Plus: assets transferred in from enterprise funds	59,898
Plus: prior year construction in progress added as asset in current year	<u>1,024,008</u>
Capital asset increases per footnote 4.C	\$ 66,488,794
Less: assets transferred in from enterprise funds	(59,898)
Less: prior year construction in progress added as asset in current year	(1,024,008)
Depreciation expense	<u>(13,961,327)</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>\$ 51,443,561</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. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$33,442,580 difference are as follows:

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Bonded debt issued	\$ (68,080,000)
Premium on bonded debt issued	(4,634,206)
Bonded debt principal payments	33,017,691
Capital lease payment	39,673
Loan proceeds	(3,777,275)
Loan payments	4,991,537
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ (38,442,580)

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 \$150,096 are as follows:

Compensated absences	\$ (239,439)
Accrued interest	(70,634)
Amortization of bond discounts and bond insurance	(112,714)
Amortization of bond premium	562,377
Net pension obligation adjustment	10,506
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$ 150,096

**3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

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

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

1. According to City charter, the Mayor submits a proposed budget each August to the City Commission. At that time, the City Commission makes any changes they deem necessary to this proposed budget.
2. The preliminary budget must be adopted by September 10.
3. Public hearings are conducted to obtain taxpayer comments.
4. The budget is legally enacted through the passage of a budget ordinance no later than October 7.
5. Budgets are adopted for the general, special revenue, and debt service.
6. The legal level of budgetary control is at the fund level. The Finance Director may approve transfers of budgeted amounts between departments within a given fund. Any transfers of

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budgeted amounts and any revisions that alter the total expenditures of any fund must be approved by the City Commission.

7. Formal budgetary integration is employed as a management control device during the period for the general fund, special revenue funds and the debt service fund at the fund level. Any expenditures in excess of current year's budget must be approved by the Finance Committee and the City Commission. Supplemental appropriations granted for the 2013 year include \$2,205,639 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 \$1,634,896 for the year ended December 31, 2013.

**B. EXCESS OF EXPENDITURES OVER BUDGET**

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

<b>Special Revenue Funds</b>		
City Share of Specials	\$	32,088
Emergency 911		10,151
Downtown Business Improvement District		19,774
Convention & Visitors Bureau		239,980
HUD Home Participating Jurisdiction		64,473
NRI Loan Program		21,791
Baseball Stadium		22,911
<b>Debt Service Fund</b>	<b>\$</b>	<b>22,413</b>

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

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**C. NET POSITION/FUND BALANCE DEFICITS**

<b>Governmental Funds</b>		
<b>Special Revenue Funds</b>		
City Share of Specials	\$ 5,717	This deficit will be eliminated by reimbursement from other governmental units.
Emergency 911	937,941	This deficit will be eliminated by an increase in E911 fees or budget appropriations.
Baseball Stadium	1,343,108	This deficit is due to a capital projects fund being closed out and set up as special revenue fund. The deficit will be recovered by future suite lease fees over the next several years.
<b>Capital Projects Funds</b>		
Capital Projects Fund	\$ 8,503,614	This deficit will be eliminated by future bond financing and transfers from other funds.

**D. NET POSITION RESTRICTED BY ENABLING LEGISLATION**

The government-wide statement of net position reports \$134,358,694 of restricted net position, of which \$53,931,972 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, 2013, the carrying amount of the City's deposits was \$33,011,090 and the bank balance was \$34,867,957. 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, 2013, the City's deposits were either fully insured or properly collateralized, were held in the City's name, and have no custodial credit risk.

Investments - The City 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.

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*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. Certificate 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
- j. Repurchase agreements that are collateralized only by direct obligation of the U.S. government, GNMA, Fannie Mae, Freddie Mac, FFCB, and FHLB.

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

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

Interest Rate Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As outlined above, city policy limits the type of investments allowed to reduce

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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
U.S. Treasuries	AAA	\$ 72,218,987	1	44,185,937	28,033,049	-	-
U.S. Agencies	AAA	19,163,889	-	9,114,851	10,049,038	-	-
U.S. Agencies	NA	6,094,585	-	5,000,749	-	673,788	420,048
Corporate Bonds	AA1	625,426	-	-	625,426	-	-
Corporate Bonds	AA3	298,374	-	-	298,374	-	-
Corporate Bonds	A1	3,364,346	-	-	3,364,346	-	-
Corporate Bonds	A3	1,302,210	-	-	1,302,210	-	-
Municipal Bond	A1	931,879	-	-	931,879	-	-
CDs	AA2	1,078,214	-	-	1,078,214	-	-
CDs	AA-	1,376,141	-	1,376,141	-	-	-
CDs	N/A	2,049,426	-	2,049,426	-	-	-
Corporate Commercial Paper	N/A	10,892,683	-	10,892,683	-	-	-
Local Government Bond	N/A	100,036	-	50,000	50,036	-	-
Corporate Stocks	N/A	27,283	27,283	-	-	-	-
Bond Mutal Funds	N/A	21,157,782	1,019,173	-	3,568,019	14,102,707	2,467,882
External Investment Pool *	N/A	43,391,564	43,391,564	-	-	-	-
Equity Mutual Funds	N/A	55,382,648	55,382,648	-	-	-	-
		<u>\$ 239,455,475</u>	<u>\$ 99,820,670</u>	<u>\$ 72,669,787</u>	<u>\$ 49,300,593</u>	<u>\$ 14,776,495</u>	<u>\$ 2,887,931</u>

\* - The weighted average maturity of the portion of the external investment pool subject to maturity is 6.65 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% of the City's portfolio for any of the following security types in total: commercial paper, corporate obligations or notes, bankers' acceptances, and negotiable CD's. No single issuer exceeded these established limits as of December 31, 2013. On a fund level the Water Enterprise Fund's investment in the City of Fargo Housing Revenue Bonds represents 100% of its non-pooled investments.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City has investments in foreign currency in the external investment pool with the State Investment Board. Although the State Investment Board does not have a formal investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. As of June 30, 2013, the City has the following foreign currency risk exposure on investments.

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Currency	All values in \$000			
	Short term	Debt	Equity	Total
Australian dollar	\$ (73)	\$ 93	\$ 246	\$ 266
Brazilian real	18	40	61	119
British pound sterling	115	48	1,202	1,365
Canadian dollar	2	7	173	182
Chilean peso	31	-	-	31
Chinese yuan renminbi	2	-	-	2
Columbian peso	2	-	-	2
Czech koruna	-	-	16	16
Israeli shekel	1	-	38	39
Danish krone	-	-	30	30
Euro	(177)	222	1,963	2,008
Hong Kong dollar	5	-	317	322
Hungarian forint	(1)	36	9	44
Iceland krona	-	-	-	-
Indian rupee	41	-	-	41
Indonesian rupiah	-	-	3	3
Japanese yen	77	1	1,217	1,295
Malaysian ringgit	1	38	18	57
Mexican peso	6	168	-	174
New Zealand dollar	(22)	27	-	5
Norwegian krone	8	-	68	76
Peruvian nuevo sol	(1)	-	-	(1)
Philippine peso	-	19	-	19
Polish zloty	1	37	10	48
Russian ruble	-	-	-	-
Singapore dollar	8	-	92	100
South African rand	1	28	33	62
South Korean won	(37)	40	95	98
Swedish krona	18	-	145	163
Swiss franc	-	-	580	580
Thai baht	-	-	10	10
Turkish lira	(7)	33	8	34
International comingled funds	-	813	3,152	3,965
	<u>\$ 19</u>	<u>\$ 1,650</u>	<u>\$ 9,486</u>	<u>\$ 11,155</u>

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**B. RECEIVABLES**

Loans receivable as of December 31, 2013 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	3%	08/02/21	\$ 323,530
Neighborhood Revitalization Initiative (NRI)	2 - 4%	06/01/15 to 08/01/21	81,801
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	22,500
HUD HOME	0 – 3%	05/01/14 to 02/01/17	<u>2,385,850</u>
Total loans receivable			<u>\$2,813,68</u> <u>1</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, \$1,875,835 is considered in non-repayment status. These loans are forgiven upon certain criteria being met, usually relating to maintaining ownership for a certain number of years. However, if the given criteria is not met, payment is required.

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**C. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 45,232,961	\$ 7,466,113	\$ 1,836,444	\$ 50,862,630
Right of Way	5,770,706	1,232,568	-	7,003,274
Construction in progress	3,697,380	1,162,054	1,024,008	3,835,426
Total capital assets, not being depreciated	<u>54,701,047</u>	<u>9,860,735</u>	<u>2,860,452</u>	<u>61,701,330</u>
Capital assets, being depreciated				
Buildings	74,066,845	1,983,536	236,250	75,814,131
Improvements other than buildings	780,775	315,084	-	1,095,859
Machinery and equipment	43,593,200	6,451,679	2,355,100	47,689,779
Infrastructure	305,944,013	40,401,547	28,508,986	317,836,574
Flood control	19,162,716	7,476,213	-	26,638,929
Total capital assets being depreciated	<u>443,547,549</u>	<u>56,628,059</u>	<u>31,100,336</u>	<u>469,075,272</u>
Less accumulated depreciation for:				
Buildings	27,695,424	1,872,300	44,888	29,522,836
Improvements other than buildings	292,421	45,879	-	338,300
Machinery and equipment	28,214,486	4,158,689	2,275,247	30,097,928
Infrastructure	115,007,552	7,743,748	1,159,206	121,592,094
Flood control	234,350	200,609	-	434,959
Total accumulated depreciation	<u>171,444,233</u>	<u>14,021,225</u>	<u>3,479,341</u>	<u>181,986,117</u>
Total capital assets, being depreciated, net	<u>272,103,316</u>	<u>42,606,834</u>	<u>27,620,995</u>	<u>287,089,155</u>
Governmental activities capital assets, net	<u>\$ 326,804,363</u>	<u>\$ 52,467,569</u>	<u>\$30,481,447</u>	<u>\$ 348,790,485</u>

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

<b>Governmental activities:</b>	
General government	\$ 701,047
Public safety	1,814,063
Public works	8,799,018
Public health & welfare	98,767
Recreation & culture	743,493
Urban development	65,542
Transportation	1,739,397
Total depreciation expense - governmental activities	<u>\$ 13,961,327</u>
Accumulated depreciation recorded through asset transfers from business-type activities	59,898
	<u>\$ 14,021,225</u>

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 38,853,111	\$ 955,936	\$ 37,200	\$ 39,771,847
Intangible - Right-of -way Easements	404,732	10,041	-	414,773
Construction in progress	19,316,173	8,966,580	15,621,145	12,661,608
Intangible - Water rights	500,000	-	-	500,000
Total capital assets, not being depreciated	<u>59,074,016</u>	<u>9,932,557</u>	<u>15,658,345</u>	<u>53,348,228</u>
Capital assets, being depreciated				
Buildings	207,108,195	2,123,812	-	209,232,007
Improvements other than buildings	17,681,573	5,885,373	-	23,566,946
Machinery and equipment	60,685,591	3,069,596	1,222,965	62,532,222
Infrastructure	477,161,093	30,454,521	234,116	507,381,498
Total capital assets being depreciated	<u>762,636,452</u>	<u>41,533,302</u>	<u>1,457,081</u>	<u>802,712,673</u>
Less accumulated depreciation for:				
Buildings	64,419,894	4,620,599	-	69,040,493
Improvements other than buildings	6,411,260	897,034	-	7,308,294
Machinery and equipment	38,887,035	3,980,724	1,152,591	41,715,168
Infrastructure	138,905,711	10,601,741	206,890	149,300,562
Total accumulated depreciation	<u>248,623,900</u>	<u>20,100,098</u>	<u>1,359,481</u>	<u>267,364,517</u>
Total capital assets, being depreciated, net	<u>514,012,552</u>	<u>21,433,204</u>	<u>97,600</u>	<u>535,348,156</u>
Business-type activities capital assets, net	<u>\$ 573,086,568</u>	<u>\$ 31,365,761</u>	<u>\$ 15,755,945</u>	<u>\$ 588,696,384</u>

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

Business-type activities:	
Airport	\$ 3,188,705
Water	3,881,437
Wastewater	3,719,036
Storm sewer	3,640,109
Vector control	15,082
Street lighting	1,211,746
Solid waste	2,032,634
Forestry	37,719
Fargodome	2,339,798
Total depreciation expense - business-type activities	<u>\$ 20,066,266</u>
Accumulated depreciation recorded through asset transfers from governmental-type activities	33,832
	<u>\$ 20,100,098</u>

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**D. COMMITMENTS**

**Construction**

As of December 31, 2013, the City had commitments on various construction contracts totaling approximately \$26,377,448.

**Municipal Landfill Closure and Post-Closure Care Costs**

The City of Fargo operates a municipal solid waste landfill to service the waste disposal needs of the community. The Environmental Protection Agency and the State of North Dakota regulations and guidelines (NDCC 23-29.04) impact the operation of the landfill.

The landfill site design has a total of 17 cells on approximately 116 acres of land. The City has constructed 15 cells to date, which vary in surface area from 4 to 6 acres. The cell depths range up to 30' below existing grade, varying based on their footprint location. Final elevations of cells range from 40' to 80' above existing grade. The cells have been designed with a leachate collection system and each cell is constructed with a composite liner system consisting of a compacted clay subgrade overlain by a 60-mil high-density polyethylene synthetic liner. Once cells have been filled to capacity, final closure can be performed, which involves placement of 4' un-compacted clay soils, in which 4" of yard waste compost is incorporated into the top 12", and 6" of topsoil.

Cells 1 through 12, 14, 16, and 17 are presently constructed and partially filled. Based upon design capacity, the landfill is 63% full (acres), and based upon present utilization rates; the remaining capacity of the landfill is estimated at 9.20 years. The estimated liability for landfill closure and post closure care is \$3,076,395 as of December 31, 2013. The City will recognize the remaining estimated cost of closure and post closure care of \$2,285,997 as the remaining estimated capacity is filled. The estimated total current cost of landfill closure and post closure care is based upon the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2013. However, actual costs may be higher due to inflation, changes in technology, or landfill regulations. The City owns land held for future expansion adjacent to the existing landfill that can provide 50 years of future capacity.

The City is meeting closure and post closure obligations by applying a financial test as specified in North Dakota Administrative Code sections 33-20-14-02 through 33-20-14-07. Because the City is able to meet the financial test, the restriction of cash in a landfill assurance fund is not required.

**E. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Interfund receivables/payables are used when a fund has a cash deficit, as well as for other amounts owed between funds. The composition of interfund balances as of December 31, 2013, is as follows:

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	Receivable	Payable
Debt service	\$ 9,995,642	\$ -
Capital projects	-	9,995,642
Water	1,176,185	-
Nonmajor governmental	-	1,176,185
Water	3,808,138	-
Solid Waste	-	3,808,138
Interfund totals	<u>\$ 14,979,965</u>	<u>\$ 14,979,965</u>

At December 31, 2013, the inter-fund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2013
General fund	\$ 2,298,802	\$ 1,114,105	\$ 1,184,697
Solid waste fund	1,200,000	1,026,770	173,230
Subtotal baseball advances	<u>\$ 3,498,802</u>	<u>\$ 2,140,875</u>	<u>\$ 1,357,927</u>
General fund - shooting range advance	\$ 225,000	\$ 225,000	\$ -
General fund - parking authority debt defeasance advance	\$ 765,000	\$ 65,000	\$ 700,000
Total advances	<u>\$ 4,488,802</u>	<u>\$ 2,430,875</u>	<u>\$ 2,057,927</u>

Baseball stadium advances will be repaid by future lease revenues generated by the Stadium lease contract with Fargo Baseball, LLC. The terms of the lease agreement provide for collection of lease revenues for private suites and individual seat license fees.

The shooting range advance was repaid by intergovernmental grants and is considered paid in full as of December 31, 2013.

The parking authority debt defeasance advance will be repaid by future parking authority revenue.

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Interfund Transfers:

	Transfer In:							
	Major Funds					Nonmajor Funds		Total
	General	Debt Service	Capital Projects	Water	Wastewater	Governmental	Enterprise	
Transfer Out:								
Major Funds:								
General	\$ -	\$ 1,936,701	\$ 11,715,830	\$ -	\$ -	\$ 153,059	\$ -	\$ 13,805,590
Debt Service	1,450,000	-	17,884,056	-	-	35,787	-	19,369,843
Capital Projects	185,400	1,466,167	-	-	106,944	300,000	-	2,058,511
Airport	50,000	-	-	-	-	-	-	50,000
Water	3,114,417	-	2,273,182	-	-	-	-	5,387,599
Wastewater	1,504,310	-	978,688	1,276,273	-	-	75,000	3,834,271
Storm Sewer	300,000	-	107,784	-	-	-	-	407,784
Solid Waste	2,333,686	-	-	-	-	-	280,000	2,613,686
FargoDome	50,000	-	-	-	-	-	-	50,000
Nonmajor Funds:								
Governmental	-	984,140	206,958	-	-	89,981	-	1,281,079
Enterprise	450,000	-	-	-	-	-	-	450,000
Pension Trust	662,061	-	-	-	-	-	-	662,061
<b>Total</b>	<b>\$ 10,099,874</b>	<b>\$ 4,387,008</b>	<b>\$ 33,166,498</b>	<b>\$ 1,276,273</b>	<b>\$ 106,944</b>	<b>\$ 578,827</b>	<b>\$ 355,000</b>	<b>\$ 49,970,424</b>

Transfers are made for funding various projects, meeting debt service requirements, and for capital infrastructure. Interest earned on Debt fund residuals and reported as revenue in the Debt fund is periodically transferred to the General Fund.

**F. LEASES**

**Operating Leases**

The City leases building and office facilities under noncancellable operating leases. Total costs for such leases were \$574,323 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2014	232,168
2015	121,700
2016	106,314
	<u>\$ 460,182</u>

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**Capital Leases**

The City is obligated to the following capital lease agreements:

BUSINESS-TYPE	Remaining Balance
<b>SOLID WASTE ENTERPRISE FUND</b>	
CAT D7 Dozer	133,971
CAT D6 Dozer	83,732
Peterbilt 320 Chassis	42,772
Peterbilt 320 Chassis w/Heil Rapid Rail	42,267
Bomag Refuse Compactor	169,841
Cribus Screener	89,081
Duratech Tub Grinder	371,479
Labrie Expert Automated Packer	233,259
Loadmaster Excel Rear Loader	117,293
<b>WASTEWATER ENTERPRISE FUND</b>	
CAT Wheel Loader	\$ 46,425
Ford F450 Cab/Chassis	67,036
Lanier LD620C Copier System	7,296
<b>FARGODOME ENTERPRISE FUND</b>	
Turf and Parking Lot	\$ 4,540,000
<b>Total Business-Type</b>	<b>\$ 5,944,453</b>
<b>GOVERNMENTAL</b>	
Volvo Grader	136,914
Ford Explorer	19,172
Canon Copier	9,593
<b>Total Governmental</b>	<b>\$ 165,679</b>

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 260,597	\$ 8,165,126
Less: Accumulated depreciation	(70,577)	(1,202,199)
<b>Total</b>	<b>\$ 190,020</b>	<b>\$ 6,962,927</b>

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Future Minimum Payments under the above capital lease agreements at December 31, 2013 are shown below:

	Governmental Activities	Business-type Activities
2014	\$ 47,216	\$ 1,864,551
2015	47,216	1,581,960
2016	84,552	1,461,043
2017	-	1,421,656
2018	-	14,812
Total minimum lease payments	178,984	6,344,022
Less: amount representing interest	(13,305)	(399,569)
Present value of minimum lease payments	<u>\$ 165,679</u>	<u>\$ 5,944,453</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 has executed a lease with North Dakota State University for use of its facility. The terms of the 2012 lease are set to expire on June 30, 2017 with the terms of NDSU having a maximum of fifty days per lease year to rent the FargoDome. Annual rental fees under the new terms are \$161,110. The lease payment terms change annually on July 1, with the rate based off the prior year annual payment, adjusted for the Midwest Urban Consumer Price Index.

*Locker Room Rental Agreement*

During 2005, an additional lease agreement was entered into with the NDSU Development Foundation. The agreement is for use of approximately 23,461 square feet of its upstairs mezzanine level and lower level locker rooms. The agreement provides for annual rent of \$57,500 due August 1 of each year. In addition to the rent, North Dakota State University will pay annual fixed expenses of \$3,000 for the generator and building depreciation, as well as the variable costs associated with electrical usage and generator operating costs. The lease expires in 2016, however it will automatically renew for up to two additional periods of 10 years each unless North Dakota State University gives the FargoDome six months in advance of the end of any 10-year term their intent to not renew the lease. The annual rent will be increased 5% every ten years during the term of the lease. They also share a percentage of the concession and novelty sales proceeds for NDSU events.

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The asset leased to NDSU is as follows:

	<u>Business-type Activity</u>
Asset:	
Fargodome	\$ 58,256,248
Less: Accumulated depreciation	(27,052,514)
Total	<u>\$ 31,203,734</u>

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

2014	\$ 218,610
2015	218,610
2016	218,610
2017	80,555
	<u>\$ 736,385</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.

The Fargo Baseball, LLC, as lessee, has leased the stadium for exclusive lease from May 29<sup>th</sup> of each year through the end of each baseball season. The lessee will pay the City funds raised from private suite and VIP seat licenses. A 15% commission from these revenue sources will be paid to the lessee by the City according to the lease agreement. The lessee retains the exclusive rights to the concession operations during the lease period. The lessee has responsibility for normal maintenance of the stadium and the lessor has responsibility for major structural improvements, maintenance and insurance.

North Dakota State University, as another lessee, has leased the stadium for an exclusive period from March 21<sup>st</sup> to May 29<sup>th</sup> 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:

	<u>Governmental Activity</u>
Asset:	
Baseball stadium	\$ 5,266,692
Less: Accumulated depreciation	<u>(1,911,520)</u>
Total	<u>\$ 3,355,172</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:

2014	\$ 45,684
2015	45,684
2016	45,684
2017	45,684
2018	45,684
Thereafter	<u>388,314</u>
	<u>\$ 616,734</u>

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**G. LONG-TERM DEBT**

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2013

	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013	Due within one year
<b>GOVERNMENTAL ACTIVITIES</b>					
Improvement bonds	\$ 304,920,000	\$ 16,705,000	\$ 22,465,000	\$ 299,160,000	\$ 51,100,000
Gross revenue bonds	4,957,727	-	4,857,691	100,036	50,000
General obligation bonds	2,515,000	-	115,000	2,400,000	115,000
Sales tax revenue bonds	11,245,000	51,375,000	5,580,000	57,040,000	7,410,000
Total Bonds Payable	323,637,727	68,080,000	33,017,691	358,700,036	58,675,000
State revolving fund notes	66,599,182	3,751,405	4,699,374	65,651,213	4,825,000
Tax increment revenue notes	3,324,256	25,870	292,163	3,057,963	-
Total Notes Payable	69,923,438	3,777,275	4,991,537	68,709,176	4,825,000
Capital leases	205,352	-	39,673	165,679	41,188
Total Debt	393,766,517	71,857,275	38,048,901	427,574,891	63,541,188
Accumulated unpaid vacation	3,142,625	3,382,064	3,142,625	3,382,064	3,382,064
Unamortized premium on refunding	5,043,589	4,634,206	562,377	9,115,418	529,855
Net pension obligations	8,935,264	5,805,131	5,815,638	8,924,757	-
<b>TOTAL</b>	<b>\$ 410,887,995</b>	<b>\$ 85,678,676</b>	<b>\$ 47,569,541</b>	<b>\$ 448,997,130</b>	<b>\$ 67,453,107</b>
	Balance 1/1/2013	Additions	Deletions	Balance 12/31/2013	Due within one year
<b>BUSINESS-TYPE ACTIVITIES</b>					
Revenue bonds	\$ 24,230,000	\$ -	\$ 3,635,000	\$ 20,595,000	\$ 3,810,000
Unamortized premium on refunding	751,458	-	149,715	601,743	149,715
Total Bonds Payable	24,981,458	-	3,784,715	21,196,743	3,959,715
State revolving fund notes payable	6,495,000	-	741,000	5,754,000	761,000
Capital leases	6,822,916	998,455	1,876,918	5,944,453	1,694,623
Special assessments	5,501,788	1,395,685	297,686	6,599,787	327,185
Contract payable	779,820	-	351,513	428,307	365,834
Landfill closure/postclosure	2,797,457	278,938	-	3,076,395	-
Accumulated unpaid vacation	671,305	700,360	671,305	700,360	700,360
<b>TOTAL</b>	<b>\$ 48,049,744</b>	<b>\$ 3,373,438</b>	<b>\$ 7,723,137</b>	<b>\$ 43,700,045</b>	<b>\$ 7,808,717</b>

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.

The General Fund has typically been used in prior years to liquidate the bulk of the liability for the net pension obligations.

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.

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**BONDS PAYABLE**

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

	Original Interest Rates	Original Issue Amounts	Balance Remaining
<b>GOVERNMENTAL ACTIVITIES</b>			
Improvement bonds			
(Special assessment debt)	0.80 - 6.00 %	\$ 353,580,000	\$ 299,160,000
Gross revenue bonds	0.00 - 6.625%	1,300,000	100,036
General obligation bonds	2.00 - 4.00%	2,875,000	2,400,000
Sales tax revenue bonds	2.00 - 6.00%	78,910,000	57,040,000
<b>TOTAL</b>		<u><u>\$ 436,665,000</u></u>	<u><u>\$ 358,700,036</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water revenue bond	5.25%	\$ 28,065,000	\$ 14,255,000
Clean renewable energy bond	0.85%	1,500,000	800,000
Airport revenue bond	4.00 - 4.25%	7,755,000	5,540,000
<b>TOTAL</b>		<u><u>\$ 37,320,000</u></u>	<u><u>\$ 20,595,000</u></u>

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

Revenue bonds payable at December 31, 2013, consist of two issues backed and serviced by sales tax, one issue backed and serviced by annual general fund revenue appropriations, one issue backed and serviced by NRI program revenues, and three issues backed and serviced by utility revenues, which include the Water Fund, Solid Waste Fund, and the Airport Authority.

**CITY OF FARGO, NORTH DAKOTA  
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Debt service requirements for these revenue bonds at December 31, 2013, are as follows:

Sales Tax			
Year	Principal	Interest	Total
2014	\$ 7,410,000	\$ 2,095,987	\$ 9,505,987
2015	1,810,000	1,906,150	3,716,150
2016	1,880,000	1,832,350	3,712,350
2017	1,960,000	1,755,550	3,715,550
2018	2,040,000	1,675,550	3,715,550
2019-2023	11,325,000	7,245,525	18,570,525
2024-2028	13,780,000	4,789,000	18,569,000
2029-2033	16,835,000	1,737,100	18,572,100
Totals	<u>\$ 57,040,000</u>	<u>\$ 23,037,212</u>	<u>\$ 80,077,212</u>

NRI Program			
Year	Principal	Interest	Total
2014	\$ 50,000	\$ -	\$ 50,000
2015	50,036	-	50,036
Totals	<u>\$ 100,036</u>	<u>\$ -</u>	<u>\$ 100,036</u>

General Fund Appropriations			
Year	Principal	Interest	Total
2014	\$ 115,000	\$ 74,431	\$ 189,431
2015	125,000	\$ 71,731	196,731
2016	120,000	\$ 68,825	188,825
2017	125,000	\$ 65,606	190,606
2018	125,000	\$ 62,013	187,013
2019-2023	715,000	\$ 248,319	963,319
2024-2028	875,000	\$ 116,463	991,463
2029-2033	200,000	3,625	203,625
Totals	<u>\$ 2,400,000</u>	<u>\$ 711,013</u>	<u>\$ 3,111,013</u>

Water			
Year	Principal	Interest	Total
2014	\$ 3,295,000	\$ -	\$ 3,295,000
2015	3,470,000	-	3,470,000
2016	3,650,000		
2017	3,840,000		
Totals	<u>\$ 14,255,000</u>	<u>\$ -</u>	<u>\$ 14,255,000</u>

Solid Waste			
Year	Principal	Interest	Total
2014	\$ 100,000	\$ 6,800	\$ 106,800
2015	100,000	5,950	105,950
2016	100,000	5,100	105,100
2017	100,000	4,250	104,250
2018	100,000	3,400	103,400
2019-2023	300,000	5,100	305,100
Totals	<u>\$ 800,000</u>	<u>\$ 30,600</u>	<u>\$ 830,600</u>

Airport Authority			
Year	Principal	Interest	Total
2014	\$ 415,000	\$ 234,931	\$ 649,931
2015	1,205,000	217,813	1,422,813
2016	1,255,000	166,600	1,421,600
2017	1,305,000	113,263	1,418,263
2018	1,360,000	57,800	1,417,800
Totals	<u>\$ 5,540,000</u>	<u>\$ 790,407</u>	<u>\$ 6,330,407</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, 2013, the statutory limit for the City was \$190,106,290 providing a debt margin of \$179,343,512. This calculation can be found in the statistical section of this report.

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**PREVIOUS YEARS DEFEASANCE OF DEBT**

In prior years, the City defeased certain general obligation and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust assets and liabilities for the defeased bonds are not included in the City's financial statements. As of December 31, 2013, \$124,170,000 of bonds outstanding are considered to be defeased.

**CONTRACT PAYABLE**

The City has agreed to sell treated wastewater to Cass Rural Water Users District, and Cass Rural Water Users District has, in turn, agreed to sell treated wastewater to the Tharaldson Ethanol Plant, LLC for use at its ethanol plant. On July 9, 2007, the LLC, CRWU, and the City entered into a Memorandum of Understanding under which the parties each agreed to perform certain obligations, including the financing, construction, and maintenance of the infrastructure necessary for delivery of treated wastewater and for the return of plant wastewater to and from the ethanol plant. Cass Rural Water Users District financed the project through issuance of bonds, which are payable by both the LLC and the City for its corresponding obligations under the Memorandum of Understanding. Per the agreement, the City's obligation for this contract is \$1,703,181 which will be repaid to the CRWU over a five year period. As of December 31, 2013, the balance of this contract payable is \$428,307.

**NOTES PAYABLE**

The City has obtained financing from the State of North Dakota's State Revolving Loan Fund (SRLF) to finance expansion of the wastewater treatment facility, a portion of the new water treatment plant, sewer hook-up for Reile's Acres and Oxbow, storm sewer system, 45<sup>th</sup> 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 water treatment plant.

The City has issued six tax increment revenue notes subject to development agreements for housing redevelopment projects. The notes are payable from the future taxes generated by the redevelopment projects and will be paid to the developer annually as property taxes are collected from the tax increment project.

Details relative to the outstanding notes payable are shown below:

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TYPE AND ISSUE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/13
<b>GOVERNMENTAL ACTIVITIES</b>				
SRLF Storm Sewer Project	9/1/2020	2.50%	\$ 1,816,295	\$ 740,000
SRLF Water Tower	9/1/2027	2.50%	2,270,000	1,950,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	1,415,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	43,804,125
SRLF Transmission Lines South Side System	9/1/2029	2.82%	29,240,000	11,520,422
SRLF Wastewater Clarifier Improvements	9/1/2029	0.50%	699,374	655,000
SRLF Wastewater Stabilization Ponds	9/1/2030	2.50%	4,071,140	3,314,260
SRLF Water Treatment Plant	9/1/2036	2.00%	66,352,000	2,252,406
TIF Revenue Notes	5/1/2034	6.00%	3,911,699	3,057,963
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 173,715,508</b>	<b>\$ 68,709,176</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
SRLF Sewer Plan Expansion Phase VI	9/1/2019	2.50%	\$ 10,266,793	\$ 3,940,000
SRLF Reile's Acres Sewer Project	9/1/2019	2.50%	210,000	69,000
SRLF Oxbow Sewer Extension	9/1/2025	2.50%	2,470,739	1,745,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>			<b>\$ 12,947,532</b>	<b>\$ 5,754,000</b>
<b>TOTAL NOTES PAYABLE</b>			<b>\$ 186,663,040</b>	<b>\$ 74,463,176</b>

The annual requirements to amortize long-term debt for the next five years (excluding accumulated unpaid vacation, capital leases, contract payable, landfill closure/postclosure, unamortized premium on refunding, and net pension obligations) as of December 31, 2013, are shown in the following table:

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**GOVERNMENTAL ACTIVITIES**

	Special Assessment Bonds		Gross Revenue Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 11,810,000	\$ 12,110,291	\$ 50,000	\$ -	115,000	74,431
2015	14,755,000	11,573,029	50,036	-	125,000	71,731
2016	14,260,000	11,076,798	-	-	120,000	68,825
2017	14,320,000	10,580,232	-	-	125,000	65,606
2018	14,095,000	10,068,355	-	-	125,000	62,012
2019-2023	72,220,000	42,113,031	-	-	715,000	248,319
2024-2028	80,330,000	26,039,468	-	-	875,000	116,462
2029-2033	55,135,000	10,825,483	-	-	200,000	3,625
2034-2038	21,270,000	1,859,445	-	-	-	-
2039-2043	965,000	22,195	-	-	-	-
	<u>\$ 299,160,000</u>	<u>\$ 136,268,327</u>	<u>\$ 100,036</u>	<u>\$ -</u>	<u>\$ 2,400,000</u>	<u>\$ 711,011</u>

	Sales Tax Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2014	\$ 7,410,000	\$ 2,095,987	\$ 4,750,000	\$ 1,660,346
2015	1,810,000	1,906,150	3,336,383	1,549,911
2016	1,880,000	1,832,350	3,420,527	1,468,318
2017	1,960,000	1,755,550	3,606,503	1,376,924
2018	2,040,000	1,675,550	3,700,299	1,285,052
2019-2023	11,325,000	7,245,525	20,686,158	4,974,052
2024-2028	13,780,000	4,789,000	23,371,286	2,359,927
2029-2033	16,835,000	1,737,100	4,983,082	195,838
2034-2038	-	-	854,938	16,191
	<u>\$ 57,040,000</u>	<u>\$ 23,037,212</u>	<u>\$ 68,709,176</u>	<u>\$ 14,886,559</u>

**BUSINESS-TYPE ACTIVITIES**

	Revenue Bonds		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,810,000	\$ 903,625	\$ 761,000	\$ 143,850	\$ 327,184	\$ 352,557
2015	4,775,000	708,075	776,000	124,825	274,492	337,693
2016	5,005,000	469,112	796,000	105,425	273,022	322,451
2017	5,245,000	218,312	817,000	85,525	278,265	307,202
2018	1,460,000	61,200	837,000	65,100	288,840	291,666
2019-2023	300,000	5,100	1,457,000	113,050	1,326,925	1,234,301
2024-2028	-	-	310,000	11,625	1,627,648	847,546
2029-2033	-	-	-	-	1,432,002	403,586
2034-2038	-	-	-	-	771,409	103,824
	<u>\$ 20,595,000</u>	<u>\$ 2,365,424</u>	<u>\$ 5,754,000</u>	<u>\$ 649,400</u>	<u>\$ 6,599,787</u>	<u>\$ 4,200,826</u>

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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, 2013.

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/13
<b>GOVERNMENTAL ACTIVITIES</b>						
<b>SPECIAL ASSESSMENT BONDS</b>						
2003 Series D	Infrastructure system construction	9/1/2003	5/1/2028	3.00-5.00	\$ 12,525,000	\$ 8,980,000
2004 Series C	Infrastructure system construction	5/1/2004	5/1/2029	3.00-4.75	22,280,000	16,700,000
2004 Series E	Infrastructure system construction	11/1/2004	5/1/2029	3.00-4.50	23,185,000	15,750,000
2005 Series A	Infrastructure system construction	12/15/2005	5/1/2030	4.00-4.70	21,310,000	15,990,000
2005 Series B Refunding	Crossover refunding of 1997 Series A	12/15/2005	5/1/2018	4.00-4.25	10,675,000	3,385,000
2006 Series B	Infrastructure system construction	12/15/2006	5/1/2031	3.75-4.375	19,810,000	15,480,000
2006 Series C Refunding	Crossover refunding of Series 1999A, 2000B, and 2001B	12/15/2006	5/1/2018	3.75	6,465,000	3,120,000
2007 Series B	Infrastructure system construction	12/15/2007	5/1/2032	4.00-4.70	13,045,000	10,715,000
2008 Series E	Infrastructure system construction	12/19/2008	5/1/2033	4.00-6.00	26,285,000	22,820,000
2009 Series A Refunding	Current refunding of 2001 Series A and B	4/30/2009	5/1/2019	2.50-4.00	13,190,000	7,795,000
2009 Series C	Infrastructure system construction	10/15/2009	5/1/2034	2.00-4.125	37,680,000	35,065,000
2010 Series B	Infrastructure system construction	5/25/2010	5/1/2035	0.80 - 5.70	22,820,000	21,090,000
2010 Series C Refunding	Crossover refunding of 2002 Series A	5/25/2010	5/1/2027	3.00-5.00	8,250,000	7,820,000
2011 Series A	Infrastructure system construction	5/15/2011	5/1/2036	2.00-5.00	19,180,000	18,555,000
2011 Series B	Infrastructure system construction	5/15/2011	5/1/2036	2.50-4.625	5,430,000	5,250,000
2011 Series C	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	20,965,000	20,450,000
2011 Series D	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	10,085,000	9,795,000
2011 Series E Refunding	Crossover refunding of 2003 Series A	12/15/2011	5/1/2028	2.00-3.25	9,515,000	9,515,000
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	34,180,000
2013 Series C	Infrastructure system construction	9/12/2013	5/1/2039	2.00 - 4.60	16,705,000	16,705,000
					<u>\$ 353,580,000</u>	<u>\$ 299,160,000</u>
<b>GENERAL OBLIGATION BONDS</b>						
2009 Series B	Fire station and fire truck	10/15/2009	5/1/2029	2.00-4.00	\$ 2,875,000	\$ 2,400,000
<b>GROSS REVENUE DEBT</b>						
2002 Housing Revenue	NRI housing program	4/15/2002	4/15/2015	0.00	\$ 1,300,000	\$ 100,036
<b>SALES TAX INFRASTRUCTURE BONDS</b>						
2009 Series D	Flood mitigation projects	10/15/2009	11/1/2014	2.00-3.00	\$ 27,535,000	\$ 5,665,000
2013 Series A	Flood mitigation projects	3/27/2013	6/1/2033	3.00 - 4.00	51,375,000	51,375,000
					<u>\$ 78,910,000</u>	<u>\$ 57,040,000</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>					<u>\$ 436,665,000</u>	<u>\$ 358,700,036</u>

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/13
<b>BUSINESS-TYPE ACTIVITIES</b>						
<b>WATER FUND</b>						
Revenue Bonds of 2007	Refund water revenue bonds of 1997 (construction of water treatment plant)	10/11/2007	1/1/2017	5.25	\$ 28,065,000	\$ 14,255,000
<b>AIRPORT FUND</b>						
Revenue Bonds of 2007	Terminal improvements	2/15/2007	9/1/2018	4.00-4.25	\$ 7,755,000	\$ 5,540,000
<b>SOLID WASTE FUND</b>						
Clean Renewable Energy Bond	Improvements to Landfill Gas Collection System	11/5/2007	12/15/2021	0.50	\$ 1,500,000	\$ 800,000
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>					<u>\$ 37,320,000</u>	<u>\$ 20,595,000</u>
<b>TOTAL BONDED INDEBTEDNESS</b>					<u>\$ 473,985,000</u>	<u>\$ 379,295,036</u>

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**H. UNEARNED REVENUE**

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:

	Unavailable	Unearned	Total
Delinquent property taxes receivable	\$ 233,885	\$ -	\$ 233,885
Special assessments receivable	253,542,023	-	253,542,023
Grant resources held and grant items receivable	2,204,828	40,356	2,245,185
Loans/contracts/accounts receivable	<u>4,118,653</u>	<u>1,875,835</u>	<u>5,994,488</u>
 Total unavailable revenue for governmental funds	 <u>\$ 260,099,389</u>	 <u>\$ 1,916,191</u>	 <u>\$ 262,015,580</u>

**I. 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, 2013, 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.

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**J. FUND BALANCES**

The City classified fund balances within the governmental funds as follows at December 31, 2013:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
<b>Fund balances:</b>					
<b>Nonspendable:</b>					
Advances to other funds	\$ 1,884,697	\$ -	\$ -	\$ -	\$ 1,884,697
Inventory	858,331	-	-	-	858,331
Prepaid Items	431,548	-	913,402	7,238	1,352,188
Property held for resale	18,769	-	159,846	229,483	408,098
<b>Total Nonspendable</b>	<b>3,193,345</b>	<b>-</b>	<b>1,073,248</b>	<b>236,721</b>	<b>4,503,314</b>
<b>Restricted for:</b>					
Auditors	2,597	-	-	-	2,597
Community Development	-	-	-	333,705	333,705
Convention & Visitors Bureau	-	-	-	11,527	11,527
Court Forfeits	-	-	-	255,771	255,771
Debt Service	-	102,874,688	-	-	102,874,688
Downtown Business Improvement District	-	-	-	189,570	189,570
Emergency Shelter	3,636	-	-	-	3,636
Fire	146,756	-	-	-	146,756
FTA Transit Capital Escrow	-	-	-	30,000	30,000
Health	853,464	-	-	-	853,464
HUD Home Participating Jurisdiction	-	-	-	92,401	92,401
HUD Home Program	-	-	-	47,254	47,254
Library	1,041	-	-	-	1,041
Neighborhood Stabilization	-	-	-	53,447	53,447
Noxious Weeds	-	-	-	132,192	132,192
NRI Loan Program	-	-	-	71,592	71,592
Parking Authority	-	-	-	405,227	405,227
Parking Repair and Replacement	-	-	-	226,646	226,646
Parking Surplus Fund	-	-	-	224,124	224,124
Planning and Development	28,911	-	-	-	28,911
Police	259,400	-	-	-	259,400
Public Works	32,133	-	-	-	32,133
Regional Training Center	-	-	-	153,594	153,594
Skyway Maintenance	-	-	-	204,643	204,643
Transit	80,267	-	-	-	80,267
<b>Total Restricted</b>	<b>1,408,205</b>	<b>102,874,688</b>	<b>-</b>	<b>2,431,693</b>	<b>106,714,586</b>
<b>Committed to:</b>					
Revenue Stabilization	3,311,267	-	-	-	3,311,267
<b>Assigned to:</b>					
2014 Budget	1,542,711	-	-	-	1,542,711
<b>Unassigned:</b>					
	22,428,922	-	(9,576,862)	(2,288,465)	10,563,595
<b>Total Fund Balances</b>	<b>\$ 31,884,450</b>	<b>\$ 102,874,688</b>	<b>\$ (8,503,614)</b>	<b>\$ 379,949</b>	<b>\$ 126,635,473</b>

**K. RESTATEMENT OF NET POSITION**

The beginning net positions of the government-wide activities, airport fund, water fund, and solid waste fund have been restated due to the implementation of GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The result of implementation was a direct adjustment to net position, in the amount of \$3,997,287 in governmental activities and \$201,807 in business-type activities to eliminate bond issues costs.

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	Government-wide Activities	Proprietary Funds		
		Airport fund	Water fund	Solid Waste fund
Beginning of year net position, as previously reported	\$ 269,715,415	\$ 91,674,154	\$ 158,696,099	\$ 10,581,021
Restatement of net position:				
Change in accounting principle (GASB 65)	(3,997,287)	(84,301)	(82,109)	(35,397)
Beginning of year net position, as restated	<u>\$ 265,718,128</u>	<u>\$ 91,589,853</u>	<u>\$ 158,613,990</u>	<u>\$ 10,545,624</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.

The City maintains one self-insurance internal service fund that is used to administer the risks of losses associated with the various exposures.

**INSURED RISKS**

The City purchases commercial insurance for the risk of damage to or destruction of buildings and equipment. Present coverage is provided by the State Fire and Tornado Fund as our primary property insurance carrier. 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. A schedule of insurance in force is included in the supplementary information portions of this report. There have been no significant reductions to insurance coverage in the past year. There have been no insurance settlements in excess of the City's coverage in the past three years.

**B. PENSION PLANS**

The City of Fargo contributes to four separate pension plans which cover substantially all full-time employees. They are the North Dakota Public Employee Retirement System, Employees' Pension Plan, Police Pension Plan, and the Fargo Firefighters' Relief Association Retirement Plan. All of these plans are defined benefit pension systems. The Fargo Firefighters' Relief Association Retirement Plan and the North Dakota Public Employee Retirement System are separate legal entities and are not administered by the City. The plans have not been included in the reporting entity and are not shown in the accompanying financial statements. In 2012, the City Commission approved the establishment of a Pension Stability Fund. Details regarding this fund are described below.

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**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 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 January 1, 2014 (date of most recent actuarial study) is as follows:

Retirees and beneficiaries	200
Terminated vested and deferred beneficiaries	30
City active plan members	164
NDPERS active plan members	220

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.

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.

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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.

Reserves. The net position at December 31, 2013 is \$37,532,313 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. The System administers PERS, which is a cost-sharing multiple-employer retirement plan. The PERS was established July 1, 1966 as a defined contribution plan and was changed to a defined benefit plan by the 1977 North Dakota Legislature. The PERS is administered in accordance with Chapter 54-52 of the North Dakota Century Code.

NDPERS provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute. Plan participants are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). The annual pension benefit is equal to 2% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The Plan permits early retirement at ages 55-64 with three or more years of service under a discounted annuity formula.

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

Contributions. North Dakota Century Code Chapter 54-52 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. PERS members were required to contribute 6% of their regular compensation in 2013. The City of Fargo's required contribution is 7.26% of covered compensation.

The City's contribution to the Public Employees Retirement System for the years ending December 31, 2013, 2012 and 2011 was \$1,508,267, \$1,205,215, and \$923,048, respectively. The City's contribution was equal to the contractually required contribution for the year as set by state statute, or 100% of the required contributions for each year.

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

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**Police Pension Plan**

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

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

Membership on January 1, 2014, (date of most recent actuarial study) in the plan is as follows:

Retirees and beneficiaries currently receiving pension payments	105
Fully vested members contributing	81
Non vested members contributing	81
Terminated vested employees	4

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 at the early retirement date, or may elect a refund of all employee contributions plus interest at 5% per annum, in lieu of a deferred vested benefit.

Benefit provisions are established under the authority of the City Commission.

Contributions. Employees contribute at a rate of 9.0% of salary. The City contributes at a rate of 14.65% of salary for members employed prior to April 1, 1986, and a rate of 13.20% of salary for members employed after April 1, 1986. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

Reserves. The net position at December 31, 2013 is \$44,292,310 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.

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**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 January 1, 2014, (date of most recent actuarial study) in the plan is as follows:

Active plan members	113
Deferred vested	1
Retirees, disabled, and beneficiaries	86

Number of participating employers: 1

Plan participants are eligible for normal retirement at age 55 with 10 years of eligible service. Effective August 1, 2001, the benefit formula was improved to provide 2.50% of earnings times years of service. The result is taken times the salary of a first class firefighter to determine the monthly pension benefit amount. A monthly disability service pension benefit is also provided under an alternative formula along with family death benefits.

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

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

Contributions. Participating employees contribute to the plan at a rate of 9.4% of salary and the City contributes at a rate of 14.65% for pre-1986 employees and 13.20% for post 1986 employees covered by Medicare. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

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

The Fargo Firefighters' Relief Association Retirement Plan is not included in the City of Fargo financial statements, nor is it included in the report of any other entity. The Firefighters' Relief Association issues a stand-alone, publicly available financial report. This report can be obtained by contacting: City of Fargo Fire Department Headquarters, 627 N.P. Avenue, Fargo, ND 58102, Attention: Secretary/Treasurer of the Fargo Firefighters Pension Association.

**Pension Stability Fund**

As mentioned previously, in the Mayor's 2012 Approved Budget, the recommendation and approval of a pension stability fund was established to aid in funding the City's ongoing

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defined benefit pension obligations. A contribution from the residual balance in the Health Trust was made to the Pension Stability Fund. The City Commission will control this fund by appropriating funds during the annual budget process. During 2013, the Pension Stability Fund was closed out with a residual fund contribution to the general fund.

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
4/1/1997	\$ 16,580,254	\$ 19,809,285	\$ 3,229,031	83.7%	\$ 10,716,136	30.1%
1/1/1999	20,627,311	22,786,324	2,159,013	90.5%	12,173,649	17.7%
1/1/2001	22,431,456	27,817,109	5,385,653	80.6%	13,704,295	39.3%
1/1/2003	19,948,931	32,403,936	12,455,005	61.6%	15,508,120	80.3%
1/1/2005	25,817,436	35,828,009	10,010,573	72.1%	18,727,768	53.5%
1/1/2007	30,259,793	40,993,634	10,733,841	73.8%	20,329,420	52.8%
1/1/2009	22,218,940	43,169,721	20,950,781	51.5%	22,146,947	94.6%
1/1/2010	25,543,875	44,753,634	19,209,759	57.1%	23,560,008	81.5%
1/1/2011	27,993,517	45,628,332	17,634,815	61.4%	23,020,572	76.6%
1/1/2012	27,850,241	46,959,040	19,108,799	59.3%	23,904,652	79.9%
1/1/2013	31,614,750	47,696,930	16,082,180	66.3%	23,850,241	67.4%
1/1/2014	37,532,313	49,264,932	11,732,619	76.2%	23,051,797	50.9%

Prior to the actuarial valuation dated 04/01/97, the Employees' Pension Plan used the aggregate actuarial cost method which does not identify or separately amortize unfunded liabilities. Therefore, no prior years are presented in the above Schedule of Funding Progress.

For the Employees' Pension Plan, contributions for the years ended December 31, 2013, 2012 and 2011 were \$1,942,805, \$1,706,073, and \$1,621,139, respectively, which were 104%, 72%, and 71%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2013, 2012, and 2011 were \$1,525,063, \$1,984,051, and \$1,944,576, respectively. The percentage funded was 127%, 86%, and 83% for the years 2013, 2012, and 2011, respectively. The Net Pension Obligation (NPO) at the end of 2013, 2012, and 2011 was positive (a liability).

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

Annual Pension Cost Components					
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
1999	\$ 874,579	\$ (85,606)	\$ (130,366)	\$ (95,167)	\$ (1,236,583)
2000	874,579	(92,744)	(141,235)	(315,683)	(1,552,266)
2001	1,337,830	(116,420)	(177,866)	10,588	(1,541,678)
2002	1,337,830	(115,626)	(176,652)	(99,902)	(1,641,580)
2003	2,262,592	(123,119)	(193,229)	737,961	(903,619)
2004	2,262,592	(67,771)	(106,364)	416,768	(486,851)
2005	2,349,879	(36,514)	(57,165)	345,429	(141,422)
2006	2,349,879	(10,607)	(16,606)	237,575	96,153
2007	2,655,808	7,211	11,307	428,506	524,659
2008	2,655,808	39,349	61,696	1,315,603	1,840,261
2009	2,970,801	138,020	229,294	1,361,036	3,201,297
2010	3,133,463	240,097	431,253	1,731,678	4,932,975
2011	2,291,803	369,973	717,200	323,437	5,256,412
2012	2,376,824	394,231	787,004	277,978	5,534,390
2013	1,868,782	415,079	758,798	(417,742)	5,116,648

**POLICE PENSION PLAN**

The Police Pension Plan uses the aggregate actuarial cost method which does not identify or separately amortize unfunded liabilities. The Schedule of Funding Progress is shown below in accordance with Government Accounting Standards Board Statement No. 50 as noted below.

For the Police Pension Plan, employer contributions for the years ended December 31, 2013, 2012, and 2011 were \$2,348,118, \$2,156,505, and \$1,118,128, respectively, which were 91%, 72%, and 46%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2013, 2012, and 2011 was \$2,465,899, \$2,882,988, and \$2,438,942, respectively. The percentage funded was 95%, 75%, and 46% for the years 2012, 2011, and 2010, respectively. The Net Pension Obligation (NPO) at the end of each year was positive (a liability).

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

Annual Pension Cost Components						
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance	
1999	\$ 589,656	\$ (6,012)	\$ (6,893)	\$ (9,388)	\$ (89,549)	
2000	347,853	(6,716)	(7,700)	(292,210)	(381,759)	
2001	419,300	(28,632)	(32,825)	(251,327)	(633,086)	
2002	415,746	(47,481)	(54,436)	(269,343)	(902,429)	
2003	592,591	(67,682)	(77,595)	(78,300)	(980,729)	
2004	612,665	(73,555)	(84,328)	(147,422)	(1,128,151)	
2005	717,971	(84,611)	(97,004)	(109,167)	(1,237,318)	
2006	715,001	(92,799)	(106,390)	(182,607)	(1,419,925)	
2007	1,120,286	(106,494)	(122,092)	217,264	(1,202,661)	
2008	1,159,155	(90,200)	(103,410)	198,894	(1,003,767)	
2009	2,393,756	(75,283)	(86,308)	976,950	(26,817)	
2010	2,453,645	(2,011)	(2,306)	1,365,300	1,338,483	
2011	2,453,645	100,386	115,089	1,320,814	2,659,297	
2012	2,984,805	199,447	301,264	726,483	3,385,780	
2013	2,595,531	253,934	383,566	117,781	3,503,561	

Government Accounting Standards Board Statement No. 50 (GASB 50 – Pension Disclosures) requires a supplemental disclosure for plans that use the Aggregate funding method as this method does not directly produce an accrued liability. The purpose of this disclosure under the Entry Age Normal (EAN) funding method is to provide information that serves as a surrogate for the funding progress of the plan. We have not shown any prior years EAN information in this Funded Status and Funding Progress footnote below, since disclosure using EAN as a surrogate was not required before this time.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2008	\$ 35,941,865	\$ 42,089,277	\$ 6,147,412	85.4%	\$ 7,750,892	79.3%
1/1/2010	31,341,953	48,435,926	17,093,973	64.7%	8,646,552	197.7%
1/1/2012	31,799,229	54,050,857	22,251,628	58.8%	9,407,268	236.5%
1/1/2013	36,629,483	56,641,319	20,011,836	64.7%	9,431,067	212.2%
1/1/2014	44,292,310	58,982,879	14,690,569	75.1%	10,050,543	146.2%

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/1997 (1)	\$ 9,628,455	\$ 12,720,395	\$ 3,091,940	75.7%	\$ 2,799,480	110.4%
1/1/1998 (2)	11,188,822	13,977,102	2,788,280	80.1%	3,012,024	92.6%
1/1/1999 (3)	12,981,409	15,936,307	2,954,898	81.5%	3,093,696	95.5%
1/1/2000 (4)	13,981,204	16,705,751	2,724,547	83.7%	3,217,444	84.7%
5/1/2000 (4)	14,455,282	16,947,114	2,491,832	85.3%	3,209,112	77.6%
6/1/2002 (5)	15,468,405	20,753,134	5,284,729	74.5%	3,467,994	152.4%
6/1/2004 (5)	15,770,496	22,296,992	6,526,496	70.7%	4,103,457	159.0%
7/1/2006	16,372,163	23,556,227	7,184,064	69.5%	4,359,485	164.8%
7/1/2008	18,415,293	27,376,868	8,961,575	67.3%	5,244,943	170.9%
1/1/2010	19,639,494	28,865,604	9,226,110	68.0%	6,016,656	153.3%
1/1/2012	16,697,278	32,824,700	16,127,422	50.9%	6,182,954	260.8%
1/1/2013	19,175,345	34,435,560	15,260,215	55.7%	6,588,204	231.6%
1/1/2014	23,300,491	35,622,231	12,321,740	65.4%	6,813,000	180.9%

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

For the Fargo Firefighters' Relief Association Retirement Plan, employer contributions for the years ended December 31, 2013, 2012 and 2011 were \$1,524,715, \$1,388,976, and \$767,345, respectively, which were 84%, 70%, and 89%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2013, 2012, and 2011 were \$1,814,169, \$2,001,656, and \$851,065, respectively. The percentage funded was 84%, 69%, and 90%, for the years ended December 31, 2013, 2012, and 2011, respectively. The Net Pension Obligation (NPO) at the end of 2011 was negative (an asset). The Net Pension Obligation (NPO) at the end of 2012 and 2013 was positive (a liability).

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

Annual Pension Cost Components					
Year Ended	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
12/31/1997	\$ 244,384	\$ -	\$ -	\$ (124,248)	\$ (124,248)
12/31/1998	224,361	(9,629)	(6,012)	(167,831)	(292,079)
12/31/1999	286,651	(22,636)	(14,305)	(121,610)	(413,689)
5/31/2000 (1)	115,478	(13,359)	(8,551)	(58,622)	(472,311)
5/31/2001	280,982	(36,604)	(22,810)	(147,700)	(620,011)
5/31/2002	312,340	(48,051)	(30,368)	(132,604)	(752,615)
5/31/2003	312,340	(58,328)	(37,412)	(103,950)	(856,565)
5/31/2004	609,144	(66,384)	(43,247)	(137,104)	(719,461)
5/31/2005	609,144	(55,758)	(36,925)	61,687	(657,774)
6/30/2006	607,443	(50,978)	(34,347)	20,222	(637,552)
6/30/2007	607,443	(49,410)	(33,903)	(8,875)	(646,427)
6/30/2008	742,754	(50,098)	(35,042)	97,810	(548,617)
6/30/2009	742,754	(42,518)	(29,740)	22,317	(526,300)
12/31/2009 (2)	430,761	(20,394)	(15,584)	(241,521)	(767,821)
12/31/2010	861,521	(59,506)	(46,550)	86,515	(648,034)
12/31/2011	861,521	(52,801)	(42,345)	83,720	(597,586)
12/31/2012	1,978,776	(44,819)	(67,699)	612,680	15,094
12/31/2013	1,814,747	1,132	1,710	289,454	304,548

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

SCHEDULES OF EMPLOYER CONTRIBUTIONS (GASB 25)						
Year Ended	CITY EMPLOYEES' PENSION		POLICE PENSION		FIREFIGHTERS' RELIEF ASSOCIATION	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2001	\$ 1,337,830	104%	\$ 419,300	161%	\$ 280,982	148%
2002	1,337,830	112%	415,746	167%	312,340	136%
2003	2,262,592	71%	592,591	115%	312,340	126%
2004	2,262,592	83%	612,665	126%	609,144	74%
2005	2,349,879	86%	717,971	117%	609,144	87%
2006	2,349,879	90%	715,001	127%	607,443	94%
2007	2,655,808	84%	1,120,286	82%	607,443	99%
2008	2,655,808	50%	1,159,155	84%	742,754	85%
2009	2,970,801	51%	2,393,756	60%	742,754	96%
2010	3,133,463	39%	2,453,645	44%	861,521	89%
2011	2,291,803	71%	2,453,645	46%	861,521	89%
2012	2,376,824	72%	2,984,805	72%	1,978,776	70%
2013	1,868,782	104%	2,595,531	91%	1,814,747	84%

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**SIGNIFICANT ACTUARIAL ASSUMPTIONS**

The information presented in the above schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

	City Employees'	Police	Firefighters'
Valuation Date	1/1/2014	1/1/2014	1/1/2014
Actuarial Cost Method	Entry Age Normal Method Unit Credit Method **	Entry Age Normal Method	Entry Age Normal Method
Amortization Method	Level Percent	Level Percent	Level Percent
Amortization Period	Closed	Closed	Closed
Remaining Amortization Period	3,5,6,7,8,9,11,12,13,14,15,16 ,19,20	15,19,20	20
Asset Valuation Method	Market Value plus contributions receivable less benefits payable	Market Value	Market Value
Assumed rate of return on investments	7.5%	7.5%	7.5%
Inflation Rate	3.0%	3.0%	3.0%
Projected salary increases	4.0%	4.0%	3.0%
Mortality table	1983 GAM	RP 2000 Blue Collar	RP-2000 Combined

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

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

Separate, GAAP financial reports have not been issued for the individual City and Police Pension plans; therefore, the financial statements for those plans are presented here:

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**PENSION TRUST FUNDS  
COMBINING STATEMENT OF NET POSITION  
December 31, 2013**

	<b>CITY EMPLOYEES' PENSION</b>	<b>POLICE PENSION</b>	<b>PENSION STABILITY</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash	\$ 170,662	\$ 27,449	\$ -	\$ 198,111
Equity in pooled investments	183,526	213,185	-	396,711
Receivables:				
Accounts receivable	-	38,312	-	38,312
Interest	(16,747)	22,724	-	5,977
Total receivables	(16,747)	61,036	-	44,289
Investments, at fair value:				
Domestic equities	1,728,563	-	-	1,728,563
International equities	1,296,941	-	-	1,296,941
Domestic fixed income	691,317	-	-	691,317
International fixed income	155,844	-	-	155,844
Real estate	645,288	-	-	645,288
Alternative investments	152,072	-	-	152,072
Corporate stocks	15,165	12,118	-	27,283
Mutual funds	32,557,004	43,983,426	-	76,540,430
Total investments	37,242,194	43,995,544	-	81,237,738
Total assets	<u>\$ 37,579,635</u>	<u>\$ 44,297,214</u>	<u>\$ -</u>	<u>\$ 81,876,849</u>
<b>LIABILITIES</b>				
Vouchers and benefits payable	\$ 47,322	\$ 4,904	\$ -	\$ 52,226
<b>NET POSITION</b>				
Held in trust for pension benefits	<u>\$ 37,532,313</u>	<u>\$ 44,292,310</u>	<u>\$ -</u>	<u>\$ 81,824,623</u>

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

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**PENSION TRUST FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended December 31, 2013**

	<u>CITY EMPLOYEES' PENSION</u>	<u>POLICE PENSION</u>	<u>PENSION STABILITY</u>	<u>TOTAL</u>
<b>ADDITIONS</b>				
Contributions				
Employer (City of Fargo)	\$ 1,699,633	\$ 2,348,118	\$ -	\$ 4,047,751
Employer (Fargo Park District)	243,172	-	-	243,172
Employee (City of Fargo)	536,199	870,959	-	1,407,158
Employee (Fargo Park District)	107,684	-	-	107,684
Total contributions	<u>2,586,688</u>	<u>3,219,077</u>	<u>-</u>	<u>5,805,765</u>
Investment income				
Net appreciation in fair value of investments, and interest and dividends	5,828,760	7,625,225	3	13,453,988
Less investment expense	<u>(123,689)</u>	<u>(138,403)</u>	<u>-</u>	<u>(262,092)</u>
Net investment income	<u>5,705,071</u>	<u>7,486,822</u>	<u>3</u>	<u>13,191,896</u>
Total additions	<u>8,291,759</u>	<u>10,705,899</u>	<u>3</u>	<u>18,997,661</u>
<b>DEDUCTIONS</b>				
Pension benefit payments	2,231,080	2,889,455	-	5,120,535
Member contribution refunds	97,733	99,312	-	197,045
Administrative expenses	45,383	54,306	-	99,689
General Fund (ARC)	-	-	662,062	662,062
Total deductions	<u>2,374,196</u>	<u>3,043,073</u>	<u>662,062</u>	<u>6,079,331</u>
Change in net position	5,917,563	7,662,826	(662,059)	12,918,330
Total net position - beginning	<u>31,614,750</u>	<u>36,629,484</u>	<u>662,059</u>	<u>68,906,293</u>
Total net position - ending	<u>\$ 37,532,313</u>	<u>\$ 44,292,310</u>	<u>\$ -</u>	<u>\$ 81,824,623</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, 2013**

**Related Party Investments**

During 2013 and as of December 31, 2013 the pension plans (City Employees', Police or Firefighters Relief Association) held no securities issued by the City of Fargo or other related parties.

**C. JOINT POWERS AGREEMENT**

**Regional Dispatch Center**

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

Each governmental entity will contribute to the joint operations in the following percentages:

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

The joint powers agreement will be in effect until terminated by action of all of its members during the first five years. Thereafter, any governmental entity may elect to withdraw from participation upon giving a 6-month written notice. Additional financial information may be obtained by contacting: Attn: Director, Red River Regional Dispatch Center, 915 9<sup>th</sup> Ave. N., Moorhead, MN 56560.

**Metro Flood Diversion Authority**

In June of 2011, 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.

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, Box 2806, 211 Ninth Street South, Fargo, ND 58108.

**CITY OF FARGO, NORTH DAKOTA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2013**

**D. CONTINGENCIES**

**Grants**

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

**E. SUBSEQUENT EVENTS**

**Capital Financing Program Bonds**

On March 31, 2014, the Board of City Commissioners voted to approve resolutions relating to the issuance of Capital Financing Program Bonds in the amount of \$35 million. This issue is a new money issue whose proceeds will be used to finance flood risk mitigation projects for the 2014 flood control capital improvement plan.

**Metro Flood Diversion Authority Project**

On May 22, 2014, both bodies of Congress have now passed a bill into law which authorizes construction on the Fargo-Moorhead Area Diversion Project. The U.S. Senate has joined the House in signing the Water Resources Reform and Development Act (WRRDA), which is the latest step to acquiring federal funding for the Project which will build permanent flood protection for approximately 200,000 people in North Dakota and Minnesota. President Obama is expected to sign the bill into law in the coming days.

WRRDA authorizes \$846 million in federal funding for the Diversion Project. The State of North Dakota has already committed \$175 million to the Project, in addition to legislative intent for an additional \$275 million over the next four bienniums. Voters in the City of Fargo and Cass County have overwhelmingly approved two dedicated local sales taxes to help fund the Project. With modest growth, the sales taxes are expected to jointly raise \$700 million over the life of the tax.

Following a presidential signature, the Diversion Authority would focus efforts on securing funding to begin construction on the Diversion Project. Federal funding is expected to be appropriated over time. Funding from the State of North Dakota can only be used for the Diversion once federal funding for construction is received.



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## NONMAJOR GOVERNMENTAL FUNDS

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### 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 twenty special revenue funds.

City Share of Special Assessments - This fund is used to account for the portion of special improvement district projects that are not assessed back to the benefiting property owners, and to pay for the special assessments levied against City and HRA owned properties. 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.

Emergency 911 - This fund is used to account for the revenues and expenditures associated with the Emergency 911 communications system. Resources are derived from a special user fee that is added on local phone and cellular service charges and the City's share of the Red River Regional Dispatch Center.

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.

FTA Transit Capital Escrow - This fund is used to account for the rental revenues that are derived from the Greyhound portion of the Ground Transportation Center (GTC). The Ground Transportation Center was financed by an Urban Mass Transportation Capital Assistance grant which required that all revenues generated from this facility be held separately, and used exclusively for transit purposes.

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.

Broadway Mall Maintenance - This fund is used to account for maintenance of the downtown Broadway Mall area. Resources are derived from special assessment revenue.

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

Winter Lights Maintenance - This fund is used to account for the acquisition and maintenance of the City's Downtown seasonal decoration program. Resources are derived from special assessment revenue.

Parking Authority - This fund is used to account for the operations and maintenance of the City owned parking facilities. The City owns and operates eleven parking facilities in the Downtown area. 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. This fund is required by bond covenants.

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

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.

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

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

Baseball Stadium - This fund is used to account for the operations of the baseball stadium. Resources are derived from private suite and VIP seat licenses.

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**December 31, 2013**

	Special Revenue						
	City Share of Specials	Noxious Weeds	Emergency 911	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
<b>ASSETS</b>							
Equity in pooled investments	\$ 191,075	\$ 132,092	\$ -	\$ 112,116	\$ -	\$ 54,265	\$ 155,657
Receivables (net of allowance for uncollectibles):							
Taxes	7,033	470	-	-	-	-	-
Accounts	-	-	193,531	-	185,740	-	3,650
Special assessments	-	-	-	840,094	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	11	176
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	146,725	-
Total assets	<u>\$ 198,108</u>	<u>\$ 132,562</u>	<u>\$ 193,531</u>	<u>\$ 952,210</u>	<u>\$ 185,740</u>	<u>\$ 201,001</u>	<u>\$ 159,483</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Vouchers payable	\$ -	\$ -	\$ 31,804	\$ 4,559	\$ 171,557	\$ 135	\$ 5,713
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	1,099,668	-	2,253	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	198,085	-	-	-	403	683	-
Unearned revenue	5,740	370	-	758,081	-	-	-
Total liabilities	<u>203,825</u>	<u>370</u>	<u>1,131,472</u>	<u>762,640</u>	<u>174,213</u>	<u>818</u>	<u>5,713</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	146,736	176
Restricted	-	132,192	-	189,570	11,527	53,447	153,594
Unassigned	(5,717)	-	(937,941)	-	-	-	-
Total fund balances	<u>(5,717)</u>	<u>132,192</u>	<u>(937,941)</u>	<u>189,570</u>	<u>11,527</u>	<u>200,183</u>	<u>153,770</u>
Total liabilities and fund balances	<u>\$ 198,108</u>	<u>\$ 132,562</u>	<u>\$ 193,531</u>	<u>\$ 952,210</u>	<u>\$ 185,740</u>	<u>\$ 201,001</u>	<u>\$ 159,483</u>

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**December 31, 2013**

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
<b>ASSETS</b>							
Equity in pooled investments	\$ 1,046,597	\$ 226,796	\$ 224,124	\$ 341,425	\$ -	\$ 47,254	\$ 73,510
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts	99,882	-	-	-	2,108	-	-
Special assessments	21,765	-	-	-	-	-	-
Intergovernmental	-	-	-	-	166,854	-	-
Prepaid expenditures	3,976	-	-	185	-	-	-
Loans	-	-	-	323,530	1,831,383	554,467	104,301
Property held for resale	-	-	-	56,984	-	-	25,774
Total assets	<u>\$ 1,172,220</u>	<u>\$ 226,796</u>	<u>\$ 224,124</u>	<u>\$ 722,124</u>	<u>\$ 2,000,345</u>	<u>\$ 601,721</u>	<u>\$ 203,585</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Vouchers payable	\$ 9,651	\$ 150	\$ -	\$ 4,430	\$ 70	\$ -	\$ 105
Advances from other funds	700,000	-	-	-	-	-	-
Due to other funds	-	-	-	-	74,264	-	-
Accrued payroll	1,423	-	-	3,290	2,227	-	370
Special assessments payable	34,746	-	-	-	-	-	1,443
Unearned revenue	17,197	-	-	323,530	1,831,383	554,467	104,301
Total liabilities	<u>763,017</u>	<u>150</u>	<u>-</u>	<u>331,250</u>	<u>1,907,944</u>	<u>554,467</u>	<u>106,219</u>
Fund balances							
Nonspendable	3,976	-	-	57,169	-	-	25,774
Restricted	405,227	226,646	224,124	333,705	92,401	47,254	71,592
Unrestricted	-	-	-	-	-	-	-
Total fund balances	<u>409,203</u>	<u>226,646</u>	<u>224,124</u>	<u>390,874</u>	<u>92,401</u>	<u>47,254</u>	<u>97,366</u>
Total liabilities and fund balances	<u>\$ 1,172,220</u>	<u>\$ 226,796</u>	<u>\$ 224,124</u>	<u>\$ 722,124</u>	<u>\$ 2,000,345</u>	<u>\$ 601,721</u>	<u>\$ 203,585</u>

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**December 31, 2013**

	Special Revenue						Total
	Court Forfeits	FTA Transit Capital Escrow	Broadway Mall Maintenance	Skyway Maintenance	Winter Lights Maintenance	Baseball Stadium	
<b>ASSETS</b>							
Equity in pooled investments	\$ 256,710	\$ 30,000	\$ -	\$ 175,042	\$ -	\$ 12,444	\$ 3,079,107
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	-	-	-	7,503
Accounts	78	-	-	-	-	2,627	487,616
Special assessments	-	-	-	86,775	-	-	948,634
Intergovernmental	-	-	-	-	-	-	166,854
Prepaid expenditures	-	-	-	1,191	-	1,699	7,238
Loans	-	-	-	-	-	-	2,813,681
Property held for resale	-	-	-	-	-	-	229,483
<b>Total assets</b>	<u>\$ 256,788</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 263,008</u>	<u>\$ -</u>	<u>\$ 16,770</u>	<u>\$ 7,740,116</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Vouchers payable	\$ 1,017	\$ -	\$ -	\$ 10,499	\$ -	\$ 746	\$ 240,436
Advances from other funds	-	-	-	-	-	1,357,927	2,057,927
Due to other funds	-	-	-	-	-	-	1,176,185
Accrued payroll	-	-	-	-	-	-	7,310
Special assessments payable	-	-	-	-	-	1,205	236,565
Unearned revenue	-	-	-	46,675	-	-	3,641,744
<b>Total liabilities</b>	<u>1,017</u>	<u>-</u>	<u>-</u>	<u>57,174</u>	<u>-</u>	<u>1,359,878</u>	<u>7,360,167</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	1,191	-	1,699	236,721
Restricted	255,771	30,000	-	204,643	-	-	2,431,693
Unassigned	-	-	-	-	-	(1,344,807)	(2,288,465)
<b>Total fund balances</b>	<u>255,771</u>	<u>30,000</u>	<u>-</u>	<u>205,834</u>	<u>-</u>	<u>(1,343,108)</u>	<u>379,949</u>
<b>Total liabilities and fund balances</b>	<u>\$ 256,788</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 263,008</u>	<u>\$ -</u>	<u>\$ 16,770</u>	<u>\$ 7,740,116</u>

**CITY OF FARGO, NORTH DAKOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**For the Year Ended December 31, 2013**

	Special Revenue						
	City Share of Specials	Noxious Weed	Emergency 911	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
<b>REVENUES</b>							
Taxes	\$ 337,685	\$ 33,217	\$ 1,371,327	\$ -	\$ 2,310,646	\$ -	\$ -
Special assessments	-	-	-	261,773	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	77,888
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	4,207	-	11,607	219,126	20,304
Total revenues	<u>337,685</u>	<u>33,217</u>	<u>1,375,534</u>	<u>261,773</u>	<u>2,322,253</u>	<u>219,126</u>	<u>98,192</u>
<b>EXPENDITURES</b>							
Current:							
Public safety	-	-	1,883,151	-	-	-	60,755
Public works	232,088	-	-	-	-	-	-
Public health & welfare	-	19,878	-	-	-	-	-
Recreation & culture	-	-	-	229,774	2,321,590	-	-
Urban redevelopment	-	-	-	-	-	317,786	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>232,088</u>	<u>19,878</u>	<u>1,883,151</u>	<u>229,774</u>	<u>2,321,590</u>	<u>317,786</u>	<u>60,755</u>
Excess (deficiency) of revenues over (under) expenditures	<u>105,597</u>	<u>13,339</u>	<u>(507,617)</u>	<u>31,999</u>	<u>663</u>	<u>(98,660)</u>	<u>37,437</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in							
General fund	-	-	-	45,200	-	-	53,909
Special revenue funds	-	-	-	48,631	-	-	-
Debt service	-	-	-	-	-	-	-
Capital Projects	300,000	-	-	-	-	-	-
Transfers out							
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	(206,958)	-	-	-	-	-	-
Total other financing sources (uses)	<u>93,042</u>	<u>-</u>	<u>-</u>	<u>93,831</u>	<u>-</u>	<u>-</u>	<u>53,909</u>
Net change in fund balances	198,639	13,339	(507,617)	125,830	663	(98,660)	91,346
Fund balance (deficit) - beginning of year	(204,356)	118,853	(430,324)	63,740	10,864	298,843	62,424
Fund balance (deficit) - end of year	<u>\$ (5,717)</u>	<u>\$ 132,192</u>	<u>\$ (937,941)</u>	<u>\$ 189,570</u>	<u>\$ 11,527</u>	<u>\$ 200,183</u>	<u>\$ 153,770</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, 2013**

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	38,048	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	151,452	433,532	-	-
Charges for services	1,203,385	-	-	-	-	-	3,410
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	6	2	35	468	-	2,300
Miscellaneous revenues	21,769	-	-	419,585	171,724	40,143	31,893
<b>Total revenues</b>	<u>1,263,202</u>	<u>6</u>	<u>2</u>	<u>571,072</u>	<u>605,724</u>	<u>40,143</u>	<u>37,603</u>
<b>EXPENDITURES</b>							
<b>Current:</b>							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	-	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	242,835	550,951	13,845	27,557
Public transportation	609,848	37,875	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>609,848</u>	<u>37,875</u>	<u>-</u>	<u>242,835</u>	<u>550,951</u>	<u>13,845</u>	<u>27,557</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>653,354</u>	<u>(37,869)</u>	<u>2</u>	<u>328,237</u>	<u>54,773</u>	<u>26,298</u>	<u>10,046</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
<b>Transfers in</b>							
General fund	53,950	-	-	-	-	-	-
Special revenue funds	-	41,350	-	-	-	-	-
Debt service	-	-	-	-	-	-	35,787
Capital projects	-	-	-	-	-	-	-
<b>Transfers out</b>							
Special revenue funds	-	(41,350)	-	-	-	-	-
Debt service	(934,140)	-	-	-	-	-	(50,000)
Capital projects	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(880,190)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,213)</u>
<b>Net change in fund balances</b>	(226,836)	(37,869)	2	328,237	54,773	26,298	(4,167)
Fund balance (deficit) - beginning of year	636,039	264,515	224,122	62,637	37,628	20,956	101,533
Fund balance (deficit) - end of year	<u>\$ 409,203</u>	<u>\$ 226,646</u>	<u>\$ 224,124</u>	<u>\$ 390,874</u>	<u>\$ 92,401</u>	<u>\$ 47,254</u>	<u>\$ 97,366</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, 2013**

	Special Revenue						
	Court Forfeits	FTA Transit Capital Escrow	Broadway Mall Maintenance	Skyway Maintenance	Winter Lights Maintenance	Baseball Stadium	Total
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,052,875
Special assessments	-	-	-	124,501	-	-	424,322
Intergovernmental revenues	5,673	-	-	-	-	-	668,545
Charges for services	-	30,000	-	-	-	188,801	1,425,596
Fines and forfeits	156,917	-	-	-	-	-	156,917
Investment income	1	-	-	-	-	-	2,812
Miscellaneous revenues	13,200	-	-	-	-	-	953,558
<b>Total revenues</b>	<u>175,791</u>	<u>30,000</u>	<u>-</u>	<u>124,501</u>	<u>-</u>	<u>188,801</u>	<u>7,684,625</u>
<b>EXPENDITURES</b>							
Current:							
Public safety	140,728	-	-	-	-	-	2,084,634
Public works	-	-	-	-	-	-	232,088
Public health & welfare	-	-	-	-	-	-	19,878
Recreation & culture	-	-	-	70,351	-	39,850	2,661,565
Urban redevelopment	-	-	-	-	-	-	1,152,974
Public transportation	-	-	-	-	-	-	647,723
Capital outlay	9,728	-	-	-	-	35,641	45,369
<b>Total expenditures</b>	<u>150,456</u>	<u>-</u>	<u>-</u>	<u>70,351</u>	<u>-</u>	<u>75,491</u>	<u>6,844,231</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,335</u>	<u>30,000</u>	<u>-</u>	<u>54,150</u>	<u>-</u>	<u>113,310</u>	<u>840,394</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in							
General fund	-	-	-	-	-	-	153,059
Special revenue funds	-	-	-	-	-	-	89,981
Debt service	-	-	-	-	-	-	35,787
Capital projects	-	-	-	-	-	-	300,000
Transfers out							
Special revenue funds	-	-	(36,522)	-	(12,109)	-	(89,981)
Debt service	-	-	-	-	-	-	(984,140)
Capital projects	-	-	-	-	-	-	(206,958)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(36,522)</u>	<u>-</u>	<u>(12,109)</u>	<u>-</u>	<u>(702,252)</u>
<b>Net change in fund balances</b>	25,335	30,000	(36,522)	54,150	(12,109)	113,310	138,142
Fund balance (deficit) - beginning of year	230,436	-	36,522	151,684	12,109	(1,456,418)	241,807
Fund balance (deficit) - end of year	<u>\$ 255,771</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 205,834</u>	<u>\$ -</u>	<u>\$ (1,343,108)</u>	<u>\$ 379,949</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, 2013**

	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		
<b>REVENUES</b>								
Taxes	\$ 329,000	\$ 329,000	\$ 337,685	\$ 8,685	\$ 33,000	\$ 33,000	\$ 33,217	\$ 217
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	<u>329,000</u>	<u>329,000</u>	<u>337,685</u>	<u>8,685</u>	<u>33,000</u>	<u>33,000</u>	<u>33,217</u>	<u>217</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	280,000	200,000	232,088	(32,088)	-	-	-	-
Public health and welfare	-	-	-	-	49,999	50,000	19,878	30,122
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>280,000</u>	<u>200,000</u>	<u>232,088</u>	<u>(32,088)</u>	<u>49,999</u>	<u>50,000</u>	<u>19,878</u>	<u>30,122</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,000</u>	<u>129,000</u>	<u>105,597</u>	<u>(23,403)</u>	<u>(16,999)</u>	<u>(17,000)</u>	<u>13,339</u>	<u>30,339</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	300,000	300,000	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	(49,000)	(229,000)	(206,958)	22,042	-	-	-	-
Total other financing sources (uses)	<u>(49,000)</u>	<u>71,000</u>	<u>93,042</u>	<u>22,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	200,000	198,639	(1,361)	(16,999)	(17,000)	13,339	30,339
Fund balance (deficit) - beginning of year	(204,356)	(204,356)	(204,356)	-	118,853	118,853	118,853	-
Fund balance (deficit) - end of year	<u>\$ (204,356)</u>	<u>\$ (4,356)</u>	<u>\$ (5,717)</u>	<u>\$ (1,361)</u>	<u>\$ 101,854</u>	<u>\$ 101,853</u>	<u>\$ 132,192</u>	<u>\$ 30,339</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, 2013**

	Emergency 911				Downtown Business Improvement District			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 1,580,800	\$ 1,580,800	\$ 1,371,327	\$ (209,473)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	193,542	193,542	261,773	68,231
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	4,207	4,207	-	-	-	-
Total revenues	<u>1,580,800</u>	<u>1,580,800</u>	<u>1,375,534</u>	<u>(205,266)</u>	<u>193,542</u>	<u>193,542</u>	<u>261,773</u>	<u>68,231</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	1,920,999	1,873,000	1,883,151	(10,151)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	193,544	210,000	229,774	(19,774)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,920,999</u>	<u>1,873,000</u>	<u>1,883,151</u>	<u>(10,151)</u>	<u>193,544</u>	<u>210,000</u>	<u>229,774</u>	<u>(19,774)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(340,199)</u>	<u>(292,200)</u>	<u>(507,617)</u>	<u>(215,417)</u>	<u>(2)</u>	<u>(16,458)</u>	<u>31,999</u>	<u>48,457</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	45,200	45,200	-
Special revenue	-	-	-	-	-	-	48,631	48,631
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,200</u>	<u>93,831</u>	<u>48,631</u>
Net change in fund balances	(340,199)	(292,200)	(507,617)	(215,417)	(2)	28,742	125,830	97,088
Fund balance (deficit) - beginning of year	(430,324)	(430,324)	(430,324)	-	63,740	63,740	63,740	-
Fund balance (deficit) - end of year	<u>\$ (770,523)</u>	<u>\$ (722,524)</u>	<u>\$ (937,941)</u>	<u>\$ (215,417)</u>	<u>\$ 63,738</u>	<u>\$ 92,482</u>	<u>\$ 189,570</u>	<u>\$ 97,088</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, 2013**

	Convention & Visitors Bureau				Neighborhood Stabilization			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ 2,075,250	\$ 2,075,250	\$ 2,310,646	\$ 235,396	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	620,000	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	6,000	6,000	11,607	5,607	250,000	250,000	219,126	(30,874)
Total revenues	<u>2,081,250</u>	<u>2,081,250</u>	<u>2,322,253</u>	<u>241,003</u>	<u>870,000</u>	<u>250,000</u>	<u>219,126</u>	<u>(30,874)</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	2,081,611	2,081,610	2,321,590	(239,980)	-	-	-	-
Urban redevelopment	-	-	-	-	614,578	610,544	317,786	292,758
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,081,611</u>	<u>2,081,610</u>	<u>2,321,590</u>	<u>(239,980)</u>	<u>614,578</u>	<u>610,544</u>	<u>317,786</u>	<u>292,758</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(361)</u>	<u>(360)</u>	<u>663</u>	<u>1,023</u>	<u>255,422</u>	<u>(360,544)</u>	<u>(98,660)</u>	<u>261,884</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(361)	(360)	663	1,023	255,422	(360,544)	(98,660)	261,884
Fund balance (deficit) - beginning of year	10,864	10,864	10,864	-	298,843	298,843	298,843	-
Fund balance (deficit) - end of year	<u>\$ 10,503</u>	<u>\$ 10,504</u>	<u>\$ 11,527</u>	<u>\$ 1,023</u>	<u>\$ 554,265</u>	<u>\$ (61,701)</u>	<u>\$ 200,183</u>	<u>\$ 261,884</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, 2013**

	Regional Training Center				Parking Authority			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	16,000	38,048	22,048	-
Intergovernmental revenues	77,888	77,888	77,888	-	-	-	-	-
Charges for services	-	-	-	-	904,948	904,948	1,203,385	298,437
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	25,000	25,000	20,304	(4,696)	10,000	10,000	21,769	11,769
Total revenues	<u>102,888</u>	<u>102,888</u>	<u>98,192</u>	<u>(4,696)</u>	<u>914,948</u>	<u>930,948</u>	<u>1,263,202</u>	<u>332,254</u>
<b>EXPENDITURES</b>								
<b>Current:</b>								
Public safety	80,534	80,534	60,755	19,779	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	630,613	631,074	609,848	21,226
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>80,534</u>	<u>80,534</u>	<u>60,755</u>	<u>19,779</u>	<u>630,613</u>	<u>631,074</u>	<u>609,848</u>	<u>21,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,354</u>	<u>22,354</u>	<u>37,437</u>	<u>15,083</u>	<u>284,335</u>	<u>299,874</u>	<u>653,354</u>	<u>353,480</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
<b>Transfers in:</b>								
General fund	53,909	53,909	53,909	-	27,000	27,000	53,950	26,950
Special revenue	-	-	-	-	44,367	44,367	-	(44,367)
Debt service	-	-	-	-	266,000	266,000	-	(266,000)
Capital projects	-	-	-	-	-	-	-	-
<b>Transfers out:</b>								
General fund	(10,000)	(10,000)	-	10,000	-	-	-	-
Special revenue	-	-	-	-	(36,000)	(36,000)	-	36,000
Debt service	-	-	-	-	(292,223)	(930,544)	(934,140)	(3,596)
Capital projects	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>43,909</u>	<u>43,909</u>	<u>53,909</u>	<u>10,000</u>	<u>9,144</u>	<u>(629,177)</u>	<u>(880,190)</u>	<u>(251,013)</u>
Net change in fund balances	66,263	66,263	91,346	25,083	293,479	(329,303)	(226,836)	102,467
Fund balance (deficit) - beginning of year	62,424	62,424	62,424	-	636,039	636,039	636,039	-
Fund balance (deficit) - end of year	<u>\$ 128,687</u>	<u>\$ 128,687</u>	<u>\$ 153,770</u>	<u>\$ 25,083</u>	<u>\$ 929,518</u>	<u>\$ 306,736</u>	<u>\$ 409,203</u>	<u>\$ 102,467</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, 2013**

	Parking Repair and Replacement				Parking Surplus Fund			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	6	6	2	-	2	2
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	75,000	88,000	37,875	50,125	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>75,000</u>	<u>88,000</u>	<u>37,875</u>	<u>50,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,000)</u>	<u>(88,000)</u>	<u>(37,869)</u>	<u>50,131</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	36,000	36,000	41,350	5,350	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	(41,350)	(41,350)	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	(32,000)	-	32,000	-	-	-	-
Total other financing sources (uses)	<u>36,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(39,000)	(84,000)	(37,869)	46,131	2	-	2	2
Fund balance (deficit) - beginning of year	264,515	264,515	264,515	-	224,122	224,122	224,122	-
Fund balance (deficit) - end of year	<u>\$ 225,515</u>	<u>\$ 180,515</u>	<u>\$ 226,646</u>	<u>\$ 46,131</u>	<u>\$ 224,124</u>	<u>\$ 224,122</u>	<u>\$ 224,124</u>	<u>\$ 2</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, 2013**

	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		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	640,000	240,000	151,452	(88,548)	420,000	420,000	433,532	13,532
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	100	100	35	(65)	2,000	2,000	468	(1,532)
Miscellaneous revenue	5,500	405,500	419,585	14,085	51,000	51,000	171,724	120,724
<b>Total revenues</b>	<b>645,600</b>	<b>645,600</b>	<b>571,072</b>	<b>(74,528)</b>	<b>473,000</b>	<b>473,000</b>	<b>605,724</b>	<b>132,724</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	706,497	703,575	242,835	460,740	485,633	486,478	550,951	(64,473)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>706,497</b>	<b>703,575</b>	<b>242,835</b>	<b>460,740</b>	<b>485,633</b>	<b>486,478</b>	<b>550,951</b>	<b>(64,473)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(60,897)</b>	<b>(57,975)</b>	<b>328,237</b>	<b>386,212</b>	<b>(12,633)</b>	<b>(13,478)</b>	<b>54,773</b>	<b>68,251</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(60,897)</b>	<b>(57,975)</b>	<b>328,237</b>	<b>386,212</b>	<b>(12,633)</b>	<b>(13,478)</b>	<b>54,773</b>	<b>68,251</b>
Fund balance (deficit) - beginning of year	62,637	62,637	62,637	-	37,628	37,628	37,628	-
Fund balance (deficit) - end of year	\$ 1,740	\$ 4,662	\$ 390,874	\$ 386,212	\$ 24,995	\$ 24,150	\$ 92,401	\$ 68,251

**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, 2013**

	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		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000	3,000	3,410	410
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	6,000	6,000	2,300	(3,700)
Miscellaneous revenue	23,000	23,000	40,143	17,143	51,500	51,500	31,893	(19,607)
<b>Total revenues</b>	<b>23,000</b>	<b>23,000</b>	<b>40,143</b>	<b>17,143</b>	<b>60,500</b>	<b>60,500</b>	<b>37,603</b>	<b>(22,897)</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	30,000	30,000	13,845	16,155	5,718	5,766	27,557	(21,791)
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>30,000</b>	<b>30,000</b>	<b>13,845</b>	<b>16,155</b>	<b>5,718</b>	<b>5,766</b>	<b>27,557</b>	<b>(21,791)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,000)</b>	<b>(7,000)</b>	<b>26,298</b>	<b>33,298</b>	<b>54,782</b>	<b>54,734</b>	<b>10,046</b>	<b>(44,688)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	33,000	33,000	35,787	2,787
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	(104,997)	(104,997)	(50,000)	54,997
Capital projects	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(71,997)</b>	<b>(71,997)</b>	<b>(14,213)</b>	<b>57,784</b>
Net change in fund balances	(7,000)	(7,000)	26,298	33,298	(17,215)	(17,263)	(4,167)	13,096
Fund balance (deficit) - beginning of year	20,956	20,956	20,956	-	101,533	101,533	101,533	-
Fund balance (deficit) - end of year	<u>\$ 13,956</u>	<u>\$ 13,956</u>	<u>\$ 47,254</u>	<u>\$ 33,298</u>	<u>\$ 84,318</u>	<u>\$ 84,270</u>	<u>\$ 97,366</u>	<u>\$ 13,096</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, 2013**

	Court Forfeits				FTA Transit Capital Escrow			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	5,673	5,673	-	-	-	-
Charges for services	-	-	-	-	30,000	30,000	30,000	-
Fines and forfeits	100,000	100,000	156,917	56,917	-	-	-	-
Investment income	-	-	1	1	-	-	-	-
Miscellaneous revenue	-	-	13,200	13,200	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>175,791</u>	<u>75,791</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	200,000	190,272	140,728	49,544	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	9,728	9,728	-	-	-	-	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>150,456</u>	<u>49,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>25,335</u>	<u>125,335</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(100,000)	(100,000)	25,335	125,335	30,000	30,000	30,000	-
Fund balance (deficit) - beginning of year	230,436	230,436	230,436	-	-	-	-	-
Fund balance (deficit) - end of year	<u>\$ 130,436</u>	<u>\$ 130,436</u>	<u>\$ 255,771</u>	<u>\$ 125,335</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</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, 2013**

	Broadway Mall Maintenance				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		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	50,000	-	-	-	120,000	120,000	124,501	4,501
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>124,501</u>	<u>4,501</u>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	49,000	-	-	-	86,425	86,425	70,351	16,074
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,425</u>	<u>86,425</u>	<u>70,351</u>	<u>16,074</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,575</u>	<u>33,575</u>	<u>54,150</u>	<u>20,575</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	(36,522)	(36,523)	(36,522)	1	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(36,522)</u>	<u>(36,523)</u>	<u>(36,522)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(35,522)</u>	<u>(36,523)</u>	<u>(36,522)</u>	<u>1</u>	<u>33,575</u>	<u>33,575</u>	<u>54,150</u>	<u>20,575</u>
Fund balance (deficit) - beginning of year	36,522	36,522	36,522	-	151,684	151,684	151,684	-
Fund balance (deficit) - end of year	<u>\$ 1,000</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 185,259</u>	<u>\$ 185,259</u>	<u>\$ 205,834</u>	<u>\$ 20,575</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, 2013**

	Winter Lights Maintenance				Baseball Stadium			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	22,000	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	195,000	195,000	188,801	(6,199)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>22,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,000</b>	<b>195,000</b>	<b>188,801</b>	<b>(6,199)</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	21,000	-	-	-	52,581	52,580	39,850	12,730
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	35,641	(35,641)
<b>Total expenditures</b>	<b>21,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52,581</b>	<b>52,580</b>	<b>75,491</b>	<b>(22,911)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>142,419</b>	<b>142,420</b>	<b>113,310</b>	<b>(29,110)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	(86,300)	-	-	-
Special revenue	(12,109)	(12,108)	(12,109)	(1)	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(12,109)</b>	<b>(12,108)</b>	<b>(12,109)</b>	<b>(1)</b>	<b>(132,500)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(11,109)</b>	<b>(12,108)</b>	<b>(12,109)</b>	<b>(1)</b>	<b>9,919</b>	<b>142,420</b>	<b>113,310</b>	<b>(29,110)</b>
Fund balance (deficit) - beginning of year	\$ 12,109	\$ 12,109	\$ 12,109	\$ -	\$ (1,456,418)	\$ (1,456,418)	\$ (1,456,418)	\$ -
Fund balance (deficit) - end of year	1,000	1	-	(1)	(1,446,499)	(1,313,998)	(1,343,108)	(29,110)

**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, 2013**

	Totals			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 4,018,050	\$ 4,018,050	\$ 4,052,875	\$ 34,825
Special assessments	385,542	329,542	424,322	94,780
Intergovernmental revenues	1,757,888	737,888	668,545	(69,343)
Charges for services	1,132,948	1,132,948	1,425,596	292,648
Fines and forfeits	100,000	100,000	156,917	56,917
Investment income	8,102	8,100	2,812	(5,288)
Miscellaneous revenue	422,000	822,000	953,558	131,558
Total revenues	<u>7,824,530</u>	<u>7,148,528</u>	<u>7,684,625</u>	<u>536,097</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public safety	2,201,533	2,153,534	2,084,634	68,900
Public works	280,000	200,000	232,088	(32,088)
Public health and welfare	49,999	50,000	19,878	30,122
Recreation and culture	2,484,161	2,430,615	2,661,565	(230,950)
Urban redevelopment	1,842,426	1,836,363	1,152,974	683,389
Public transportation	705,613	719,074	647,723	71,351
Capital outlay	-	-	45,369	(45,369)
Total expenditures	<u>7,563,732</u>	<u>7,389,586</u>	<u>6,844,231</u>	<u>545,355</u>
Excess (deficiency) of revenues over (under) expenditures	<u>260,798</u>	<u>(241,058)</u>	<u>840,394</u>	<u>1,081,451</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers in:</b>				
General fund	80,909	126,109	153,059	26,950
Special revenue	80,367	80,367	89,981	9,614
Debt service	299,000	299,000	35,787	(263,213)
Capital projects	-	300,000	300,000	-
<b>Transfers out:</b>				
General fund	(96,300)	(10,000)	-	10,000
Special revenue	(84,631)	(84,631)	(89,981)	(5,350)
Debt service	(397,220)	(1,035,541)	(984,140)	51,401
Capital projects	(49,000)	(261,000)	(206,958)	54,042
Total other financing sources (uses)	<u>(213,075)</u>	<u>(585,696)</u>	<u>(702,252)</u>	<u>(116,556)</u>
Net change in fund balances	47,723	(826,754)	138,141	964,895
Fund balance (deficit) - beginning of year	241,807	241,807	241,807	-
Fund balance (deficit) - end of year	<u>\$ 289,530</u>	<u>\$ (584,947)</u>	<u>\$ 379,948</u>	<u>\$ 964,895</u>

**CITY OF FARGO, NORTH DAKOTA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Year Ended December 31, 2013**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 31,962,000	\$ 40,805,750	\$ 41,109,411	\$ 303,661
Special assessments	21,948,200	22,838,200	26,783,153	3,944,953
Intergovernmental revenues	363,000	363,000	350,154	(12,846)
Investment income	170,000	257,000	305,081	48,081
Miscellaneous revenues	-	-	61,679	61,679
Total revenues	<u>54,443,200</u>	<u>64,263,950</u>	<u>68,609,478</u>	<u>4,345,528</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Public works	340,500	340,500	752,153	(411,653)
Urban redevelopment	59,000	49,000	75,038	(26,038)
Debt Service	39,084,866	44,192,423	43,777,145	415,278
Total expenditures	<u>39,484,366</u>	<u>44,581,923</u>	<u>44,604,336</u>	<u>(22,413)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,958,834</u>	<u>19,682,027</u>	<u>24,005,142</u>	<u>4,323,115</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	932,147	2,798,909	4,387,008	1,588,099
Transfers out	(17,082,779)	(17,570,779)	(19,369,843)	(1,799,064)
Loans issued	-	-	25,870	25,870
Bonds issued	-	-	903,121	903,121
Bond premium	-	-	10,048	10,048
Other financing uses - debt service - principal	-	(10,695,000)	(10,695,000)	-
Total other financing sources (uses)	<u>(16,150,632)</u>	<u>(25,466,870)</u>	<u>(24,738,796)</u>	<u>728,074</u>
Net change in fund balances	<u>\$ (1,191,798)</u>	<u>\$ (5,784,843)</u>	<u>(733,654)</u>	<u>\$ 5,051,189</u>
Fund balance - beginning of year			<u>103,608,342</u>	
Fund balance - end of year			<u>\$ 102,874,688</u>	

## NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

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

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**NON MAJOR PROPRIETARY FUNDS**  
**December 31, 2013**

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	\$ -	\$ -	\$ -	\$ 50	\$ 50
Equity in pooled investments	50,653	463,092	99,742	187,105	800,592
Receivables (net of allowance for uncollectibles):					
Special assessments	-	-	-	8,701	8,701
Accounts	16,404	58,734	217,263	133,285	425,686
Inventory	-	-	456,505	-	456,505
Prepaid expenses	-	1,670	4,259	5,259	11,188
Total current assets	<u>67,057</u>	<u>523,496</u>	<u>777,769</u>	<u>334,400</u>	<u>1,702,722</u>
<b>Noncurrent assets</b>					
<b>Capital assets</b>					
Machinery and equipment	-	120,541	298,616	886,897	1,306,054
Infrastructure	-	-	29,568,523	-	29,568,523
Less accumulated depreciation	-	(60,306)	(13,375,580)	(774,521)	(14,210,407)
Total noncurrent assets	<u>-</u>	<u>60,235</u>	<u>16,491,559</u>	<u>112,376</u>	<u>16,664,170</u>
Total assets	<u>67,057</u>	<u>583,731</u>	<u>17,269,328</u>	<u>446,776</u>	<u>18,366,892</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Vouchers payable	3,066	-	144,097	3,088	150,251
Accrued payroll	-	-	4,060	19,334	23,394
Accrued vacation payable	-	-	10,406	46,245	56,651
Total current liabilities	<u>3,066</u>	<u>-</u>	<u>158,563</u>	<u>68,667</u>	<u>230,296</u>
<b>NET POSITION</b>					
Net investment in capital assets	-	60,235	16,491,559	112,376	16,664,170
Unrestricted	63,991	523,496	619,206	265,733	1,472,426
Total net position	<u>\$ 63,991</u>	<u>\$ 583,731</u>	<u>\$ 17,110,765</u>	<u>\$ 378,109</u>	<u>\$ 18,136,596</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, 2013**

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 38,414	\$ 646,742	\$ 1,669,511	\$ 1,385,365	\$ 3,740,032
<b>OPERATING EXPENSES</b>					
Personnel services	7,464	-	167,943	902,606	1,078,013
Other services	16,862	351,225	111,660	497,388	977,135
Materials and supplies	43,437	79,260	1,149,878	170,384	1,442,959
Depreciation	-	15,082	1,211,746	37,719	1,264,547
Total operating expenses	<u>67,763</u>	<u>445,567</u>	<u>2,641,227</u>	<u>1,608,097</u>	<u>4,762,654</u>
Operating income (loss)	<u>(29,349)</u>	<u>201,175</u>	<u>(971,716)</u>	<u>(222,732)</u>	<u>(1,022,622)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Gain (loss) on disposal of assets	-	-	-	2,059	2,059
Investment income (expense)	-	3	-	2	5
Total nonoperating revenues	<u>-</u>	<u>3</u>	<u>-</u>	<u>2,061</u>	<u>2,064</u>
Income (loss) before contributions and transfers	(29,349)	201,178	(971,716)	(220,671)	(1,020,558)
Capital Contributions	50,000	-	1,735,604	-	1,785,604
Transfers in:					
Enterprise	-	-	75,000	280,000	355,000
Transfers out:					
General	-	(123,000)	(240,000)	(87,000)	(450,000)
Change in net position	<u>20,651</u>	<u>78,178</u>	<u>598,888</u>	<u>(27,671)</u>	<u>670,046</u>
Total net position - beginning	43,340	505,553	16,511,877	405,780	17,466,550
Total net position - ending	<u>\$ 63,991</u>	<u>\$ 583,731</u>	<u>\$ 17,110,765</u>	<u>\$ 378,109</u>	<u>\$ 18,136,596</u>

**CITY OF FARGO, NORTH DAKOTA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
**For the Year Ended December 31, 2013**

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users	\$ 36,226	\$ 646,009	\$ 1,669,019	\$ 1,383,083	\$ 3,734,337
Payments to employees	(6,623)	-	(132,965)	(694,201)	(833,789)
Payments of benefits on behalf of employees	(1,268)	-	(34,085)	(199,526)	(234,879)
Payments to suppliers	(61,730)	(430,608)	(1,337,350)	(678,392)	(2,508,080)
Net cash provided (used) by operating activities	<u>(33,395)</u>	<u>215,401</u>	<u>164,619</u>	<u>(189,036)</u>	<u>157,589</u>
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>					
Transfers to other funds	-	(123,000)	(240,000)	(87,000)	(450,000)
Transfers from other funds	-	-	75,000	280,000	355,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(123,000)</u>	<u>(165,000)</u>	<u>193,000</u>	<u>(95,000)</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of assets	-	-	-	2,059	2,059
Acquisition of capital assets	-	(26,547)	-	(22,190)	(48,737)
Intergovernmental capital grants	50,000	-	-	-	50,000
Net cash provided (used) by capital and related financing activities	<u>50,000</u>	<u>(26,547)</u>	<u>-</u>	<u>(20,131)</u>	<u>3,322</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Investment income	-	3	-	2	5
Investments redeemed	34,048	397,235	100,123	203,270	734,676
Investments (purchased)	(50,653)	(463,092)	(99,742)	(187,105)	(800,592)
Net cash provided (used) by investing activities	<u>(16,605)</u>	<u>(65,854)</u>	<u>381</u>	<u>16,167</u>	<u>(65,911)</u>
Net change in cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents, January 1	-	-	-	50	50
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (29,349)	\$ 201,175	\$ (971,716)	\$ (222,732)	\$ (1,022,622)
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>					
Depreciation	-	15,082	1,211,746	37,719	1,264,547
<b>Change in assets and liabilities</b>					
Accounts receivable	(2,188)	(733)	(492)	(3,831)	(7,244)
Special assessment receivable	-	-	-	1,549	1,549
Inventories	-	-	(53,705)	-	(53,705)
Prepaid expenses	-	(129)	(324)	(191)	(644)
Accounts payable	(1,431)	6	(21,783)	(10,429)	(33,637)
Vacation payable	-	-	613	5,596	6,209
Payroll payable	(427)	-	280	3,283	3,136
Total adjustments	<u>(4,046)</u>	<u>14,226</u>	<u>1,136,335</u>	<u>33,696</u>	<u>1,180,211</u>
Net cash provided (used) by operating activities	<u>\$ (33,395)</u>	<u>\$ 215,401</u>	<u>\$ 164,619</u>	<u>\$ (189,036)</u>	<u>\$ 157,589</u>
<b>Noncash transactions affecting financial position:</b>					
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,735,604</u>	<u>\$ -</u>	<u>\$ 1,735,604</u>

## FIDUCIARY FUNDS

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Fiduciary funds are used to account for assets held by the City in trust or as an agent for individuals, private organizations, or other governmental units and/or other funds. The fiduciary funds of the City are described below.

### PENSION TRUST FUNDS

City Employee's Pension Trust Fund is used to account for the activities of this defined benefit pension plan. All employees except those covered by other plans are members.

Police Pension Trust Fund is used to account for the activities of this defined benefit pension plan. All members of the Police Department are members of this plan.

Pension Stability Fund is the residual fund balance from the Health Plan. This fund was established to aid in funding the City's ongoing defined benefit pension obligations.

The Pension Plan financial statements can be found in the notes to the financial statements, Note 5.

### AGENCY FUNDS

The City has four agency funds used to account for assets held as an agent for others.

Performance Deposit Fund is used for deposits required by City ordinance for excavators, bid deposits, special assessment developer deposits, and other miscellaneous deposits.

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

Metro Flood Project Diversion Authority 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.

**CITY OF FARGO, NORTH DAKOTA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**December 31, 2013**

	Performance Deposits	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Total
<b>ASSETS</b>					
Cash and investments	\$ 13,820	\$ -	\$ -	\$ -	\$ 13,820
Equity in pooled investments	88,786	702	(3,020,883)	567,194	(2,364,201)
Receivables(net of allowance for uncollectibles)					
Accounts	-	-	764,460	-	764,460
Special assessments receivable	-	3,879,278	-	-	3,879,278
Intergovernmental	-	-	8,293,533	-	8,293,533
Total assets	<u>\$ 102,606</u>	<u>\$ 3,879,980</u>	<u>\$ 6,037,110</u>	<u>\$ 567,194</u>	<u>\$ 10,586,890</u>
<b>LIABILITIES</b>					
Vouchers payable	\$ -	\$ -	\$ 1,388,716	\$ -	\$ 1,388,716
Due to other governments	-	3,879,278	4,648,394	-	8,527,672
Deposits	102,606	702	-	567,194	670,502
Total liabilities	<u>\$ 102,606</u>	<u>\$ 3,879,980</u>	<u>\$ 6,037,110</u>	<u>\$ 567,194</u>	<u>\$ 10,586,890</u>

**CITY OF FARGO, NORTH DAKOTA  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDING DECEMBER 31, 2013**

	Beginning of Year	Additions	Deductions	End of Year
<b>PERFORMANCE DEPOSITS</b>				
<b>ASSETS</b>				
Cash, including time deposits	\$ 89,056	\$ -	\$ 75,236	\$ 13,820
Equity in pooled investments	102,420	21,366	35,000	88,786
<b>Total assets</b>	<b>\$ 191,476</b>	<b>\$ 21,366</b>	<b>\$ 110,236</b>	<b>\$ 102,606</b>
<b>LIABILITIES</b>				
Deposits	\$ 191,476	\$ 21,366	\$ 110,236	\$ 102,606
<b>Total liabilities</b>	<b>\$ 191,476</b>	<b>\$ 21,366</b>	<b>\$ 110,236</b>	<b>\$ 102,606</b>
<b>PARK DISTRICT SPECIAL ASSESSMENTS</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ 157	\$ 394,436	\$ 393,891	\$ 702
Special assessments receivable	2,653,888	1,451,412	226,022	3,879,278
<b>Total assets</b>	<b>\$ 2,654,045</b>	<b>\$ 1,845,848</b>	<b>\$ 619,913</b>	<b>\$ 3,879,980</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 2,653,888	\$ 1,451,412	\$ 226,022	\$ 3,879,278
Deposits	157	394,436	393,891	702
<b>Total liabilities</b>	<b>\$ 2,654,045</b>	<b>\$ 1,845,848</b>	<b>\$ 619,913</b>	<b>\$ 3,879,980</b>
<b>METRO FLOOD PROJECT DIVERSION AUTHORITY</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ (1,745,037)	\$ 19,048,746	\$ 20,324,592	\$ (3,020,883)
Accounts receivable	1,169,090	764,460	1,169,090	764,460
Intergovernmental receivable	2,701,405	16,049,560	10,457,432	8,293,533
<b>Total assets</b>	<b>\$ 2,125,458</b>	<b>\$ 35,862,766</b>	<b>\$ 31,951,114</b>	<b>\$ 6,037,110</b>
<b>LIABILITIES</b>				
Vouchers Payable	\$ 2,125,458	\$ 14,819,476	\$ 15,556,218	\$ 1,388,716
Due to other governments	-	7,316,584	2,668,190	4,648,394
<b>Total liabilities</b>	<b>\$ 2,125,458</b>	<b>\$ 22,136,060</b>	<b>\$ 18,224,408</b>	<b>\$ 6,037,110</b>
<b>RED RIVER REGIONAL DISPATCH CENTER</b>				
<b>ASSETS</b>				
Equity in pooled investments	\$ 412,460	\$ 3,490,686	\$ 3,335,952	\$ 567,194
<b>Total assets</b>	<b>\$ 412,460</b>	<b>\$ 3,490,686</b>	<b>\$ 3,335,952</b>	<b>\$ 567,194</b>
<b>LIABILITIES</b>				
Deposits	\$ 412,460	\$ 3,490,686	\$ 3,335,952	\$ 567,194
<b>Total liabilities</b>	<b>\$ 412,460</b>	<b>\$ 3,490,686</b>	<b>\$ 3,335,952</b>	<b>\$ 567,194</b>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash, including time deposits	\$ 89,056	\$ -	\$ 75,236	\$ 13,820
Equity in pooled investments	(1,230,000)	22,955,234	24,089,435	(2,364,201)
Accounts receivable	1,169,090	764,460	1,169,090	764,460
Special assessments receivable	2,653,888	1,451,412	226,022	3,879,278
Intergovernmental receivable	2,701,405	16,049,560	10,457,432	8,293,533
<b>Total assets</b>	<b>\$ 5,383,439</b>	<b>\$ 41,220,666</b>	<b>\$ 36,017,215</b>	<b>\$ 10,586,890</b>
<b>LIABILITIES</b>				
Vouchers payable	\$ 2,125,458	\$ 14,819,476	\$ 15,556,218	\$ 1,388,716
Due to other governments	2,653,888	8,767,996	2,894,212	8,527,672
Deposits	604,093	3,906,488	3,840,079	670,502
<b>Total liabilities</b>	<b>\$ 5,383,439</b>	<b>\$ 27,493,960</b>	<b>\$ 22,290,509</b>	<b>\$ 10,586,890</b>



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

**CITY OF FARGO, NORTH DAKOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**COMPARATIVE SCHEDULES BY SOURCE**  
**DECEMBER 31, 2013**

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GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 50,862,630
Intangible - Right of way	7,003,274
Buildings	75,814,131
Improvements other than buildings	1,095,859
Machinery and equipment	47,689,779
Infrastructure	317,836,574
Flood Control	26,638,929
Construction in progress	3,835,426
Total governmental funds capital assets	<u>\$ 530,776,602</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	\$ 37,040,548
Special revenue funds	6,356,616
Capital projects	457,141,689
Enterprise funds	1,500,926
Federal and state grants	27,123,873
Donated	1,612,950
Total governmental funds capital assets	<u>\$ 530,776,602</u>

**CITY OF FARGO, NORTH DAKOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**  
**DECEMBER 31, 2013**

FUNCTION AND ACTIVITY	Land	Right of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Flood Control	Construction in Progress	Total
<b>General Government:</b>									
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 60,930	\$ -	\$ -	\$ -	\$ 60,930
City Auditor	-	-	-	-	89,257	-	-	-	89,257
Information Technology	-	-	-	-	3,756,602	-	-	2,360,901	6,117,503
Public Information	-	-	-	-	42,000	-	-	-	42,000
Human Resources	-	-	-	-	38,185	-	-	-	38,185
City Assessor	-	-	-	-	92,385	-	-	-	92,385
Municipal Court	-	-	1,596,948	-	39,233	-	-	-	1,636,181
Planning & Development	-	-	-	-	29,229	-	-	-	29,229
Central Garage	-	-	4,186,278	127,813	941,286	-	-	-	5,255,377
City Buildings	-	-	1,159,334	17,865	307,753	-	-	-	1,484,952
Detox Center	-	-	451,732	-	49,404	-	-	-	501,136
Total	<u>-</u>	<u>-</u>	<u>7,394,292</u>	<u>145,678</u>	<u>5,446,264</u>	<u>-</u>	<u>-</u>	<u>2,360,901</u>	<u>15,347,135</u>
<b>Public Safety:</b>									
Traffic Engineering	-	-	21,422	-	204,729	-	-	-	226,151
Fire Department	436,448	-	8,910,069	-	7,225,808	-	-	-	16,572,325
Emergency Management	-	-	-	-	334,387	-	-	-	334,387
Police Department	43,000	-	2,143,440	31,654	5,270,314	-	-	-	7,488,408
Inspections	-	-	-	-	203,206	-	-	-	203,206
Total	<u>479,448</u>	<u>-</u>	<u>11,074,931</u>	<u>31,654</u>	<u>13,238,444</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,824,477</u>
<b>Public Works:</b>									
City Engineer	39,000	-	-	-	921,827	-	-	148,330	1,109,157
Street Department	817,500	4,588,892	473,023	53,068	9,459,774	317,836,574	-	316,954	333,545,785
Flood	47,240,930	2,414,382	-	134,240	-	-	26,638,929	514,852	76,943,333
Total	<u>48,097,430</u>	<u>7,003,274</u>	<u>473,023</u>	<u>187,308</u>	<u>10,381,601</u>	<u>317,836,574</u>	<u>26,638,929</u>	<u>980,136</u>	<u>411,598,275</u>
<b>Public Health &amp; Welfare:</b>									
Health Department	857,805	-	3,821,192	305,120	429,048	-	-	414,006	5,827,171
Total	<u>857,805</u>	<u>-</u>	<u>3,821,192</u>	<u>305,120</u>	<u>429,048</u>	<u>-</u>	<u>-</u>	<u>414,006</u>	<u>5,827,171</u>
<b>Recreation &amp; Culture:</b>									
Public Library	-	-	13,091,079	-	3,457,407	-	-	5,268	16,553,754
City Auditorium	-	-	9,661,627	-	415,148	-	-	-	10,076,775
Convention Bureau	199,505	-	749,851	-	-	-	-	-	949,356
Baseball Stadium	-	-	5,266,692	61,439	243,364	-	-	-	5,571,495
Total	<u>199,505</u>	<u>-</u>	<u>28,769,249</u>	<u>61,439</u>	<u>4,115,919</u>	<u>-</u>	<u>-</u>	<u>5,268</u>	<u>33,151,380</u>
<b>Urban Redevelopment</b>									
Home Grants	-	-	605,042	-	-	-	-	-	605,042
Community Development	122,442	-	3,741,974	28,446	39,798	-	-	-	3,932,660
Total	<u>122,442</u>	<u>-</u>	<u>4,347,016</u>	<u>28,446</u>	<u>39,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,537,702</u>
<b>Transportation</b>									
Transit	-	-	12,034,530	-	13,885,750	-	-	75,115	25,995,395
Parking Authority	1,106,000	-	7,899,898	336,214	152,955	-	-	-	9,495,067
Total	<u>1,106,000</u>	<u>-</u>	<u>19,934,428</u>	<u>336,214</u>	<u>14,038,705</u>	<u>-</u>	<u>-</u>	<u>75,115</u>	<u>35,490,462</u>
<b>Grand Total</b>	<u>\$ 50,862,630</u>	<u>\$ 7,003,274</u>	<u>\$ 75,814,131</u>	<u>\$ 1,095,859</u>	<u>\$ 47,689,779</u>	<u>\$ 317,836,574</u>	<u>\$ 26,638,929</u>	<u>\$ 3,835,426</u>	<u>\$ 530,776,602</u>

**CITY OF FARGO, NORTH DAKOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>FUNCTION AND ACTIVITY</u>	<u>Balance January 1, 2013</u>	<u>Additions &amp; Transfers In</u>	<u>Deletions &amp; Transfers Out</u>	<u>Balance December 31, 2013</u>
<b>GENERAL GOVERNMENT:</b>				
City Commission	\$ 60,930	\$ -	\$ -	\$ 60,930
City Auditor	82,987	6,270	-	89,257
Information Technology	5,838,540	809,022	(530,059)	6,117,503
Public Information	42,000	-	-	42,000
Human Resources	53,859	-	(15,674)	38,185
City Assessor	90,440	15,518	(13,573)	92,385
Municipal Court	1,636,181	-	-	1,636,181
Planning & Development	29,229	-	-	29,229
Central Garage	5,195,421	126,467	(66,511)	5,255,377
City Buildings	1,460,953	23,999	-	1,484,952
Detox Center	501,136	-	-	501,136
Total	<u>14,991,676</u>	<u>981,276</u>	<u>(625,817)</u>	<u>15,347,135</u>
<b>PUBLIC SAFETY:</b>				
Traffic Engineer	225,431	7,200	(6,480)	226,151
Fire Department	16,875,169	851,240	(1,154,084)	16,572,325
Emergency Management	273,389	75,898	(14,900)	334,387
Police Department	7,492,710	511,527	(515,829)	7,488,408
Inspections	169,389	58,267	(24,450)	203,206
Total	<u>25,036,088</u>	<u>1,504,132</u>	<u>(1,715,743)</u>	<u>24,824,477</u>
<b>PUBLIC WORKS:</b>				
City Engineer	1,489,978	161,881	(542,702)	1,109,157
Street Department	320,499,777	14,420,165	(1,374,157)	333,545,785
Flood	63,305,816	14,962,816	(1,325,299)	76,943,333
Total	<u>385,295,571</u>	<u>29,544,862</u>	<u>(3,242,158)</u>	<u>411,598,275</u>
<b>PUBLIC HEALTH &amp; WELFARE:</b>				
Health Department	2,452,239	3,424,337	(49,405)	5,827,171
Total	<u>2,452,239</u>	<u>3,424,337</u>	<u>(49,405)</u>	<u>5,827,171</u>
<b>RECREATION &amp; CULTURE:</b>				
Public Library	16,548,486	5,268	-	16,553,754
City Auditorium	10,076,775	-	-	10,076,775
Convention Bureau	949,356	-	-	949,356
Baseball Stadium	5,535,853	35,642	-	5,571,495
Total	<u>33,110,470</u>	<u>40,910</u>	<u>-</u>	<u>33,151,380</u>
<b>URBAN REDEVELOPMENT</b>				
Home Grants	605,042	-	-	605,042
Community Development	3,932,660	-	-	3,932,660
Total	<u>4,537,702</u>	<u>-</u>	<u>-</u>	<u>4,537,702</u>
<b>TRANSPORTATION:</b>				
Transit	23,329,783	2,726,800	(61,188)	25,995,395
Parking Authority	9,495,067	-	-	9,495,067
Total	<u>32,824,850</u>	<u>2,726,800</u>	<u>(61,188)</u>	<u>35,490,462</u>
Grand Total	<u>\$ 498,248,596</u>	<u>\$ 38,222,317</u>	<u>\$ (5,694,311)</u>	<u>\$ 530,776,602</u>

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	<b>114</b>
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
<b>Revenue Capacity</b>	<b>119</b>
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.	
<b>Debt Capacity</b>	<b>135</b>
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.	
<b>Demographic and Economic Information</b>	<b>144</b>
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.	
<b>Operating Information</b>	<b>147</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.*

**CITY OF FARGO, NORTH DAKOTA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**  
**(UNAUDITED)**

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
Net investment in capital assets	\$ 189,087,362	\$ 198,360,557	\$ 165,198,383	\$ 142,709,681	\$ 133,054,594	\$ 136,829,790	\$ 109,639,923	\$ 100,497,504	\$ 61,311,933	\$ 79,683,681
Restricted	94,565,364	91,329,393	64,114,256	83,724,522	88,187,372	99,854,244	101,928,282	106,449,181	180,030,481	153,319,865
Unrestricted	416,679	(19,974,535)	9,117,295	(26,809,117)	(13,592,579)	(24,461,521)	445,006	7,637,497	4,409,329	(13,355,138)
<b>Total governmental activities</b>	<b>284,069,405</b>	<b>269,715,415</b>	<b>238,429,934</b>	<b>199,625,086</b>	<b>207,649,387</b>	<b>212,222,513</b>	<b>212,013,211</b>	<b>214,584,182</b>	<b>245,751,743</b>	<b>219,648,408</b>
Business-type activities										
Net investment in capital assets	554,814,340	534,544,356	507,957,852	488,520,828	447,423,939	405,649,311	384,874,278	365,275,829	341,630,870	330,535,797
Restricted	39,793,330	35,995,567	31,565,252	34,129,228	29,310,590	27,578,567	20,037,327	12,506,543	10,728,371	9,254,788
Unrestricted	36,016,908	31,301,382	25,929,372	22,190,520	20,655,890	18,795,131	19,752,324	22,993,008	30,520,724	31,267,494
<b>Total business-type</b>	<b>630,624,578</b>	<b>601,841,305</b>	<b>565,452,476</b>	<b>544,840,576</b>	<b>497,390,419</b>	<b>452,023,009</b>	<b>424,663,929</b>	<b>400,775,380</b>	<b>382,879,965</b>	<b>371,058,079</b>
Primary government										
Net investment in capital assets	743,901,702	732,904,913	673,156,235	631,230,509	580,478,533	542,479,101	494,514,201	465,773,333	402,942,803	410,219,478
Restricted	134,358,694	127,324,960	95,679,508	117,853,750	117,497,962	127,432,811	121,965,609	118,955,724	190,758,852	162,574,653
Unrestricted	36,433,587	11,326,847	35,046,667	(4,618,597)	7,063,311	(5,666,390)	20,197,330	30,630,505	34,930,053	17,912,356
<b>Total primary government</b>	<b>\$ 914,693,983</b>	<b>\$ 871,556,720</b>	<b>\$ 803,882,410</b>	<b>\$ 744,465,662</b>	<b>\$ 705,039,806</b>	<b>\$ 664,245,522</b>	<b>\$ 636,677,140</b>	<b>\$ 615,359,562</b>	<b>\$ 628,631,708</b>	<b>\$ 590,706,487</b>

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 12,980,379	\$ 13,785,114	\$ 10,287,469	\$ 16,172,223	\$ 16,061,513	\$ 12,628,766	\$ 11,988,162	\$ 9,636,548	\$ 9,879,150	\$ 9,065,280
Public safety	33,861,695	33,428,258	31,735,792	31,292,462	31,299,101	27,258,895	24,518,517	23,310,046	22,823,346	20,418,950
Public works	69,082,966	42,392,349	53,970,609	56,086,729	61,560,495	66,435,406	53,116,809	35,070,333	28,942,829	30,419,839
Public health & welfare	9,682,135	9,083,491	9,182,688	9,184,914	8,619,558	7,802,377	7,381,740	6,671,796	6,695,429	6,216,803
Recreation & culture	7,497,540	7,132,599	6,898,193	6,176,197	7,290,768	5,877,783	5,564,318	5,257,930	4,433,031	4,119,697
Urban redevelopment	1,293,873	2,278,779	4,294,454	4,986,361	5,270,433	4,901,145	5,530,189	5,330,190	5,310,907	6,338,365
Transportation	9,448,794	8,653,280	8,117,307	7,637,009	8,240,985	6,712,613	5,839,730	5,297,182	4,210,866	4,261,253
General support	1,214,200	1,200,633	982,211	1,576,481	1,279,040	1,252,486	1,709,940	1,297,392	1,110,473	1,126,474
Intergovernmental	-	-	-	-	-	-	-	-	-	185,185
Interest and fiscal charges	17,090,585	15,751,657	13,699,460	13,203,253	10,970,999	10,078,666	10,383,847	10,562,600	8,943,842	7,739,764
Total governmental activities expenses	162,152,167	133,706,160	139,168,183	146,315,629	150,592,892	142,948,137	126,033,252	102,434,017	92,349,873	89,891,610
Business-type activities:										
Municipal airport authority	7,908,632	6,570,226	6,331,018	6,920,335	6,380,673	6,340,451	6,492,808	5,630,173	5,575,563	5,039,598
Water	14,474,710	13,293,762	13,634,186	13,378,237	13,172,848	12,739,834	11,186,131	13,690,417	12,011,121	11,337,470
Wastewater	9,279,582	8,733,862	8,802,312	8,114,318	7,282,660	6,810,660	6,759,994	6,280,502	6,088,183	5,781,810
Storm sewer	4,525,630	3,988,408	4,131,731	3,743,309	3,573,700	3,318,002	3,137,414	2,963,669	2,852,773	2,635,020
Solid waste	9,856,134	9,272,784	9,279,191	8,229,701	7,524,388	7,739,012	6,615,557	5,673,508	6,505,547	6,316,798
Fargodome	7,868,558	7,099,483	6,435,476	7,284,833	6,872,075	6,781,837	7,544,366	7,562,959	7,748,926	9,025,485
Southeast Cass	67,763	67,079	74,054	46,757	66,047	66,979	52,694	66,919	69,321	55,467
Vector control	445,567	327,920	477,494	592,516	389,667	589,113	479,179	367,989	550,956	410,804
Street lighting	2,644,451	2,604,698	2,374,751	2,237,468	-	-	-	-	-	-
Forestry	1,630,661	1,477,668	1,550,266	1,475,962	1,361,803	1,271,640	1,198,305	1,112,526	990,339	1,021,922
Total business-type activities expenses	58,701,688	53,435,890	53,090,479	52,023,436	46,623,861	45,657,528	43,466,448	43,348,662	42,392,729	41,624,374
Total primary government expenses	\$ 220,853,855	\$ 187,142,050	\$ 192,258,662	\$ 198,339,065	\$ 197,216,753	\$ 188,605,665	\$ 169,499,700	\$ 145,782,679	\$ 134,742,602	\$ 131,515,984
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 2,953,292	\$ 2,989,977	\$ 2,789,248	\$ 2,443,507	\$ 2,406,704	\$ 2,238,848	\$ 2,371,413	\$ 2,632,513	\$ 2,527,843	\$ 2,090,709
Public safety	5,467,052	5,433,194	4,668,687	4,264,740	4,285,553	4,694,548	4,876,717	5,587,229	4,852,471	4,350,988
Public works	9,708,531	8,064,249	10,519,541	11,163,026	8,418,374	8,041,216	4,962,198	5,497,488	5,677,239	5,753,316
Public health & welfare	2,802,846	2,590,591	2,560,812	2,621,144	2,439,988	2,341,930	2,479,295	2,258,421	2,127,051	1,971,542
Recreation & culture	764,587	716,288	670,765	739,345	676,537	702,866	652,563	731,817	631,439	645,206
Urban redevelopment	465,744	151,670	170,033	1,659,901	2,409,435	2,974,370	3,512,005	4,483,915	3,343,959	3,107,679
Transportation	3,589,903	3,441,492	3,130,777	3,076,024	2,875,615	2,760,860	2,561,343	1,878,831	1,842,756	1,731,537
Operating grants and contributions	11,957,140	10,084,351	14,268,244	13,938,290	19,366,139	8,736,849	7,374,752	6,807,640	6,181,092	6,792,074
Capital grants and contributions	68,048,195	65,485,536	71,999,481	57,828,290	65,836,704	51,553,892	37,607,084	43,812,610	45,269,891	82,903,904
Total governmental activities program revenues	105,757,290	98,957,348	110,777,588	97,734,267	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741	109,346,955

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-type activities:										
Charges for services:										
Airport	7,546,237	6,716,756	6,244,177	6,042,021	5,822,644	5,622,701	5,274,194	5,295,396	4,856,814	5,883,466
Water	19,051,936	19,828,733	17,284,658	17,307,253	17,695,424	17,422,765	16,894,612	16,434,832	14,331,669	13,194,829
Wastewater	11,046,790	10,905,355	10,401,385	10,321,247	10,340,200	9,949,467	9,226,721	8,479,324	7,467,026	6,783,272
Storm sewer	1,588,515	1,528,614	1,504,238	1,485,138	1,546,291	1,479,912	1,457,069	1,434,027	1,406,773	1,383,758
Solid waste	11,181,542	10,724,500	11,266,479	9,990,271	9,881,695	10,428,390	9,702,453	8,765,444	7,920,611	7,646,232
Fargodome	5,447,421	5,161,637	4,473,612	5,305,298	4,756,694	4,312,703	4,539,268	3,836,200	3,795,488	4,033,259
Other activities	3,740,032	3,672,429	3,470,485	3,423,829	1,735,879	1,659,185	1,556,522	1,516,823	1,475,820	1,447,868
Operating grants and contributions	-	-	-	-	-	-	20,000	8,818	4,432	14,959
Capital grants and contributions	3,975,726	10,312,478	588,860	4,157,791	9,095,212	26,965,424	19,540,506	1,849,235	2,116,326	13,384,393
Total business-type activities program revenues	63,578,199	68,850,502	55,233,894	58,032,848	60,874,039	77,840,547	68,211,345	47,620,099	43,374,959	53,772,036
Total primary government program revenues	\$ 169,335,489	\$ 167,807,850	\$ 166,011,482	\$ 155,767,115	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700	\$ 163,118,991
<b>NET (EXPENSE) REVENUE</b>										
Governmental activities	\$ (56,394,877)	\$ (34,748,812)	\$ (28,390,595)	\$ (48,581,362)	\$ (41,877,843)	\$ (58,902,758)	\$ (59,635,882)	\$ (28,743,553)	\$ (19,896,132)	\$ 19,455,345
Business-type activities	4,876,511	15,414,612	2,143,415	6,009,412	14,250,178	32,183,019	24,744,897	4,271,437	982,230	12,147,662
Total primary government net expense	\$ (51,518,366)	\$ (19,334,200)	\$ (26,247,180)	\$ (42,571,950)	\$ (27,627,665)	\$ (26,719,739)	\$ (34,890,985)	\$ (24,472,116)	\$ (18,913,902)	\$ 31,603,007
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 21,988,667	\$ 20,979,784	\$ 20,144,787	\$ 19,180,738	\$ 18,312,912	\$ 17,319,289	\$ 16,200,629	\$ 15,056,935	\$ 13,745,240	\$ 12,987,009
Sales taxes	47,107,737	39,471,099	42,049,097	40,435,541	29,243,136	10,364,101	10,376,182	14,462,645	17,070,962	8,093,103
Gross business receipts taxes	4,789,001	4,360,497	4,474,974	4,146,643	4,134,001	4,487,665	4,171,392	3,977,283	3,818,097	3,613,503
Lodging taxes	2,310,646	2,152,130	1,942,057	1,775,404	1,675,939	1,625,484	1,480,061	1,325,969	1,150,027	1,147,669
Other taxes	2,907,258	2,586,200	3,312,240	3,255,800	3,051,229	3,014,048	2,978,215	2,792,882	4,207,493	3,366,399
Unrestricted intergovernmental	8,404,341	8,188,288	5,632,867	3,830,789	3,296,682	3,403,887	2,970,994	2,619,532	2,434,789	2,282,028
Unrestricted investment earnings	2,677,208	2,267,527	3,058,022	3,014,501	3,440,226	4,889,864	5,833,229	5,559,410	3,629,600	4,366,395
Miscellaneous	855,955	262,848	2,497,946	405,694	(85,941)	286,695	254,248	222,665	105,948	283,471
Transfers	(16,294,658)	(14,234,080)	(15,765,314)	(35,488,049)	(25,763,467)	13,721,027	12,799,961	(893,663)	(162,689)	(2,861,526)
Total governmental activities	74,746,155	66,034,293	67,346,676	40,557,061	37,304,717	59,112,060	57,064,911	45,123,658	45,999,467	33,278,051
Business-type activities:										
Property taxes	664,036	637,860	619,474	601,556	579,513	556,329	515,932	459,010	420,714	395,855
Sales taxes	-	-	-	-	-	10,364,101	10,271,895	9,696,521	8,825,107	8,092,719
Unrestricted investment earnings	5,597,897	4,566,253	557,643	3,942,511	3,601,388	(3,064,009)	2,067,151	2,543,953	1,423,862	931,823
Miscellaneous	1,581,978	1,536,024	1,374,819	1,408,629	1,172,864	1,040,667	426,700	30,831	7,284	38,916
Transfers	16,294,658	14,234,080	15,765,314	35,488,049	25,763,467	(13,721,027)	(12,799,961)	893,663	162,689	2,861,526
Total business-type activities	24,138,569	20,974,217	18,317,250	41,440,745	31,117,232	(4,823,939)	481,717	13,623,978	10,839,656	12,320,839
Total primary government	\$ 98,884,724	\$ 87,008,510	\$ 85,663,926	\$ 81,997,806	\$ 68,421,949	\$ 54,288,121	\$ 57,546,628	\$ 58,747,636	\$ 56,839,123	\$ 45,598,890
<b>CHANGE IN NET POSITION</b>										
Governmental activities	\$ 18,351,278	\$ 31,285,481	\$ 38,956,081	\$ (8,024,301)	\$ (4,573,126)	\$ 209,302	\$ (2,570,971)	\$ 16,380,105	\$ 26,103,335	\$ 52,733,396
Business-type activities	29,015,080	36,388,829	20,460,665	47,450,157	45,367,410	27,359,080	25,226,614	17,895,415	11,821,886	24,468,501
Total primary government	\$ 47,366,358	\$ 67,674,310	\$ 59,416,746	\$ 39,425,856	\$ 40,794,284	\$ 27,568,382	\$ 22,655,643	\$ 34,275,520	\$ 37,925,221	\$ 77,201,897

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>General fund</b>										
Nonspendable	\$ 3,193,345	\$ 2,396,008	\$ 2,446,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	1,408,205	2,099,862	3,508,782	-	-	-	-	-	-	-
Committed	3,311,267	3,276,615	3,094,517	-	-	-	-	-	-	-
Assigned	1,542,711	1,634,896	1,125,286	-	-	-	-	-	-	-
Unassigned	22,428,922	23,280,959	23,450,515	-	-	-	-	-	-	-
Reserved	-	-	-	2,851,707	2,764,013	2,276,501	1,731,044	3,044,227	3,104,257	2,134,303
Unreserved	-	-	-	19,629,816	17,564,092	15,273,881	14,115,241	11,634,215	10,760,730	12,057,374
<b>Total general fund</b>	<b>\$31,884,450</b>	<b>\$32,688,340</b>	<b>\$33,625,606</b>	<b>\$ 22,481,523</b>	<b>\$ 20,328,105</b>	<b>\$ 17,550,382</b>	<b>\$ 15,846,285</b>	<b>\$ 14,678,442</b>	<b>\$ 13,864,987</b>	<b>\$ 14,191,677</b>
<b>All other governmental funds</b>										
Nonspendable	\$ 1,309,969	\$ 988,582	\$ 1,932,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	105,306,381	105,663,729	84,927,466	-	-	-	-	-	-	-
Unassigned	(11,865,327)	(34,364,189)	(23,806,670)	-	-	-	-	-	-	-
Reserved	-	-	-	68,563,005	58,095,953	46,730,034	66,757,669	68,160,369	70,253,057	53,074,745
Unreserved, reported in:										
Special revenue funds	-	-	-	3,373,748	3,118,470	5,122,076	6,185,099	6,625,055	5,080,365	3,693,208
Capital projects funds	-	-	-	(47,781,251)	(37,522,477)	(51,656,261)	(32,643,415)	(20,367,422)	(13,808,618)	(33,423,577)
<b>Total all other governmental funds</b>	<b>\$94,751,023</b>	<b>\$72,288,122</b>	<b>\$63,052,924</b>	<b>\$ 24,155,502</b>	<b>\$ 23,691,946</b>	<b>\$ 195,849</b>	<b>\$ 40,299,353</b>	<b>\$ 54,418,002</b>	<b>\$ 61,524,804</b>	<b>\$ 23,344,376</b>

Note: GASB 54 provisions implemented in 2011.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>REVENUES</b>										
Taxes	\$ 79,112,438	\$ 69,609,843	\$ 71,159,547	\$ 67,815,586	\$ 56,327,777	\$ 35,181,056	\$ 33,706,700	\$ 36,013,536	\$ 36,952,573	\$ 26,893,262
Special assessments	28,217,162	28,443,896	23,242,178	27,610,188	20,762,524	20,126,159	19,223,615	22,013,443	19,614,519	23,803,914
Licenses and permits	3,672,166	3,195,162	2,697,940	2,605,989	2,757,375	2,975,291	2,999,236	3,181,293	3,015,399	2,232,914
Intergovernmental revenues	47,217,292	46,724,100	63,779,423	32,971,141	42,922,740	24,313,438	22,063,937	21,390,890	25,181,910	43,375,117
Charges for services	18,309,587	16,451,021	18,428,393	18,567,755	15,419,727	14,336,047	11,837,766	11,701,799	10,934,941	10,172,365
Fines and forfeits	2,615,896	2,809,790	2,621,381	2,324,097	2,234,844	2,611,087	2,837,597	3,046,432	2,594,234	2,478,961
Investment income	2,677,209	2,267,491	3,101,711	3,075,599	3,623,716	4,691,496	5,194,334	5,186,857	3,431,234	4,231,499
Miscellaneous revenues	2,306,385	1,800,660	3,430,688	4,224,204	3,525,198	4,011,940	6,935,170	5,947,492	4,574,411	5,279,642
Total revenues	184,128,135	171,301,963	188,461,261	159,194,559	147,573,901	108,246,514	104,798,355	108,481,742	106,299,221	118,467,674
<b>EXPENDITURES</b>										
Current:										
General government	13,369,708	12,927,891	13,530,675	12,140,948	11,709,061	10,526,038	9,702,005	9,226,175	9,280,268	8,446,137
Public safety	31,456,126	28,662,756	28,329,588	28,244,521	28,942,982	25,994,545	23,742,908	23,103,579	22,206,681	19,928,108
Public works	58,425,075	32,735,925	46,196,098	48,548,373	53,311,460	58,698,000	43,450,218	28,212,265	21,431,342	23,856,095
Public health & welfare	9,600,626	8,991,350	9,019,173	9,021,360	8,557,497	7,711,261	7,348,459	6,770,330	6,602,690	6,177,911
Recreation & culture	6,759,915	6,296,540	6,090,421	5,484,437	6,679,735	5,252,313	5,004,157	4,762,248	3,871,160	3,577,861
Urban redevelopment	1,229,670	2,197,434	4,222,138	4,924,389	5,221,218	4,803,641	5,207,247	5,324,037	5,223,921	5,928,058
Public transportation	7,699,061	6,949,410	6,421,022	6,171,266	6,465,418	5,620,779	4,747,917	4,378,471	3,249,197	3,382,039
General support	1,214,200	1,200,633	982,211	1,580,065	1,278,791	1,251,485	1,328,686	1,301,094	1,110,807	1,125,937
Capital outlay	65,404,888	54,920,932	78,375,741	63,602,202	71,582,986	34,422,248	17,638,072	17,896,822	24,825,723	41,254,168
Intergovernmental	-	-	-	-	-	-	689,928	-	-	185,185
Debt service										
Principal	27,353,897	30,418,791	22,675,445	26,718,154	21,886,706	22,828,713	18,676,869	21,984,363	12,880,075	13,365,213
Interest and fiscal charges	17,469,622	16,756,119	15,023,826	13,425,675	11,724,171	10,311,530	10,438,935	10,240,691	9,394,614	7,950,174
Total expenditures	239,982,788	202,057,781	230,866,338	219,861,390	227,360,025	187,420,553	147,975,401	133,200,075	120,076,478	135,176,886
Excess of revenues over (under) expenditures	(55,854,653)	(30,755,818)	(42,405,077)	(60,666,831)	(79,786,124)	(79,174,039)	(43,177,046)	(24,718,333)	(13,777,257)	(16,709,212)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	48,232,207	46,061,220	42,564,702	48,822,131	25,596,564	27,235,645	24,845,543	27,168,658	28,765,409	21,622,599
Transfers out	(36,515,024)	(38,384,136)	(31,047,668)	(38,375,335)	(17,720,667)	(13,514,618)	(12,045,582)	(28,062,321)	(28,928,098)	(24,484,125)
Lease proceeds	-	25,845	219,752	-	-	-	-	-	380,000	338,062
Loans issued	3,777,275	2,750,577	14,629,667	21,367,174	33,387,993	8,832,714	2,946,737	3,825,000	1,700,000	2,003,000
Bonds issued	68,080,000	34,180,000	65,175,000	31,070,000	68,090,000	26,285,000	14,445,000	26,275,000	52,245,000	56,225,402
Bond premium	4,634,206	2,500,244	1,056,364	439,282	1,616,054	5,891	34,542	36,028	1,553,908	-
Bond proceeds used for refunding	-	-	-	-	-	-	-	(10,785,000)	(4,010,000)	(4,550,000)
Bond discount	-	-	-	(39,447)	-	-	-	(32,379)	(75,224)	(52,765)
Other financing sources - proceeds of refunding bond	-	-	-	-	13,190,000	-	-	-	-	-
Other financing uses - payment to bond escrow agent	-	-	-	-	(4,910,000)	(8,070,000)	-	-	-	-
Other financing uses - debt service - principal	(10,695,000)	(8,080,000)	-	-	(13,190,000)	-	-	-	-	-
Total other financing sources (uses)	77,513,664	39,053,750	92,597,817	63,283,805	106,059,944	40,774,632	30,226,240	18,424,986	51,630,995	51,102,173
Net change in fund balances	\$ 21,659,011	\$ 8,297,932	\$ 50,192,740	\$ 2,616,974	\$ 26,273,820	\$ (38,399,407)	\$ (12,950,806)	\$ (6,293,347)	\$ 37,853,738	\$ 34,392,961
Debt service as a percentage of noncapital expenditures	25.7%	32.1%	24.7%	25.7%	21.6%	21.7%	22.3%	27.9%	23.4%	22.7%

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Function/Programs</b>										
<b>Governmental Activities:</b>										
General government	\$ 3,727,768	\$ 3,584,780	\$ 3,807,394	\$ 3,085,939	\$ 2,628,121	\$ 2,512,175	\$ 2,641,964	\$ 2,830,186	\$ 2,651,435	\$ 2,243,740
Public safety	6,467,611	7,521,154	6,979,120	8,113,499	7,817,668	8,561,356	5,947,115	7,123,477	6,775,378	5,035,386
Public works	78,027,652	73,015,009	83,718,083	67,011,130	78,101,673	56,788,795	38,739,772	44,547,243	48,282,625	87,160,678
Public health & welfare	6,090,635	5,590,433	5,884,252	5,912,211	5,436,794	4,963,580	5,162,518	4,353,897	4,272,555	4,076,760
Recreation & culture	909,441	885,669	818,073	941,916	913,567	864,413	2,980,784	1,101,982	688,406	707,708
Urban redevelopment	1,056,476	1,676,716	1,870,273	4,529,526	5,425,772	4,732,935	5,089,096	5,923,382	5,228,816	5,747,870
Transportation	9,477,706	6,683,587	7,700,393	8,140,046	8,391,454	5,622,125	5,836,121	7,810,297	4,554,526	4,374,813
Total governmental activities	<u>105,757,289</u>	<u>98,957,348</u>	<u>110,777,588</u>	<u>97,734,267</u>	<u>108,715,049</u>	<u>84,045,379</u>	<u>66,397,370</u>	<u>73,690,464</u>	<u>72,453,741</u>	<u>109,346,955</u>
<b>Business-type activities:</b>										
Municipal airport authority	11,471,963	17,004,234	6,776,001	10,025,213	6,375,330	10,023,033	9,494,525	7,147,631	6,835,353	19,234,245
Water	19,051,936	19,828,733	17,284,658	17,307,253	17,867,299	27,051,914	20,469,187	16,434,832	14,331,669	13,206,698
Wastewater	11,046,790	10,905,355	10,433,222	10,328,132	18,708,251	13,730,007	12,746,076	8,479,324	7,467,026	6,783,272
Storm sewer	1,558,515	1,528,614	1,504,238	1,485,138	1,546,291	10,628,965	9,683,314	1,434,027	1,406,773	1,383,758
Solid waste	11,181,542	10,724,500	11,266,678	10,009,798	9,884,295	10,428,390	9,722,453	8,765,444	7,920,611	7,646,232
FargoDome	5,447,421	5,161,637	4,473,612	5,305,298	4,756,694	4,312,703	4,539,268	3,836,200	3,933,275	4,066,873
Southeast Cass	88,414	64,064	62,423	50,686	64,174	61,159	60,261	49,002	43,787	43,378
Vector control	646,742	631,774	631,185	621,293	630,597	602,787	591,349	579,482	570,960	561,377
Street lighting	1,669,511	1,642,346	1,629,769	1,744,395	-	-	-	-	-	-
Forestry	1,385,365	1,359,245	1,172,108	1,155,642	1,041,108	1,001,589	904,912	894,157	865,505	846,203
Total business-type activities	<u>63,548,199</u>	<u>68,850,502</u>	<u>55,233,894</u>	<u>58,032,848</u>	<u>60,874,039</u>	<u>77,840,547</u>	<u>68,211,345</u>	<u>47,620,099</u>	<u>43,374,959</u>	<u>53,772,036</u>
<b>Total</b>	<u>\$ 169,305,488</u>	<u>\$ 167,807,850</u>	<u>\$ 166,011,482</u>	<u>\$ 155,767,115</u>	<u>\$ 169,589,088</u>	<u>\$ 161,885,926</u>	<u>\$ 134,608,715</u>	<u>\$ 121,310,563</u>	<u>\$ 115,828,700</u>	<u>\$ 163,118,991</u>

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

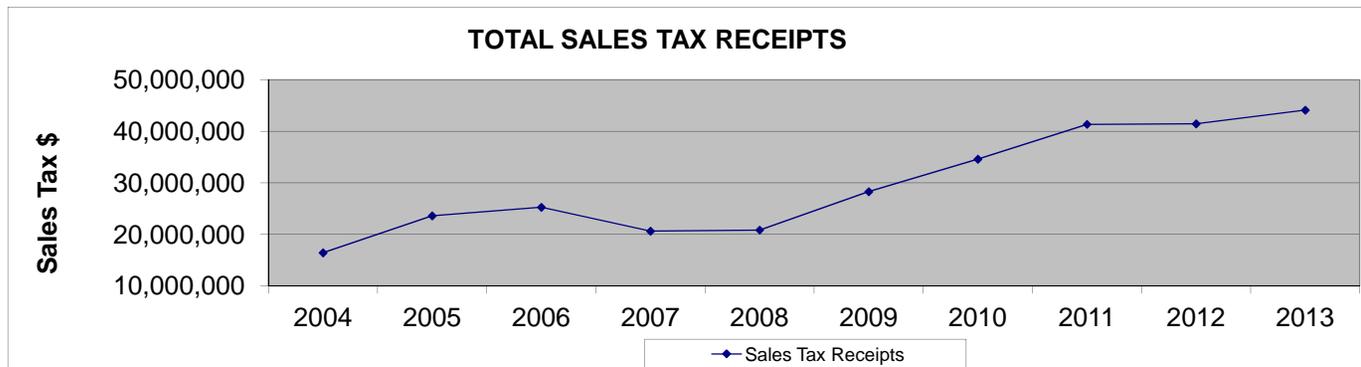
Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other	Totals
2013	\$ 21,997,795	\$ 4,789,001	\$ 47,107,737	\$ 2,310,646	\$ 2,907,259	\$ 79,112,438
2012	21,039,916	4,360,497	39,471,099	2,152,130	2,586,201	69,609,843
2011	20,203,287	4,474,974	42,049,097	1,942,057	2,490,132	71,159,547
2010	19,202,277	4,146,643	40,435,541	1,775,404	2,255,721	67,815,586
2009	19,005,572	4,882,230	29,243,136	1,675,939	1,520,900	56,327,777
2008	17,269,481	4,487,665	10,364,101	1,625,484	1,434,325	35,181,056
2007	16,228,666	4,171,392	10,376,182	1,480,061	1,450,399	33,706,700
2006	15,083,904	3,977,283	14,462,645	1,325,969	1,163,735	36,013,536
2005	13,764,582	3,818,097	17,070,962	1,150,027	1,148,905	36,952,573
2004	12,966,760	3,613,502	8,092,719	1,147,669	1,072,612	26,893,262

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Allocation of Receipts:										
FargoDome Enterprise Fund	\$ 8,208,798	\$ 8,510,011	\$ 9,408,632	\$ 10,256,127	\$ 10,414,568	\$ -	\$ -	\$ -	\$ -	\$ -
To Street Construction (1)	-	-	-	-	-	-	-	-	-	-
Subtotal FargoDome	8,208,798	8,510,011	9,408,632	10,256,127	10,414,568	-	-	-	-	-
Water Utility Debt Service	-	-	-	-	-	-	-	-	-	-
Library Expansion Fund (3)	-	6,574,035	6,436,250	104,288	-	-	-	-	-	-
Sales Tax Bond Debt Service (2)	8,208,798	8,510,011	9,408,632	10,256,127	10,414,568	14,094,046	13,348,107	15,515,131	15,046,337	10,806,389
Public Utility Infrastructure (4)	-	-	-	-	-	14,179,416	13,106,476	15,515,131	15,047,541	13,102,714
Flood Control (5)	-	-	-	-	-	-	8,148,383	10,343,421	11,368,486	20,202,834
<b>Total Sales Tax Receipts</b>	<b>\$ 16,417,596</b>	<b>\$ 23,594,057</b>	<b>\$ 25,253,514</b>	<b>\$ 20,616,542</b>	<b>\$ 20,829,136</b>	<b>\$ 28,273,462</b>	<b>\$ 34,602,966</b>	<b>\$ 41,373,683</b>	<b>\$ 41,462,364</b>	<b>\$ 44,111,937</b>

Receipts are shown net of state administrative fee.

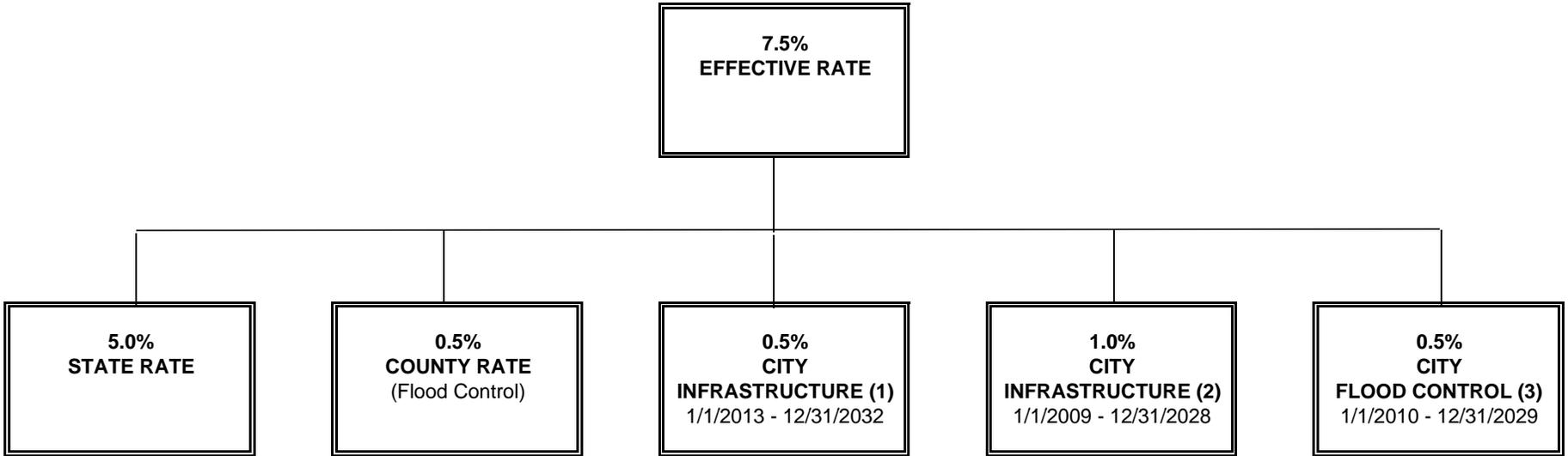
- (1) Beginning in 1996, ordinances were revised to allow the FargoDome to share excess sales tax with the Street Construction Fund.
- (2) Beginning in December 1999, a 1 cent sales tax is receipted into the Sales Tax Bond Debt Service Fund instead of the Street Construction Fund, surplus receipts used for infrastructure projects
- (3) Beginning in 2005 a 1/2 cent sales tax was authorized until June 2006 for library expansion.
- (4) Beginning in 2009 a 1/2 cent sales tax was authorized through December 2028 for infrastructure funding related primarily to an approved utility infrastructure master plan
- (5) Beginning in 2010 a 1/2 cent sales tax was authorized through December 2029 for flood control projects



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

Required MSRB continuing disclosure for CUSIPs: 307490, 30747M

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



(1) The City of Fargo uses this tax for infrastructure improvements including flood protection.

(2) The City of Fargo uses 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 BY CATEGORY (in thousands)**  
**LAST SEVEN FISCAL YEARS**  
**(UNAUDITED)**

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Construction	\$ 82,499	\$ 86,142	\$ 97,143	\$ 97,776	\$ 73,367	\$ 102,562	\$ 121,777
Manufacturing	122,548	134,155	119,197	125,544	152,891	176,696	154,645
Wholesale Trade	339,441	391,944	355,798	381,220	457,370	518,411	527,446
Retail Trade	1,040,708	1,050,394	1,024,063	1,066,433	1,165,980	1,225,611	1,251,316
Transportation and Warehousing	4,719	2,794	2,634	4,160	2,772	2,868	3,166
Information Industries	14,202	14,790	17,107	14,644	14,106	17,664	17,080
Financ., Ins., Real Estate, Rental & Leasing	60,605	69,169	64,782	66,777	77,385	87,578	93,327
Professional, Scientific, Tech., & Mgmt Serv.	19,926	21,998	20,459	26,150	23,032	26,893	24,260
Educational, Health Care, and Social Serv.	31,321	33,747	35,501	37,917	32,365	33,254	29,370
Arts, Entertainment & Recreation	15,836	14,500	14,685	16,342	17,301	21,060	24,760
Accommodation & Food Services	305,202	322,805	326,475	331,913	347,719	371,266	379,938
Other Services	41,765	45,153	44,915	42,547	45,707	44,282	50,751
Miscellaneous	7,467	7,612	7,725	9,805	11,743	11,952	13,061
<b>Total</b>	<b>\$ 2,086,239</b>	<b>\$ 2,195,203</b>	<b>\$ 2,130,484</b>	<b>\$ 2,221,228</b>	<b>\$ 2,421,738</b>	<b>\$ 2,640,097</b>	<b>\$ 2,690,897</b>

Source: North Dakota Office of State Tax Commissioner

Note: Prior to 2006, the State Tax Commissioner's Office utilized a coding that was different than NAICS, called SIC (Standard Industrial Code). SIC codes were not the same as NAICS and cannot be readily compared. The data prior to 2006 is not available.

**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
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	\$ 3,802,125,794	\$ 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	3,661,954,369	346,750,408	58.25
2011	3,809,974,933	2,902,650	3,257,902,710	4,508,820	61,551,500	(100,772,847)	7,036,067,766	3,518,033,884	332,779,107	58.25
2010	3,706,864,247	3,057,450	3,143,371,510	4,520,080	76,881,920	(95,175,987)	6,839,519,220	3,419,759,611	323,469,153	58.25
2009	3,639,440,534	3,676,200	3,018,701,210	4,000,320	72,118,460	(87,529,775)	6,650,406,949	3,325,203,475	314,345,150	58.25
2008	3,511,778,184	3,348,300	2,893,353,170	3,174,420	61,661,400	(70,319,600)	6,402,995,874	3,201,497,937	302,612,498	58.25
2007	3,374,957,014	3,528,300	2,770,278,500	2,714,400	67,148,160	(57,368,400)	6,161,257,974	3,080,628,987	291,211,070	58.25
2006	3,157,577,284	2,077,200	2,520,943,100	2,605,440	76,647,320	(73,583,100)	5,686,267,244	2,843,133,622	268,544,513	57.25
2005	2,883,661,866	2,265,400	2,281,314,500	2,446,720	60,906,740	(59,763,220)	5,170,832,006	2,585,416,003	244,141,153	59.25
2004	2,619,521,204	2,039,100	2,142,099,848	2,536,660	56,987,820	(50,845,720)	4,772,338,912	2,386,169,456	225,535,096	58.73

- (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, 30747PA, 30748T, 307490E

**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
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
2011	2012	53.32	2.00	2.83	0.10	58.25	221.59	187.91	192.20	31.34	66.75	1.00	0.83	7.00	386.76	353.08	357.37
2010	2011	53.32	2.00	2.83	0.10	58.25	221.59	191.29	170.64	31.39	65.00	1.00	0.90	7.00	385.13	354.83	334.18
2009	2010	53.32	2.00	2.83	0.10	58.25	221.77	132.35	170.64	31.45	62.00	1.00	0.45	6.00	380.92	291.50	329.79
2008	2009	53.32	2.00	2.83	0.10	58.25	296.77	194.72	245.64	31.56	62.00	1.00	0.45	5.40	455.43	353.38	404.30
2007	2008	53.32	2.00	2.83	0.10	58.25	299.99	187.48	248.76	31.85	62.00	1.00	0.35	5.60	459.04	346.53	407.81
2006	2007	52.32	2.00	2.83	0.10	57.25	309.02	-	254.02	32.07	62.00	1.00	0.41	5.50	467.25	-	412.25
2005	2006	54.15	2.00	3.00	0.10	59.25	318.62	-	254.02	32.58	63.00	1.00	0.31	6.00	480.76	-	416.16
2004	2005	53.67	1.99	2.97	0.10	58.73	319.55	-	254.02	32.46	66.00	1.00	0.32	6.00	484.06	-	418.53

\* 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, 30747PA, 30748T, 307490E

**CITY OF FARGO, NORTH DAKOTA  
PRINCIPAL PROPERTY TAXPAYERS  
2013 AND NINE YEARS AGO  
(UNAUDITED)**

Taxpayer	2013			2004		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
INREIT Properties	\$ 62,194,900	1	1.64	-	-	-
West Acres Development Company	47,949,200	2	1.26	\$ 31,970,800	1	1.34
Sanford / Meritcare	34,439,200	3	0.91	23,436,600	3	0.98
Matrix Properties	26,530,150	4	0.70	21,143,750	4	0.89
Osgood Investments	20,951,550	5	0.55	-	-	-
R & B Development	19,582,200	5	0.52	-	-	-
Wal-Mart Real Estate	19,175,350	7	0.50	-	-	-
Innovis Health	18,198,500	8	0.48	29,434,050	2	1.23
RCV Ltd partnership/Van Raden	17,760,000	9	0.47	13,659,145	6	0.57
JPR Investments	16,456,850	10	0.43	-	-	-
Blue Cross/Blue Shield	-	-	-	13,912,550	5	0.58
Anda Construction Co	-	-	-	10,506,800	8	0.44
Medical Properties	-	-	-	10,589,100	7	0.44
Case Equipment	-	-	-	9,203,750	9	0.39
Eid-Co / Gerald Eid	-	-	-	8,433,500	10	0.35
Total attributable to top taxpayers	283,237,900		7.46	172,290,045		7.21
Total of all other properties	3,518,887,894		92.54	2,213,879,411		92.79
	<u>\$ 3,802,125,794</u>		<u>100.00</u>	<u>\$ 2,386,169,456</u>		<u>100.00</u>

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

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

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

Fiscal Year	Taxes levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 23,753,857	\$ 4,924,969	20.73%	\$ -	\$ 4,924,969	20.73%
2012	23,259,142	6,631,277	28.51%	15,492,476	22,123,753	95.12%
2011	22,063,050	6,438,438	29.18%	14,673,580	21,112,018	95.69%
2010	21,183,386	5,497,427	25.95%	14,744,474	20,241,901	95.56%
2009	20,324,344	5,448,392	26.81%	14,011,226	19,459,618	95.75%
2008	19,234,312	5,462,763	28.40%	12,919,376	18,382,139	95.57%
2007	18,272,888	5,351,247	29.29%	12,066,227	17,417,474	95.32%
2006	17,053,222	4,417,046	25.90%	11,549,433	15,966,479	93.63%
2005	15,888,706	4,463,294	28.09%	10,690,968	15,154,262	95.38%
2004	14,483,164	3,967,652	27.39%	9,881,152	13,848,804	95.62%

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

The second installment becomes delinquent on October 16 at which time a 6% penalty is assessed. On January 1 the taxes are sold to the County Auditor at which time 12% interest penalty is compounded daily. After five years the property is offered at tax sale at a fair market valuation.

Source: County Auditors Office

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

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

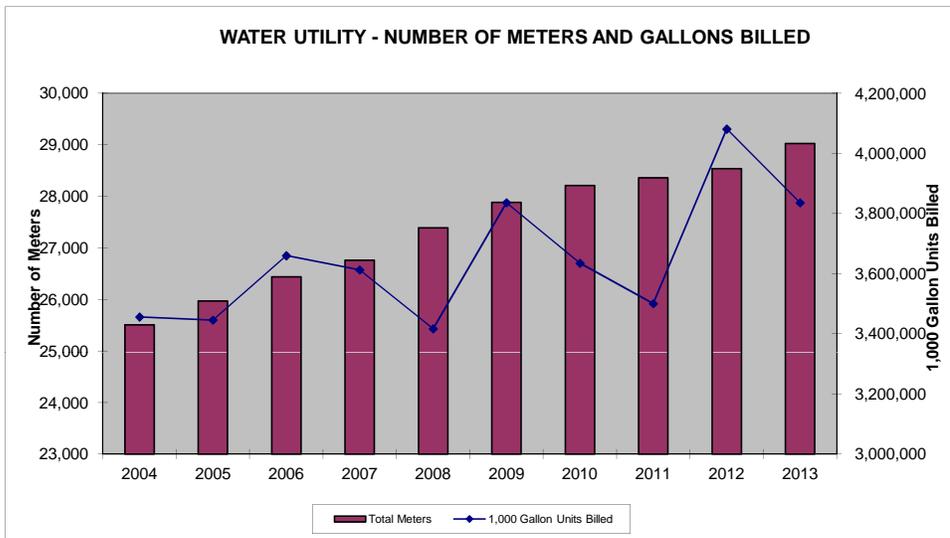
Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2013	411	\$ 82,346,838	64	\$ 76,140,336	29	\$ 84,674,999	1,887	\$ 134,605,425	2,391	\$ 377,767,598
2012	306	59,679,260	54	65,903,210	23	52,561,747	1,925	114,491,655	2,308	292,635,872
2011	231	43,473,605	31	30,081,468	16	37,660,900	1,848	122,459,205	2,126	233,675,178
2010	213	37,978,700	29	35,164,896	12	30,992,090	2,016	116,745,415	2,270	220,881,101
2009	232	36,772,400	40	38,154,470	10	33,230,000	1,937	164,458,121	2,219	272,614,991
2008	221	37,800,540	60	102,503,465	10	30,274,056	2,181	130,461,240	2,472	301,039,301
2007	292	53,726,408	61	45,119,186	13	39,751,870	2,063	126,599,975	2,429	265,197,439
2006	282	54,576,510	75	79,205,067	12	34,376,000	2,143	171,302,755	2,512	339,460,332
2005	338	60,267,963	62	82,958,300	10	28,640,980	1,944	124,840,484	2,354	296,707,727
2004	270	42,494,393	62	39,291,330	27	29,870,000	2,000	126,726,026	2,359	238,381,749

Source: City of Fargo Building Inspector

Required MSRB continuing disclosure for CUSIPs: 30747M, 307531, 307490

**CITY OF FARGO, NORTH DAKOTA  
WATER UTILITY BILLED CONSUMPTION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential Customers (1,000 Gallon Units)	1,336,724	1,318,301	1,431,399	1,372,331	1,298,233	1,318,338	1,259,759	1,243,427	1,456,310	1,323,864
Commercial Customers (1,000 Gallon Units)	2,119,584	2,127,720	2,228,497	2,240,250	2,118,567	2,517,916	2,374,922	2,256,798	2,624,512	2,511,811
Total 1,000 Gallon Units	3,456,308	3,446,021	3,659,896	3,612,581	3,416,800	3,836,254	3,634,681	3,500,225	4,080,822	3,835,675
Total Number of Meters	25,509	25,971	26,440	26,760	27,388	27,882	28,209	28,355	28,539	29,027



Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA  
WATER UTILITY - MAJOR CUSTOMERS  
DECEMBER 31, 2013  
(UNAUDITED)**

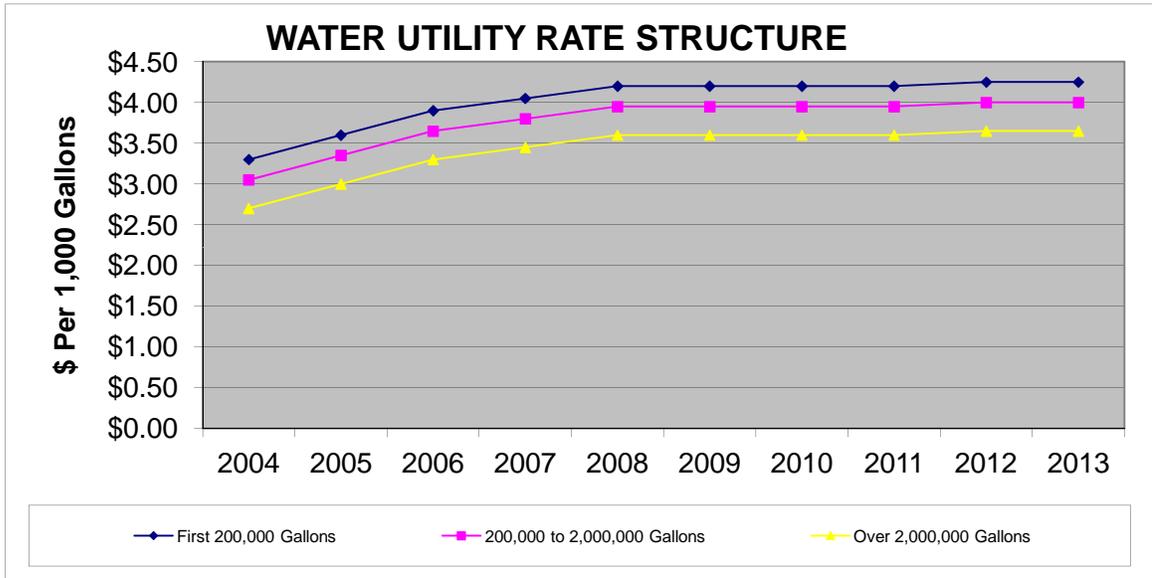
Customer	1,000 Gallon Units
North Dakota State University	181,078
Goldmark	161,099
Cass Rural Water District	117,668
Sanford Health	86,638
Valley Rental Service	48,942
Fargo Public Schools	39,062
Case New Holland	35,989
Fargo Park Board	32,809
Cass Clay Creamery	32,629
William Block	28,439
Innovis Health	24,369
MHC Operating LP	24,254
Ameripride	21,582
Holiday Inn	21,021
Fargo Housing Authority	<u>20,016</u>
Total Attributable to Major Customers	<u><u>875,595</u></u>
Total Billed Consumption	<u><u>3,835,675</u></u>
Percentage Attributable to to Major Customers	<u><u>22.8%</u></u>

Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA  
 WATER UTILITY RATE STRUCTURE (\$ PER 1,000 GALLONS)  
 LAST TEN FISCAL YEARS  
 (UNAUDITED)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
First 200,000 Gallons	\$3.30	\$3.60	\$3.90	\$4.05	\$4.20	\$4.20	\$4.20	\$4.20	\$4.25	\$4.25
200,000 Gallons to 2,000,000 Gallons	3.05	3.35	3.65	3.80	3.95	3.95	3.95	3.95	4.00	4.00
Over 2,000,000 Gallons	2.70	3.00	3.30	3.45	3.60	3.60	3.60	3.60	3.65	3.65

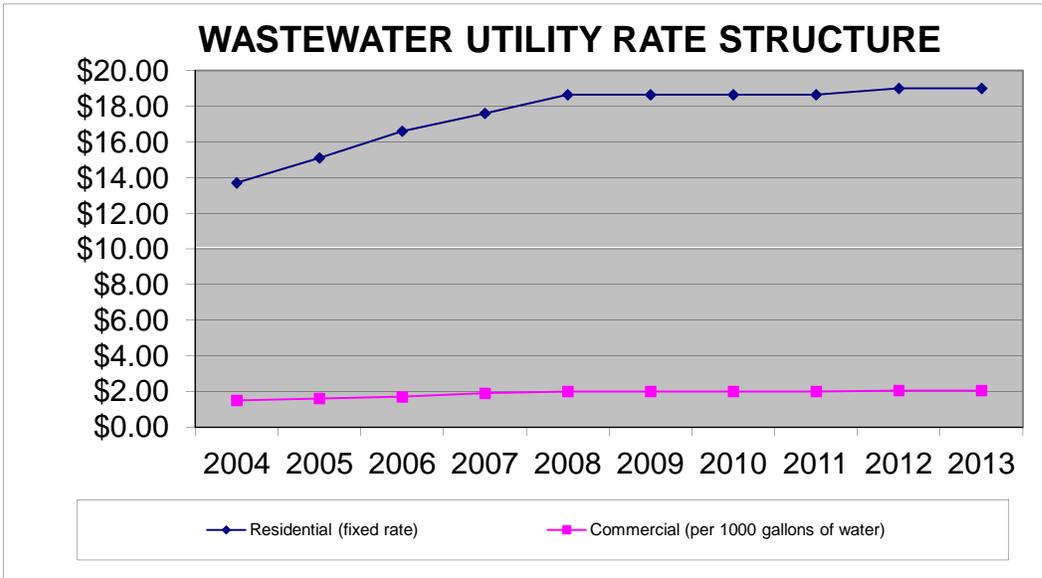


Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA  
WASTEWATER UTILITY RATE STRUCTURE (\$ PER 1,000 GALLONS)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Residential (fixed rate)	\$13.70	\$15.10	\$16.60	\$17.60	\$18.65	\$18.65	\$18.65	\$18.65	\$19.00	\$19.00
Commercial (per 1000 gallons)	1.50	1.60	1.70	1.90	2.00	2.00	2.00	2.00	2.05	2.05

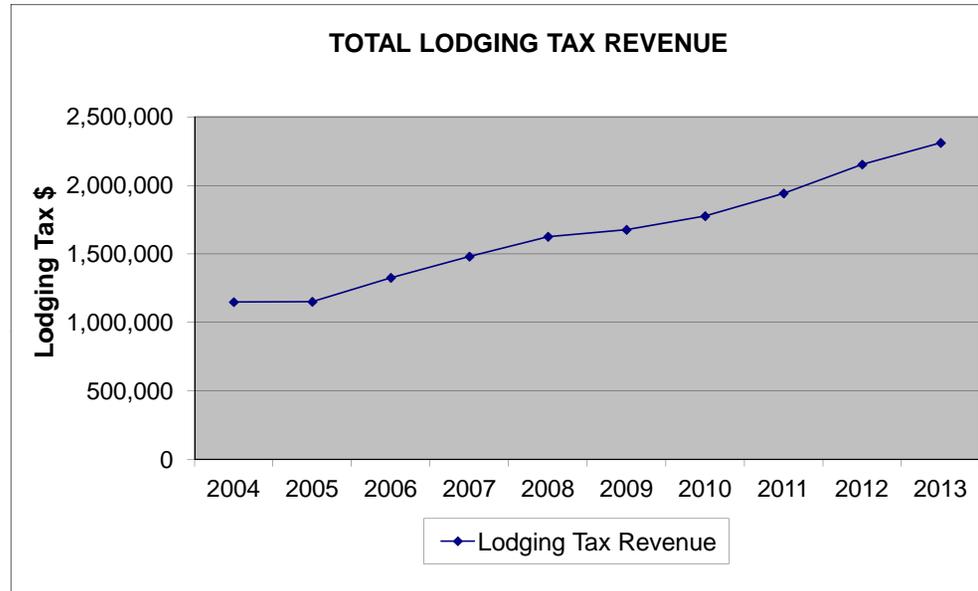


Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Lodging Tax Revenue -										
2% Operating	\$ 767,199	\$ 774,968	\$ 877,292	\$ 986,709	\$ 1,083,658	\$ 1,117,293	\$ 1,183,607	\$ 1,294,751	\$ 1,434,821	\$ 1,540,920
1% Capital	380,470	375,059	448,677	493,352	541,826	558,646	591,797	647,306	717,309	769,726
<b>Total</b>	<b>\$ 1,147,669</b>	<b>\$ 1,150,027</b>	<b>\$ 1,325,969</b>	<b>\$ 1,480,061</b>	<b>\$ 1,625,484</b>	<b>\$ 1,675,939</b>	<b>\$ 1,775,404</b>	<b>\$ 1,942,057</b>	<b>\$ 2,152,130</b>	<b>\$ 2,310,646</b>



Source: City Auditors Office

**CITY OF FARGO, NORTH DAKOTA  
PARKING FACILITY INFORMATION  
(UNAUDITED)**

**Designated Parking Facilities for Revenue Bond Repayment**

The City currently owns and contracts for the management of a parking system consisting of both parking ramp structures and surface parking lots:

	<u># of Spaces</u>	<u># of Monthly Contracts</u>
<b>Designated for Revenue Bond Repayment:</b>		
<b>Ramps:</b>		
Island Park Ramp	377	366
Radisson Hotel	250	225
Ground Transportation Center	185	185
<b>Surface Lots:</b>		
2nd Avenue North	100	121
2nd Avenue South	65	19
Main Avenue	77	50
NP Avenue	141	59
4th Street	174	189
Civic Center	100	119
3rd Street	145	172
3rd Avenue & 5th Street	40	59

**Operation of the Parking Facilities**

The City contracts with Parking Service, Inc. a North Dakota corporation, located in Fargo (the "Operator") for all services involved in the operation and maintenance of the Parking Facilities. The Operator is compensated on a fixed fee basis for such services, with the City bearing an obligation to reimburse the Operator for its out of pocket costs. The Operator also operated the three surface parking lots being acquired with proceeds of the Parking Bonds prior to their acquisition by the City.

**Existing Rate Structure**

The City has in place monthly and hourly rates for the Parking Facilities as follows:

	<u>2013</u>	<u>2014</u>	<u>Hourly</u>	<u>Daily Max</u>
<b>Designated for Revenue Bond Repayment:</b>				
<b>Ramps:</b>				
Island Park Ramp	\$52	\$52	\$1	N/A
Radisson Hotel	\$65	\$68	\$1.50	\$7.50
Ground Transportation Center	\$58	\$63	N/A	N/A
<b>Surface Lots:</b>				
2nd Avenue North	\$52	\$58	N/A	N/A
2nd Avenue South	\$65	\$68	\$1.50	\$7.50
Main Avenue	\$50	\$50	N/A	N/A
NP Avenue	\$52	\$55	\$1	\$5
4th Street	\$50	\$52	N/A	N/A
Ground Transportation Center	\$58	\$63	N/A	N/A
Civic Center	\$50	\$52	\$1	\$5
3rd Street	\$50	\$52	N/A	N/A
3rd Avenue & 5th Street	\$65	\$68	N/A	N/A

**Financial Performance**

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

	<u>2013(2)</u>
Revenues	\$ 1,282,636
Expenditures	\$ 540,165
Net Revenues	\$ 742,471

(2) Revenues and Expenses do not include operating transfers made between funds.  
Required MSRB continuing disclosure for CUSIP #30748L

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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Special Assessment Bonds	Other General Obligation Debt	Gross Revenue Debt	Sales Tax Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Special Assessments	Capital Leases			
2013	\$ 299,160,000	\$ 2,400,000	\$ 100,036	\$ 57,040,000	\$ 68,709,176	\$ 165,679	\$ 20,595,000	\$ 5,754,000	\$ 6,599,787	\$ 5,944,453	\$ 466,468,131	n/a	4,162
2012	304,920,000	2,515,000	4,957,727	11,245,000	69,923,438	205,352	24,230,000	6,495,000	5,501,788	6,822,916	436,816,221	4.35%	3,979
2011	292,670,000	2,625,000	5,756,022	22,045,000	71,932,749	280,115	29,845,000	10,612,767	4,595,632	1,764,472	442,126,757	4.88%	4,130
2010	238,133,281	2,730,000	6,200,773	32,575,000	58,200,987	119,871	33,815,000	12,202,767	4,992,673	2,053,885	391,024,237	4.59%	3,703
2009	219,828,561	2,875,000	6,624,952	42,850,000	39,886,147	176,232	37,610,000	13,752,767	5,001,351	1,794,497	370,399,507	4.64%	3,581
2008	201,651,051	-	7,033,767	20,050,000	8,594,451	230,336	42,690,000	15,252,767	4,206,574	331,954	300,040,900	3.85%	2,930
2007	197,423,524	-	7,673,935	24,620,000	3,201,737	421,408	48,325,000	16,591,094	3,811,371	286,443	302,354,512	4.32%	3,009
2006	194,795,976	8,952	6,703,957	29,035,000	3,570,000	511,851	50,110,000	18,054,223	3,781,989	68,856	306,640,804	4.70%	3,091
2005	195,767,805	35,777	7,112,028	30,250,000	3,483,162	646,327	58,570,000	16,864,193	4,207,688	156,471	317,093,451	5.18%	3,249
2004	177,510,425	60,415	7,508,195	11,150,000	3,281,812	505,008	65,290,000	18,119,193	3,852,139	396,557	287,673,744	4.98%	2,977

(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 Actual Taxable Value of Property	Per Capita (1)
	Other General Obligation Debt	Gross Revenue Debt	Fannie Mae Notes Payable	Total		
2013	\$ 2,400,000	\$ 100,036	\$ -	\$ 2,500,036	0.69%	\$ 22
2012	2,515,000	4,957,727	-	7,472,727	2.16%	67
2011	2,625,000	5,756,022	-	8,381,022	2.52%	78
2010	2,730,000	6,200,773	-	8,930,773	2.76%	85
2009	2,875,000	6,624,952	1,271,000	10,770,952	3.43%	104
2008	-	7,033,767	1,400,000	8,433,767	2.79%	82
2007	-	7,673,935	1,400,000	9,073,935	3.12%	90
2006	8,952	6,703,957	2,210,000	8,922,909	3.32%	90
2005	35,777	7,112,028	2,043,162	9,190,967	3.76%	94
2004	60,415	7,508,195	1,761,812	9,330,422	4.14%	97

(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
2013	112,075	\$ 3,802,125,794	\$ 379,295,036	\$ 102,874,688	\$ 20,595,000	\$ 255,825,348	6.73%	\$ 2,283
2012	109,779	3,661,954,369	347,867,727	103,608,342	24,230,000	220,029,385	6.01%	2,004
2011	107,054	3,518,033,884	352,941,022	83,267,593	29,845,000	239,828,429	6.82%	2,240
2010	105,600	3,419,759,611	313,454,054	67,151,036	33,815,000	212,488,018	6.21%	2,012
2009	103,428	3,325,203,475	309,788,513	57,548,208	37,610,000	214,630,305	6.45%	2,075
2008	102,404	3,201,497,937	271,424,819	44,286,451	42,690,000	184,448,368	5.76%	1,801
2007	100,477	3,080,628,987	278,042,459	57,619,829	48,325,000	172,097,630	5.59%	1,713
2006	99,208	2,843,133,622	280,653,885	56,440,708	50,110,000	174,103,177	6.12%	1,755
2005	97,610	2,585,416,003	291,735,610	61,756,417	58,570,000	171,409,193	6.63%	1,756
2004	96,647	2,386,169,456	261,519,035	51,921,655	65,290,000	144,307,380	6.05%	1,493

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, 307531, 307490, 30747PA, 30748T

**CITY OF FARGO, NORTH DAKOTA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2013

Market Value of all property (1)	\$ 7,604,251,586
	50%
Assessed valuation	\$ 3,802,125,794
Debt limit (5% of assessed value)	\$ 190,106,290
Debt applicable to limit:	
City's Share of Special Assessments	8,388,174 (2)
Debt Supported Solely by Taxes	2,400,000 (2)
Governmental Lease Obligations	165,679 (2)
Less:	
Debt available in related debt service funds	(191,075) (2)
Total net debt applicable to limit	10,762,778
Legal debt margin	\$ 179,343,512

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 119,308,838	\$ 129,270,800	\$ 142,156,681	\$ 154,031,449	\$ 160,074,897	\$ 166,260,174	\$ 170,987,981	\$ 175,901,694	\$ 183,097,718	\$ 190,106,290
Total net debt applicable to limit	8,625,497	8,704,197	8,379,256	7,119,965	6,218,384	8,672,284	6,941,107	10,057,205	10,613,336	10,762,778
Legal debt margin	\$ 110,683,341	\$ 120,566,603	\$ 133,777,425	\$ 146,911,484	\$ 153,856,513	\$ 157,587,890	\$ 164,046,874	\$ 165,844,489	\$ 172,484,382	\$ 179,343,512
Total net debt applicable to the limit as a percentage of debt limit	7.79%	7.22%	6.26%	4.85%	4.04%	5.50%	4.23%	6.06%	6.15%	6.00%

(1) Source - Cass County Auditor

(2) Source - City Auditors Office

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

**CITY OF FARGO, NORTH DAKOTA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
AS OF DECEMBER 31, 2013  
(UNAUDITED)**

Taxing Entity	2013 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 360,271,576	\$ 379,295,036	100.00%	\$ 379,295,036
Fargo Park District	360,271,576	4,945,000	100.00%	4,945,000
Fargo Public Schools	273,895,283	107,565,000	96.63%	103,940,060
Kindred Public Schools	17,921,258	12,195,716	0.11%	13,415
West Fargo Public Schools	204,162,569	120,737,489	46.82%	56,529,292
Subtotal overlapping debt		<u>245,443,205</u>		<u>165,427,767</u>
Total Direct and Overlapping Debt		<u>\$ 624,738,241</u>		<u>\$ 544,722,803</u>

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

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, 2013**  
**(UNAUDITED)**

Summary of Direct Debt	Gross Debt	Less: Debt Service Funds	Net Direct Debt
Supported by Tax Increment (G.O.)	\$ 2,400,000	\$ -	\$ 2,400,000
Supported by Special Assessments	306,560,000	(26,333,515)	280,226,485
Supported by Revenues	143,600,249	(15,382,786)	128,217,463
Supported by Airport Revenue	5,540,000	(1,031,299)	4,508,701
Leases Payable	6,110,132	-	6,110,132
Notes Payable	3,057,965	-	3,057,965
Specials Payable	6,599,786	-	6,599,786
<b>Debt Ratios</b>		<b>Net Direct Debt</b>	<b>Indirect &amp; Net Direct Debt**</b>
To 2013 Assessed Value (\$3,802,125,794)		0.113389339	0.219381849
Per Capita (2013 - 112,075)		\$ 2,662	\$ 7,442

\*\* Indirect (overlapping) debt information can be found on page 134.

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

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

Fiscal Year	Special Assessment Bonds				Lease Revenue Bonds				Housing Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	Lease Revenue	Debt Service		Coverage	NRI Loan Repayments	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2013	\$ 28,217,162	\$ 22,465,000	\$ 12,014,553	0.82	\$ 1,611,020	\$ 3,005,000	\$ 96,020	0.52	\$ 50,000	\$ 50,000	\$ -	1.00
2012	28,443,896	21,930,000	12,614,955	0.82	384,948	230,000	151,610	1.01	442,756	428,297	14,458	1.00
2011	23,242,178	10,638,281	10,626,319	1.09	383,026	296,421	217,064	0.75	104,996	88,330	16,667	1.00
2010	27,360,540	12,765,280	9,167,699	1.25	384,237	210,000	170,105	1.01	104,996	86,175	18,821	1.00
2009	20,503,315	14,592,491	8,457,758	0.89	383,510	205,000	178,510	1.00	104,997	84,074	20,923	1.00
2008	18,710,674	12,002,472	7,921,087	0.94	381,510	195,000	186,510	1.00	104,996	82,023	22,973	1.00
2007	19,049,962	10,417,452	7,563,252	1.06	384,210	190,000	194,210	1.00	104,996	80,022	24,974	1.00
2006	20,656,004	27,246,829	7,743,417	0.59	381,277	180,000	201,277	1.00	104,997	78,071	26,926	1.00
2005	19,458,723	9,797,620	7,596,235	1.12	382,790	175,000	207,790	1.00	104,997	76,167	28,830	1.00
2004	23,618,179	10,311,373	6,223,517	1.43	383,814	170,000	213,814	1.00	104,997	74,309	30,688	1.00

Fiscal Year	Convention Bureau Revenue Bonds				Parking Revenue Bonds					
	1% Lodging Tax	Debt Service		Coverage	Parking Revenue	Less:	Net Available Revenue	Debt Service		Coverage
		Principal	Interest			Operating Expenditures		Principal	Interest	
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
2011	-	-	-	-	1,154,244	646,825	507,419	60,000	55,891	4.38
2010	-	-	-	-	1,074,258	660,212	414,046	55,000	58,889	3.64
2009	-	-	-	-	910,807	577,977	332,830	50,000	61,539	2.98
2008	\$ 541,826	\$ 120,000	\$ 16,250	3.98	769,484	496,709	272,775	50,000	64,114	2.39
2007	493,352	115,000	23,495	3.56	847,631	428,796	418,835	45,000	66,364	3.76
2006	448,677	105,000	30,110	3.32	867,811	402,395	465,416	45,000	68,569	4.10
2005	375,059	100,000	36,360	2.75	927,098	395,605	531,493	45,000	70,706	4.59
2004	380,470	95,000	42,155	2.77	904,512	402,248	502,264	40,000	72,546	4.46

Fiscal Year	Sales Tax Revenue Bonds				SRLF Storm Sewer Project Note Payable				SRLF Notes Payable			
	Sales Tax	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage	Sales Tax	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2013	\$ 20,609,635	\$ 5,580,000	\$ 1,591,026	2.87	\$ 64,883	\$ 95,000	\$ 20,875	0.56	6,624,171	\$ 4,604,374	1,679,810	1.05
2012	16,455,425	10,800,000	672,463	1.43	65,533	95,000	23,250	0.55	6,468,440	4,556,000	1,710,247	1.03
2011	15,768,411	10,530,000	1,093,503	1.36	60,872	90,000	25,500	0.53	2,117,679	351,000	1,475,188	1.16
2010	15,163,328	4,910,000	773,680	2.67	127,594	90,000	27,750	1.08	1,696,252	175,974	973,833	1.48
2009	14,621,568	4,735,000	1,010,430	2.54	4,436	85,000	29,875	0.04	-	125,000	193,382	-
2008	10,364,101	4,570,000	1,238,930	1.78	43,125	85,000	32,000	0.37	n/a	n/a	n/a	n/a
2007	10,271,895	4,415,000	1,459,680	1.75	43,163	80,000	34,000	0.38	n/a	n/a	n/a	n/a
2006	9,697,069	1,215,000	1,456,605	3.63	38,122	80,000	36,000	0.33	n/a	n/a	n/a	n/a
2005	8,826,254	1,160,000	577,580	5.08	50,364	80,000	38,000	0.43	n/a	n/a	n/a	n/a
2004	8,092,719	1,105,000	632,830	4.66	36,706	75,000	39,875	0.32	n/a	n/a	n/a	n/a

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

Fiscal Year	Water Revenue Bonds						Airport Revenue Bonds					
	Water Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage	Airport Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest					Principal	Interest	
2013	\$ 19,051,936	\$ 9,704,611	\$ 9,347,325	\$ 3,130,000	\$ 748,388	2.41	\$ 7,546,237	\$ 4,406,659	\$ 3,139,578	\$ 405,000	\$ 245,731	4.82
2012	19,828,733	8,815,325	11,013,408	2,975,000	912,713	2.83	6,716,756	3,151,206	3,565,550	2,540,000	340,259	1.24
2011	17,284,658	9,243,565	8,041,093	2,825,000	1,143,056	2.03	6,244,177	2,955,458	3,288,719	1,045,000	377,369	2.31
2010	17,533,098	8,957,643	8,575,455	2,685,000	1,287,694	2.16	6,722,597	3,488,605	3,233,992	1,010,000	413,254	2.27
2009	17,934,051	8,462,145	9,471,906	2,195,000	1,415,794	2.62	5,907,184	3,150,752	2,756,432	975,000	447,566	1.94
2008	17,798,504	7,940,224	9,858,280	-	1,105,059	8.92	6,444,752	3,323,596	3,121,156	940,000	239,533	2.65
2007	17,570,378	6,992,730	10,577,648	2,375,000	1,676,758	2.61	6,345,195	3,586,971	2,758,224	595,000	176,145	3.58
2006	17,011,665	8,637,725	8,373,940	2,245,000	1,742,070	2.10	6,110,962	2,963,611	3,147,351	585,000	180,970	4.11
2005	14,783,027	7,303,760	7,479,267	2,140,000	1,865,545	1.87	5,525,505	2,965,961	2,559,544	590,000	193,224	3.27
2004	13,377,984	6,595,861	6,782,123	2,050,000	1,969,870	1.69	6,331,323	2,569,153	3,762,170	-	42,170	89.21

Fiscal Year	FargoDome Sales Tax Revenue Bonds				Clean Renewable Energy Bond			
	FargoDome Sales Tax	Debt Service		Coverage	Sale of by products	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	-	-	-	-	\$ 416,658	\$ 100,000	\$ 7,650	3.87
2012	-	-	-	-	375,264	100,000	8,500	3.46
2011	-	-	-	-	407,347	100,000	9,350	3.73
2010	-	-	-	-	426,793	100,000	10,200	3.87
2009	\$ -	\$ 1,810,000	\$ 42,956	-	196,927	100,000	11,050	1.77
2008	10,364,101	4,595,000	238,698	2.14	855,932	100,000	5,950	8.08
2007	10,271,895	4,395,000	380,890	2.15	499,818	100,000	142	4.99
2006	9,696,521	5,630,000	598,863	1.56	-	-	-	-
2005	8,825,107	3,990,000	830,108	1.83	-	-	-	-
2004	8,092,719	3,825,000	1,011,518	1.67	-	-	-	-

Fiscal Year	SRLF Notes Payable					
	Wastewater Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2011	10,401,385	4,920,920	5,480,465	1,590,000	308,444	2.89
2010	10,321,247	4,533,593	5,787,654	1,550,000	348,269	3.05
2009	10,340,200	4,000,183	6,340,017	1,500,000	386,794	3.36
2008	9,949,467	3,819,699	6,129,768	1,350,000	422,155	3.46
2007	9,226,721	3,847,702	5,379,019	1,325,000	420,748	3.08
2006	8,479,324	3,399,478	5,079,846	1,290,000	429,844	2.95
2005	7,467,026	3,162,829	4,304,197	1,255,000	462,144	2.51
2004	6,783,272	2,879,801	3,903,471	1,225,000	493,669	2.27

**CITY OF FARGO, NORTH DAKOTA  
AIRPORT REVENUE BONDS SERIES 2007A DEBT COVERAGE  
(UNAUDITED)**

Maturity Year	Principal	Interest	Total Principal and Interest	Coverage of 2013 Net Revenues Available for Debt Service
2014	415,000	234,932	649,932	29.38
2015	1,205,000	217,812	1,422,812	13.42
2016	1,255,000	166,600	1,421,600	13.43
2017	1,305,000	113,262	1,418,262	13.46
2018	1,360,000	57,800	1,417,800	13.47

2012 Net Revenues Available for Debt Service

2013 Operating Revenues	\$ 7,546,237
2013 Operating Expenses	7,595,634
Add: Depreciation	3,188,705
Gain on disposal of assets	42,254
Interest Income	55,010
General Property Tax Revenue	664,036
2013 Net Revenues Available for Debt Service	<u>\$ 19,091,876</u>

Required MSRB continuing disclosure for CUSIPs: 30748T

**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)
2013	112,075	n/a	n/a	n/a	n/a	n/a	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
2011	107,054	9,068,184,000	42,740	31.7	94.5%	33.5%	10,504	3.3%	3.5%	8.9%	63,842
2010	105,600	8,511,095,000	40,644	31.5	94.2%	35.6%	10,455	3.9%	3.9%	9.6%	58,817
2009	103,428	7,980,697,000	39,883	30.2	93.3%	33.7%	10,414	4.2%	4.3%	9.3%	59,265
2008	102,404	7,801,096,000	39,812	30.4	94.1%	38.0%	10,474	2.7%	3.2%	5.8%	60,909
2007	100,477	6,997,666,000	36,459	30.9	93.8%	35.9%	10,494	2.6%	3.2%	4.6%	60,159
2006	99,208	6,519,605,000	34,505	32.2	92.6%	33.6%	10,665	2.5%	3.2%	4.6%	58,867
2005	97,610	6,123,960,000	32,981	31.3	94.6%	33.3%	10,880	2.7%	3.4%	5.1%	57,779
2004	96,647	5,774,021,000	31,450	n/a	n/a	n/a	11,133	2.8%	3.5%	5.5%	59,682

(1) Source - FM Metrocog, City of Fargo Planning Dept, NDSU Data Center, US Census Bureau, Fargo Public Schools

(2) Source - Bureau of Economic Analysis, Fargo-Moorhead (MSA)

(3) Source - North Dakota Job Service

Required MSRB continuing disclosure for CUSIPs: 30747M, 307531, 307490, 30747PA

**CITY OF FARGO, NORTH DAKOTA  
RETAIL SALES & ESTIMATED BUYING INCOME  
CASS COUNTY  
(UNAUDITED)**

	Retail Sales (\$000)	Effective Buying Income (EBI) (\$000)	Median Household EBI	
			MSA	State
2013	\$ 2,862,674	\$ 3,667,475	\$ 42,550	\$ 40,911
2012	3,435,135	3,198,040	37,714	36,558
2011	3,436,706	3,236,972	37,404	36,353
2010	3,136,582	3,056,126	37,839	37,390
2009	3,221,627	2,971,275	37,105	36,655
2008	3,402,489	3,034,803	39,855	37,348
2007	3,178,374	2,889,780	39,210	36,981
2006	3,034,372	2,734,823	38,637	36,235
2005	2,115,084	2,564,208	36,765	34,177
2004	2,504,149	2,439,834	35,516	33,089

Source: Demographics USA, Survey of Buying Power

Required MSRB continuing disclosure for CUSIPs: 307490E, 30747M

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

Employer	2013			2004		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sanford Health	6,739	1	10.89%	-	-	-
North Dakota State University	2,339	2	3.78%	2,127	2	3.56%
Fargo Public Schools	1,762	3	2.85%	1,383	4	2.32%
Noridian/Blue Cross Blue Shield	1,345	4	2.17%	1,492	3	2.50%
Case New Holland	1,055	5	1.70%	660	7	1.11%
US Bank	975	6	1.58%	1,089	5	1.82%
Essentia Health	967	7	1.56%	-	-	-
Fargo VA Medical Center	870	8	1.41%	620	9	1.04%
Microsoft	869	9	1.40%	1,055	6	1.77%
City of Fargo	773	10	1.25%	632	8	1.06%
Meritcare	-	-	-	3,961	1	6.64%
Dakota Heartland Health System	-	-	-	575	10	0.96%

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

- Majority of above data is from the 2012 employment year, as 2013 data was not yet available

Required MSRB continuing disclosure for CUSIPs: 30747M, 30747PA, 307490E

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
City Administrator	1	1	1	2	2	2	3	3	3	2
Human Resources	11	11	11	11	10	10	10	9	9	10
Information Services	23	21	21	19	18	16	17	18	17	14
Public Information	3	2	2	2	2	2	-	-	-	-
Auditor	16	15	17	17	17	17	17	16	17	17
Municipal Court	8	8	8	8	8	8	8	8	8	8
City Assessor	12	11	12	12	12	11	11	11	14	10
Buildings & Grounds	7	7	7	7	8	8	6	9	10	9
Planning	14	13	13	11	10	11	10	11	9	10
Central Garage	23	23	21	23	27	23	20	25	24	24
City Commission	8	8	8	8	8	8	8	7	8	8
General Support					-	-	-	-	-	-
Public safety										
Inspections	20	21	19	21	20	21	19	22	19	18
Traffic Engineering	9	7	9	9	8	8	8	9	8	8
Fire Department	116	117	117	114	116	103	100	99	101	99
Police Department	168	164	165	162	155	150	149	149	144	140
Public works										
City Engineering	44	45	43	49	44	43	38	41	41	41
Streets & Sewers	53	54	52	49	52	48	48	46	49	48
Public health & welfare										
Health	117	116	115	118	120	117	108	119	115	114
Homeless shelter	19	10	14	13	14	12	-	-	-	-
Recreation & culture										
Public Library	54	55	54	50	53	63	41	42	40	40
Civic Memorial Auditorium	15	6	6	18	14	22	24	20	17	11
Urban redevelopment	2	3	3	3	3	3	3	4	4	6
Public transportation	21	21	21	21	21	19	15	7	5	6
Business-type funds										
Airport	20	21	20	19	18	17	16	16	16	16
Water	45	44	43	40	41	41	40	39	37	41
Wastewater	21	21	21	20	20	22	19	18	18	20
Solid waste	50	51	54	52	52	49	48	46	48	50
Storm sewer	5	5	4	5	4	3	3	3	3	2
Street Lighting	2	2	2	2	3	3	3	3	2	2
Forestry	12	12	13	12	10	14	11	12	13	9
<b>Total</b>	<b>919</b>	<b>895</b>	<b>896</b>	<b>897</b>	<b>890</b>	<b>874</b>	<b>803</b>	<b>812</b>	<b>799</b>	<b>783</b>

- Number includes full and part time employees.

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Public safety</b>										
<b>Fire</b>										
Number of calls answered	6,984	6,262	4,785	4,485	4,221	4,280	3,886	3,609	4,176	4,333
Number of fire inspections	6,552	7,109	8,372	7,754	6,949	7,216	7,174	7,111	7,204	7,505
<b>Police</b>										
Number of calls for service	62,836	55,584	51,215	47,534	48,062	46,183	44,751	43,478	42,483	39,365
Arrests	6,067	7,632	8,285	7,991	10,117	9,939	10,544	10,730	10,561	10,265
<b>Public works</b>										
Average daily water consumption (gallons)	10,508,699	11,180,334	9,589,658	9,958,030	10,510,285	9,361,096	9,897,482	10,027,112	9,441,153	9,469,337
Wastewater avg flow per day (MGD)	13.39	12.23	13.66	13.01	12.86	12.16	11.49	11.51	11.95	11.76
<b>Public health &amp; welfare</b>										
WIC participation	2,702	2,695	2,720	2,606	2,699	2,801	2,261	2,144	2,194	1,856
Nursing visits	214,637	192,853	196,131	194,823	208,124	211,013	210,719	203,347	197,690	196,434
<b>Recreation &amp; culture</b>										
Library circulation	997,492	986,773	960,092	919,845	815,998	830,287	659,139	748,382	852,541	812,174
Civic center attendance	88,355	82,870	78,327	91,115	88,828	112,032	101,382	112,050	117,875	142,890
Fargodome attendance	539,285	529,657	499,805	528,380	486,059	436,294	445,270	409,149	381,507	429,396
<b>Public transportation</b>										
<b>Number of rides</b>										
Fixed route	1,682,267	1,608,628	1,665,221	1,624,637	1,479,646	1,228,464	962,030	899,572	837,281	736,944
Paratransit	53,403	54,217	58,992	57,850	57,428	60,255	50,768	48,989	40,868	39,705
<b>Public information</b>										
<b>Web site</b>										
Total Sessions	1,269,295	1,220,404	905,700	n/a						
Users	716,763	620,800	419,268	n/a						
Page views	3,216,029	3,640,975	2,789,176	n/a						
Pages per visit	2.50	2.98	3.08	n/a						
<b>Infrastructure</b>										
New projects assessed	51	50	19	71	32	32	29	42	51	60
Value of new projects	\$ 27,096,674	\$ 27,829,486	\$ 10,826,700	\$ 25,706,180	\$ 37,651,698	\$ 27,452,278	\$ 13,349,269	\$ 20,442,045	\$ 22,011,590	\$ 44,662,953

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General government										
Area in square miles	48.80	48.60	48.45	48.45	48.45	47.74	46.63	46.35	44.52	44.43
Public safety										
Fire										
Stations	7	7	7	7	6	6	6	6	6	6
Vehicles	31	27	28	28	30	27	25	29	29	21
Police										
Stations	2	3	3	3	3	3	3	3	2	2
Marked cars	41	41	39	38	37	26	33	28	28	32
Public works										
Number of street lights	10,113	9,785	9,430	9,077	8,959	8,514	8,119	7,839	7,926	7,598
Miles of paved streets	407.43	400.92	394.30	371.65	367.16	369.17	363.76	358.78	352.87	347.74
Miles of water mains	459.93	449.79	445.26	436.00	428.02	424.82	411.82	403.98	398.52	393.88
Miles of sanitary sewer	443.30	433.98	429.53	425.40	414.64	404.39	398.01	384.23	357.94	352.17
Miles of storm sewer	429.74	416.49	409.85	395.05	387.88	383.56	369.01	361.04	352.42	346.45
Recreation & culture										
Print materials - Library	283,852	273,736	224,547	218,355	202,790	179,120	167,998	175,076	193,067	162,056
Public transportation										
Buses	32	28	27	26	22	17	18	17	13	16

**CITY OF FARGO, NORTH DAKOTA  
SCHEDULE OF INSURANCE IN FORCE  
DECEMBER 31, 2013  
(UNAUDITED)**

Policy No.	Insurance Broker	Insuring Company	Coverage type / \$ Limits	Term
FBP8341772	Wells Fargo Insurance	Hartford	Boiler & equipment breakdown \$ 100,000,000	1/1/13-1/1/14
1949	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 336,955,829 Building \$ 39,953,581 Contents \$ 70,186,366 Outdoor property	7/1/13-6/30/14
2536	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 4,892,899 Building	7/1/13-6/30/14
COP00000035513P	Wells Fargo Insurance	Harleysville Insurance Company	Buildings & Contents Transit Maintenance Facility \$ 7,000,000 Building \$ 653,650 Contents	10/30/13-10/30/14
IM 0001147 03	Warner & Company	ND Insurance Reserve Fund	Mobile Equipment and Trailers \$47,683,248 Fine Arts \$15,500 Portable Radio Equipment \$944,721	6/1/13 - 6/1/14
33 1150903540	Insure Forward	Fidelity National Insurance Co.	City Hall Flood - \$500,000 Building/\$500,000 Contents	4/15/13 - 04/15/14
87043898542012	Warner & Company	Harleysville Insurance Company	Main Library Flood - \$500,000 Building/\$500,000 Contents	3/26/13 - 3/26/14
33 1150903541	Insure Forward	Fidelity National Insurance Co.	Convention Visitors Bureau Flood - \$500,000 Building/\$185,000 Contents	4/15/13 - 04/15/14
G2382520A 007	S H Smith & Company	Westchester Surplus Lines Insurance Co.	Environmental General Liability for Methane Operations \$2,000,000	8/14/13 - 8/14/14
BA 0002300 07	Warner & Company	ND Insurance Reserve Fund	Auto Liability - \$2,000,000 Liability	1/1/13 - 1/1/14
GL 0003334 04	Warner & Company	ND Insurance Reserve Fund	General Liability - \$2,000,000	10/29/13 - 10/29/14
MSP000644	MMIC Insurance, Inc.	MMIC Insurance, Inc.	Malpractice Insurance	1/1/13 - 12/31/14
AP 003387932-14	Northstar Aviation Ins. Inc	Commerce & Industry Insurance Co.	Primary Aircraft Liability \$ 100,000,000	1/1/13-1/1/14
33 1150903542	Insure Forward	Fidelity National Insurance Co.	Hector Airport Admin Building Flood - \$500,000 Building/\$78,000 Contents	4/15/13 - 04/15/14
BA 0002302 06	Warner & Company	ND Insurance Reserve Fund	Airport Auto Liability - \$2,000,000 Liability	3/5/13 - 3/5/14
1-17334	No Broker - Direct Writer	FM Global	Fargodome \$160 MM property, \$100MM flood	11/2/13-11/02/14
33-1150891263 01	Insure Forward	Fidelity National Insurance Program	Fargodome Flood - \$500M contents & \$500M building	3/5/13-3/5/14
AIP544731505 and AIX9771239204	Insure Forward	K&K	Fargodome General Liability - \$1MM per event aggregate Excess Liability - \$10MM umbrella	11/1/13-10/31/14
AIA9771239104	Insure Forward	K&K	Fargodome Auto Insurance	11/1/13-10/31/14
EOC967493501	AON Risk Services	Employment Practices Liability	Employment Practices	8/13-7/14
VPPL004404	AON Risk Services	Crime Coverage, Prof Liability	Crime Coverage, Prof Liability	4/13-3/14
3735	State Bonding Fund	ND Insurance Department	Fidelity Bond - \$2,000,000	1/1/2012 - 12/31/2013



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