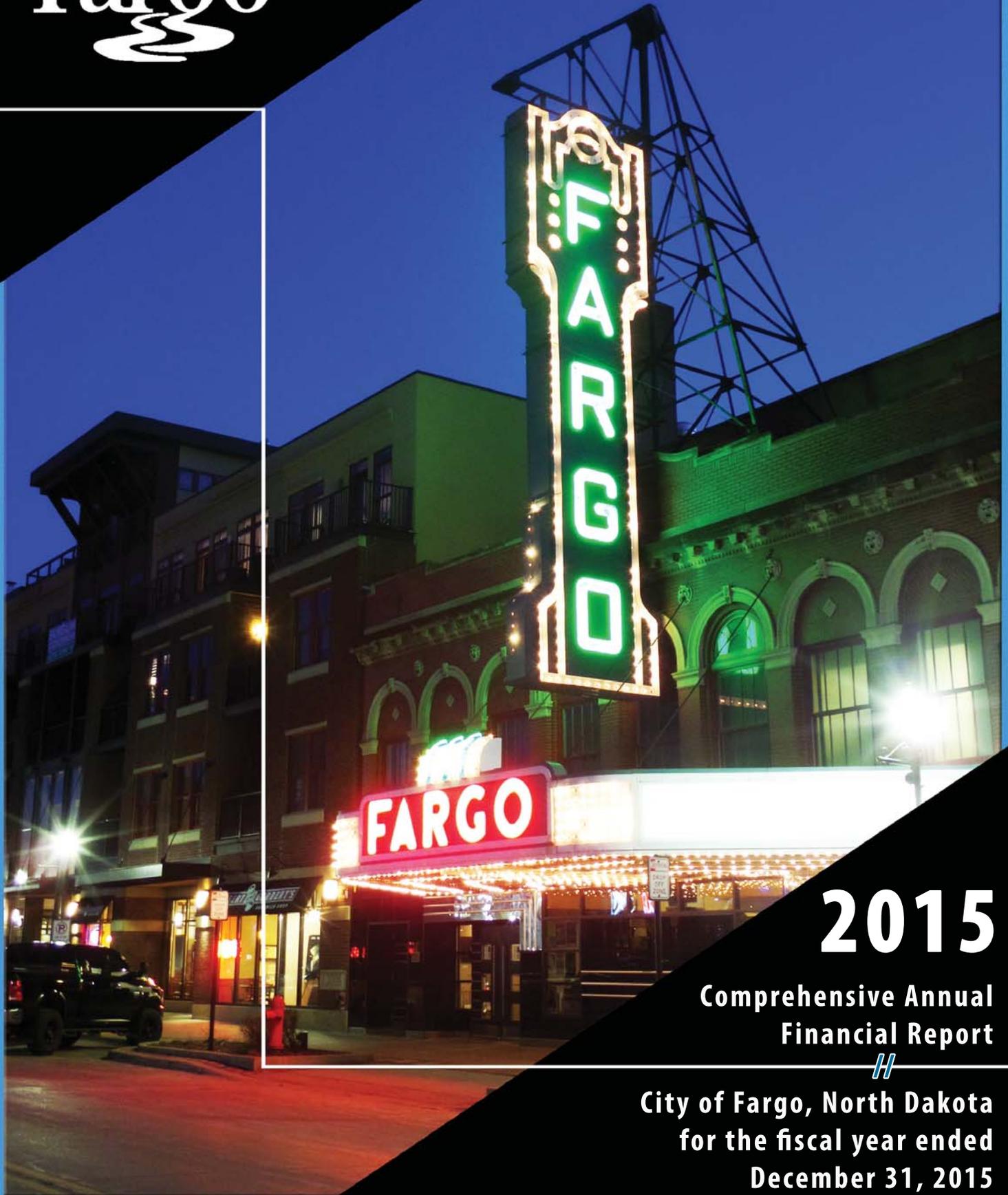


CITY OF
Fargo



2015

**Comprehensive Annual
Financial Report**



**City of Fargo, North Dakota
for the fiscal year ended
December 31, 2015**



**CITY OF FARGO
NORTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

**PREPARED BY:
FINANCE DEPARTMENT**

**CITY OF FARGO, NORTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2015**

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Finance Office

P.O. Box 2083
200 3rd Street North
Fargo, North Dakota 58107-2083
Phone: 701-241-1333
Fax: 701-241-1526

June 29, 2016

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, 2015. 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, 2015. 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 118,456, a 12% growth since 2010. 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. The Mayor and City Commissioners are elected at large and serve four year terms. Tim Mahoney is the Mayor. He has served as a City Commissioner since 2005, as interim Mayor in December of 2014, and Mayor since that time. The next municipal election will be held in June of 2016 at which time the citizens will elect a two new City Commissioners.

All Department Heads serve on the Mayor's Cabinet which is used as a forum to communicate City and Community issues. The City Administrator, Bruce Grubb is the liaison to the City Commission and is responsible for overseeing the day to day operations of the City and its eight Departments. An Assistant City Administrator will be hired in 2016.

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

Statewide Financial Conditions Declining

Statewide economic conditions have declined in North Dakota resulting primarily from the impact of declining oil prices and the impact on exploration in the western part of the State. State intergovernmental revenues in our General Fund decreased by about 4.4% in 2015 as compared to the previous year.

The Tax Commissioner for the State of North Dakota recently announced that statewide taxable sales and purchases decreased by 19% in 2015 as compared to 2014. Fargo's taxable sales and purchases declined by .84%, much better than the overall statewide average.

The changes in intergovernmental revenues are discussed in more detail in the management discussion and analysis section of this report.

The median Fargo per capita income and our labor force continues to rise and is reflective of our strong local economy. Per capita incomes have increased to \$48,914 in 2014 as compared to \$39,883 in 2009 which represents a 23% increase in income levels over the past five years. Our labor force has increased to 65,665 in 2015 as compared to 58,817 five years ago which represents an 11.6% increase.

Building Permit Numbers Remain Strong in Fargo

Fargo set an all time record level of building permits in 2014 at just over \$1 billion. In 2015 total building permit activity topped \$500 million, surpassing totals tracked for the past several years. Residential permits increased by 17.3%. Demand for housing remains strong in our community.

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.

A more comprehensive review of these statistics is contained in the statistical section of this report which begins on page 128.

State and Local Sales Tax Revenue Trends

Sales tax collections across the State of North Dakota slowed considerably in 2015 experiencing an overall decrease of 19% as compared to 2014.

Fargo's locally imposed sales tax collections of 2% totaled \$52 million, up from \$48.5 in 2014. That represents an increase of 7.4% for the year. This is a sign of the strength of our local economy which is bucking the statewide trend by a significant margin.

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 \$2.1 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.

The project design continued during the year and much of the overall project design has been completed. The appropriation of Federal funds, completion of the Minnesota environmental impact study and the project partnership agreement with the Army Corp of Engineers will trigger the commencement of construction.

Work continued in 2015 on securing Federal and State funding for this project. Local officials and our congressional delegation from North Dakota and Minnesota are working together to help formulate plans for a public private partnership pilot project (PPP) as a way to provide long term funding of this project. In February of 2015 the Army Corp of Engineers named this project as federal P3 demonstration project. Voters will be asked to extend the current sales tax authorization in November 2016 that will provide long term funding for the project.

February, 2016 the Army Corp of Engineers approved this project as a federal "new start" project and provided budgetary resources to begin this project. We anticipate executing a final project participation agreement with the Army Corp of Engineers in June of 2016 obligates Federal funding. The work of procurement of the P3 vendor will continue in 2016 and our timeline is to select a vendor by late 2017, or early 2018.

Our success on this project is significant and we were fortunate to be selected by the Army Corp of Engineers for this demonstration project that has national significance in its planned delivery method.

Status of Municipal Building Projects Completed or in Progress

The City completed the facility remodeling for the Fargo Cass Public Health, Cass County Coroner, and a Police precinct in 2015. This remodeling project totaled about \$12.5 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. Design work was completed in 2014 and construction bids will be solicited in early 2015. Subsequent to year end project bids were tabulated and the cost of the facility was \$31 million, significantly higher than anticipated. Bids have been rejected and a formal review of design elements is ongoing with the goal of rebidding the project in May of 2016 with an expected cost of \$22 million. If bids are in line with our expectations work should commence in 2016 with an estimate completion date of 2018.

The third project is the expansion of our water treatment plant to accommodate future growth and demands for water. The project will incorporate advanced water treatment technologies due to changing water quality conditions on the Sheyenne River as a result of discharges from Devils Lake. In addition advanced water treatment technologies, the project will also increase the City's overall treatment capacity from 30 million gallons per day (MGD) to 45 MGD. Construction began this year and will take three year s to complete.

Strategic Planning and Long Term Capital Improvement Plans

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

Funds were appropriated in 2015 for a Downtown Fargo strategic plan for the growth and redevelopment of our core Downtown area. Our flood control projects in the Downtown area are creating new opportunities for accelerated growth and development in our City center. This planning focus will take place in 2016.

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, 2014. This will be the eighteenth 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
Jessica Houim, Accountant
Megan Brandt, Financial Analyst
Sheree Calkins, Accounting Supervisor

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,

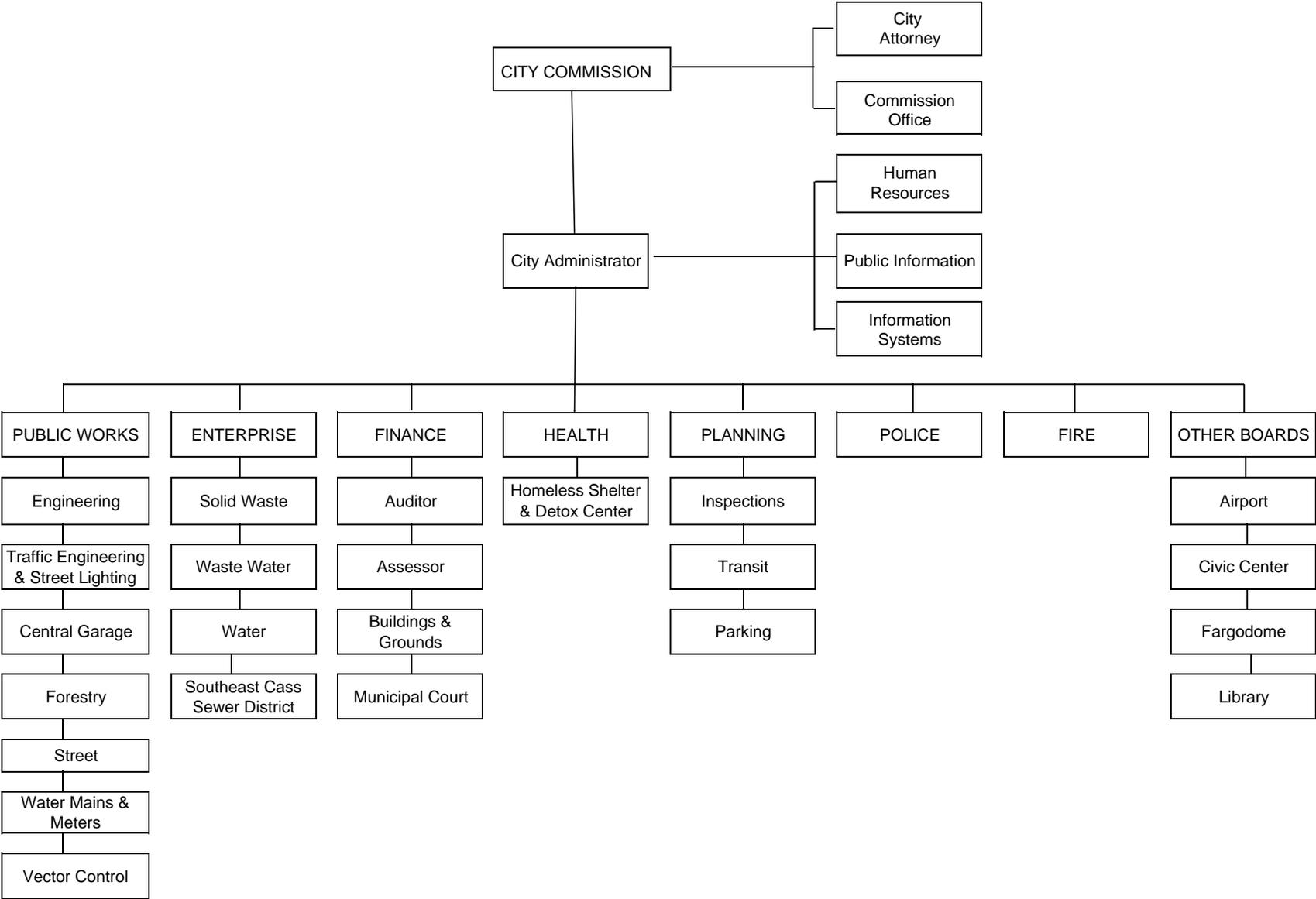
A handwritten signature in black ink that reads "Kent Costin". The signature is written in a cursive, flowing style.

Kent A. Costin
Director of Finance

**CITY OF FARGO, NORTH DAKOTA
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2015**

NAME	OFFICE	TERM EXPIRES
Dr. Tim Mahoney	Mayor	June 2018
Dave Piepkorn	Commissioner	June 2018
Tony Gehrig	Commissioner	June 2018
Melissa Sobolik	Commissioner	June 2016
Michael Williams	Commissioner	June 2016
Bruce Grubb	City Administrator	
Kent Costin	Finance Director	
Steven Sprague	City Auditor	
Sharon Odegaard	City Commission Executive Assistant	

**CITY OF FARGO, NORTH DAKOTA
ORGANIZATIONAL CHART**





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, 2014

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, 2015, 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 Auditing 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.

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, 2015, 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.

Change in Accounting Principle

As discussed in Notes 4K and 5B to the financial statements, the City has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of January 1, 2015. 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 on pages 4-11, and the pension information including, significant assumptions used to measure total pension liability, schedule of change in net pension liability, schedule of contributions, schedule of net pension liability- City of Fargo's proportionate share, and schedule of employer contributions- City of Fargo's proportionate share as presented on pages 93-97, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in

relation to the basic 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 June 29, 2016 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.

The image shows a handwritten signature in cursive script that reads "Eide Sallee LLP".

Bismarck, North Dakota
June 29, 2016

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, 2015. 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 \$933,031 (net position).

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$218,325 an increase of \$46,595 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 34% of the total General Fund expenditures exceeds our management goal of 25%.

While our overall General Fund revenues met our budget expectations at 100% of projection, State intergovernmental revenues lagged out budget projections due to the overall slowdown in the State economy which has been adversely impacted by declining oil prices. The lagging State revenues were offset by better than expected revenue generation from our local economy, most specifically building permits and other development related revenue. We experienced a very good year with strong demand for residential and commercial construction.

The City completed renovation of the Fargo Cass Public Health facility which opened in September. A former grocery store was repurposed to include the operations of Fargo Cass Public Health, a police precinct, and a County coroner facility.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Fargo's basic financial statements. The City of Fargo's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Fargo's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Fargo that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Fargo include general government, public safety, public works, public health and welfare, recreation & culture, urban redevelopment, public transportation, 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 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 seventeen 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 – 92 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 93 - 97 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 101 - 115 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 \$933,031 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (87%) 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, 2015 and 2014. During the year, the City made an entry to record net pension liability applicable to the year ended December 31, 2014, which required the restatement of prior year net position. These changes are reflected in the changes in net position found later in this discussion. Further information on this restatement can also be found in Note 4.K. of this report.

City of Fargo's Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Current and other assets	\$ 531,803	\$ 462,977	\$ 104,392	\$ 100,837	\$ 636,195	\$ 563,814
Capital assets	399,507	380,433	653,196	611,374	1,052,703	991,807
Total assets	<u>931,310</u>	<u>843,410</u>	<u>757,588</u>	<u>712,211</u>	<u>1,688,898</u>	<u>1,555,621</u>
Deferred outflows of resources	10,356	-	1,275	-	11,631	-
Long-term liabilities outstanding	634,568	517,614	29,748	40,853	664,316	558,467
Other liabilities	84,232	67,990	16,735	14,898	100,967	82,888
Total liabilities	<u>718,800</u>	<u>585,604</u>	<u>46,483</u>	<u>55,751</u>	<u>765,283</u>	<u>641,355</u>
Deferred inflows of resources	1,657	-	558	-	2,215	-
Net position:						
Net investment in capital assets	181,249	206,472	632,352	580,624	813,601	787,096
Restricted	36,576	44,458	42,919	47,453	79,495	91,911
Unrestricted	3,384	6,877	36,551	28,383	39,935	35,260
Total net position	<u>\$ 221,209</u>	<u>\$ 257,807</u>	<u>\$ 711,822</u>	<u>\$ 656,460</u>	<u>\$ 933,031</u>	<u>\$ 914,267</u>

A portion of the City of Fargo's net position (8.5%) represents resources that are subject to external restrictions on how they may be used.

City of Fargo's Changes in Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 30,568	\$ 31,194	\$ 61,457	\$ 61,289	\$ 92,025	\$ 92,483
Operating grants and contributions	9,662	10,524	-	-	9,662	10,524
Capital grants and contributions	86,152	76,383	4,230	3,775	90,382	80,158
General Revenues:						
Taxes	84,292	81,643	744	693	85,036	82,336
Unrestricted intergovernmental	8,778	9,447	-	-	8,778	9,447
Unrestricted investment earnings	2,722	3,142	408	2,716	3,130	5,858
Miscellaneous	699	206	1,271	1,197	1,970	1,403
Total revenues	<u>222,873</u>	<u>212,539</u>	<u>68,110</u>	<u>69,670</u>	<u>290,983</u>	<u>282,209</u>
Expenses:						
General government	16,819	15,658	-	-	16,819	15,658
Public safety	37,826	34,416	-	-	37,826	34,416
Public works	103,298	73,316	-	-	103,298	73,316
Public health and welfare	11,683	9,937	-	-	11,683	9,937
Recreation and culture	8,152	8,222	-	-	8,152	8,222
Urban redevelopment	2,117	2,534	-	-	2,117	2,534
Transportation	10,045	9,671	-	-	10,045	9,671
General support	1,200	1,003	-	-	1,200	1,003
Interest and fiscal charges	19,671	18,545	-	-	19,671	18,545
Municipal airport authority	-	-	8,484	8,300	8,484	8,300
Water	-	-	14,200	14,112	14,200	14,112
Wastewater	-	-	9,814	8,956	9,814	8,956
Storm sewer	-	-	5,083	4,738	5,083	4,738
Solid waste	-	-	10,799	9,890	10,799	9,890
Fargodome	-	-	7,894	8,236	7,894	8,236
Southeast cass	-	-	54	74	54	74
Vector control	-	-	335	397	335	397
Street lighting	-	-	3,024	2,779	3,024	2,779
Forestry	-	-	1,721	1,603	1,721	1,603
Total expenses	<u>210,811</u>	<u>173,302</u>	<u>61,408</u>	<u>59,085</u>	<u>272,219</u>	<u>232,387</u>
Excess before Transfers	12,062	39,237	6,702	10,585	18,764	49,822
Transfers	(48,660)	(23,563)	48,660	23,563	-	-
Change in net position	(36,598)	15,674	55,362	34,148	18,764	49,822
Net position - beginning	257,807	290,887	656,460	630,624	914,267	921,511
Change in accounting principle	-	(48,754)	-	(8,312)	-	(57,066)
Net position - ending	<u>\$ 221,209</u>	<u>\$ 257,807</u>	<u>\$ 711,822</u>	<u>\$ 656,460</u>	<u>\$ 933,031</u>	<u>\$ 914,267</u>

The City's net position decreased by \$38,302 during 2015. There was a decrease to net position in the amount of \$57,066 due to a restatement of the beginning net position to record the City's net pension liability in accordance with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*.

Governmental activities

The governmental activities' net position decreased by \$36,598 during the current fiscal year.

There was a decrease to net position in the amount of \$57,066 due to a restatement of the beginning net position to record the City's net pension liability in accordance with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*.

Intergovernmental revenues decreased by about 7% in 2015 as compared to the prior year. The statewide economic conditions have declined in North Dakota resulting primarily from the impact of declining oil prices and the impact on exploration in the western part of the State.

Business type activities.

Business-type activities increased the City of Fargo's net position by \$55,362. There were no notable changes in our business activities in 2015. Rates remained stable for all utility funds.

The FargoDome permanent capital escrow fund decreased by \$2 million. In large part due to declining investment earnings. This restricted resource totals \$38.4 million.

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 \$218,325, an increase of \$46,594 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 \$29,041 while total fund balance reached \$39,176. 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 34% percent of total general fund expenditures, while total fund balance represents 46% percent of that same amount. Managements fund balance goal of 25% has been achieved for this fiscal year. This fund balance level represents an increase of \$1,946 during the year. The remainder of fund balance is assigned (\$696, 2 percent), committed (\$3,255, 8 percent), restricted (\$2,725, 7 percent) or nonspendable (\$3,459, 9 percent).

Overall General Fund revenues decreased by 1%. As mentioned in the transmittal letter, in 2015 we experienced a decline of the statewide economic conditions in North Dakota which resulted primarily from the impact of declining oil prices in the western part of the state.

Total General Fund expenditures increased by 6%. All functional categories of spending were below budget with the exception of general support. The most significant budget savings are related to the timing of capital outlay funding which lagged budget levels by \$1,458. Capital funds will be carried forward into the 2016 budget.

The debt service fund has a total fund balance of \$90,671, all of which is restricted for the payment of future debt service. The net increase in fund balance during the current year was \$29,576. The capital

projects fund had a net increase in fund balance of \$14,355. These increases are due to the issuance of debt proceeds to finance upcoming flood control projects and infrastructure.

Capital project expenditures increased by 30% in 2015 due continued work on flood control projects and continued expansion of our new housing sub developments.

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 \$36,551. All individual proprietary funds, with the exception of Solid Waste and the FARGODOME, reported increases in net position.

Operating revenues of this fund group remained constant, with minimal change from the prior year, while the operating expenses increased by 4%. The increase in expense is primarily due to the change in accounting principle related to GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This implementation of this statement resulted in a net pension liability of \$9,577 being recorded in the proprietary funds.

General Fund Budgetary Highlights

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

General Fund revenue projections exceeded the originally adopted by 2% and 0.3% of the revised budget. Changes were made to our revenue projections mid-year to increase charges for services due to a strong city project schedule and to decrease the state aid and highway funds due to lagging budget projects as a result of the state wide economic conditions.

Noted variances between final budget and actual are as follows:

Overall General Fund expenditures were incurred at 95% of final budget, a variance similar to the prior year.

Capital outlay expenditures lagged budget by \$1,458 due to the project timelines for various capital projects. Unexpended funds will be carried forward into the 2016 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, 2015 amounts to \$1,053 (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:

Approximately \$8 million was expended on flood control projects infrastructure.

There were also a number of municipal building projects in progress during 2015. \$3.8 million was expended on the acquisition and remodeling of the new facility for the Fargo Cass Public Health department. \$.6 million was expended on the new City Hall project and \$22 million was expended on the expansion of the water treatment plant.

City of Fargo's Capital Assets (net of depreciation) (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 63,276	\$ 59,244	\$ 41,592	\$ 40,568	\$ 104,868	\$ 99,812
Construction in progress	11,364	9,143	42,456	20,460	53,820	29,603
Intangible	8,413	7,875	920	920	9,333	8,795
Buildings	43,389	44,803	130,041	135,537	173,430	180,340
Improvements other than buildings	675	709	16,541	17,050	17,216	17,759
Machinery and equipment	18,323	16,860	22,465	21,719	40,788	38,579
Infrastructure	214,961	210,018	399,181	375,119	614,142	585,137
Flood Control	39,106	31,781	-	-	39,106	31,781
Total	\$ 399,507	\$ 380,433	\$ 653,196	\$ 611,373	\$ 1,052,703	\$ 991,806

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 \$667,923. Of this amount, \$386,760 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 \$116,348 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. In addition, net pension liability of \$72,010 was recorded due to the implementation of GASB Statement No. 68.

City of Fargo's Outstanding Debt (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Improvement bonds	\$ 386,760	\$ 332,360	\$ -	\$ -	\$ 386,760	\$ 332,360
Gross revenue bonds	-	-	10,965	16,785	10,965	16,785
General obligation bonds	12,390	2,285	-	-	12,390	2,285
Sales tax bonds	79,063	82,142	-	-	79,063	82,142
Notes payable	126,955	72,963	2,700	7,993	129,655	80,956
Capital leases	323	231	4,626	4,849	4,949	5,080
Net pension liability	62,432	51,524	9,578	8,312	72,010	59,836
Total	\$ 667,923	\$ 541,505	\$ 27,869	\$ 37,939	\$ 695,792	\$ 579,444

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

The City issued \$18,250 Refunding Improvement Bonds, Series 2015A at a true interest cost of 2.23%. These bonds were issued as a crossover refunding of the Series 2006B and 2007B Refunding Improvement Bonds.

The City issued \$15,325 Refunding Improvement Bonds, Series 2015B at a true interest cost of 2.44%. These bonds were issued as a crossover refunding of the Series 2008E Refunding Improvement Bonds.

The City issued \$2,875 Taxable Qualified Energy Conservation Bond, Series 2015C to finance a landfill gas to compressed natural gas conversion project. These bonds were sold with a true interest cost of 1.62%

The City issued \$34,675 Refunding Improvement Bonds, Series 2015D at a true interest cost of 3.34%. These bonds were issued to reimburse the capital project fund for project costs previously incurred.

The City issued \$10,230 Taxable Refunding Improvement Bonds, Series 2015E at a true interest cost of 3.88%. These bonds were issued to finance acquisition, construction and equipping of public parking facilities in the downtown area of the City. These bonds were sold with a true interest cost of 3.42%

The City issued a \$50,000 loan to finance the flood control project.

The City continues to use the North Dakota State Revolving Loan funds to finance some of its water and wastewater projects.

The City of Fargo maintained an "Aa1" rating from Moody's Investors Service for general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

The 2016 budget was established and approved in September, 2015, prior to the rapid decline in oil prices that is currently impacting the State of North Dakota economy. Budgeted revenues from State sources will decline much more than expected due to the sudden and unforeseen change in oil prices. Changes in budgets will be made at mid-year. Management is assessing various budget management strategies that will be considered to continue to manage our finances. Part of the solution will include use of existing fund balances which have grown to very strong levels over the past several years.

There were no utility rate increases included in the 2016 budget. Fargo will become a regional water provider in June of 2016 by servicing the City of West Fargo (population 30,000). This will greatly improve their water quality and will provide additional revenue for our water utility fund.

During the 2016 budget the City Commission approved a reduction in the tax mill rate by 2.25 mills due to property valuation increases of approximately 12%. Housing prices continue to rise in light of our strong local economic conditions. The Board of Equalization's preliminary assessment of our tax base for 2016 projected an increase of 12.3%.

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 3rd Street North, City of Fargo, ND, 58102 or visit the City's web site at 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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 190,166	\$ 4,897,991	\$ 5,088,157
Investments	42,832,218	-	42,832,218
Equity in pooled investments	151,040,569	54,355,696	205,396,265
Receivables (net of allowance for uncollectibles):			
Interest	183,563	89,043	272,606
Taxes	237,265	7,368	244,633
Accounts	4,557,622	5,047,004	9,604,626
Sales tax	8,277,253	-	8,277,253
Notes receivable	258,149	-	258,149
Special assessments	299,662,043	24,179	299,686,222
Intergovernmental	10,728,956	345,137	11,074,093
Contract	27,127	-	27,127
Loans	2,354,925	-	2,354,925
Due from fiduciary fund	9,540,236	-	9,540,236
Internal balances	(53,230)	53,230	-
Inventory	1,268,390	620,240	1,888,630
Prepaid expenses	448,081	412,366	860,447
Property held for resale	166,950	-	166,950
Restricted assets:			
Equity in pooled investments	-	50,401	50,401
Investments	-	38,451,770	38,451,770
Prepaid expenses	-	37,768	37,768
Unamortized debt costs	82,937	-	82,937
Capital assets not being depreciated:			
Land	63,275,554	41,591,763	104,867,317
Construction in progress	11,363,698	42,456,224	53,819,922
Intangible - Right-of-way Easements	8,413,003	420,036	8,833,039
Intangible - Water Rights	-	500,000	500,000
Capital assets (net of accumulated depreciation):			
Buildings	43,388,935	130,040,757	173,429,692
Improvements other than buildings	675,499	16,540,670	17,216,169
Machinery and equipment	18,323,590	22,465,131	40,788,721
Infrastructure	214,960,677	399,181,452	614,142,129
Flood Control	39,106,031	-	39,106,031
Total capital assets	399,506,987	653,196,033	1,052,703,020
Total assets	931,310,207	757,588,226	1,688,898,433
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pension	10,355,861	1,274,794	11,630,655
Total deferred outflows of resources	10,355,861	1,274,794	11,630,655
 LIABILITIES			
Vouchers payable	9,251,563	2,804,701	12,056,264
Retainage payable	4,119,317	176,867	4,296,184
Accrued payroll	1,796,920	527,394	2,324,314
Accrued interest payable	3,683,199	408,680	4,091,879
Accrued interest payable from restricted assets	-	226,120	226,120
Special assessments payable	358,611	337,342	695,953
Unearned revenue	2,151,030	2,886,822	5,037,852
Deposits	438,243	15,335	453,578
Noncurrent liabilities:			
Due within one year	28,041,132	2,494,696	30,535,828
Due within one year payable from restricted assets	-	4,379,476	4,379,476
Due in more than one year	606,527,654	22,647,672	629,175,326
Net pension liability	62,432,409	9,577,754	72,010,163
Total liabilities	718,800,078	46,482,859	765,282,937
 DEFERRED INFLOWS OF RESOURCES			
Deferred Inflow of resources related to pension	1,656,897	558,238	2,215,135
Total deferred Inflows of resources	1,656,897	558,238	2,215,135
 NET POSITION			
Net investment in capital assets	181,249,168	632,351,653	813,600,821
Restricted for:			
Debt service	16,996,377	4,467,645	21,464,022
Specific projects and programs	7,465,638	-	7,465,638
Capital improvements	12,113,581	38,451,770	50,565,351
Unrestricted	3,384,329	36,550,855	39,935,184
Total net position	\$ 221,209,093	\$ 711,821,923	\$ 933,031,016

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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 16,818,838	\$ 3,166,528	\$ 230,449	\$ -	\$ (13,421,861)	\$ -	\$ (13,421,861)
Public safety	37,826,165	6,247,357	576,866	248,919	(30,753,023)	-	(30,753,023)
Public works	103,297,687	13,399,541	101,671	84,117,842	(5,678,633)	-	(5,678,633)
Public health & welfare	11,683,089	3,026,151	3,365,251	286,099	(5,005,588)	-	(5,005,588)
Recreation & culture	8,151,402	475,257	169,260	-	(7,506,885)	-	(7,506,885)
Urban redevelopment	2,117,333	229,405	1,546,286	71,713	(269,929)	-	(269,929)
Transportation	10,045,459	4,023,455	3,671,946	1,427,814	(922,244)	-	(922,244)
General support	1,200,135	-	-	-	(1,200,135)	-	(1,200,135)
Interest and fiscal charges	19,670,971	-	-	-	(19,670,971)	-	(19,670,971)
Total governmental activities	210,811,079	30,567,694	9,661,729	86,152,387	(84,429,269)	-	(84,429,269)
Business-type activities:							
Municipal airport authority	8,483,692	8,546,795	-	4,217,388	-	4,280,491	4,280,491
Water	14,200,256	19,134,802	-	-	-	4,934,546	4,934,546
Wastewater	9,814,203	10,328,605	-	-	-	514,402	514,402
Storm sewer	5,082,586	1,602,497	-	-	-	(3,480,089)	(3,480,089)
Solid waste	10,798,649	11,850,605	-	-	-	1,051,956	1,051,956
Fargodome	7,893,940	6,069,576	-	-	-	(1,824,364)	(1,824,364)
Southeast Cass	54,315	28,690	-	12,709	-	(12,916)	(12,916)
Vector control	335,279	678,189	-	-	-	342,910	342,910
Street lighting	3,024,018	1,753,908	-	-	-	(1,270,110)	(1,270,110)
Forestry	1,720,593	1,462,886	-	-	-	(257,707)	(257,707)
Total business-type activities	61,407,531	61,456,553	-	4,230,097	-	4,279,119	4,279,119
Total	\$ 272,218,610	\$ 92,024,247	\$ 9,661,729	\$ 90,382,484	(84,429,269)	4,279,119	(80,150,150)
General revenues:							
Taxes:							
Property taxes					24,076,015	744,009	24,820,024
Sales taxes					50,988,474	-	50,988,474
Gross business receipts taxes					4,943,429	-	4,943,429
Lodging taxes					2,408,710	-	2,408,710
Other taxes					1,874,754	-	1,874,754
Unrestricted intergovernmental					8,778,310	-	8,778,310
Unrestricted investment earnings					2,722,190	407,886	3,130,076
Miscellaneous revenue					699,233	1,270,719	1,969,952
Transfers					(48,659,781)	48,659,781	-
Total general revenues and transfers					47,831,334	51,082,395	98,913,729
Change in net position					(36,597,935)	55,361,514	18,763,579
Net position - beginning - as restated					257,807,028	656,460,409	914,267,437
Net position - ending					\$ 221,209,093	\$ 711,821,923	\$ 933,031,016

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

CITY OF FARGO, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 190,166	\$ -	\$ -	\$ -	\$ 190,166
Investments	-	42,832,218	-	-	42,832,218
Equity in pooled investments	34,906,865	33,968,940	77,926,271	4,238,493	151,040,569
Receivables (net of allowance for uncollectibles):					
Interest	59,396	102,483	21,684	-	183,563
Taxes	200,994	32,177	-	4,094	237,265
Accounts	4,039,388	-	243,695	274,539	4,557,622
Sales tax	-	4,138,627	4,138,626	-	8,277,253
Special assessments	-	299,098,872	157,484	405,687	299,662,043
Contracts	-	27,127	-	-	27,127
Intergovernmental	4,107,623	-	6,536,103	85,230	10,728,956
Long term note receivable	-	258,149	-	-	258,149
Due from other funds	-	-	-	39,500	39,500
Due from fiduciary fund	-	-	9,540,236	-	9,540,236
Loans	-	-	-	2,354,925	2,354,925
Advances to other funds	1,739,697	-	-	-	1,739,697
Inventory	1,268,390	-	-	-	1,268,390
Prepaid items	440,087	-	-	7,994	448,081
Property held for resale	10,500	-	-	156,450	166,950
	<u>\$ 46,963,106</u>	<u>\$ 380,458,593</u>	<u>\$ 98,564,099</u>	<u>\$ 7,566,912</u>	<u>\$ 533,552,710</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Vouchers payable	\$ 3,095,953	\$ 173,427	\$ 5,778,782	\$ 203,401	\$ 9,251,563
Contract retainage payable	4,292	-	4,115,025	-	4,119,317
Advances from other funds	-	-	-	1,792,927	1,792,927
Due to other funds	-	-	-	39,500	39,500
Accrued payroll	1,781,271	-	4,618	11,031	1,796,920
Special assessments payable	-	49,889	70,461	238,261	358,611
Unearned revenue	174,857	-	300,000	1,676,174	2,151,031
Deposits	438,243	-	-	-	438,243
Total liabilities	<u>5,494,616</u>	<u>223,316</u>	<u>10,268,886</u>	<u>3,961,294</u>	<u>19,948,112</u>
Deferred inflows of resources					
Unavailable revenue	2,292,438	289,564,589	2,356,467	1,066,224	295,279,718
Fund balances					
Nonspendable	3,458,674	-	-	164,444	3,623,118
Restricted	2,724,557	90,670,688	85,938,746	3,608,245	182,942,236
Committed	3,255,360	-	-	-	3,255,360
Assigned	696,286	-	-	-	696,286
Unassigned	29,041,175	-	-	(1,233,295)	27,807,880
Total fund balance	<u>39,176,052</u>	<u>90,670,688</u>	<u>85,938,746</u>	<u>2,539,394</u>	<u>218,324,880</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 46,963,106</u>	<u>\$ 380,458,593</u>	<u>\$ 98,564,099</u>	<u>\$ 7,566,912</u>	<u>\$ 533,552,710</u>

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

CITY OF FARGO, NORTH DAKOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2015

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

Total fund balance - governmental funds (page 16)	\$	218,324,880
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements		399,506,987
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		295,279,718
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and ,therefore, are not reported in the funds		(53,733,445)
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds		<u>(638,169,047)</u>
Net position of governmental activities (page 14)	\$	<u><u>221,209,093</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, 2015

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 27,213,243	\$ 28,788,185	\$ 25,494,236	\$ 2,818,656	\$ 84,314,320
Special assessments	153,727	26,570,125	29,218	223,307	26,976,377
Licenses and permits	4,990,708	-	-	-	4,990,708
Intergovernmental revenues	23,737,000	-	31,668,693	1,610,460	57,016,153
Charges for services	20,609,014	-	-	1,580,219	22,189,233
Fines and forfeits	2,289,925	-	-	16,700	2,306,625
Investment income	2,143,968	454,214	122,181	1,826	2,722,189
Miscellaneous revenues	952,969	39,510	154,208	569,792	1,716,479
Total revenues	<u>82,090,554</u>	<u>55,852,034</u>	<u>57,468,536</u>	<u>6,820,960</u>	<u>202,232,084</u>
EXPENDITURES					
Current:					
General government	15,087,608	-	158,654	-	15,246,262
Public safety	33,326,475	-	5,779	119,172	33,451,426
Public works	9,716,904	531,060	82,137,076	231,271	92,616,311
Public health & welfare	10,412,765	-	480,536	101,984	10,995,285
Recreation and culture	4,390,993	-	-	2,869,047	7,260,040
Urban redevelopment	-	118,864	76,704	1,847,543	2,043,111
Public transportation	7,031,084	-	16,712	984,544	8,032,340
General support	1,200,135	-	-	-	1,200,135
Capital outlay	4,425,376	-	87,171,329	8,600	91,605,305
Debt service:					
Principal	72,886	22,816,041	-	-	22,888,927
Interest and fiscal charges	6,690	19,702,882	365,717	-	20,075,289
Total expenditures	<u>85,670,916</u>	<u>43,168,847</u>	<u>170,412,507</u>	<u>6,162,161</u>	<u>305,414,431</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,580,362)</u>	<u>12,683,187</u>	<u>(112,943,971)</u>	<u>658,799</u>	<u>(103,182,347)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	10,505,282	853,666	22,422,450	181,898	33,963,296
Transfers out	(5,143,362)	(21,955,730)	(713,127)	(122,451)	(27,934,670)
Loans issued	-	68,975	59,684,907	-	59,753,882
Bonds issued	-	33,575,000	44,905,000	-	78,480,000
Bond premium	-	4,350,737	999,570	-	5,350,307
Capital lease	164,456	-	-	-	164,456
Total other financing sources (uses)	<u>5,526,376</u>	<u>16,892,648</u>	<u>127,298,800</u>	<u>59,447</u>	<u>149,777,271</u>
Net change in fund balances	1,946,014	29,575,835	14,354,829	718,246	46,594,924
Fund balance - beginning of year	37,230,038	61,094,853	71,583,917	1,821,148	171,729,956
Fund balance - end of year	<u>\$ 39,176,052</u>	<u>\$ 90,670,688</u>	<u>\$ 85,938,746</u>	<u>\$ 2,539,394</u>	<u>\$ 218,324,880</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, 2015

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)	\$ 46,594,924
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.	75,871,449
Capital assets transferred to enterprise funds	(54,688,405)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(2,108,645)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	20,526,216
Changes to net pension liability and pension related deferred outflows and inflows do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(2,209,423)
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.	(120,859,718)
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.	275,667
Change in net position of governmental activities (page 15)	<u><u>\$ (36,597,935)</u></u>

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

CITY OF FARGO, NORTH DAKOTA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 27,491,001	\$ 27,491,001	\$ 27,213,243	\$ (277,758)
Licenses & permits	4,801,549	3,876,549	4,990,708	1,114,159
Intergovernmental revenues	26,282,447	26,320,377	23,737,000	(2,583,377)
Charges for services	16,543,244	18,529,729	20,609,014	2,079,285
Fines and forfeits	2,657,500	2,657,500	2,443,652	(213,848)
Investment income	1,957,000	1,957,000	2,143,968	186,968
Miscellaneous revenues	894,258	1,003,196	952,969	(50,227)
Total revenues	<u>80,626,999</u>	<u>81,835,352</u>	<u>82,090,554</u>	<u>255,202</u>
EXPENDITURES				
Current:				
General government	14,711,577	16,200,429	15,087,608	1,112,821
Public safety	32,992,024	33,945,758	33,326,475	619,283
Public works	10,699,811	10,302,190	9,716,904	585,286
Public health & welfare	10,237,401	10,910,884	10,412,765	498,119
Recreation & culture	4,371,319	4,412,438	4,390,993	21,445
Public Transportation	7,386,450	7,129,369	7,031,084	98,285
General support	924,488	1,150,428	1,200,135	(49,707)
Capital outlay	7,603,000	5,883,527	4,425,376	1,458,151
Debt service:				
Principal	-	72,886	72,886	-
Interest and fiscal charges	-	6,690	6,690	-
Total expenditures	<u>88,926,070</u>	<u>90,014,599</u>	<u>85,670,916</u>	<u>4,343,683</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,299,071)</u>	<u>(8,179,247)</u>	<u>(3,580,362)</u>	<u>4,598,885</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,436,000	10,356,000	10,505,282	149,282
Transfers out	(931,000)	(5,068,235)	(5,143,362)	(75,127)
Capital lease	-	164,456	164,456	-
Total other financing sources (uses)	<u>8,505,000</u>	<u>5,452,221</u>	<u>5,526,376</u>	<u>74,155</u>
Net change in fund balances	<u>\$ 205,929</u>	<u>\$ (2,727,026)</u>	1,946,014	<u>\$ 4,673,040</u>
Fund balance - beginning of year			37,230,038	
Fund balance - end of year			<u>\$ 39,176,052</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, 2015

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
ASSETS								
Current assets								
Cash	\$ -	\$ 50	\$ 50	\$ -	\$ 300	\$ 4,897,541	\$ 50	\$ 4,897,991
Equity in pooled investments	17,843,899	16,267,893	13,184,571	323,830	987,887	19,382	1,348,758	49,976,220
Receivables (net of allowance for uncollectibles):								
Interest	26,921	32,984	29,138	-	-	-	-	89,043
Special assessments	-	-	-	-	-	-	24,179	24,179
Taxes	7,368	-	-	-	-	-	-	7,368
Accounts	572,865	1,553,356	1,008,519	155,351	983,198	344,712	429,003	5,047,004
Intergovernmental	345,137	-	-	-	-	-	-	345,137
Advances to other funds	-	-	-	-	53,230	-	-	53,230
Inventory	-	237,096	-	-	-	44,933	338,211	620,240
Prepaid expenses	21,072	69,778	33,018	6,944	81,330	188,495	11,729	412,366
Restricted equity in pooled investments	-	3,846,612	-	-	532,864	-	-	4,379,476
Total current assets	18,817,262	22,007,769	14,255,296	486,125	2,638,809	5,495,063	2,151,930	65,852,254
Noncurrent assets								
Restricted assets								
Equity in pooled investments	-	50,401	-	-	-	-	-	50,401
Investments	-	-	-	-	-	38,451,770	-	38,451,770
Prepaid expenses	-	37,768	-	-	-	-	-	37,768
Capital assets								
Land	8,516,547	4,657,945	583,744	24,338,069	3,495,458	-	-	41,591,763
Right of way	-	-	289,090	130,946	-	-	-	420,036
Construction in progress	1,134,528	32,202,940	5,061,874	111,001	-	3,945,881	-	42,456,224
Intangible	-	500,000	-	-	-	-	-	500,000
Buildings	26,998,357	85,714,229	31,550,528	-	5,699,195	58,256,248	-	208,218,557
Improvements other than buildings	2,118,927	1,664,512	2,068,043	2,784,026	12,688,827	4,715,233	-	26,039,568
Machinery and equipment	9,784,781	7,017,163	11,945,483	4,838,157	17,990,074	17,884,647	1,569,962	71,030,267
Infrastructure	93,655,619	122,807,953	129,478,449	189,829,389	6,158	-	34,960,281	570,737,849
Less accumulated depreciation	(54,610,957)	(55,848,021)	(57,677,917)	(58,475,705)	(18,202,945)	(46,450,260)	(16,532,426)	(307,798,231)
Total capital assets (net of accumulated depreciation)	87,597,802	198,716,721	123,299,294	163,555,883	21,676,767	38,351,749	19,997,817	653,196,033
Total noncurrent assets	87,597,802	198,804,890	123,299,294	163,555,883	21,676,767	76,803,519	19,997,817	691,735,972
Total assets	106,415,064	220,812,659	137,554,590	164,042,008	24,315,576	82,298,582	22,149,747	757,588,226
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources related to pension	167,076	388,029	180,704	31,778	411,574	-	95,633	1,274,794
Total deferred outflows of resources	167,076	388,029	180,704	31,778	411,574	-	95,633	1,274,794

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, 2015

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
LIABILITIES								
Current liabilities								
Vouchers payable	\$ 226,175	\$ 427,247	\$ 405,640	\$ 19,957	\$ 372,253	\$ 1,159,004	\$ 194,425	\$ 2,804,701
Retainage payable	32,443	-	-	-	-	144,424	-	176,867
Interest payable	-	25,041	53,126	133,445	143,595	53,473	-	408,680
Accrued payroll	61,848	107,877	51,090	11,323	110,968	151,896	32,392	527,394
Current portion of special assessments	-	18,688	46,403	98,393	160,495	13,363	-	337,342
Current portion of capital lease	-	-	74,033	-	615,172	1,150,000	-	1,839,205
Accrued vacation payable	126,723	199,351	106,738	35,936	205,794	-	60,240	734,782
Unearned revenue	-	-	-	-	-	2,886,822	-	2,886,822
Deposits	-	-	-	-	-	15,335	-	15,335
Current liabilities payable from restricted assets:								
Current portion of long-term debt	-	3,650,000	-	-	503,356	-	-	4,153,356
Accrued interest and other	-	196,612	-	-	29,508	-	-	226,120
Total current liabilities	<u>447,189</u>	<u>4,624,816</u>	<u>737,030</u>	<u>299,054</u>	<u>2,141,141</u>	<u>5,574,317</u>	<u>287,057</u>	<u>14,110,604</u>
Noncurrent liabilities								
Landfill closure accruals	-	-	-	-	3,812,379	-	-	3,812,379
Long-term debt, net of current portion:								
Special assessments payable	-	488,927	917,615	2,492,698	2,068,180	423,061	-	6,390,481
Capital lease	-	-	104,846	-	1,501,492	1,180,000	-	2,786,338
Revenue bonds, net of deferred amount of refunding	-	4,133,659	-	-	3,271,644	-	-	7,405,303
Notes payable	-	-	-	-	2,400,000	-	-	2,400,000
Net pension liability	1,276,861	2,894,628	1,365,356	275,921	3,033,900	-	731,088	9,577,754
Total noncurrent liabilities	<u>1,276,861</u>	<u>7,517,214</u>	<u>2,387,817</u>	<u>2,768,619</u>	<u>16,087,595</u>	<u>1,603,061</u>	<u>731,088</u>	<u>32,372,255</u>
Total liabilities	<u>1,724,050</u>	<u>12,142,030</u>	<u>3,124,847</u>	<u>3,067,673</u>	<u>18,228,736</u>	<u>7,177,378</u>	<u>1,018,145</u>	<u>46,482,859</u>
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflows of resources related to pension	82,954	160,533	82,620	30,770	153,779	-	47,582	558,238
Total deferred outflows of resources	<u>82,954</u>	<u>160,533</u>	<u>82,620</u>	<u>30,770</u>	<u>153,779</u>	<u>-</u>	<u>47,582</u>	<u>558,238</u>
NET POSITION								
Net investment in capital assets	87,597,802	194,360,228	122,156,397	160,964,792	11,689,292	35,585,325	19,997,817	632,351,653
Restricted for:								
Debt service	-	3,934,781	-	-	532,864	-	-	4,467,645
Capital improvements	-	-	-	-	-	38,451,770	-	38,451,770
Unrestricted	17,177,334	10,603,116	12,371,430	10,551	(5,877,521)	1,084,109	1,181,836	36,550,855
Total net position	<u>\$ 104,775,136</u>	<u>\$ 208,898,125</u>	<u>\$ 134,527,827</u>	<u>\$ 160,975,343</u>	<u>\$ 6,344,635</u>	<u>\$ 75,121,204</u>	<u>\$ 21,179,653</u>	<u>\$ 711,821,923</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, 2015

Business Type Activities-Proprietary Funds

	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total
OPERATING REVENUES								
Charges for services	\$ 8,546,795	\$ 19,134,802	\$ 10,328,605	\$ 1,602,497	\$ 11,850,605	\$ 6,069,576	\$ 3,923,673	\$ 61,456,553
OPERATING EXPENSES								
Personnel services	2,122,052	3,737,155	1,782,424	532,107	4,016,309	2,631,502	1,229,962	16,051,511
Other services	1,952,742	2,322,527	2,107,667	141,679	2,237,033	2,694,674	853,594	12,309,916
Materials and supplies	274,720	3,544,978	1,754,092	152,722	2,254,029	78,408	1,564,694	9,623,643
Depreciation	3,910,824	4,155,446	3,909,220	4,129,293	2,009,773	2,384,564	1,485,955	21,985,075
Total operating expenses	8,260,338	13,760,106	9,553,403	4,955,801	10,517,144	7,789,148	5,134,205	59,970,145
Operating income (loss)	286,457	5,374,696	775,202	(3,353,304)	1,333,461	(1,719,572)	(1,210,532)	1,486,408
NONOPERATING REVENUES (EXPENSES)								
Gain (loss) on disposal of assets	97,614	2,748	(73,919)	(174,601)	(34,409)	-	51,660	(130,907)
Investment income (expense)	93,004	99,409	85,045	-	-	130,428	-	407,886
Interest expense and bond fees	(215,735)	(421,266)	(260,800)	(126,785)	(281,505)	(104,792)	-	(1,410,883)
Amortization expense	(7,619)	(18,884)	-	-	-	-	-	(26,503)
General property tax revenue	744,009	-	-	-	-	-	-	744,009
Miscellaneous revenue (expense)	7,146	159,716	-	-	50,790	539	390	218,581
Sale of byproducts	-	-	847,928	-	335,117	-	-	1,183,045
Total nonoperating revenues (expenses)	718,419	(178,277)	598,254	(301,386)	69,993	26,175	52,050	985,228
Income (loss) before contributions and transfers	1,004,876	5,196,419	1,373,456	(3,654,690)	1,403,454	(1,693,397)	(1,158,482)	2,471,636
Capital contributions	4,217,388	28,728,855	9,322,352	12,902,339	-	-	3,747,570	58,918,504
Transfers in:								
Debt Service	-	-	4,808,000	-	-	-	-	4,808,000
Capital projects	-	-	713,125	-	-	-	-	713,125
Enterprise	-	1,300,000	-	-	-	-	530,000	1,830,000
Transfers out:								
General	(50,000)	(3,255,000)	(2,485,000)	(315,000)	(2,421,283)	(50,000)	(546,000)	(9,122,283)
Capital projects	-	(1,303,713)	(756,055)	(442,700)	-	-	-	(2,502,468)
Enterprise	-	-	(1,565,000)	-	(190,000)	-	-	(1,755,000)
Change in net position	5,172,264	30,666,561	11,410,878	8,489,949	(1,207,829)	(1,743,397)	2,573,088	55,361,514
Total net position - beginning - as restated	99,602,872	178,231,564	123,116,949	152,485,394	7,552,464	76,864,601	18,606,565	656,460,409
Total net position - ending	<u>\$ 104,775,136</u>	<u>\$ 208,898,125</u>	<u>\$ 134,527,827</u>	<u>\$ 160,975,343</u>	<u>\$ 6,344,635</u>	<u>\$ 75,121,204</u>	<u>\$ 21,179,653</u>	<u>\$ 711,821,923</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 CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015**

Business-type activities - Enterprise Funds								
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers and users	\$ 8,564,948	\$ 19,065,933	\$ 10,314,606	\$ 1,599,223	\$ 11,799,295	\$ 6,627,658	\$ 3,946,031	\$ 61,917,694
Payments to suppliers	(2,588,964)	(5,770,275)	(3,735,521)	(290,708)	(3,858,482)	(2,624,157)	(2,296,338)	(21,164,445)
Payments to employees	(1,551,313)	(2,646,560)	(1,243,477)	(401,651)	(2,812,022)	(2,595,149)	(894,547)	(12,144,719)
Payments of benefits on behalf of employees	(456,734)	(926,364)	(439,701)	(94,533)	(1,021,083)	-	(285,249)	(3,223,664)
Net cash provided (used) by operating activities	<u>3,967,937</u>	<u>9,722,734</u>	<u>4,895,907</u>	<u>812,331</u>	<u>4,107,708</u>	<u>1,408,352</u>	<u>469,897</u>	<u>25,384,866</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers to other funds	(50,000)	(4,558,713)	(4,806,055)	(757,700)	(2,611,283)	(50,000)	(546,000)	(13,379,751)
Transfers from other funds	-	1,300,000	5,521,125	-	-	-	530,000	7,351,125
Property taxes	746,078	-	-	-	-	-	-	746,078
Payments received on interfund borrowing	-	1,198,496	-	-	-	-	-	1,198,496
Payments made for interfund borrowing	-	-	-	-	(834,281)	-	-	(834,281)
Net cash provided (used) by noncapital financing activities	<u>696,078</u>	<u>(2,060,217)</u>	<u>715,070</u>	<u>(757,700)</u>	<u>(3,445,564)</u>	<u>(50,000)</u>	<u>(16,000)</u>	<u>(4,918,333)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from sale of assets	1,215,363	2,749	-	-	7,473	-	51,660	1,277,245
Proceeds from byproduct sales	-	-	847,928	-	335,117	-	-	1,183,045
Proceeds from notes payable	-	-	-	-	2,875,000	-	-	2,875,000
Acquisition of capital assets	(5,253,119)	(298,030)	(59,577)	-	(755,027)	(2,024,396)	(304,482)	(8,694,631)
Debt service - principal	(5,125,000)	(3,482,527)	(5,133,230)	(83,908)	(1,352,316)	(1,132,538)	-	(16,309,519)
Debt service - interest & fees	(288,339)	(511,288)	(303,958)	(129,308)	(251,640)	(117,517)	-	(1,602,050)
Intergovernmental capital grants	4,245,061	-	-	-	-	-	12,709	4,257,770
Net cash provided (used) by capital and related financing activities	<u>(5,206,034)</u>	<u>(4,289,096)</u>	<u>(4,648,837)</u>	<u>(213,216)</u>	<u>858,607</u>	<u>(3,274,451)</u>	<u>(240,113)</u>	<u>(17,013,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income (expense)	85,295	30,925	65,389	-	-	1,100	-	182,709
Investments redeemed	18,300,623	16,701,110	12,145,367	482,415	-	2,896,744	1,134,974	51,661,233
Investments (purchased)	(17,843,899)	(20,105,456)	(13,172,896)	(323,830)	(1,520,751)	(19,382)	(1,348,758)	(54,334,972)
Net cash provided (used) by investing activities	<u>542,019</u>	<u>(3,373,421)</u>	<u>(962,140)</u>	<u>158,585</u>	<u>(1,520,751)</u>	<u>2,878,462</u>	<u>(213,784)</u>	<u>(2,491,030)</u>
Net change in cash and cash equivalents	-	-	-	-	-	962,363	-	962,363
Cash and cash equivalents, January 1	-	50	50	-	300	3,935,178	50	3,935,628
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 4,897,541</u>	<u>\$ 50</u>	<u>\$ 4,897,991</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, 2015

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)	\$ 286,457	\$ 5,374,696	\$ 775,202	\$ (3,353,304)	\$ 1,333,461	\$ (1,719,572)	\$ (1,210,532)	\$ 1,486,408
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	3,910,824	4,155,446	3,909,220	4,129,293	2,009,773	2,384,564	1,485,955	21,985,075
Change in assets and liabilities								
Accounts receivable	29,694	(68,869)	(13,999)	(3,274)	(51,310)	(27,640)	21,273	(114,125)
Specials receivable	-	-	-	-	-	-	1,085	1,085
Inventories	-	(7,619)	-	-	-	4,388	44,279	41,048
Prepaid expenses	(14,611)	(26,538)	(11,541)	(3,439)	(7,144)	21,437	(129)	(41,965)
Accounts payable	(85,091)	131,387	137,779	7,132	(64,562)	108,100	77,800	312,545
Retainage payable	(261,800)	-	-	-	-	15,000	-	(246,800)
Landfill closure accruals	-	-	-	-	704,286	-	-	704,286
Payroll payable	8,868	15,100	6,371	(1,832)	15,338	36,353	5,681	85,879
Vacation payable	36,749	(15,742)	8,348	2,852	9,476	-	6,029	47,712
Unearned revenue	(11,541)	-	-	-	-	600,857	-	589,316
Deposits	-	-	-	-	-	(15,135)	-	(15,135)
Net pension liability	68,388	164,873	84,527	34,903	158,390	-	38,456	549,537
Total adjustments	<u>3,681,480</u>	<u>4,348,038</u>	<u>4,120,705</u>	<u>4,165,635</u>	<u>2,774,247</u>	<u>3,127,924</u>	<u>1,680,429</u>	<u>23,898,458</u>
Net cash provided (used) by operating activities	<u>\$ 3,967,937</u>	<u>\$ 9,722,734</u>	<u>\$ 4,895,907</u>	<u>\$ 812,331</u>	<u>\$ 4,107,708</u>	<u>\$ 1,408,352</u>	<u>\$ 469,897</u>	<u>\$ 25,384,866</u>
Noncash transactions affecting financial position:								
Acquisition of / change in assets through capital contributions and donations	\$ -	\$ 28,728,885	\$ 9,322,352	\$ 12,902,339	\$ -	\$ -	\$ 3,734,861	\$ 54,688,437
Acquisition of assets through acquisition of debt	\$ -	\$ 37,027	\$ 14,088	\$ 38,583	\$ 1,742,762	\$ -	\$ -	\$ 1,832,460
Change in fair value of investments	\$ -	\$ 59,450	\$ 11,675	\$ -	\$ -	\$ -	\$ -	\$ 71,125

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, 2015

	Pension Trust	Agency
ASSETS		
Cash	\$ 288,998	\$ 13,820
Equity in pooled investments	122,675	785,408
Receivables:		
Accounts receivable	32,067	7,448,325
Special assessments	-	6,864,680
Intergovernmental	-	60,588,413
Interest	29,851	-
Total receivables	61,918	74,901,418
Investments, at fair value:		
Mutual funds	86,674,526	-
Total investments	86,674,526	-
Total assets	\$ 87,148,117	\$ 75,700,646
LIABILITIES		
Vouchers and benefits payable	\$ 29,058	\$ 187,516
Due to other governments	-	65,173,668
Due to primary government	-	9,540,236
Deposits	-	256,275
Total liabilities	\$ 29,058	\$ 75,157,695
NET POSITION		
Held in trust for pension benefits	\$ 87,119,059	\$ 542,951

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, 2015

	Pension Trust
ADDITIONS	
Contributions	
Employer	\$ 4,289,363
Employee	1,652,712
Total contributions	5,942,075
Investment income	
Net depreciation in fair value of investments	386,804
Less investment expense	(317,885)
Net investment income (loss)	68,919
Total additions (deductions)	6,010,994
DEDUCTIONS	
Pension benefit payments	5,669,300
Member contribution refunds	160,564
Administrative expenses	79,631
Total deductions	5,909,495
Change in net position	101,499
Total net position - beginning	87,017,560
Total net position - ending	\$ 87,119,059

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, 2015**

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.

For the year ended December 31, 2015, the City of Fargo adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the costs and obligations associated with pension in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 4.K. and the additional disclosures required by these standards are included in Note 5.B. and the required supplementary information.

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

GASB Statement No. 72, *Fair Value Measurement and Application*, will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This statement will also enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. This statement will be implemented by the City in the year ended December 31, 2016.

Management has not yet determined the effect this statement 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, 2015**

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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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:

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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.

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 2015 were fifty-seven 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 10th 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:

<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

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

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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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

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

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

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

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANANATION 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 \$638,169,047 difference are as follows:

Bonds payable	\$ 478,213,000
Notes payable	126,954,821
Capital leases	322,749
December 31, 2015 long-term debt outstanding	<u>\$ 605,490,570</u>
Accrued interest payable	3,683,198
Bond premium	25,609,116
Accumulated unpaid vacation	3,469,100
Bond discount and bond insurance	(82,937)
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 638,169,047</u></u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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 \$75,871,449 difference are as follows:

Capital Outlay	\$ 91,605,305
Plus: assets transferred in from enterprise funds	111,318
Plus: prior year construction in progress added as asset in current year	1,380,936
Capital asset increases per footnote 4.C	\$ 93,097,559
Less: assets transferred in from enterprise funds	(111,318)
Less: prior year construction in progress added as asset in current year	(1,380,936)
Depreciation expense	(15,733,856)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 75,871,449</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 \$120,859,718 difference are as follows:

Bonded debt issued	\$ (78,480,000)
Premium on bonded debt issued	(5,350,307)
Bonded debt principal payments	17,054,000
Capital lease proceeds	(164,456)
Capital lease payment	72,886
Loan proceeds	(59,753,882)
Loan payments	5,762,041
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (120,859,718)</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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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 \$275,667 are as follows:

Compensated absences	\$ (128,651)
Accrued interest	(852,413)
Amortization of bond discounts and bond insurance	(6,950)
Amortization of bond premium	1,263,681
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 275,667</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

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

1. According to City charter, the Mayor submits a proposed budget each 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 prior to the final budget adoption. .
4. The budget is legally enacted through the passage of a budget ordinance no later than October 7.
5. Budgets are adopted for the general, special revenue, and debt service.
6. The legal level of budgetary control is at the fund level. The Finance Director may approve transfers of budgeted amounts between departments within a given fund. Any transfers of budgeted amounts and any revisions that alter the total expenditures of any fund must be approved by the City Commission.
7. Formal budgetary integration is employed as a management control device during the period for the general fund, special revenue funds and the debt service fund at the fund level. Any expenditures in excess of current year's budget must be approved by the Finance Committee and the City Commission. Supplemental appropriations granted for the 2015 year include \$1,196,828 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 \$2,063,907 for the year ended December 31, 2015.

**CITY OF FARGO, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
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B. EXCESS OF EXPENDITURES OVER BUDGET

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

Special Revenue Funds		
Downtown Business Improvement District	\$	83,531
Regional Training Center		11,885
Parking Authority		130,110
Community Development		364,682
Skyway Maintenance		477
Baseball Stadium		49,092
Debt Service Fund	\$	268,953

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

C. NET POSITION/FUND BALANCE DEFICITS

Governmental Funds		
Special Revenue Funds		
Baseball Stadium	1,233,295	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.

D. NET POSITION RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net position reports \$79,495,011 of restricted net position, of which \$45,515,383 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, 2015, the carrying amount of the City's deposits was \$91,875,276 and the bank balance was \$96,191,313. 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, 2015, 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.

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.

**CITY OF FARGO, NORTH DAKOTA
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- k. Asset-backed securities (ABS) rated a minimum of AA long-term or A-1 short-term, or its equivalent, from any nationally recognized statistical rating organization (NRSRO). Pension funds may purchase any investments authorized by the Pension Boards.

The North Dakota Retirement and Investment Office (NDRIO) manages the FargoDome capital escrow investments 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 the amount of credit risk to the portfolio. The chart below summarizes the credit quality of the City's investment holdings.

Investment Type	Credit Rating	Fair Value	Investment Maturities (in years)				
			Not Applicable	< 1	1 - 5	> 5 - 10	> 10
Corporate Bonds	AAA	\$ 6,585,254	\$ -	\$ 80,174	\$ 6,505,080	\$ -	\$ -
Corporate Bonds	AA1	2,542,739	-	-	2,542,739	-	-
Corporate Bonds	AA3	3,732,424	-	-	3,732,424	-	-
Corporate Bonds	A1	7,906,579	-	-	7,906,579	-	-
Corporate Bonds	A2	6,293,942	-	-	6,293,942	-	-
Corporate Bonds	A3	1,296,954	-	-	1,296,954	-	-
Corporate Bonds	BAA1	733,477	-	-	733,477	-	-
Money Market Funds	AAA	16,119,871	16,119,871	-	-	-	-
Money Market Funds	N/A	42,958,455	42,958,455	-	-	-	-
Municipal Bond	AA2	624,543	-	-	624,543	-	-
Municipal Bond	AA3	1,289,021	-	933,776	355,245	-	-
U.S. Agencies	AAA	6,335,680	-	2,039,996	4,295,684	-	-
U.S. Agencies	NA	5,373,337	-	-	3,444,316	678,334	1,250,687
U.S. Treasuries	AAA	36,848,589	-	13,808,525	23,040,064	-	-
Bond Mutal Funds	N/A	24,336,666	-	1,206,668	2,320,261	20,809,737	-
CDs	N/A	16,569,112	-	3,997,238	12,571,874	-	-
Corporate Commercial Paper	N/A	7,489,900	-	7,489,900	-	-	-
Equity Mutual Funds	N/A	62,337,860	62,337,860	-	-	-	-
External Investment Pool *	N/A	38,454,560	38,454,560	-	-	-	-
		\$ 287,828,962	\$ 159,870,746	\$ 29,556,277	\$ 75,663,181	\$ 21,488,071	\$ 1,250,687

* - The weighted average maturity of the portion of the external investment pool subject to maturity is 7.76 years.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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, 2015.

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, 2015, the City has the following foreign currency risk exposure on investments.

Currency	All values in \$000			
	Short term	Debt	Equity	Total
Australian dollar	\$ -	\$ -	\$ 172	\$ 172
Brazilian real	1	-	6	7
British pound sterling	3	-	873	876
Canadian dollar	-	-	77	77
Israeli shekel	-	-	33	33
Danish krone	-	-	103	103
Euro	(14)	16	1,343	1,345
Hong Kong dollar	3	-	265	268
Japanese yen	12	2	1,014	1,028
New Zealand dollar	-	-	9	9
Norwegian krone	2	-	84	86
Singapore dollar	-	-	47	47
South African rand	(1)	-	9	8
South Korean won	-	-	3	3
Swedish krona	-	-	147	147
Swiss franc	-	-	399	399
International comingled funds	-	-	1,261	1,261
	<u>\$ 6</u>	<u>\$ 18</u>	<u>\$ 5,845</u>	<u>\$ 5,869</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

B. RECEIVABLES

Loans receivable as of December 31, 2015 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	3%	8/2/2021	\$ 216,411
Neighborhood Revitalization Initiative (NRI)	2 - 4 %	6/1/16 - 8/1/21	32,843
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	15,500
HUD HOME	3%	6/1/16 - 2/1/17	1,470,171
HUD HOME	0%	Due Upon Sale	620,000
Total loans receivable			<u>\$ 2,354,925</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, \$1,676,174 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 59,243,761	\$ 4,031,793	\$ -	\$ 63,275,554
Right of Way	7,874,570	538,433	-	8,413,003
Construction in progress	9,143,393	5,409,016	3,188,711	11,363,698
Total capital assets, not being depreciated	76,261,724	9,979,242	3,188,711	83,052,255
Capital assets, being depreciated				
Buildings	76,252,454	464,340	8,750	76,708,044
Improvements other than buildings	1,101,349	20,750	-	1,122,099
Machinery and equipment	50,617,345	6,523,004	2,173,270	54,967,079
Infrastructure	339,162,422	68,412,298	55,327,571	352,247,149
Flood control	32,523,958	7,697,925	-	40,221,883
Total capital assets being depreciated	499,657,528	83,118,317	57,509,591	525,266,254
Less accumulated depreciation for:				
Buildings	31,449,424	1,878,435	8,750	33,319,109
Improvements other than buildings	392,181	54,419	-	446,600
Machinery and equipment	33,757,772	4,758,117	1,872,400	36,643,489
Infrastructure	129,144,284	8,781,354	639,166	137,286,472
Flood control	743,003	372,849	-	1,115,852
Total accumulated depreciation	195,486,664	15,845,174	2,520,316	208,811,522
Total capital assets, being depreciated, net	304,170,864	67,273,143	54,989,275	316,454,732
Governmental activities capital assets, net	\$ 380,432,588	\$ 77,252,385	\$ 58,177,986	\$ 399,506,987

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

Governmental activities:	
General government	\$ 993,683
Public safety	1,546,063
Public works	10,243,425
Public health & welfare	172,177
Recreation & culture	760,953
Urban development	70,546
Transportation	1,947,009
Total depreciation expense - governmental activities	\$ 15,733,856
Accumulated depreciation recorded through asset transfers from business-type activities	111,318
	\$ 15,845,174

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 40,568,220	\$ 1,023,543	\$ -	\$ 41,591,763
Intangible - Right-of -way Easements	420,036	-	-	420,036
Construction in progress	20,460,433	29,833,580	7,837,789	42,456,224
Intangible - Water rights	500,000	-	-	500,000
Total capital assets, not being depreciated	61,948,689	30,857,123	7,837,789	84,968,023
Capital assets, being depreciated				
Buildings	209,232,007	196,550	1,210,000	208,218,557
Improvements other than buildings	25,428,870	610,698	-	26,039,568
Machinery and equipment	67,030,977	5,304,823	1,305,533	71,030,267
Infrastructure	535,239,815	36,137,526	639,492	570,737,849
Total capital assets being depreciated	836,931,669	42,249,597	3,155,025	876,026,241
Less accumulated depreciation for:				
Buildings	73,694,685	4,575,364	92,250	78,177,799
Improvements other than buildings	8,379,028	1,119,871	-	9,498,899
Machinery and equipment	45,312,451	4,388,979	1,136,297	48,565,133
Infrastructure	160,120,431	11,900,861	464,892	171,556,400
Total accumulated depreciation	287,506,595	21,985,075	1,693,439	307,798,231
Total capital assets, being depreciated, net	549,425,074	20,264,522	1,461,586	568,228,010
Business-type activities capital assets, net	\$ 611,373,763	\$ 51,121,645	\$ 9,299,375	\$ 653,196,033

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

Business-type activities:	
Airport	\$ 3,910,824
Water	4,155,447
Wastewater	3,909,219
Storm sewer	4,129,293
Vector control	5,309
Street lighting	1,420,132
Solid waste	2,009,773
Forestry	60,514
Fargodome	2,384,564
Total depreciation expense - business-type activities	\$ 21,985,075

D. COMMITMENTS

Construction

As of December 31, 2015, the City had commitments on various construction contracts totaling approximately \$145,188,207.

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 all or portions of 17 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, are presently fully constructed and partially filled. Cells 13 through 17 are partially constructed and partially filled. Based upon design capacity, the landfill is 69.33% full (acres), and based upon present utilization rates; the remaining capacity of the landfill is estimated at 5.57 years. The estimated liability for landfill closure and post closure care is \$3,812,379 as of December 31, 2015. The City will recognize the remaining estimated cost of closure and post closure care 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, 2015. 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 25 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.

**CITY OF FARGO, NORTH DAKOTA
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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, 2015, is as follows:

	Receivable	Payable
Nonmajor governmental - City Share of Specials	\$ 39,500	\$ -
Nonmajor governmental - Community Development	-	25,712
Nonmajor governmental - Convention & Visitors Bureau	-	13,788
Interfund totals	<u>\$ 39,500</u>	<u>\$ 39,500</u>

At December 31, 2015, the inter-fund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2015
General fund	\$ 2,298,802	\$ 1,114,105	\$ 1,184,697
Solid waste fund	1,200,000	1,146,770	53,230
Subtotal baseball advances	<u>\$ 3,498,802</u>	<u>\$ 2,260,875</u>	<u>\$ 1,237,927</u>
General fund - parking authority debt defeasance advance	<u>\$ 765,000</u>	<u>\$ 210,000</u>	<u>\$ 555,000</u>
Total advances	<u>\$ 4,263,802</u>	<u>\$ 2,470,875</u>	<u>\$ 1,792,927</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 parking authority debt defeasance advance will be repaid by future parking authority revenue.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Interfund Transfers:

	Transfer In:							Total
	Major Funds				Nonmajor Funds			
	General	Debt Service	Capital Projects	Water	Wastewater	Governmental	Enterprise	
Transfer Out:								
Major Funds:								
General	\$ -	\$ 793,401	\$ 4,237,235	\$ -	\$ -	\$ 112,726	\$ -	\$ 5,143,362
Debt Service	1,457,999	-	15,656,559	-	4,808,000	33,172	-	21,955,730
Capital Projects	-	2	-	-	713,125	-	-	713,127
Airport	50,000	-	-	-	-	-	-	50,000
Water	3,255,000	-	1,303,713	-	-	-	-	4,558,713
Wastewater	2,485,000	-	756,055	1,300,000	-	-	265,000	4,806,055
Storm Sewer	315,000	-	442,700	-	-	-	-	757,700
Solid Waste	2,421,283	-	-	-	-	-	190,000	2,611,283
FargoDome	50,000	-	-	-	-	-	-	50,000
Nonmajor Funds:								
Governmental	-	60,263	26,188	-	-	36,000	-	122,451
Enterprise	471,000	-	-	-	-	-	75,000	546,000
Total	\$ 10,505,282	\$ 853,666	\$ 22,422,450	\$ 1,300,000	\$ 5,521,125	\$ 181,898	\$ 530,000	\$ 41,314,421

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 \$379,902 for the year ended December 31, 2015. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2016	\$ 304,594
2017	281,651
2018	259,992
2019	197,802
2020	46,514
	\$ 1,090,553

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Capital Leases

The City is obligated to the following capital lease agreements:

BUSINESS-TYPE	Remaining Balance
SOLID WASTE ENTERPRISE FUND	
Duratech Tub Grinder	\$ 191,929
Labrie Expert Automated Packer	120,521
Loadmaster Excel Rear Loader	60,600
Peterbilt with Sideloader	133,968
Peterbilt with Sidewinder	134,229
Curbside Recycling Truck	94,277
Peterbilt 320 Chassis	174,412
Peterbilt 320 Chassis	174,412
International Refuse Box (2)	248,573
Wildcat Compost Turner	166,017
Caterpillar D8 Dozer	617,726
WASTEWATER ENTERPRISE FUND	
CAT Wheel Loader	\$ 36,786
Ford F450 Cab/Chassis	41,564
Rolloff Truck	100,528
FARGODOME ENTERPRISE FUND	
Turf and Parking Lot	\$ 2,330,000
Total Business-Type	\$ 4,625,543
GOVERNMENTAL	
Ford Explorer	6,259
Motor Grader	185,278
Canon Copier	2,756
JD Motor Grader	128,456
Total Governmental	\$ 322,749

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 516,778	\$ 9,799,257
Less: Accumulated depreciation	(78,733)	(1,694,268)
Total	\$ 438,045	\$ 8,104,990

**CITY OF FARGO, NORTH DAKOTA
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DECEMBER 31, 2015**

Future Minimum Payments under the above capital lease agreements at December 31, 2015 are shown below:

	Governmental Activities	Business-type Activities
2016	\$ 78,057	\$ 1,976,392
2017	68,860	1,939,067
2018	68,860	532,911
2019	134,018	444,969
Total minimum lease payments	349,795	4,893,339
Less: amount representing interest	(27,045)	(267,796)
Present value of minimum lease payments	\$ 322,749	\$ 4,625,543

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 \$165,246. 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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

The asset leased to NDSU is as follows:

	Business-type Activity
Asset:	
Fargodome	\$ 58,256,248
Less: Accumulated depreciation	(29,969,670)
Total	<u>\$ 28,286,578</u>

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

2016	\$ 218,844
2017	80,672
	<u>\$ 299,516</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 29th of each year through the end of each baseball season. The lessee will pay the City funds raised from private suite and VIP seat licenses. A 30% commission from these revenue sources will be paid to the lessee by the City according to the lease agreement. The lessee retains the exclusive rights to the concession operations during the lease period. The lessee has responsibility for normal maintenance of the stadium and the lessor has responsibility for major structural improvements, maintenance and insurance.

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

The leased asset is as follows:

	<u>Governmental Activity</u>
Asset:	
Baseball stadium	\$ 5,266,692
Less: Accumulated depreciation	<u>(2,186,995)</u>
Total	<u>\$ 3,079,697</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:

2016	\$ 45,684
2017	45,684
2018	45,684
2019	45,684
2020	45,684
Thereafter	<u>296,946</u>
	<u>\$ 525,366</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

G. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2015:

	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015	Due within one year
GOVERNMENTAL ACTIVITIES					
Improvement bonds	\$ 332,360,000	\$ 68,250,000	\$ 13,850,000	\$ 386,760,000	\$ 14,455,000
General obligation bonds	2,285,000	10,230,000	125,000	12,390,000	120,000
Sales tax revenue bonds	82,142,000	-	3,079,000	79,063,000	3,174,000
Total Bonds Payable	416,787,000	78,480,000	17,054,000	478,213,000	17,749,000
State revolving fund notes	63,409,403	9,684,907	4,951,075	68,143,235	5,085,000
Direct bank loan	6,000,000	50,000,000	545,000	55,455,000	555,000
Tax increment revenue notes	3,553,575	68,977	265,966	3,356,586	-
Total Notes Payable	72,962,978	59,753,884	5,762,041	126,954,821	5,640,000
Capital leases	231,179	164,456	72,886	322,749	68,352
Total Debt	489,981,157	138,398,340	22,888,927	605,490,570	23,457,352
Accumulated unpaid vacation	3,340,449	3,469,100	3,340,449	3,469,100	3,469,100
Unamortized premium on refunding	21,522,490	5,350,307	1,263,681	25,609,116	1,114,680
Net pension liability	51,524,022	12,565,284	1,656,897	62,432,409	-
TOTAL	\$ 566,368,118	\$ 159,783,031	\$ 29,149,954	\$ 697,001,195	\$ 28,041,132
	Balance 1/1/2015	Additions	Deletions	Balance 12/31/2015	Due within one year
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 16,785,000	\$ 2,875,000	\$ 8,695,000	\$ 10,965,000	\$ 3,853,356
Unamortized premium on refunding	452,028	-	158,369	293,659	146,829
Total Bonds Payable	17,237,028	2,875,000	8,853,369	11,258,659	4,000,185
State revolving fund notes payable	4,993,000	-	4,993,000	-	-
Direct bank loan	3,000,000	-	300,000	2,700,000	300,000
Total Notes Payable	7,993,000	-	5,293,000	2,700,000	300,000
Capital leases	4,848,864	1,742,762	1,966,083	4,625,543	1,839,205
Special assessments	6,916,821	107,181	296,179	6,727,823	337,342
Contract payable	62,472	-	62,472	-	-
Landfill closure/postclosure	3,108,093	704,286	-	3,812,379	-
Accumulated unpaid vacation	687,070	734,782	687,070	734,782	734,782
Net pension liability	8,311,661	1,901,929	635,836	9,577,754	-
TOTAL	\$ 49,165,009	\$ 8,065,940	\$ 17,794,009	\$ 39,436,940	\$ 7,211,514

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

Net pension liability was recorded at December 31, 2015 due to the implementation of *GASB Statement No. 68 Accounting and Financial Reporting for Pensions* and *GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date*.

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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
GOVERNMENTAL ACTIVITIES			
Improvement bonds (Special assessment debt)	0.80 - 6.00 %	\$ 440,260,000	\$ 386,760,000
General obligation bonds	2.00 - 4.00%	2,875,000	12,390,000
Sales tax revenue bonds	2.00 - 6.00%	83,887,000	79,063,000
TOTAL		<u>\$ 527,022,000</u>	<u>\$ 478,213,000</u>
BUSINESS-TYPE ACTIVITIES			
Water revenue bond	5.25%	\$ 28,065,000	\$ 7,490,000
Clean renewable energy bond	0.85%	1,500,000	600,000
Qualified Energy Conservation Bond	4.65%	2,875,000	2,875,000
TOTAL		<u>\$ 32,440,000</u>	<u>\$ 10,965,000</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, 2015, consist of two issues backed and serviced by sales tax, one issue backed and serviced by annual general fund revenue appropriations, and three issues backed and serviced by utility revenues, which include the Water Fund and Solid Waste Fund.

PLEGGED REVENUES

The City has pledged future sales tax revenues, net of specified operating expenses, to repay \$83.887 million in sales tax revenue bonds issued in 2013 and 2014. Proceeds from the bonds were used to finance the construction and installation of flood mitigation projects. Principal and interest paid for the current year was \$6,296,930. Net sales tax revenue totaled \$12,747,118 for the year.

The City has pledged future general fund appropriations to repay \$2.875 million in development bonds issued in 2009. Proceeds from the bond were used to finance the capital and equipment costs related to the construction of a new fire station in southwest Fargo. Principal and interest paid for the current year was \$196,731. Net general fund appropriations totaled \$196,731 for the year.

The City has pledged future water revenues to repay \$28.065 million in revenue bonds issued in 1997. Proceeds from the bond were used to finance construction of a water treatment plant. Principal and interest paid for the current year was \$3,863,225. Net water revenue totaled \$9,695,015 for the year.

The City has pledged future solid waste byproduct revenues to repay \$1.5 million in clean renewable energy bonds issued in 2007. Proceeds from the bond were used finance improvements to the landfill gas collection system. Principal and interest paid for the current year was \$105,950. Net solid waste byproduct revenue totaled \$335,117 for the year.

The City has pledged future landfill tipping fee revenue to repay \$2.875 million in qualified energy conservation taxable revenue bonds. Proceeds from the bond were used to finance the acquisition, installation and construction of equipment and facilities for the conversion of landfill gas to compressed natural gas. Principal and interest payments for this issue will begin in 2016.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Debt service maturities for these revenue bonds at December 31, 2015, are as follows:

Sales Tax			
Year	Principal	Interest	Total
2016	\$ 3,174,000	\$ 3,118,500	\$ 6,292,500
2017	3,280,000	3,015,560	6,295,560
2018	3,394,000	2,902,050	6,296,050
2019	3,519,000	2,774,065	6,293,065
2020	3,657,000	2,637,515	6,294,515
2021-2025	20,853,000	10,620,250	31,473,250
2026-2030	25,726,000	5,747,120	31,473,120
2031-2035	15,460,000	841,600	16,301,600
Totals	\$ 79,063,000	\$ 31,656,660	\$ 110,719,660

Water			
Year	Principal	Interest	Total
2016	\$ 3,650,000	\$ 297,413	\$ 3,947,413
2017	3,840,000	100,800	3,940,800
Totals	\$ 7,490,000	\$ 398,213	\$ 7,888,213

General Fund Appropriations			
Year	Principal	Interest	Total
2016	\$ 120,000	\$ 359,156	\$ 479,156
2017	555,000	369,441	924,441
2018	560,000	361,548	921,548
2019	570,000	351,633	921,633
2020	590,000	340,102	930,102
2021-2025	3,175,000	1,477,157	4,652,157
2026-2030	3,520,000	958,404	4,478,404
2031-2035	3,300,000	383,170	3,683,170
Totals	\$ 12,390,000	\$ 4,600,611	\$ 16,990,611

Solid Waste			
Year	Principal	Interest	Total
2016	\$ 203,356	\$ 154,038	\$ 357,394
2017	278,012	134,358	412,370
2018	280,889	124,805	405,694
2019	283,812	115,111	398,923
2020	286,782	105,274	392,056
2021-2025	1,080,176	378,749	1,458,925
2026-2030	1,061,973	130,415	1,192,388
Totals	\$ 3,475,000	\$ 1,142,750	\$ 4,617,750

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, 2015, the statutory limit for the City was \$229,925,362 providing a debt margin of \$207,751,138. This calculation can be found in the statistical section of this report.

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, 2015, \$199,800,000 of bonds outstanding are considered to be defeased.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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. The balance of this contract payable was paid in full as of December 31, 2015.

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, 45th street corridor interceptor project, north side sewer service facility project, transmission lines south side system project, a water tower project, clarifier improvements to the wastewater system, a wastewater stabilization pond project and a water treatment plant. Future sales tax revenue has been pledged to repay these SRLF notes.

The City has issued seven 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.

The City has obtained financing through direct bank loans to finance the Fargo Cass Public Health Expansion and Relocation project, the Red River Regional Dispatch Center project, and the Solid Waste Baling Facility.

Details relative to the outstanding notes payable are shown below:

TYPE AND ISSUE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/15
GOVERNMENTAL ACTIVITIES				
SRLF Storm Sewer Project	9/1/2020	2.50%	\$ 1,816,295	\$ 540,000
SRLF Water Tower	9/1/2027	2.50%	2,270,000	1,720,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	1,260,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	40,717,633
SRLF Transmission Lines South Side System	9/1/2029	2.82%	29,240,000	8,800,422
SRLF Wastewater Clarifier Improvements	9/1/2029	0.50%	699,374	575,000
SRLF Wastewater Stabilization Ponds	9/1/2030	2.50%	4,071,140	3,315,000
SRLF Water Treatment Plant	9/1/2036	2.00%	66,352,000	11,215,180
TIF Revenue Notes	5/1/2038	6.00%	4,227,545	3,356,586
Direct Bank Loan - Fargo Cass Public Health Expansion and Relocation Project and Red River Regional Dispatch Center Project	5/1/2019	0.83% *	6,000,000	5,455,000
Direct Bank Loan - FM Diversion Financing	7/31/2017	0.69% *	50,000,000	50,000,000
TOTAL GOVERNMENTAL ACTIVITIES			\$ 230,031,354	\$ 126,954,821
BUSINESS-TYPE ACTIVITIES				
Direct Bank Loan - Baling Facility	12/1/2024	1.743% *	3,000,000	2,700,000
TOTAL BUSINESS-TYPE ACTIVITIES			\$ 3,000,000	\$ 2,700,000
TOTAL NOTES PAYABLE			\$ 233,031,354	\$ 129,654,821
* Variable rate note. Rate reported is as of December 31, 2015.				

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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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, 2015, are shown in the following table:

GOVERNMENTAL ACTIVITIES

	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 14,455,000	\$ 15,246,538	120,000	359,156
2017	15,755,000	14,709,720	555,000	369,441
2018	16,390,000	14,111,870	560,000	361,548
2019	17,860,000	13,491,120	570,000	351,633
2020	17,995,000	12,838,914	590,000	340,102
2021-2025	98,365,000	53,244,551	3,175,000	1,477,157
2026-2030	95,395,000	33,504,398	3,520,000	958,404
2031-2035	71,120,000	15,562,717	3,300,000	383,170
2036-2040	37,580,000	3,668,743	-	-
2041	1,845,000	34,594	-	-
	<u>\$ 386,760,000</u>	<u>\$ 176,413,165</u>	<u>\$ 12,390,000</u>	<u>\$ 4,600,611</u>

	Sales Tax Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2016	\$ 3,174,000	\$ 3,118,500	\$ 5,640,000	\$ 2,071,796
2017	3,280,000	3,015,560	54,519,920	1,762,887
2018	3,394,000	2,902,050	4,630,577	1,487,962
2019	3,519,000	2,774,065	7,913,399	1,382,289
2020	3,657,000	2,637,515	4,250,321	1,250,811
2021-2025	20,853,000	10,620,250	25,205,170	4,625,429
2026-2030	25,726,000	5,747,120	20,434,910	1,706,658
2031-2035	15,460,000	841,600	3,173,357	263,102
2036-2039	-	-	1,187,167	13,646
	<u>\$ 79,063,000</u>	<u>\$ 31,656,660</u>	<u>\$ 126,954,821</u>	<u>\$ 14,564,580</u>

BUSINESS-TYPE ACTIVITIES

	Revenue Bonds		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 3,853,356	\$ 451,451	\$ 300,000	\$ 47,906	\$ 337,342	\$ 353,281
2017	4,118,012	235,158	300,000	42,431	303,268	337,361
2018	280,889	124,805	300,000	36,956	315,934	320,386
2019	283,812	115,111	300,000	31,481	303,397	303,132
2020	286,782	105,274	300,000	26,006	283,909	286,887
2021-2025	1,080,176	378,749	1,200,000	49,275	1,556,348	1,200,447
2026-2030	1,061,973	130,415	-	-	1,803,689	750,748
2031-2035	-	-	-	-	1,277,900	316,401
2036-2039	-	-	-	-	546,036	55,975
	<u>\$ 10,965,000</u>	<u>\$ 1,540,963</u>	<u>\$ 2,700,000</u>	<u>\$ 234,055</u>	<u>\$ 6,727,823</u>	<u>\$ 3,924,618</u>

**CITY OF FARGO, NORTH DAKOTA
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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, 2015.

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/15
GOVERNMENTAL ACTIVITIES						
SPECIAL ASSESSMENT BONDS						
2014 Series D Refunding	Advance refunding of 2005 Series A	6/25/2014	5/1/2030	2.00 - 5.00	\$ 12,640,000	\$ 12,615,000
2005 Series B Refunding	Crossover refunding of 1997 Series A	12/15/2005	5/1/2018	4.00-4.25	10,675,000	1,345,000
2006 Series B	Infrastructure system construction	12/15/2006	5/1/2031	3.75-4.375	19,810,000	14,070,000
2006 Series C Refunding	Crossover refunding of Series 1999A, 2000B, and 2001B	12/15/2006	5/1/2018	3.75	6,465,000	1,580,000
2007 Series B	Infrastructure system construction	12/15/2007	5/1/2032	4.00-4.70	13,045,000	9,855,000
2008 Series E	Infrastructure system construction	12/19/2008	5/1/2033	4.00-6.00	26,285,000	21,345,000
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	5,250,000
2009 Series C	Infrastructure system construction	10/15/2009	5/1/2034	2.00-4.125	37,680,000	33,475,000
2014 Series E Refunding	Current refunding of 2010 Series B	9/4/2014	5/1/2035	2.00 - 5.00	19,440,000	18,825,000
2010 Series C Refunding	Crossover refunding of 2002 Series A	5/25/2010	5/1/2027	3.00-5.00	8,250,000	3,395,000
2011 Series A	Infrastructure system construction	5/15/2011	5/1/2036	2.00-5.00	19,180,000	17,485,000
2011 Series B	Infrastructure system construction	5/15/2011	5/1/2036	2.50-4.625	5,430,000	3,395,000
2011 Series C	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	20,965,000	19,400,000
2011 Series D	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	10,085,000	9,200,000
2011 Series E Refunding	Crossover refunding of 2003 Series A	12/15/2011	5/1/2028	2.00-3.25	9,515,000	8,385,000
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	31,815,000
2013 Series C	Infrastructure system construction	9/12/2013	5/1/2039	2.00 - 4.60	16,705,000	16,220,000
2014 Series D	Infrastructure system construction	6/25/2014	5/1/2039	2.00 - 5.00	39,760,000	38,865,000
2014 Series F	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 5.00	40,445,000	40,195,000
2014 Series G	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 4.25	8,355,000	8,255,000
2015 Series A Refunding	Crossover refunding of Series 2006B and 2007B	2/25/2015	5/1/2031	2.00 - 5.00	18,250,000	18,250,000
2015 Series B Refunding	Crossover refunding of Series 2008E	9/30/2015	5/1/2033	2.50 - 5.00	15,235,000	15,325,000
2015 Series D	Infrastructure system construction	11/18/2015	5/1/2041	3.00 - 5.00	34,675,000	34,675,000
					<u>\$ 440,260,000</u>	<u>\$ 386,760,000</u>
GENERAL OBLIGATION BONDS						
2009 Series B	Fire station and fire truck	10/15/2009	5/1/2029	2.00 - 4.00	\$ 2,875,000	\$ 2,160,000
2015 Series E	Parking Ramp	12/7/2015	12/1/2035	1.00 - 3.85	10,230,000	10,230,000
					<u>\$ 13,105,000</u>	<u>\$ 12,390,000</u>
SALES TAX INFRASTRUCTURE BONDS						
2013 Series A	Flood mitigation projects	3/27/2013	6/1/2033	3.00 - 4.00	\$ 51,375,000	\$ 47,820,000
2014 Series B	Flood mitigation projects	4/22/2014	6/1/2032	2.00 - 5.00	32,512,000	31,243,000
					<u>\$ 83,887,000</u>	<u>\$ 79,063,000</u>
TOTAL GOVERNMENTAL ACTIVITIES					<u>\$ 527,022,000</u>	<u>\$ 478,213,000</u>

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/15
BUSINESS-TYPE ACTIVITIES						
WATER FUND						
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	\$ 7,490,000
SOLID WASTE FUND						
Clean Renewable Energy Bond	Improvements to Landfill Gas Collection System	11/5/2007	12/15/2021	0.85	\$ 1,500,000	\$ 600,000
Qualified Energy Conservation Bond	Conversion of landfill gas to compressed natural gas for use in landfill generator	9/30/2015	5/1/2030	4.85	2,875,000	2,875,000
					<u>\$ 4,375,000</u>	<u>\$ 3,475,000</u>
TOTAL BUSINESS-TYPE ACTIVITIES					<u>\$ 32,440,000</u>	<u>\$ 10,965,000</u>
TOTAL BONDED INDEBTEDNESS					<u>\$ 559,462,000</u>	<u>\$ 489,178,000</u>

In February 2015 the City of Fargo issued Refunding Improvement Refunding Bonds, Series 2015A to be used for crossover refunding the 2006B Refunding Improvement Bonds and 2007B Refunding Improvement Bonds. The net proceeds and the City's equity contribution of \$2,750,000 were used to purchase securities of the U.S. Government. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunding issues until the call date of the refunded issue at which time the bonds will be called and paid by the escrow agent. After the call date the bonds will no longer be shown on the financial statements of the City and the City will assume the debt service payments for the refunding issues.

The difference in cash flows required to service the old debt and the new debt is \$7,089,801. The economic benefit, as measured by the present value savings of the refunding, is \$5,645,274. A schedule of the refunding bonds and bonds to be called are as follows:

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<u>Bond Issue</u>	<u>Amount</u>	<u>Average Coupon</u>	<u>Proceeds</u>	<u>Bonds to be Called</u>			
				<u>Bond Issue</u>	<u>Average Coupon</u>	<u>Call Date</u>	<u>Balance to be Called</u>
Refunding Improvement Refunding Bond, Series 2015A	\$ 18,250,000	3.75%	\$ 20,548,607	Refunding Improvement Bonds, Series 2006B	4.23%	5/1/2016	\$ 13,325,000
				Refunding Improvement Bonds, Series 2007B	4.49%	5/1/2017	\$ 8,930,000

In September 2015 the City of Fargo issued Refunding Improvement Refunding Bonds, Series 2015B to be used for crossover refunding the 2008E Refunding Improvement Bonds. The net proceeds and the City's equity contribution of \$3,000,000 were used to purchase securities of the U.S. Government. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunding issues until the call date of the refunded issue at which time the bonds will be called and paid by the escrow agent. After the call date the bonds will no longer be shown on the financial statements of the City and the City will assume the debt service payments for the refunding issues.

The difference in cash flows required to service the old debt and the new debt is \$9,628,752. The economic benefit, as measured by the present value savings of the refunding, is \$6,801,321. A schedule of the refunding bonds and bonds to be called are as follows:

<u>Bond Issue</u>	<u>Amount</u>	<u>Average Coupon</u>	<u>Proceeds</u>	<u>Bonds to be Called</u>			
				<u>Bond Issue</u>	<u>Average Coupon</u>	<u>Call Date</u>	<u>Balance to be Called</u>
Refunding Improvement Refunding Bond, Series 2015B	\$ 15,325,000	3.92%	\$ 16,957,937	Refunding Improvement Bonds, Series 2008E	5.70%	5/1/2018	\$ 18,910,000

H. DEFERRED INFLOW OF RESOURCES/UNEARNED REVENUES

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. A large portion of the amount unavailable relates to special assessments receivable which will be used to pay off refunding improvement and sidewalk bonds. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue in the governmental funds were as follows:

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	Deferred Inflows of		Total
	Resources Unavailable	Liabilities Unearned	
Delinquent property taxes receivable	\$ 175,600	\$ -	\$ 175,600
Special assessments receivable	290,033,087	-	290,033,087
Grant resources held and grant items receivable	1,417,057	474,857	1,891,914
Loans/contracts/accounts receivable	3,653,974	1,676,174	5,330,147
Total unavailable revenue for governmental funds	<u>\$ 295,279,718</u>	<u>\$ 2,151,031</u>	<u>\$ 297,430,750</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, 2015, 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, 2015:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Fund balances:					
Nonspendable:					
Advances to other funds	\$ 1,739,697	\$ -	\$ -	\$ -	\$ 1,739,697
Inventory	1,268,390	-	-	-	1,268,390
Prepaid Items	440,087	-	-	7,994	448,081
Property held for resale	10,500	-	-	156,450	166,950
Total Nonspendable	<u>3,458,674</u>	<u>-</u>	<u>-</u>	<u>164,444</u>	<u>3,623,118</u>
Restricted for:					
Auditors	5,594	-	-	-	5,594
Capital Projects	-	-	85,938,746	-	85,938,746
City Share of Specials	-	-	-	531,694	531,694
Community Development	-	-	-	8,337	8,337
Convention & Visitors Bureau	-	-	-	319	319
Court Forfeits	-	-	-	129,221	129,221
Debt Service	-	90,670,688	-	-	90,670,688
Downtown Business Improvement District	-	-	-	129,790	129,790
Fire	248,425	-	-	-	248,425
Health	831,335	-	-	-	831,335
Highway and streets	1,281,415	-	-	-	1,281,415
HUD Home Participating Jurisdiction	-	-	-	119,659	119,659
HUD Home Program	-	-	-	47,458	47,458
Neighborhood Stabilization	-	-	-	141,702	141,702
Noxious Weeds	-	-	-	127,658	127,658
NRI Loan Program	-	-	-	61,343	61,343
Parking Authority	-	-	-	687,591	687,591
Parking Repair and Replacement	-	-	-	387,331	387,331
Parking Surplus Fund	-	-	-	935,592	935,592
Planning and Development	30,195	-	-	-	30,195
Police	327,593	-	-	-	327,593
Regional Training Center	-	-	-	143,484	143,484
Skyway Maintenance	-	-	-	157,066	157,066
Transit	-	-	-	-	-
Total Restricted	<u>2,724,557</u>	<u>90,670,688</u>	<u>85,938,746</u>	<u>3,608,245</u>	<u>182,942,236</u>
Committed to:					
Revenue Stabilization	3,255,360	-	-	-	3,255,360
Assigned to:					
2016 Budget	696,286	-	-	-	696,286
Unassigned:	29,041,175	-	-	(1,233,295)	27,807,880
Total Fund Balances	<u>\$ 39,176,052</u>	<u>\$ 90,670,688</u>	<u>\$ 85,938,746</u>	<u>\$ 2,539,394</u>	<u>\$ 218,324,880</u>

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K. CHANGE IN ACCOUNTING PRINCIPLE

The City implemented GASB 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* in 2015 which addresses the accounting and financial reporting requirements for pensions. The provisions of GASB Statement 68 and 71 separate accounting and financial reporting from how pensions are funded and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total net pension liability. It also includes comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate and the pension expense and related deferred outflows/inflows of resources. The City restated the beginning net position to record the beginning deferred pension contributions and net pension liability as follows:

	Governmental	Proprietary Funds					
	Activities	Airport	Water	Wastewater	Storm Sewer	Solid Waste	Non-major
Net position - January 1, beginning as previously reported	\$ 306,560,951	\$ 100,727,223	\$ 180,733,823	\$ 124,299,694	\$ 152,725,404	\$ 10,170,179	\$ 18,468,865
Change in accounting principle:							
Net pension liability	(48,012,600)	(1,088,350)	(2,436,147)	(1,147,675)	(224,996)	(2,556,577)	(623,920)
Deferred outflow	(741,323)	(36,001)	(66,112)	(35,070)	(15,014)	(61,138)	(20,661)
Total	<u>(48,753,923)</u>	<u>(1,124,351)</u>	<u>(2,502,259)</u>	<u>(1,182,745)</u>	<u>(240,010)</u>	<u>(2,617,715)</u>	<u>(644,581)</u>
Net position - January 1, beginning as restated	<u>\$ 258,548,351</u>	<u>\$ 99,602,872</u>	<u>\$ 178,231,564</u>	<u>\$ 123,116,949</u>	<u>\$ 152,485,394</u>	<u>\$ 7,552,464</u>	<u>\$ 17,824,284</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. Details regarding this fund are described below.

Summary of Significant Accounting Policies

Basis of Accounting - The City's financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments - Investments are reported at fair value. Certificates of deposit are reported at cost, which approximates fair value. Securities traded on national or international exchange are valued at the last reported sales price at current exchange rates.

Plan Description, Contribution and Reserves Information

Employees' Pension Plan

Plan Description. The City of Fargo Employees' Pension plan is a 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, 2016 (date of most recent actuarial study) is as follows:

Retirees and beneficiaries	215
Terminated vested and deferred beneficiaries	44
City active plan members	139
NDPERS active plan members	194

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.

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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.

Plan Administration Management of the plan consists of 7 members; the Mayor, City Auditor, Director of Finance, and 4 at large members elected by all plan members. Elected members serve 2-year terms.

Contributions. Participating employees contribute to the plan at a rate of 6.5% of salary and the employers contribute at a rate of 8.0% of regular salary for all employees. The contribution rates are established by local ordinance, and the employer's contribution rate is set by the City Commission. Costs of administering the plan are financed by the employer and employee contributions, and by the Plan's investment earnings.

Long-term Expected Investment Return The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected nominal returns, net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return. This is accomplished by weighting the expected future real arithmetic rates of return by the current asset allocation percentage (or target allocation, if available); adjusting for the difference between arithmetic and geometric average returns; and adding expected inflation (2.75%). All results are then rounded to the nearest quarter percentage point.

The best-estimates of expected future asset class returns were published in the 2015 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

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Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return ¹
Domestic equity	42.00%	5.52%	8.27%
International equity	16.00%	5.78%	8.53%
Emerging markets equity	7.00%	6.71%	9.46%
Core fixed income	26.00%	2.12%	4.87%
Investment grade corporate	2.25%	2.26%	5.01%
High yield	2.25%	4.04%	6.79%
Emerging markets debt	2.25%	3.84%	6.59%
Bank loans	2.25%	1.14%	3.89%
Total ²			7.68%
Reduced for assumed investment expense			-0.40%
Net assumed investment return (rounded to 1/4%)			7.25%

¹ Nominal rates of return are equal to real rates of return plus the assumed inflation rate.
² Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns shown above.

Reserves. The net position at December 31, 2015 is \$39,696,749 and the entire amount is reserved for employee pension benefits.

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

North Dakota Public Employee Retirement System Pension Plan

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

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

North Dakota Public Employees Retirement System (Main System)

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

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

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of seven members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; and one member elected by the retired public employees. Effective July 1, 2015, the board was expanded to include two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

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

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive

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the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

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

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

Refunds of Member Account Balance

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

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation.

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

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

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

At 12/31/2015 the Employer reported a liability of \$17,759,740 for its proportionate share of the net pension liability. The net pension liability was measured as of 6/30/2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At 6/30/2015, the Employer's proportion was 2.611792 percent.

For the year ended 12/31/2015, the Employer recognized pension expense of \$1,782,357. At 12/31/2015, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 515,233	\$ 0
Changes of assumptions	0	1,582,309
Net difference between projected and actual earnings on pension plan investments	0	374,906
Changes in proportion and differences between employer contributions and proportionate share of contributions	484,348	39,144
Employer contributions subsequent to the measurement date (see below)	<u>*1,040,478</u>	<u>0-</u>
Total	<u>*\$ 2,040,059</u>	<u>\$1,996,359</u>

\$1,040,478 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 12/31/2016.

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

Year ended June 30:

2016	\$ -391,458
2017	-391,458
2018	-391,458
2019	383,239
2020	-205,643
Thereafter	0

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Actuarial assumptions. The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.50%
Salary increases	4.50% per annum
Investment rate of return	8.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The actuarial assumptions used were based on the results of an actuarial experience study completed in 2015. They are the same as the assumptions used in the July 1, 2015, funding actuarial valuation for NDPERS.

As a result of the 2015 actuarial experience study, the NDPERS Board adopted several changes to the actuarial assumptions effective July 1, 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	31%	6.90%
International Equity	21%	7.55%
Private Equity	5%	11.30%
Domestic Fixed Income	17%	1.52%
International Fixed Income	5%	0.45%
Global Real Assets	20%	5.38%
Cash Equivalents	1%	0.00%

Discount rate. The discount rate used to measure the total pension liability was 8 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2015, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members,

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are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015

Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate. The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Employer's proportionate share of the net pension liability	\$27,233,672	\$17,759,740	\$10,008,351

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

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

Police Pension Plan

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

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

Membership on January 1, 2016, (date of most recent actuarial study) in the plan is as follows:

Retirees and beneficiaries currently receiving pension payments	111
Fully vested members contributing	82
Non vested members contributing	92
Terminated vested employees	8

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.

**CITY OF FARGO, NORTH DAKOTA
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Members who first participated prior to August 1, 1990, can elect this retirement age formula or remain under the Rule of 88, 60% formula.

The Plan purchases life insurance for active employees, the proceeds of which are paid to a designated beneficiary in the amount of \$65,000. The designated beneficiary will also receive the participant's employee contribution plus interest earned on contributions at 6% per annum. Interest is accrued on contributions starting January 1, 1970. Non-active participant's death benefit is \$40,000 for retirements after September 1985, and \$25,000 for retirements between July 25, 1983 and September 30, 1985.

Participants are fully vested in plan benefits after 10 years of service. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin at the early retirement date, or may elect a refund of all employee contributions plus interest at 6% per annum, in lieu of a deferred vested benefit.

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

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

Contributions. Employees contribute at a rate of 10.0% of salary. The City contributes at a rate of 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.

Long-term Expected Investment Return The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected nominal returns, net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return. This is accomplished by weighting the expected future real arithmetic rates of return by the current asset allocation percentage (or target allocation, if available); adjusting for the difference between arithmetic and geometric average returns; and adding expected inflation (2.75%). All results are then rounded to the nearest quarter percentage point.

The best-estimates of expected future asset class returns were published in the 2015 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return ¹
Domestic large cap equity	54.00%	5.52%	8.27%
International equity	16.00%	5.78%	8.53%
US aggregate fixed income	25.00%	2.12%	4.87%
Global fixed income	5.00%	1.10%	3.85%
Total ²			7.54%
Reduced for assumed investment expense			-0.40%
Net assumed investment return (rounded to 1/4%)			7.25%

1 Nominal rates of return are equal to real rates of return plus the assumed inflation rate.
2 Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns shown above.

Reserves. The net position at December 31, 2015 is \$47,433,426 and the entire amount is reserved for employee pension benefits.

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

Fargo Firefighters' Relief Association Retirement Plan

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

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

Membership on January 1, 2016, (date of most recent actuarial study) in the plan is as follows:

Active plan members	119
Deferred vested	2
Retirees, disabled, and beneficiaries	93

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.

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

Contributions. Participating employees contribute to the plan at a rate of 10.4% of salary and the City contributes at a rate of 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.

Long-term Expected Investment Return The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected nominal returns, net of inflation) are developed for each major asset class. These asset class estimates are combined to produce the portfolio long-term expected rate of return. This is accomplished by weighting the expected future real arithmetic rates of return by the current asset allocation percentage (or target allocation, if available); adjusting for the difference between arithmetic and geometric average returns; and adding expected inflation (2.75%). All results are then rounded to the nearest quarter percentage point.

The best-estimates of expected future asset class returns were published in the 2015 Survey of Capital Market Assumptions produced by Horizon Actuarial Services. These expected returns, along with expected asset class standard deviations and correlation coefficients, are based on Horizon's annual survey of investment advisory firms. The expected inflation assumption was developed based on an analysis of historical experience blended with forward-looking expectations available in market data.

Best estimates of geometric real and nominal rates of return for each major asset class included in the pension plan's asset allocation as of the measurement date are summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return ¹
Domestic large cap equity	54.00%	5.52%	8.27%
International equity	16.00%	5.78%	8.53%
US aggregate fixed income	25.00%	2.12%	4.87%
Global fixed income	5.00%	1.10%	3.85%
Total ²			7.54%
Reduced for assumed investment expense			-0.40%
Net assumed investment return (rounded to 1/4%)			7.25%

1 Nominal rates of return are equal to real rates of return plus the assumed inflation rate.
2 Portfolio total expected return is weighted average of arithmetic asset class returns, with adjustment to reflect geometric averages. It is not equal to the weighted average of the asset class geometric returns shown above.

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

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.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

PENSION FOOTNOTE DISCLOSURES

CITY EMPLOYEES' PENSION PLAN

Changes in Net Pension Liability				
	Increase (Decrease)			Net Pension Liability (c) = (a) - (b)
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)		
Balance at 1/1/2015	\$ 54,316,214	\$ 39,709,008		\$ 14,607,206
Changes for the year:				
Service cost	529,173	-		529,173
Interest	4,014,233	-		4,014,233
Differences between expected and actual experience	(297,322)	-		(297,322)
Changes of assumptions	174,274	-		174,274
Contributions - City and Park District	-	1,946,591		(1,946,591)
Contributions - member	-	596,282		(596,282)
Net investment income	-	122,865		(122,865)
Benefit payments, including refund of member contributions	(2,644,555)	(2,644,555)		-
Administrative expense	-	(43,830)		43,830
Net changes	1,775,803	(22,647)		1,798,450
Balance at 12/31/2015 Measurement Date	\$ 56,092,017	\$ 39,686,361		\$ 16,405,656

Sensitivity of the Net Pension Liability to Changes in the Discount Rate				
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	City of Fargo Proportionate Share of the Net Pension Liability
1% Decrease in Discount Rate (6.5%)	\$ 62,475,900	\$ 39,686,361	\$ 22,789,539	\$ 20,382,964
Current Discount Rate (7.5%)	56,092,017	39,686,361	16,405,656	14,673,219
1% Increase in Discount Rate (8.5%)	50,701,343	39,676,361	11,024,982	9,860,744

	Outflows	Inflows
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual liability	\$ -	\$ 244,605
Change of assumptions and methods	143,374	-
Net difference between projected and actual investment earnings	2,279,883	-
Total	\$ 2,423,257	\$ 244,605

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

City of Fargo Employees' Pension Plan Schedule of Change in Net Pension Liability	
	2015
Total Pension Liability	
Service Cost	\$ 529,173
Interest	4,014,233
Differences between expected and actual experience	(297,322)
Changes in assumptions and methods	174,274
Benefit payments, including refunds of member contributions	(2,644,555)
Net change in total pension liability	<u>1,775,803</u>
Total Pension Liability - beginning of year	54,316,214
Total Pension Liability - end of year (a)	<u><u>\$ 56,092,017</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 1,946,591
Contributions - member	596,282
Net investment income	122,865
Benefit payments, including member contribution refunds	(2,644,555)
Administrative expense	(43,830)
Net change in plan fiduciary net position	<u>(22,647)</u>
Plan fiduciary net position - beginning of year	39,709,008
Plan fiduciary net position - end of year (b)	<u><u>\$ 39,686,361</u></u>
Net Pension Liability - end of year (a) - (b)	<u>\$ 16,405,656</u>

City of Fargo Employees' Pension Plan Schedule of Contributions	
	2015
Actuarially determined contribution (ADC)	\$ 1,980,838
Contributions in relation to the ADC	1,946,591
Contribution deficiency (excess)	<u><u>\$ 34,247</u></u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

**City of Fargo Employees' Pension Plan
Schedule of Investment Returns**

	2015
Annual money-weighted rate of return, net of investment expense	0.3%

**City of Fargo Employees' Pension Plan
Contributions and Net Pension Liability as a Percent of Payroll**

	2015
Payroll	\$ 22,786,760
Contributions as a percent of payroll	11.2%
Net pension liability as a percent of payroll	72.0%

**City of Fargo Employees' Pension Plan
Summary of Deferred Outflows (Inflows)- City of Fargo's Proportionate Share**

	<u>Outflows</u>	<u>Inflows</u>
<u>Summary of Deferred Outflows (Inflows)</u>		
Difference between expected and actual liability	\$ -	\$ 218,776
Change of assumptions and methods	128,234	-
Net difference between projected and actual investment earnings	<u>2,039,126</u>	<u>-</u>
Total	\$ 2,167,360	\$ 218,776

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

POLICE PENSION PLAN

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2015	\$ 63,273,844	\$ 47,308,553	\$ 15,965,291
Changes for the year:			
Service cost	1,655,230	-	1,655,230
Interest	4,750,232	-	4,750,232
Differences between expected and actual experience	838,127	-	838,127
Changes of assumptions	1,610,242	-	1,610,242
Contributions - City	-	2,338,069	(2,338,069)
Contributions - member	-	1,052,344	(1,052,344)
Net investment income	-	(75,555)	75,555
Benefit payments, including refund of member contributions	(3,185,308)	(3,185,308)	-
Administrative expense	-	(35,797)	35,797
Net changes	5,668,523	93,753	5,574,770
Balance at 12/31/2015 Measurement Date	\$ 68,942,367	\$ 47,402,306	\$ 21,540,061

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
1% Decrease in Discount Rate (6.5%)	\$ 77,886,516	\$ 47,402,306	\$ 30,484,210
Current Discount Rate (7.5%)	68,942,367	47,402,306	21,540,061
1% Increase in Discount Rate (8.5%)	61,527,071	47,402,306	14,124,765

	Outflows	Inflows
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual liability	\$ 733,230	\$ -
Change of assumptions and methods	1,408,710	-
Net difference between projected and actual investment earnings	2,904,037	-
Total	\$ 5,045,977	\$ -

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

City of Fargo Police Pension Plan Schedule of Change in Net Pension Liability	
	2015
Total Pension Liability	
Service Cost	\$ 1,655,230
Interest	4,750,232
Differences between expected and actual experience	838,127
Changes in assumptions and methods	1,610,242
Benefit payments, including refunds of member contributions	(3,185,308)
Net change in total pension liability	<u>5,668,523</u>
Total Pension Liability - beginning of year	63,273,844
Total Pension Liability - end of year (a)	<u>\$ 68,942,367</u>
Plan fiduciary net position	
Contributions - employer	\$ 2,338,069
Contributions - member	1,052,344
Net investment income	(75,555)
Benefit payments, including member contribution refunds	(3,185,308)
Administrative expense	(35,797)
Net change in plan fiduciary net position	<u>93,753</u>
Plan fiduciary net position - beginning of year	47,308,553
Plan fiduciary net position - end of year (b)	<u>\$ 47,402,306</u>
Net Pension Liability - end of year (a) - (b)	<u>\$ 21,540,061</u>

City of Fargo Police Pension Plan Schedule of Contributions	
	2015
Actuarially determined contribution (ADC)	\$ 2,422,703
Contributions in relation to the ADC	2,338,069
Contribution deficiency (excess)	<u>\$ 84,634</u>

**CITY OF FARGO, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

**City of Fargo Police Pension Plan
 Schedule of Investment Returns**

	2015
Annual money-weighted rate of return, net of investment expense	<u>-0.2%</u>

**City of Fargo Police Pension Plan
 Contributions and Net Pension Liability as a Percent of Payroll**

	2015
Payroll	<u>\$ 10,312,350</u>
Contributions as a percent of payroll	22.7%
Net pension liability as a percent of payroll	208.9%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at 1/1/2015	\$ 40,526,308	\$ 24,874,001	\$ 15,652,307
Changes for the year:			
Service cost	942,970	-	942,970
Interest	3,020,513	-	3,020,513
Differences between expected and actual experience	164,724	-	164,724
Changes of assumptions	783,502	-	783,502
Contributions - City	-	1,889,722	(1,889,722)
Contributions - member	-	744,739	(744,739)
Net investment income	-	(54,881)	54,881
Benefit payments, including refund of member contributions	(2,391,530)	(2,391,530)	-
Administrative expense	-	(52,707)	52,707
Net changes	2,520,179	135,343	2,384,836
Balance at 12/31/2015 Measurement Date	\$ 43,046,487	\$ 25,009,344	\$ 18,037,143

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
1% Decrease in Discount Rate (6.5%)	\$ 48,734,423	\$ 25,009,344	\$ 23,725,079
Current Discount Rate (7.5%)	43,046,487	25,009,344	18,037,143
1% Increase in Discount Rate (8.5%)	38,325,127	25,009,344	13,315,783

	Outflows	Inflows
Summary of Deferred Outflows (Inflows)		
Difference between expected and actual liability	\$ 145,091	\$ -
Change of assumptions and methods	690,117	-
Net difference between projected and actual investment earnings	1,542,051	-
Total	\$ 2,377,259	\$ -

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

Fargo Firefighters Pension Association Pension Plan	
Schedule of Change in Net Pension Liability	
	2015
Total Pension Liability	
Service Cost	\$ 942,970
Interest	3,020,513
Differences between expected and actual experience	164,724
Changes in assumptions and methods	783,502
Benefit payments, including refunds of member contributions	(2,391,530)
Net change in total pension liability	<u>2,520,179</u>
Total Pension Liability - beginning of year	40,526,308
Total Pension Liability - end of year (a)	<u>\$ 43,046,487</u>
Plan fiduciary net position	
Contributions - employer	\$ 1,889,722
Contributions - member	744,739
Net investment income	(54,881)
Benefit payments, including member contribution refunds	(2,391,530)
Administrative expense	<u>(52,707)</u>
Net change in plan fiduciary net position	135,343
Plan fiduciary net position - beginning of year	24,874,001
Plan fiduciary net position - end of year (b)	<u>\$ 25,009,344</u>
Net Pension Liability - end of year (a) - (b)	<u>\$ 18,037,143</u>

**CITY OF FARGO, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015**

**Fargo Firefighters Pension Association Pension Plan
 Schedule of Contributions**

	<u>2015</u>
Actuarially determined contribution (ADC)	\$ 1,995,062
Contributions in relation to the ADC	1,889,722
Contribution deficiency (excess)	<u>\$ 105,340</u>

**Fargo Firefighters Pension Association Pension Plan
 Schedule of Investment Returns**

	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	-0.2%

**Fargo Firefighters Pension Association Pension Plan
 Contributions and Net Pension Liability as a Percent of Payroll**

	<u>2015</u>
Payroll	\$ 7,129,995
Contributions as a percent of payroll	26.5%
Net pension liability as a percent of payroll	253.0%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015**

**CITY OF FARGO, NORTH DAKOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2015**

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ASSETS			
Cash	\$ 129,028	\$ 159,970	\$ 288,998
Equity in pooled investments	26,125	96,550	122,675
Receivables:			
Accounts receivable	10,389	21,678	32,067
Interest	(1,269)	31,120	29,851
Total receivables	9,120	52,798	61,918
Investments, at fair value:			
Mutual funds	39,553,404	47,121,122	86,674,526
Total investements	39,553,404	47,121,122	86,674,526
Total assets	<u>\$ 39,717,677</u>	<u>\$ 47,430,440</u>	<u>\$ 87,148,117</u>
LIABILITIES			
Vouchers and benefits payable	\$ 27,108	\$ 1,950	\$ 29,058
NET POSITION			
Held in trust for pension benefits	<u>\$ 39,690,569</u>	<u>\$ 47,428,490</u>	<u>\$ 87,119,059</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, 2015**

**CITY OF FARGO, NORTH DAKOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2015**

	<u>CITY EMPLOYEES' PENSION</u>	<u>POLICE PENSION</u>	<u>TOTAL</u>
ADDITIONS			
Contributions			
Employer	\$ 1,792,333	\$ 2,338,069	\$ 4,130,402
Employer (Fargo Park District)	158,961	-	158,961
Employee	497,040	1,052,344	1,549,384
Employee (Fargo Park District)	103,328	-	103,328
Total contributions	<u>2,551,662</u>	<u>3,390,413</u>	<u>5,942,075</u>
Investment income			
Net appreciation in fair value of investments, and interest and dividends	260,642	126,162	386,804
Less investment expense	<u>(142,352)</u>	<u>(175,533)</u>	<u>(317,885)</u>
Net investment income (loss)	<u>118,290</u>	<u>(49,371)</u>	<u>68,919</u>
Total additions (deductions)	<u>2,669,952</u>	<u>3,341,042</u>	<u>6,010,994</u>
DEDUCTIONS			
Pension benefit payments	2,530,431	3,138,869	5,669,300
Member contribution refunds	114,125	46,439	160,564
Administrative expenses	<u>43,833</u>	<u>35,798</u>	<u>79,631</u>
Total deductions	<u>2,688,389</u>	<u>3,221,106</u>	<u>5,909,495</u>
Change in net position	(18,437)	119,936	101,499
Total net position - beginning	<u>39,709,006</u>	<u>47,308,554</u>	<u>87,017,560</u>
Total net position - ending	<u>\$ 39,690,569</u>	<u>\$ 47,428,490</u>	<u>\$ 87,119,059</u>

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

Related Party Investments

During 2015 and as of December 31, 2015 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.

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

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

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

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

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

Members of the RRRDC may elect to withdraw from participation in the Agreement upon giving a 6-month written notice. Additional financial information may be obtained by contacting: Attn: Director, Red River Regional Dispatch Center, 300 NP Avenue, Suite 206, Fargo, ND 58102.

Metro Flood Diversion Authority

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

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.

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

General Obligation Development Bonds for City Hall Project

On March 28, 2016 the Board of City Commissioners approved an initial resolution authorizing the issuance of general obligation development bonds for the City Hall project in an amount not to exceed \$25.9 million and a resolution authorizing the sale of bonds subject to parameters related to the sale.

Metro Flood Project Diversion Authority

In February, 2016 the Army Corp of Engineers approved the FM Diversion flood control project as a Federal new start to be deployed as a P3 pilot project. Funds have been appropriated by the Army Corp of Engineers to begin construction of a portion of the project in late 2016. The selection as a Federal new start project is a significant accomplishment and the project will provide significant benefits to our Community. We anticipate the final execution of a project participation agreement between the Army Corp of Engineers and the FM Diversion local sponsors in June, 2016. Work will continue on solicitation of a P3 vendor in 2016 and 2017.

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

CITY EMPLOYEES' PENSION PLAN

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

City of Fargo Employees' Pension Plan Schedule of Change in Net Pension Liability		
	2015	2014
Total Pension Liability		
Service Cost	\$ 529,173	\$ 557,997
Interest	4,014,233	3,646,552
Differences between expected and actual experience	(297,322)	138,298
Changes in assumptions and methods	174,274	3,112,904
Benefit payments, including refunds of member contributions	(2,644,555)	(2,404,469)
Net change in total pension liability	1,775,803	5,051,282
Total Pension Liability - beginning of year	54,316,214	49,264,932
Total Pension Liability - end of year (a)	<u>\$ 56,092,017</u>	<u>\$ 54,316,214</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,946,591	\$ 1,782,708
Contributions - member	596,282	626,300
Net investment income	122,865	2,220,334
Benefit payments, including member contribution refunds	(2,644,555)	(2,404,469)
Administrative expense	(43,830)	(48,178)
Net change in plan fiduciary net position	(22,647)	2,176,695
Plan fiduciary net position - beginning of year	39,709,008	37,532,313
Plan fiduciary net position - end of year (b)	<u>\$ 39,686,361</u>	<u>\$ 39,709,008</u>
Net Pension Liability - end of year (a) - (b)	\$ 16,405,656	\$ 14,607,206

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

City of Fargo Employees' Pension Plan Schedule of Contributions		
	2015	2014
Actuarially determined contribution (ADC)	\$ 1,980,838	\$ 1,569,560
Contributions in relation to the ADC	1,946,591	1,782,708
Contribution deficiency (excess)	\$ 34,247	\$ (213,148)

City of Fargo Employees' Pension Plan Schedule of Net Pension Liability - City of Fargo's Proportionate Share					
	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
<u>Fiscal Year Ending</u>					
2015	89.44%	\$ 14,673,219	\$ 20,056,043	73.16%	70.75%

City of Fargo Employees' Pension Plan Schedule of Employer Contributions - City of Fargo's Proportionate Share					
	<u>Contractually Required Contributions</u>	<u>Contributions in relation to the required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
<u>Fiscal Year Ending</u>					
2015	\$ 1,771,591	\$ (1,792,333)	\$ (20,742)	\$ 20,056,043	8.94%

NORTH DAKOTA PUBLIC EMPLOYEE RETIREMENT SYSTEM PENSION PLAN

**Schedule of Employer's Share of Net Pension Liability
 ND Public Employees Retirement System
 Last 10 Fiscal Years***

	2015
Employer's proportion of the net pension liability (asset)	2.611792%
Employer's proportionate share of the net pension liability (asset)	\$17,759,740
Employer's covered-employee payroll	\$23,267,898
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	7.63%
Plan fiduciary net position as a percentage of the total pension liability	77.15%

*Complete data for this schedule is not available prior to 2015.

**Schedule of Employer Contributions
 ND Public Employees Retirement System
 Last 10 Fiscal Years***

	2015
Statutorily required contribution	\$1,767,383
Contributions in relation to the statutorily required contribution	(\$1,720,379)
Contribution deficiency (excess)	\$47,004
Employer's covered-employee payroll	\$23,267,898
Contributions as a percentage of covered-employee payroll	7.60%

*Complete data for this schedule is not available prior to 2015.

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

POLICE PENSION PLAN

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

City of Fargo Police Pension Plan Schedule of Change in Net Pension Liability		
	2015	2014
Total Pension Liability		
Service Cost	\$ 1,655,230	\$ 1,463,698
Interest	4,750,232	4,417,408
Differences between expected and actual experience	838,127	519,099
Changes in assumptions and methods	1,610,242	986,369
Benefit payments, including refunds of member contributions	<u>(3,185,308)</u>	<u>(3,095,609)</u>
Net change in total pension liability	5,668,523	4,290,965
Total Pension Liability - beginning of year	<u>63,273,844</u>	<u>58,982,879</u>
Total Pension Liability - end of year (a)	<u><u>\$ 68,942,367</u></u>	<u><u>\$ 63,273,844</u></u>
Plan fiduciary net position		
Contributions - employer	\$ 2,338,069	\$ 2,516,258
Contributions - member	1,052,344	997,513
Net investment income	(75,555)	2,636,103
Benefit payments, including member contribution refunds	(3,185,308)	(3,095,609)
Administrative expense	<u>(35,797)</u>	<u>(38,021)</u>
Net change in plan fiduciary net position	93,753	3,016,244
Plan fiduciary net position - beginning of year	<u>47,308,553</u>	<u>44,292,309</u>
Plan fiduciary net position - end of year (b)	<u><u>\$ 47,402,306</u></u>	<u><u>\$ 47,308,553</u></u>
Net Pension Liability - end of year (a) - (b)	\$ 21,540,061	\$ 15,965,291

City of Fargo Police Pension Plan Schedule of Contributions		
	2015	2014
Actuarially determined contribution (ADC)	\$ 2,422,703	\$ 2,059,933
Contributions in relation to the ADC	2,338,069	2,516,258
Contribution deficiency (excess)	<u>\$ 84,634</u>	<u>\$ (456,325)</u>

**CITY OF FARGO, NORTH DAKOTA
REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2015**

FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN

Significant Assumptions and Methods Used to Measure the Total Pension Liability

Discount rate	7.25%
Expected return on plan assets	7.25%
Inflation rate	2.75%
Actuarial cost method	Entry age normal in accordance with the requirements of GASB 67/68
Asset valuation method	Market value of assets
Mortality	Base RP-2014 no-collar table adjusted to 2006. Generational projection using scale MP-2015 was applied to these base rates after 2006.

Fargo Firefighters Pension Association Pension Plan Schedule of Change in Net Pension Liability		
	2015	2014
Total Pension Liability		
Service Cost	\$ 942,970	\$ 882,740
Interest	3,020,513	2,656,719
Differences between expected and actual experience	164,724	(114,152)
Changes in assumptions and methods	783,502	3,642,866
Benefit payments, including refunds of member contributions	(2,391,530)	(2,164,096)
Net change in total pension liability	<u>2,520,179</u>	<u>4,904,077</u>
Total Pension Liability - beginning of year	40,526,308	35,622,231
Total Pension Liability - end of year (a)	<u>\$ 43,046,487</u>	<u>\$ 40,526,308</u>
Plan fiduciary net position		
Contributions - employer	\$ 1,889,722	\$ 1,661,219
Contributions - member	744,739	723,023
Net investment income	(54,881)	1,417,654
Benefit payments, including member contribution refunds	(2,391,530)	(2,164,096)
Administrative expense	(52,707)	(64,290)
Net change in plan fiduciary net position	<u>135,343</u>	<u>1,573,510</u>
Plan fiduciary net position - beginning of year	24,874,001	23,300,491
Plan fiduciary net position - end of year (b)	<u>\$ 25,009,344</u>	<u>\$ 24,874,001</u>
Net Pension Liability - end of year (a) - (b)	<u>\$ 18,037,143</u>	<u>\$ 15,652,307</u>

Fargo Firefighters Pension Association Pension Plan Schedule of Contributions		
	2015	2014
Actuarially determined contribution (ADC)	\$ 1,995,062	\$ 1,542,399
Contributions in relation to the ADC	1,889,722	1,661,219
Contribution deficiency (excess)	<u>\$ 105,340</u>	<u>\$ (118,820)</u>



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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

The City of Fargo utilizes 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. This fund was closed out during 2015.

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.

Skyway Maintenance - This fund is used to account for maintenance of the Fargo skyway system. 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, 2015

	Special Revenue						
	City Share of Specials	Noxious Weeds	Emergency 911	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
ASSETS							
Equity in pooled investments	\$ 689,166	\$ 127,554	\$ -	\$ 95,378	\$ -	\$ 141,078	\$ 140,682
Receivables (net of allowance for uncollectibles):							
Taxes	3,726	368	-	-	-	-	-
Accounts	-	-	-	-	174,153	-	6,100
Special assessments	-	-	-	393,231	-	-	-
Intergovernmental	-	-	-	-	-	1,623	-
Due from other funds	39,500	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	63,800	-
Total assets	<u>\$ 732,392</u>	<u>\$ 127,922</u>	<u>\$ -</u>	<u>\$ 488,609</u>	<u>\$ 174,153</u>	<u>\$ 206,501</u>	<u>\$ 146,782</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ -	\$ -	\$ -	\$ 1,080	\$ 159,568	\$ -	\$ 3,298
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	13,788	-	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	198,017	-	-	-	478	999	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>198,017</u>	<u>-</u>	<u>-</u>	<u>1,080</u>	<u>173,834</u>	<u>999</u>	<u>3,298</u>
Deferred inflows of resources							
Unavailable revenue	<u>2,681</u>	<u>264</u>	<u>-</u>	<u>357,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable	-	-	-	-	-	63,800	-
Restricted	531,694	127,658	-	129,790	319	141,702	143,484
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>531,694</u>	<u>127,658</u>	<u>-</u>	<u>129,790</u>	<u>319</u>	<u>205,502</u>	<u>143,484</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 732,392</u>	<u>\$ 127,922</u>	<u>\$ -</u>	<u>\$ 488,609</u>	<u>\$ 174,153</u>	<u>\$ 206,501</u>	<u>\$ 146,782</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2015

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
ASSETS							
Equity in pooled investments	\$ 1,194,564	\$ 387,331	\$ 935,592	\$ -	\$ 109,767	\$ 47,458	\$ 63,352
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts	90,850	-	-	-	-	-	-
Special assessments	12,456	-	-	-	-	-	-
Intergovernmental	-	-	-	47,508	36,099	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid expenditures	2,026	-	-	-	-	-	-
Loans	-	-	-	216,411	1,764,658	325,513	48,343
Property held for resale	-	-	-	60,724	-	-	31,926
Total assets	<u>\$ 1,299,896</u>	<u>\$ 387,331</u>	<u>\$ 935,592</u>	<u>\$ 324,643</u>	<u>\$ 1,910,524</u>	<u>\$ 372,971</u>	<u>\$ 143,621</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities							
Vouchers payable	\$ 9,464	\$ -	\$ -	\$ 5,276	\$ 7,652	\$ -	\$ 15
Advances from other funds	555,000	-	-	-	-	-	-
Due to other funds	-	-	-	25,712	-	-	-
Accrued payroll	1,901	-	-	5,883	2,779	-	468
Special assessments payable	35,316	-	-	-	-	-	1,411
Unearned revenue	-	-	-	215,668	1,203,729	256,778	-
Total liabilities	<u>601,681</u>	<u>-</u>	<u>-</u>	<u>252,539</u>	<u>1,214,160</u>	<u>256,778</u>	<u>1,894</u>
Deferred inflows of resources							
Unavailable revenue	8,598	-	-	3,043	576,705	68,735	48,458
Fund balances							
Nonspendable	2,026	-	-	60,724	-	-	31,926
Restricted	687,591	387,331	935,592	8,337	119,659	47,458	61,343
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>689,617</u>	<u>387,331</u>	<u>935,592</u>	<u>69,061</u>	<u>119,659</u>	<u>47,458</u>	<u>93,269</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,299,896</u>	<u>\$ 387,331</u>	<u>\$ 935,592</u>	<u>\$ 324,643</u>	<u>\$ 1,910,524</u>	<u>\$ 372,971</u>	<u>\$ 143,621</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2015

	Special Revenue			Total
	Court Forfeits	Skyway Maintenance	Baseball Stadium	
ASSETS				
Equity in pooled investments	\$ 129,250	\$ 165,137	\$ 12,184	\$ 4,238,493
Receivables (net of allowance for uncollectibles):				
Taxes	-	-	-	4,094
Accounts	809	-	2,627	274,539
Special assessments	-	-	-	405,687
Intergovernmental	-	-	-	85,230
Due from other funds	-	-	-	39,500
Prepaid expenditures	-	5,968	-	7,994
Loans	-	-	-	2,354,925
Property held for resale	-	-	-	156,450
Total assets	\$ 130,059	\$ 171,105	\$ 14,811	\$ 7,566,912
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Vouchers payable	\$ 838	\$ 8,071	\$ 8,139	\$ 203,401
Advances from other funds	-	-	1,237,927	1,792,927
Due to other funds	-	-	-	39,500
Accrued payroll	-	-	-	11,031
Special assessments payable	-	-	2,040	238,261
Unearned revenue	-	-	-	1,676,175
Total liabilities	838	8,071	1,248,106	3,961,295
Deferred inflows of resources				
Unavailable revenue	-	-	-	1,066,223
Fund balances				
Nonspendable	-	5,968	-	164,444
Restricted	129,221	157,066	-	3,608,245
Unassigned	-	-	(1,233,295)	(1,233,295)
Total fund balances	129,221	163,034	(1,233,295)	2,539,394
Total liabilities, deferred inflows of resources and fund balances	\$ 130,059	\$ 171,105	\$ 14,811	\$ 7,566,912

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Special Revenue						
	City Share of Specials	Noxious Weed	Emergency 911	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	
REVENUES							
Taxes	\$ 372,680	\$ 37,265	\$ -	\$ -	\$ 2,408,711	\$ -	\$ -
Special assessments	-	-	-	185,593	-	-	-
Intergovernmental revenues	-	2,000	-	-	-	192,981	49,699
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous revenues	4,972	-	-	325	15,009	181,530	17,344
Total revenues	<u>377,652</u>	<u>39,265</u>	<u>-</u>	<u>185,918</u>	<u>2,423,720</u>	<u>374,511</u>	<u>67,043</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	-	-	-	77,285
Public works	231,271	-	-	-	-	-	-
Public health & welfare	-	40,298	-	-	-	-	-
Recreation & culture	-	-	-	277,531	2,424,467	-	-
Urban redevelopment	-	-	-	-	-	247,700	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	8,600
Total expenditures	<u>231,271</u>	<u>40,298</u>	<u>-</u>	<u>277,531</u>	<u>2,424,467</u>	<u>247,700</u>	<u>85,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>146,381</u>	<u>(1,033)</u>	<u>-</u>	<u>(91,613)</u>	<u>(747)</u>	<u>126,811</u>	<u>(18,842)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	20,931	45,200	-	-	30,845
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Transfers out							
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	(26,188)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(26,188)</u>	<u>-</u>	<u>20,931</u>	<u>45,200</u>	<u>-</u>	<u>-</u>	<u>30,845</u>
Net change in fund balances	120,193	(1,033)	20,931	(46,413)	(747)	126,811	12,003
Fund balance (deficit) - beginning of year	411,501	128,691	(20,931)	176,203	1,066	78,691	131,481
Fund balance (deficit) - end of year	<u>\$ 531,694</u>	<u>\$ 127,658</u>	<u>\$ -</u>	<u>\$ 129,790</u>	<u>\$ 319</u>	<u>\$ 205,502</u>	<u>\$ 143,484</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, 2015

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	NRI Loan Program
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	1,042,202	323,578	-	-
Charges for services	1,513,319	-	-	-	-	-	800
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	25	112	-	1,689
Miscellaneous revenues	2,001	-	-	21,211	174,939	40,991	98,714
Total revenues	1,515,320	-	-	1,063,438	498,629	40,991	101,203
EXPENDITURES							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	61,686	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	1,009,376	478,575	28,643	83,249
Public transportation	935,229	49,315	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	935,229	49,315	-	1,071,062	478,575	28,643	83,249
Excess (deficiency) of revenues over (under) expenditures	580,091	(49,315)	-	(7,624)	20,054	12,348	17,954
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	15,750	-	-	-	-	-	-
Special revenue funds	-	36,000	-	-	-	-	-
Debt service	-	-	-	-	-	-	33,172
Transfers out							
Special revenue funds	(36,000)	-	-	-	-	-	-
Debt service	(60,263)	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total other financing sources (uses)	(80,513)	36,000	-	-	-	-	33,172
Net change in fund balances	499,578	(13,315)	-	(7,624)	20,054	12,348	51,126
Fund balance (deficit) - beginning of year	190,039	400,646	935,592	76,685	99,605	35,110	42,143
Fund balance (deficit) - end of year	<u>\$ 689,617</u>	<u>\$ 387,331</u>	<u>\$ 935,592</u>	<u>\$ 69,061</u>	<u>\$ 119,659</u>	<u>\$ 47,458</u>	<u>\$ 93,269</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, 2015

	Special Revenue			
	Court Forfeits	Skyway Maintenance	Baseball Stadium	Total
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 2,818,656
Special assessments	-	37,714	-	223,307
Intergovernmental revenues	-	-	-	1,610,460
Charges for services	-	-	66,100	1,580,219
Fines and forfeits	16,700	-	-	16,700
Investment income	-	-	-	1,826
Miscellaneous revenues	12,756	-	-	569,792
Total revenues	<u>29,456</u>	<u>37,714</u>	<u>66,100</u>	<u>6,820,960</u>
EXPENDITURES				
Current:				
Public safety	41,887	-	-	119,172
Public works	-	-	-	231,271
Public health & welfare	-	-	-	101,984
Recreation & culture	-	90,477	76,572	2,869,047
Urban redevelopment	-	-	-	1,847,543
Public transportation	-	-	-	984,544
Capital outlay	-	-	-	8,600
Total expenditures	<u>41,887</u>	<u>90,477</u>	<u>76,572</u>	<u>6,162,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,431)</u>	<u>(52,763)</u>	<u>(10,472)</u>	<u>658,799</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
General fund	-	-	-	112,726
Special revenue funds	-	-	-	36,000
Debt service	-	-	-	33,172
Transfers out				
Special revenue funds	-	-	-	(36,000)
Debt service	-	-	-	(60,263)
Capital projects	-	-	-	(26,188)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,447</u>
Net change in fund balances	(12,431)	(52,763)	(10,472)	718,246
Fund balance (deficit) - beginning of year	141,652	215,797	(1,222,823)	1,821,148
Fund balance (deficit) - end of year	<u>\$ 129,221</u>	<u>\$ 163,034</u>	<u>\$ (1,233,295)</u>	<u>\$ 2,539,394</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, 2015

	City Share of Specials				Noxious Weeds			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 383,000	\$ 383,000	\$ 372,680	\$ (10,320)	\$ 37,000	\$ 37,000	\$ 37,265	\$ 265
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	2,000	2,000
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	4,972	4,972	-	-	-	-
Total revenues	383,000	383,000	377,652	(5,348)	37,000	37,000	39,265	2,265
EXPENDITURES								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	302,000	302,000	231,271	70,729	-	-	-	-
Public health and welfare	-	-	-	-	50,000	50,000	40,298	9,702
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	302,000	302,000	231,271	70,729	50,000	50,000	40,298	9,702
Excess (deficiency) of revenues over (under) expenditures	81,000	81,000	146,381	65,381	(13,000)	(13,000)	(1,033)	11,967
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	(57,000)	(57,000)	(26,188)	30,812	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(57,000)	(57,000)	(26,188)	30,812	-	-	-	-
Net change in fund balances	24,000	24,000	120,193	96,193	(13,000)	(13,000)	(1,033)	11,967
Fund balance (deficit) - beginning of year	411,501	411,501	411,501	-	128,691	128,691	128,691	-
Fund balance (deficit) - end of year	<u>\$ 435,501</u>	<u>\$ 435,501</u>	<u>\$ 531,694</u>	<u>\$ 96,193</u>	<u>\$ 115,691</u>	<u>\$ 115,691</u>	<u>\$ 127,658</u>	<u>\$ 11,967</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, 2015

					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		
REVENUES								
Taxes	\$ 2,077,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	194,000	197,104	185,593	(11,511)
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	325	325
Total revenues	<u>2,077,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,000</u>	<u>197,104</u>	<u>185,918</u>	<u>(11,186)</u>
EXPENDITURES								
Current:								
Public safety	2,156,000	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	194,000	194,000	277,531	(83,531)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,156,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,000</u>	<u>194,000</u>	<u>277,531</u>	<u>(83,531)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(79,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,104</u>	<u>(91,613)</u>	<u>(94,717)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	20,931	20,931	-	-	45,200	45,200
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>20,931</u>	<u>20,931</u>	<u>-</u>	<u>-</u>	<u>45,200</u>	<u>45,200</u>
Net change in fund balances	(79,000)	-	20,931	20,931	-	3,104	(46,413)	(49,517)
Fund balance (deficit) - beginning of year	(20,931)	(20,931)	(20,931)	-	176,203	176,203	176,203	-
Fund balance (deficit) - end of year	<u>\$ (99,931)</u>	<u>\$ (20,931)</u>	<u>\$ -</u>	<u>\$ 20,931</u>	<u>\$ 176,203</u>	<u>\$ 179,307</u>	<u>\$ 129,790</u>	<u>\$ (49,517)</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, 2015

	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		
REVENUES								
Taxes	\$ 2,520,000	\$ 2,520,000	\$ 2,408,711	\$ (111,289)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	600,000	600,000	192,981	(407,019)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	6,000	6,000	15,009	9,009	-	-	181,530	181,530
Total revenues	<u>2,526,000</u>	<u>2,526,000</u>	<u>2,423,720</u>	<u>(102,280)</u>	<u>600,000</u>	<u>600,000</u>	<u>374,511</u>	<u>(225,489)</u>
EXPENDITURES								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	2,526,000	2,526,000	2,424,467	101,533	-	-	-	-
Urban redevelopment	-	-	-	-	600,000	600,000	247,700	352,300
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>2,526,000</u>	<u>2,526,000</u>	<u>2,424,467</u>	<u>101,533</u>	<u>600,000</u>	<u>600,000</u>	<u>247,700</u>	<u>352,300</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(747)	(747)	-	-	126,811	126,811
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
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	-	-	(747)	(747)	-	-	126,811	126,811
Fund balance (deficit) - beginning of year	1,066	1,066	1,066	-	78,691	78,691	78,691	-
Fund balance (deficit) - end of year	<u>\$ 1,066</u>	<u>\$ 1,066</u>	<u>\$ 319</u>	<u>\$ (747)</u>	<u>\$ 78,691</u>	<u>\$ 78,691</u>	<u>\$ 205,502</u>	<u>\$ 126,811</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, 2015

	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		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	49,155	49,155	49,699	544	-	-	-	-
Charges for services	-	-	-	-	973,633	973,633	1,513,319	539,686
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	25,000	25,000	17,344	(7,656)	10,000	18,598	2,001	(16,597)
Total revenues	<u>74,155</u>	<u>74,155</u>	<u>67,043</u>	<u>(7,112)</u>	<u>983,633</u>	<u>992,231</u>	<u>1,515,320</u>	<u>523,089</u>
EXPENDITURES								
Current:								
Public safety	74,000	65,400	77,285	(11,885)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	664,777	805,119	935,229	(130,110)
Capital outlay	-	8,600	8,600	-	-	-	-	-
Total expenditures	<u>74,000</u>	<u>74,000</u>	<u>85,885</u>	<u>(11,885)</u>	<u>664,777</u>	<u>805,119</u>	<u>935,229</u>	<u>(130,110)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>155</u>	<u>155</u>	<u>(18,842)</u>	<u>(18,997)</u>	<u>318,856</u>	<u>187,112</u>	<u>580,091</u>	<u>392,979</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	30,845	30,845	30,845	-	27,000	27,000	15,750	(11,250)
Special revenue	-	-	-	-	44,367	44,367	-	(44,367)
Debt service	-	-	-	-	266,000	266,000	-	(266,000)
Transfers out:								
General fund	(10,000)	(10,000)	-	10,000	-	-	-	-
Special revenue	-	-	-	-	(36,000)	(36,000)	(36,000)	-
Debt service	-	-	-	-	(292,223)	(292,223)	(60,263)	231,960
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>20,845</u>	<u>20,845</u>	<u>30,845</u>	<u>10,000</u>	<u>9,144</u>	<u>9,144</u>	<u>(80,513)</u>	<u>(89,657)</u>
Net change in fund balances	<u>21,000</u>	<u>21,000</u>	<u>12,003</u>	<u>(8,997)</u>	<u>328,000</u>	<u>196,256</u>	<u>499,578</u>	<u>303,322</u>
Fund balance (deficit) - beginning of year	131,481	131,481	131,481	-	190,039	190,039	190,039	-
Fund balance (deficit) - end of year	<u>\$ 152,481</u>	<u>\$ 152,481</u>	<u>\$ 143,484</u>	<u>\$ (8,997)</u>	<u>\$ 518,039</u>	<u>\$ 386,295</u>	<u>\$ 689,617</u>	<u>\$ 303,322</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, 2015

	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		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	75,000	75,000	49,315	25,685	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>49,315</u>	<u>25,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(75,000)</u>	<u>(75,000)</u>	<u>(49,315)</u>	<u>25,685</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	36,000	36,000	36,000	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(39,000)	(39,000)	(13,315)	25,685	-	-	-	-
Fund balance (deficit) - beginning of year	400,646	400,646	400,646	-	935,592	935,592	935,592	-
Fund balance (deficit) - end of year	<u>\$ 361,646</u>	<u>\$ 361,646</u>	<u>\$ 387,331</u>	<u>\$ 25,685</u>	<u>\$ 935,592</u>	<u>\$ 935,592</u>	<u>\$ 935,592</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, 2015

	Community Development				HUD Home Participating Jurisdiction			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	678,000	678,000	1,042,202	364,202	400,000	400,000	323,578	(76,422)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	100	100	25	(75)	2,000	2,000	112	(1,888)
Miscellaneous revenue	4,900	4,900	21,211	16,311	51,000	51,000	174,939	123,939
Total revenues	683,000	683,000	1,063,438	380,438	453,000	453,000	498,629	45,629
EXPENDITURES								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	61,686	(61,686)	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	704,000	706,380	1,009,376	(302,996)	512,000	513,727	478,575	35,152
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	704,000	706,380	1,071,062	(364,682)	512,000	513,727	478,575	35,152
Excess (deficiency) of revenues over (under) expenditures	(21,000)	(23,380)	(7,624)	15,756	(59,000)	(60,727)	20,054	80,781
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(21,000)	(23,380)	(7,624)	15,756	(59,000)	(60,727)	20,054	80,781
Fund balance (deficit) - beginning of year	76,685	76,685	76,685	-	99,605	99,605	99,605	-
Fund balance (deficit) - end of year	\$ 55,685	\$ 53,305	\$ 69,061	\$ 15,756	\$ 40,605	\$ 38,878	\$ 119,659	\$ 80,781

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, 2015

	HUD Home Program				NRI Loan Program			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000	3,000	800	(2,200)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	6,000	6,000	1,689	(4,311)
Miscellaneous revenue	23,000	23,000	40,991	17,991	152,000	422,000	98,714	(323,286)
Total revenues	<u>23,000</u>	<u>23,000</u>	<u>40,991</u>	<u>17,991</u>	<u>161,000</u>	<u>431,000</u>	<u>101,203</u>	<u>(329,797)</u>
EXPENDITURES								
Current:								
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	30,000	30,000	28,643	1,357	21,000	291,100	83,249	207,851
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>28,643</u>	<u>1,357</u>	<u>21,000</u>	<u>291,100</u>	<u>83,249</u>	<u>207,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,000)</u>	<u>(7,000)</u>	<u>12,348</u>	<u>19,348</u>	<u>140,000</u>	<u>139,900</u>	<u>17,954</u>	<u>(121,946)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	33,000	33,000	33,172	172
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,000</u>	<u>33,000</u>	<u>33,172</u>	<u>172</u>
Net change in fund balances	(7,000)	(7,000)	12,348	19,348	173,000	172,900	51,126	(121,774)
Fund balance (deficit) - beginning of year	35,110	35,110	35,110	-	42,143	42,143	42,143	-
Fund balance (deficit) - end of year	<u>\$ 28,110</u>	<u>\$ 28,110</u>	<u>\$ 47,458</u>	<u>\$ 19,348</u>	<u>\$ 215,143</u>	<u>\$ 215,043</u>	<u>\$ 93,269</u>	<u>\$ (121,774)</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, 2015

	Court Forfeits				Skyway Maintenance			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	100,000	62,923	37,714	(25,209)
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	100,000	16,700	(83,300)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	12,756	12,756	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>29,456</u>	<u>(70,544)</u>	<u>100,000</u>	<u>62,923</u>	<u>37,714</u>	<u>(25,209)</u>
EXPENDITURES								
Current:								
Public safety	160,000	160,000	41,887	118,113	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	90,000	90,000	90,477	(477)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>41,887</u>	<u>118,113</u>	<u>90,000</u>	<u>90,000</u>	<u>90,477</u>	<u>(477)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(12,431)</u>	<u>47,569</u>	<u>10,000</u>	<u>(27,077)</u>	<u>(52,763)</u>	<u>(25,686)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
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	(60,000)	(60,000)	(12,431)	47,569	10,000	(27,077)	(52,763)	(25,686)
Fund balance (deficit) - beginning of year	141,652	141,652	141,652	-	\$ 215,797	\$ 215,797	\$ 215,797	\$ -
Fund balance (deficit) - end of year	<u>\$ 81,652</u>	<u>\$ 81,652</u>	<u>\$ 129,221</u>	<u>\$ 47,569</u>	<u>\$ 225,797</u>	<u>\$ 188,720</u>	<u>\$ 163,034</u>	<u>\$ (25,686)</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, 2015

	Baseball Stadium				Totals			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,017,000	\$ 2,940,000	\$ 2,818,656	\$ (121,344)
Special assessments	-	-	-	-	294,000	260,027	223,307	(36,720)
Intergovernmental revenues	-	-	-	-	1,727,155	1,727,155	1,610,460	(116,695)
Charges for services	100,000	100,000	66,100	(33,900)	1,076,633	1,076,633	1,580,219	503,586
Fines and forfeits	-	-	-	-	100,000	100,000	16,700	(83,300)
Investment income	-	-	-	-	8,100	8,100	1,826	(6,274)
Miscellaneous revenue	-	-	-	-	271,900	550,498	569,792	19,294
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>66,100</u>	<u>(33,900)</u>	<u>8,494,788</u>	<u>6,662,413</u>	<u>6,820,960</u>	<u>158,547</u>
EXPENDITURES								
Current:								
Public safety	-	-	-	-	2,390,000	225,400	119,172	106,228
Public works	-	-	-	-	302,000	302,000	231,271	70,729
Public health and welfare	-	-	-	-	50,000	50,000	101,984	(51,984)
Recreation and culture	27,480	27,480	76,572	(49,092)	2,837,480	2,837,480	2,869,047	(31,567)
Urban redevelopment	-	-	-	-	1,867,000	2,141,207	1,847,543	293,664
Public transportation	-	-	-	-	739,777	880,119	984,544	(104,425)
Capital outlay	-	-	-	-	-	8,600	8,600	-
Total expenditures	<u>27,480</u>	<u>27,480</u>	<u>76,572</u>	<u>(49,092)</u>	<u>8,186,257</u>	<u>6,444,806</u>	<u>6,162,161</u>	<u>282,645</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,520</u>	<u>72,520</u>	<u>(10,472)</u>	<u>(82,992)</u>	<u>308,531</u>	<u>217,607</u>	<u>658,799</u>	<u>441,192</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	57,845	57,845	112,726	54,881
Special revenue	-	-	-	-	80,367	80,367	36,000	(44,367)
Debt service	-	-	-	-	299,000	299,000	33,172	(265,828)
Transfers out:								
General fund	-	-	-	-	(10,000)	(10,000)	-	10,000
Special revenue	-	-	-	-	(36,000)	(36,000)	(36,000)	-
Debt service	-	-	-	-	(292,223)	(292,223)	(60,263)	231,960
Capital projects	-	-	-	-	(57,000)	(57,000)	(26,188)	30,812
Enterprise	(72,520)	(72,520)	-	72,520	(72,520)	(72,520)	-	72,520
Total other financing sources (uses)	<u>(72,520)</u>	<u>(72,520)</u>	<u>-</u>	<u>72,520</u>	<u>(30,531)</u>	<u>(30,531)</u>	<u>59,447</u>	<u>89,978</u>
Net change in fund balances	-	-	(10,472)	(10,472)	278,000	187,076	718,246	531,170
Fund balance (deficit) - beginning of year	\$ (1,222,823)	\$ (1,222,823)	\$ (1,222,823)	\$ -	\$ 1,821,148	\$ 1,821,148	\$ 1,821,148	\$ -
Fund balance (deficit) - end of year	<u>(1,222,823)</u>	<u>(1,222,823)</u>	<u>(1,233,295)</u>	<u>(10,472)</u>	<u>2,099,148</u>	<u>2,008,224</u>	<u>2,539,394</u>	<u>531,170</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 28,203,000	\$ 28,543,000	\$ 28,788,185	\$ 245,185
Special assessments	24,417,000	26,136,516	26,570,125	433,609
Investment income	150,000	150,000	454,214	304,214
Miscellaneous revenues	-	-	39,510	39,510
Total revenues	<u>52,770,000</u>	<u>54,829,516</u>	<u>55,852,034</u>	<u>1,022,518</u>
EXPENDITURES				
Current:				
Public works	-	-	531,058	(531,058)
Urban redevelopment	-	49,000	118,864	(69,864)
Debt Service	56,377,050	42,850,892	42,518,923	331,969
Total expenditures	<u>56,377,050</u>	<u>42,899,892</u>	<u>43,168,845</u>	<u>(268,953)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,607,050)</u>	<u>11,929,624</u>	<u>12,683,189</u>	<u>753,565</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	932,600	821,863	853,665	31,802
Transfers out	(11,855,544)	(16,663,544)	(21,955,731)	(5,292,187)
Loans issued	-	-	68,975	68,975
Bonds issued	-	-	33,575,000	33,575,000
Bond premium	-	-	4,350,737	4,350,737
Total other financing sources (uses)	<u>(10,922,944)</u>	<u>(15,841,681)</u>	<u>16,892,646</u>	<u>32,734,327</u>
Net change in fund balances	<u>(14,529,994)</u>	<u>(3,912,057)</u>	29,575,835	<u>33,487,892</u>
Fund balance (deficit) - beginning of year			<u>61,094,853</u>	
Fund balance (deficit) - end of year			<u>\$ 90,670,688</u>	

NONMAJOR ENTERPRISE FUNDS

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

The City operates 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, 2015

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
ASSETS					
Current assets					
Cash	\$ -	\$ -	\$ -	\$ 50	\$ 50
Equity in pooled investments	26,454	797,493	326,718	198,093	1,348,758
Receivables (net of allowance for uncollectibles):					
Special assessments	-	-	-	24,179	24,179
Accounts	8,553	63,599	190,969	165,882	429,003
Inventory	-	-	338,211	-	338,211
Prepaid expenses	-	1,667	4,418	5,644	11,729
Total current assets	<u>35,007</u>	<u>862,759</u>	<u>860,316</u>	<u>393,848</u>	<u>2,151,930</u>
Noncurrent assets					
Capital assets					
Machinery and equipment	-	53,232	432,486	1,084,244	1,569,962
Infrastructure	-	-	34,960,281	-	34,960,281
Less accumulated depreciation	-	(39,958)	(15,712,223)	(780,245)	(16,532,426)
Total noncurrent assets	<u>-</u>	<u>13,274</u>	<u>19,680,544</u>	<u>303,999</u>	<u>19,997,817</u>
Total assets	<u>35,007</u>	<u>876,033</u>	<u>20,540,860</u>	<u>697,847</u>	<u>22,149,747</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources related to pension	-	-	10,590	85,043	95,633
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>10,590</u>	<u>85,043</u>	<u>95,633</u>
LIABILITIES					
Current liabilities					
Vouchers payable	2,265	-	188,707	3,453	194,425
Accrued payroll	-	-	5,674	26,718	32,392
Accrued vacation payable	-	-	11,375	48,865	60,240
Total current liabilities	<u>2,265</u>	<u>-</u>	<u>205,756</u>	<u>79,036</u>	<u>287,057</u>
Long-term liabilities					
Net pension liability	-	-	91,777	639,311	731,088
Total long-term liabilities	<u>-</u>	<u>-</u>	<u>91,777</u>	<u>639,311</u>	<u>731,088</u>
Total liabilities	<u>2,265</u>	<u>-</u>	<u>297,533</u>	<u>718,347</u>	<u>1,018,145</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of resources related to pension	-	-	10,176	37,406	47,582
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>10,176</u>	<u>37,406</u>	<u>47,582</u>
NET POSITION					
Net investment in capital assets	-	13,274	19,680,544	303,999	19,997,817
Unrestricted	32,742	862,759	563,197	(276,862)	1,181,836
Total net position	<u>\$ 32,742</u>	<u>\$ 876,033</u>	<u>\$ 20,243,741</u>	<u>\$ 27,137</u>	<u>\$ 21,179,653</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, 2015

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
OPERATING REVENUES					
Charges for services	\$ 28,690	\$ 678,189	\$ 1,753,908	\$ 1,462,886	\$ 3,923,673
OPERATING EXPENSES					
Personnel services	-	-	190,389	1,039,573	1,229,962
Other services	8,818	215,703	157,727	471,346	853,594
Materials and supplies	45,497	114,267	1,255,770	149,160	1,564,694
Depreciation	-	5,309	1,420,132	60,514	1,485,955
Total operating expenses	54,315	335,279	3,024,018	1,720,593	5,134,205
Operating income (loss)	(25,625)	342,910	(1,270,110)	(257,707)	(1,210,532)
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposal of assets	-	500	-	51,160	51,660
Miscellaneous revenue	-	-	-	390	390
Total nonoperating revenues	-	500	-	51,550	52,050
Income (loss) before contributions and transfers	(25,625)	343,410	(1,270,110)	(206,157)	(1,158,482)
Capital Contributions	12,709	-	3,734,861	-	3,747,570
Transfers in:					
Enterprise	-	-	150,000	380,000	530,000
Transfers out:					
General	-	(204,000)	(252,000)	(90,000)	(546,000)
Change in net position	(12,916)	139,410	2,362,751	83,843	2,573,088
Total net position - beginning - as restated	45,658	736,623	17,880,990	(56,706)	18,606,565
Total net position - ending	\$ 32,742	\$ 876,033	\$ 20,243,741	\$ 27,137	\$ 21,179,653

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2015

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 56,475	\$ 676,793	\$ 1,763,249	\$ 1,449,514	\$ 3,946,031
Payments to employees	-	-	(139,568)	(754,979)	(894,547)
Payments of benefits on behalf of employees	-	-	(40,425)	(244,824)	(285,249)
Payments to suppliers	(54,679)	(329,952)	(1,291,590)	(620,117)	(2,296,338)
Net cash provided (used) by operating activities	<u>1,796</u>	<u>346,841</u>	<u>291,666</u>	<u>(170,406)</u>	<u>469,897</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	(204,000)	(252,000)	(90,000)	(546,000)
Transfers from other funds	-	-	150,000	380,000	530,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(204,000)</u>	<u>(102,000)</u>	<u>290,000</u>	<u>(16,000)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	-	500	-	51,160	51,660
Acquisition of capital assets	-	-	(90,424)	(214,058)	(304,482)
Intergovernmental capital grants	12,709	-	-	-	12,709
Net cash provided (used) by capital and related financing activities	<u>12,709</u>	<u>500</u>	<u>(90,424)</u>	<u>(162,898)</u>	<u>(240,113)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investments redeemed	11,949	654,152	227,476	241,397	1,134,974
Investments (purchased)	(26,454)	(797,493)	(326,718)	(198,093)	(1,348,758)
Net cash provided (used) by investing activities	<u>(14,505)</u>	<u>(143,341)</u>	<u>(99,242)</u>	<u>43,304</u>	<u>(213,784)</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>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (25,625)	\$ 342,910	\$ (1,270,110)	\$ (257,707)	\$ (1,210,532)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	-	5,309	1,420,132	60,514	1,485,955
Change in assets and liabilities					
Accounts receivable	27,785	(1,396)	9,341	(14,457)	21,273
Special assessment receivable	-	-	-	1,085	1,085
Inventories	-	-	44,279	-	44,279
Prepaid expenses	-	18	1	(148)	(129)
Accounts payable	(364)	-	77,627	537	77,800
Vacation payable	-	-	839	5,190	6,029
Payroll payable	-	-	1,016	4,665	5,681
Net pension liability	-	-	8,541	29,915	38,456
Total adjustments	<u>27,421</u>	<u>3,931</u>	<u>1,561,776</u>	<u>87,301</u>	<u>1,680,429</u>
Net cash provided (used) by operating activities	<u>\$ 1,796</u>	<u>\$ 346,841</u>	<u>\$ 291,666</u>	<u>\$ (170,406)</u>	<u>\$ 469,897</u>
Noncash transactions affecting financial position:					
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,734,861</u>	<u>\$ -</u>	<u>\$ 3,734,861</u>

FIDUCIARY FUNDS

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.

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, 2015

	Performance Deposits	Park District Special Assessments	Metro Flood Project Diversion Authority	Red River Regional Dispatch Center	Total
ASSETS					
Cash and investments	\$ 13,820	\$ -	\$ -	\$ -	\$ 13,820
Equity in pooled investments	224,900	17,555	-	542,953	785,408
Receivables(net of allowance for uncollectibles)					
Accounts	-	-	7,448,325	-	7,448,325
Special assessments receivable	-	6,864,680	-	-	6,864,680
Intergovernmental	-	-	60,588,413	-	60,588,413
Total assets	<u>\$ 238,720</u>	<u>\$ 6,882,235</u>	<u>\$ 68,036,738</u>	<u>\$ 542,953</u>	<u>\$ 75,700,646</u>
LIABILITIES					
Vouchers payable	\$ -	\$ -	\$ 187,516	\$ -	\$ 187,516
Due to other governments	-	6,864,680	58,308,986	-	65,173,666
Due to primary government	-	-	9,540,236	-	9,540,236
Deposits	238,720	17,555	-	542,953	799,228
Total liabilities	<u>\$ 238,720</u>	<u>\$ 6,882,235</u>	<u>\$ 68,036,738</u>	<u>\$ 542,953</u>	<u>\$ 75,700,646</u>

**CITY OF FARGO, NORTH DAKOTA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2015**

	Beginning of Year	Additions	Deductions	End of Year
PERFORMANCE DEPOSITS				
ASSETS				
Cash, including time deposits	\$ 13,820	\$ -	\$ -	\$ 13,820
Equity in pooled investments	179,261	496,640	451,001	224,900
Total assets	\$ 193,081	\$ 496,640	\$ 451,001	\$ 238,720
LIABILITIES				
Deposits	\$ 193,081	\$ 496,640	\$ 451,001	\$ 238,720
Total liabilities	\$ 193,081	\$ 496,640	\$ 451,001	\$ 238,720
PARK DISTRICT SPECIAL ASSESSMENTS				
ASSETS				
Equity in pooled investments	\$ -	\$ 475,635	\$ 458,080	\$ 17,555
Special assessments receivable	5,469,572	1,640,590	245,482	6,864,680
Total assets	\$ 5,469,572	\$ 2,116,225	\$ 703,562	\$ 6,882,235
LIABILITIES				
Due to other governments	\$ 5,469,572	\$ 1,640,590	\$ 245,482	\$ 6,864,680
Deposits	-	475,635	458,080	17,555
Total liabilities	\$ 5,469,572	\$ 2,116,225	\$ 703,562	\$ 6,882,235
METRO FLOOD PROJECT DIVERSION AUTHORITY				
ASSETS				
Equity in pooled investments	\$ (4,966,154)	\$ 102,390,158	\$ 106,964,240	\$ (9,540,236)
Accounts receivable	2,243,669	7,448,325	2,243,669	7,448,325
Intergovernmental receivable	28,112,640	105,910,674	73,434,901	60,588,413
Total assets	\$ 25,390,155	\$ 215,749,157	\$ 182,642,810	\$ 58,496,502
LIABILITIES				
Vouchers Payable	\$ 3,515,997	\$ 69,175,897	\$ 72,504,378	\$ 187,516
Due to other governments	21,874,158	37,317,997	883,169	58,308,986
Total liabilities	\$ 25,390,155	\$ 106,493,894	\$ 73,387,547	\$ 58,496,502
RED RIVER REGIONAL DISPATCH CENTER				
ASSETS				
Equity in pooled investments	\$ 438,359	\$ 4,114,983	\$ 4,010,389	\$ 542,953
Total assets	\$ 438,359	\$ 4,114,983	\$ 4,010,389	\$ 542,953
LIABILITIES				
Deposits	\$ 438,359	\$ 4,114,983	\$ 4,010,389	\$ 542,953
Total liabilities	\$ 438,359	\$ 4,114,983	\$ 4,010,389	\$ 542,953
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash, including time deposits	\$ 13,820	\$ -	\$ -	\$ 13,820
Equity in pooled investments	(4,348,534)	107,477,416	111,883,710	(8,754,828)
Accounts receivable	2,243,669	7,448,325	2,243,669	7,448,325
Special assessments receivable	5,469,572	1,640,590	245,482	6,864,680
Intergovernmental receivable	28,112,640	105,910,674	73,434,901	60,588,413
Total assets	\$ 31,491,167	\$ 222,477,005	\$ 187,807,762	\$ 66,160,410
LIABILITIES				
Vouchers payable	\$ 3,515,997	\$ 69,175,897	\$ 72,504,378	\$ 187,516
Due to other governments	27,343,730	38,958,587	1,128,651	65,173,666
Deposits	631,440	5,087,258	4,919,470	799,228
Total liabilities	\$ 31,491,167	\$ 113,221,742	\$ 78,552,499	\$ 66,160,410

**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, 2015

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 63,275,554
Intangible - Right of way	8,413,003
Buildings	76,708,044
Improvements other than buildings	1,122,099
Machinery and equipment	54,967,080
Infrastructure	352,247,148
Flood Control	40,221,883
Construction in progress	11,363,698
Total governmental funds capital assets	<u>\$ 608,318,509</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	\$ 42,505,945
Special revenue funds	6,434,637
Capital projects	529,293,064
Enterprise funds	1,479,378
Federal and state grants	26,954,805
Donated	1,650,680
Total governmental funds capital assets	<u>\$ 608,318,509</u>

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2015

FUNCTION AND ACTIVITY	Land	Right of Way	Buildings	Improvements Other than Buildings	Machinery and Equipment	Infrastructure	Flood Control	Construction in Progress	Total
General Government:									
City Commission	\$ -	\$ -	\$ -	\$ -	\$ 60,930	\$ -	\$ -	\$ -	\$ 60,930
City Auditor	-	-	-	-	64,457	-	-	-	64,457
Information Technology	-	-	-	-	4,865,412	-	-	-	4,865,412
Public Information	-	-	-	-	103,060	-	-	-	103,060
Human Resources	-	-	-	-	38,185	-	-	-	38,185
City Assessor	-	-	-	-	92,385	-	-	-	92,385
Municipal Court	-	-	1,596,948	-	39,233	-	-	-	1,636,181
Planning & Development	-	-	-	-	16,292	-	-	332,092	348,384
Central Garage	-	-	4,228,637	127,813	1,285,778	-	-	-	5,642,228
City Buildings	-	-	1,159,334	17,865	412,697	-	-	1,823,752	3,413,648
Total	-	-	6,984,919	145,678	6,978,429	-	-	2,155,844	16,264,870
Public Safety:									
Traffic Engineering	-	-	21,422	-	334,094	-	-	-	355,516
Fire Department	436,448	-	8,934,954	5,490	7,561,356	-	-	608,632	17,546,880
Emergency Management	-	-	-	-	584,052	-	-	-	584,052
Police Department	43,000	-	2,170,445	31,654	5,623,513	-	-	-	7,868,612
Inspections	-	-	-	-	209,466	-	-	-	209,466
Total	479,448	-	11,126,821	37,144	14,312,481	-	-	608,632	26,564,526
Public Works:									
City Engineer	1,462,261	45,471	-	-	1,541,321	-	-	-	3,049,053
Street Department	817,500	4,588,892	999,284	73,818	11,472,054	352,247,148	-	-	370,198,696
Flood	58,163,882	3,778,640	-	134,240	-	-	40,221,883	-	102,298,645
Total	60,443,643	8,413,003	999,284	208,058	13,013,375	352,247,148	40,221,883	-	475,546,394
Public Health & Welfare:									
Health Department	857,805	-	4,272,924	305,120	1,015,446	-	-	8,599,222	15,050,517
Total	857,805	-	4,272,924	305,120	1,015,446	-	-	8,599,222	15,050,517
Recreation & Culture:									
Public Library	-	-	13,173,098	-	3,559,062	-	-	-	16,732,160
City Auditorium	-	-	9,661,627	-	407,248	-	-	-	10,068,875
Convention Bureau	199,505	-	749,851	-	-	-	-	-	949,356
Baseball Stadium	-	-	5,266,692	61,439	243,363	-	-	-	5,571,494
Total	199,505	-	28,851,268	61,439	4,209,673	-	-	-	33,321,885
Urban Redevelopment									
Home Grants	-	-	605,042	-	-	-	-	-	605,042
Community Development	189,153	-	3,942,108	28,446	39,798	-	-	-	4,199,505
Total	189,153	-	4,547,150	28,446	39,798	-	-	-	4,804,547
Transportation									
Transit	-	-	12,034,530	-	15,206,391	-	-	-	27,240,921
Parking Authority	1,106,000	-	7,891,148	336,214	191,487	-	-	-	9,524,849
Total	1,106,000	-	19,925,678	336,214	15,397,878	-	-	-	36,765,770
Grand Total	\$ 63,275,554	\$ 8,413,003	\$ 76,708,044	\$ 1,122,099	\$ 54,967,080	\$ 352,247,148	\$ 40,221,883	\$ 11,363,698	\$ 608,318,509

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, 2015

FUNCTION AND ACTIVITY	Balance January 1, 2015	Additions & Transfers In	Deletions & Transfers Out	Balance December 31, 2015
GENERAL GOVERNMENT:				
City Commission	\$ 60,930	\$ -	\$ -	\$ 60,930
City Auditor	64,457	-	-	64,457
Information Technology	6,376,769	711,911	(2,223,268)	4,865,412
Public Information	103,060	-	-	103,060
Human Resources	38,185	-	-	38,185
City Assessor	92,385	-	-	92,385
Municipal Court	1,636,181	-	-	1,636,181
Planning & Development	29,229	332,092	(12,937)	348,384
Central Garage	5,509,190	139,538	(6,500)	5,642,228
City Buildings	2,731,700	681,949	-	3,413,649
Detox Center	-	-	-	-
Total	<u>16,642,086</u>	<u>1,865,490</u>	<u>(2,242,705)</u>	<u>16,264,871</u>
PUBLIC SAFETY:				
Traffic Engineer	279,813	82,903	(7,200)	355,516
Fire Department	16,761,622	785,257	-	17,546,879
Emergency Management	457,943	149,009	(22,900)	584,052
Police Department	7,734,262	461,576	(327,227)	7,868,611
Inspections	199,032	20,834	(10,400)	209,466
Total	<u>25,432,672</u>	<u>1,499,579</u>	<u>(367,727)</u>	<u>26,564,524</u>
PUBLIC WORKS:				
City Engineer	1,474,674	1,678,093	(103,714)	3,049,053
Street Department	356,454,981	15,294,117	(1,550,402)	370,198,696
Flood	91,453,756	10,844,890	-	102,298,646
Total	<u>449,383,411</u>	<u>27,817,100</u>	<u>(1,654,116)</u>	<u>475,546,395</u>
PUBLIC HEALTH & WELFARE:				
Health Department	10,689,453	4,370,563	(9,500)	15,050,516
Total	<u>10,689,453</u>	<u>4,370,563</u>	<u>(9,500)</u>	<u>15,050,516</u>
RECREATION & CULTURE:				
Public Library	16,675,377	62,902	(6,119)	16,732,160
City Auditorium	10,076,775	-	(7,900)	10,068,875
Convention Bureau	949,356	-	-	949,356
Baseball Stadium	5,571,495	-	-	5,571,495
Total	<u>33,273,003</u>	<u>62,902</u>	<u>(14,019)</u>	<u>33,321,886</u>
URBAN REDEVELOPMENT				
Home Grants	605,042	-	-	605,042
Community Development	4,199,505	-	-	4,199,505
Total	<u>4,804,547</u>	<u>-</u>	<u>-</u>	<u>4,804,547</u>
TRANSPORTATION:				
Transit	26,199,012	1,785,444	(743,535)	27,240,921
Parking Authority	9,495,067	55,572	(25,790)	9,524,849
Total	<u>35,694,079</u>	<u>1,841,016</u>	<u>(769,325)</u>	<u>36,765,770</u>
Grand Total	<u>\$ 575,919,251</u>	<u>\$ 37,456,650</u>	<u>\$ (5,057,392)</u>	<u>\$ 608,318,509</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.

<u>Contents</u>	<u>Page</u>
Financial Trends	129
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	134
These schedules contain information to assist the reader in understanding and assessing the factors affecting the government's ability to generate its own-source revenues.	
Debt Capacity	149
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	157
These schedules offer demographic and economic information to (1) assist the reader in understanding the socioeconomic environment within which a government operates and (2) provide information that facilitates comparisons of financial statement information over time and among governments.	
Operating Information	160
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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 100,497,504	\$ 109,639,923	\$ 136,829,790	\$ 133,054,594	\$ 142,709,681	\$ 165,198,383	\$ 198,360,557	\$ 189,087,362	\$ 206,472,245	\$ 181,249,168
Restricted	106,449,181	101,928,282	99,854,244	88,187,372	83,724,522	64,114,256	91,329,393	94,565,364	86,385,806	36,575,596
Unrestricted	7,637,497	445,006	(24,461,521)	(13,592,579)	(26,809,117)	9,117,295	(19,974,535)	416,679	13,702,900	3,384,329
Total governmental activities	214,584,182	212,013,211	212,222,513	207,649,387	199,625,086	238,429,934	269,715,415	284,069,405	306,560,951	221,209,093
Business-type activities										
Net investment in capital assets	365,275,829	384,874,278	405,649,311	447,423,939	488,520,828	507,957,852	534,544,356	554,814,340	580,624,402	632,351,653
Restricted	12,506,543	20,037,327	27,578,567	29,310,590	34,129,228	31,565,252	35,995,567	39,793,330	47,453,013	42,919,415
Unrestricted	22,993,008	19,752,324	18,795,131	20,655,890	22,190,520	25,929,372	31,301,382	36,016,908	36,694,655	36,550,855
Total business-type	400,775,380	424,663,929	452,023,009	497,390,419	544,840,576	565,452,476	601,841,305	630,624,578	664,772,070	711,821,923
Primary government										
Net investment in capital assets	465,773,333	494,514,201	542,479,101	580,478,533	631,230,509	673,156,235	732,904,913	743,901,702	787,096,647	813,600,821
Restricted	118,955,724	121,965,609	127,432,811	117,497,962	117,853,750	95,679,508	127,324,960	134,358,694	133,838,819	79,495,011
Unrestricted	30,630,505	20,197,330	(5,666,390)	7,063,311	(4,618,597)	35,046,667	11,326,847	36,433,587	50,397,555	39,935,184
Total primary government	\$ 615,359,562	\$ 636,677,140	\$ 664,245,522	\$ 705,039,806	\$ 744,465,662	\$ 803,882,410	\$ 871,556,720	\$ 914,693,983	\$ 971,333,021	\$ 933,031,016

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities:										
General government	\$ 9,636,548	\$ 11,988,162	\$ 12,628,766	\$ 16,061,513	\$ 16,172,223	\$ 10,287,469	\$ 13,785,114	\$ 12,980,379	\$ 15,657,870	\$ 16,818,838
Public safety	23,310,046	24,518,517	27,258,895	31,299,101	31,292,462	31,735,792	33,428,258	33,861,695	34,415,785	37,826,165
Public works	35,070,333	53,116,809	66,435,406	61,560,495	56,086,729	53,970,609	42,392,349	69,082,966	73,315,688	103,297,687
Public health & welfare	6,671,796	7,381,740	7,802,377	8,619,558	9,184,914	9,182,688	9,083,491	9,682,135	9,937,389	11,683,089
Recreation & culture	5,257,930	5,564,318	5,877,783	7,290,768	6,176,197	6,898,193	7,132,599	7,497,540	8,222,506	8,151,402
Urban redevelopment	5,330,190	5,530,189	4,901,145	5,270,433	4,986,361	4,294,454	2,278,779	1,293,873	2,534,044	2,117,333
Transportation	5,297,182	5,839,730	6,712,613	8,240,985	7,637,009	8,117,307	8,653,280	9,448,794	9,670,550	10,045,459
General support	1,297,392	1,709,940	1,252,486	1,279,040	1,576,481	982,211	1,200,633	1,214,200	1,002,608	1,200,135
Interest and fiscal charges	10,562,600	10,383,847	10,078,666	10,970,999	13,203,253	13,699,460	15,751,657	17,090,585	18,545,356	19,670,971
Total governmental activities expenses	102,434,017	126,033,252	142,948,137	150,592,892	146,315,629	139,168,183	133,706,160	162,152,167	173,301,796	210,811,079
Business-type activities:										
Municipal airport authority	5,630,173	6,492,808	6,340,451	6,380,673	6,920,335	6,331,018	6,570,226	7,908,632	8,299,826	8,483,692
Water	13,690,417	11,186,131	12,739,834	13,172,848	13,378,237	13,634,186	13,293,762	14,474,710	14,112,129	14,200,256
Wastewater	6,280,502	6,759,994	6,810,660	7,282,660	8,114,318	8,802,312	8,733,862	9,279,582	8,956,040	9,814,203
Storm sewer	2,963,669	3,137,414	3,318,002	3,573,700	3,743,309	4,131,731	3,988,408	4,525,630	4,737,663	5,082,586
Solid waste	5,673,508	6,615,557	7,739,012	7,524,388	8,229,701	9,279,191	9,272,784	9,856,134	9,889,337	10,798,649
Fargodome	7,562,959	7,544,366	6,781,837	6,872,075	7,284,833	6,435,476	7,099,483	7,868,558	8,236,303	7,893,940
Southeast Cass	66,919	52,694	66,979	66,047	46,757	74,054	67,079	67,763	73,926	54,315
Vector control	367,989	479,179	589,113	389,667	592,516	477,494	327,920	445,567	397,296	335,279
Street lighting	-	-	-	-	2,237,468	2,374,751	2,604,698	2,644,451	2,779,110	3,024,018
Forestry	1,112,526	1,198,305	1,271,640	1,361,803	1,475,962	1,550,266	1,477,668	1,630,661	1,603,197	1,720,593
Total business-type activities expenses	43,348,662	43,466,448	45,657,528	46,623,861	52,023,436	53,090,479	53,435,890	58,701,688	59,084,827	61,407,531
Total primary government expenses	\$ 145,782,679	\$ 169,499,700	\$ 188,605,665	\$ 197,216,753	\$ 198,339,065	\$ 192,258,662	\$ 187,142,050	\$ 220,853,855	\$ 232,386,623	\$ 272,218,610
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 2,632,513	\$ 2,371,413	\$ 2,238,848	\$ 2,406,704	\$ 2,443,507	\$ 2,789,248	\$ 2,989,977	\$ 2,953,292	\$ 3,548,664	\$ 3,166,528
Public safety	5,587,229	4,876,717	4,694,548	4,285,553	4,264,740	4,668,687	5,433,194	5,467,052	8,337,597	6,247,357
Public works	5,497,488	4,962,198	8,041,216	8,418,374	11,163,026	10,519,541	8,064,249	9,708,531	11,731,930	13,399,541
Public health & welfare	2,258,421	2,479,295	2,341,930	2,439,988	2,621,144	2,560,812	2,590,591	2,802,846	2,839,283	3,026,151
Recreation & culture	731,817	652,563	702,866	676,537	739,345	670,765	716,288	764,587	777,310	475,257
Urban redevelopment	4,483,915	3,512,005	2,974,370	2,409,435	1,659,901	170,033	151,670	465,744	82,815	229,405
Transportation	1,878,831	2,561,343	2,760,860	2,875,615	3,076,024	3,130,777	3,441,492	3,589,903	3,876,963	4,023,455
Operating grants and contributions	6,807,640	7,374,752	8,736,849	19,366,139	13,938,290	14,268,244	10,084,351	11,957,140	10,523,934	9,661,729
Capital grants and contributions	43,812,610	37,607,084	51,553,892	65,836,704	57,828,290	71,999,481	65,485,536	68,048,195	76,383,369	86,152,387
Total governmental activities program revenues	73,690,464	66,397,370	84,045,379	108,715,049	97,734,267	110,777,588	98,957,348	105,757,290	118,101,865	126,381,810

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Airport	5,295,396	5,274,194	5,622,701	5,822,644	6,042,021	6,244,177	6,716,756	7,546,237	8,641,627	8,546,795
Water	16,434,832	16,894,612	17,422,765	17,695,424	17,307,253	17,284,658	19,828,733	19,051,936	18,311,211	19,134,802
Wastewater	8,479,324	9,226,721	9,949,467	10,340,200	10,321,247	10,401,385	10,905,355	11,046,790	10,176,950	10,328,605
Storm sewer	1,434,027	1,457,069	1,479,912	1,546,291	1,485,138	1,504,238	1,528,614	1,588,515	1,582,079	1,602,497
Solid waste	8,765,444	9,702,453	10,428,390	9,881,695	9,990,271	11,266,479	10,724,500	11,181,542	12,310,654	11,850,605
Fargodome	3,836,200	4,539,268	4,312,703	4,756,694	5,305,298	4,473,612	5,161,637	5,447,421	6,442,044	6,069,576
Other activities	1,516,823	1,556,522	1,659,185	1,735,879	3,423,829	3,470,485	3,672,429	3,740,032	3,824,210	3,923,673
Operating grants and contributions	8,818	20,000	-	-	-	-	-	-	-	-
Capital grants and contributions	1,849,235	19,540,506	26,965,424	9,095,212	4,157,791	588,860	10,312,478	3,975,726	3,774,958	4,230,097
Total business-type activities program revenues	47,620,099	68,211,345	77,840,547	60,874,039	58,032,848	55,233,894	68,850,502	63,578,199	65,063,733	65,686,650
Total primary government program revenues	\$ 121,310,563	\$ 134,608,715	\$ 161,885,926	\$ 169,589,088	\$ 155,767,115	\$ 166,011,482	\$ 167,807,850	\$ 169,335,489	\$ 183,165,598	\$ 192,068,460
NET (EXPENSE) REVENUE										
Governmental activities	\$ (28,743,553)	\$ (59,635,882)	\$ (58,902,758)	\$ (41,877,843)	\$ (48,581,362)	\$ (28,390,595)	\$ (34,748,812)	\$ (56,394,877)	\$ (55,199,931)	\$ (84,429,269)
Business-type activities	4,271,437	24,744,897	32,183,019	14,250,178	6,009,412	2,143,415	15,414,612	4,876,511	5,978,906	4,279,119
Total primary government net expense	\$ (24,472,116)	\$ (34,890,985)	\$ (26,719,739)	\$ (27,627,665)	\$ (42,571,950)	\$ (26,247,180)	\$ (19,334,200)	\$ (51,518,366)	\$ (49,221,025)	\$ (80,150,150)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	\$ 15,056,935	\$ 16,200,629	\$ 17,319,289	\$ 18,312,912	\$ 19,180,738	\$ 20,144,787	\$ 20,979,784	\$ 21,988,667	\$ 22,618,520	\$ 24,076,015
Sales taxes	14,462,645	10,376,182	10,364,101	29,243,136	40,435,541	42,049,097	39,471,099	47,107,737	48,336,282	50,988,474
Gross business receipts taxes	3,977,283	4,171,392	4,487,665	4,134,001	4,146,643	4,474,974	4,360,497	4,789,001	5,177,263	4,943,429
Lodging taxes	1,325,969	1,480,061	1,625,484	1,675,939	1,775,404	1,942,057	2,152,130	2,310,646	2,556,722	2,408,710
Other taxes	2,792,882	2,978,215	3,014,048	3,051,229	3,255,800	3,312,240	2,586,200	2,907,258	2,953,800	1,874,754
Unrestricted intergovernmental	2,619,532	2,970,994	3,403,887	3,296,682	3,830,789	5,632,867	8,188,288	8,404,341	9,446,998	8,778,310
Unrestricted investment earnings	5,559,410	5,833,229	4,889,864	3,440,226	3,014,501	3,058,022	2,267,527	2,677,208	3,141,709	2,722,190
Miscellaneous	222,665	254,248	286,695	(85,941)	405,694	2,497,946	262,848	855,955	205,642	699,233
Transfers	(893,663)	12,799,961	13,721,027	(25,763,467)	(35,488,049)	(15,765,314)	(14,234,080)	(16,294,658)	(23,562,793)	(48,659,781)
Total governmental activities	45,123,658	57,064,911	59,112,060	37,304,717	40,557,061	67,346,676	66,034,293	74,746,155	70,874,143	47,831,334
Business-type activities:										
Property taxes	459,010	515,932	556,329	579,513	601,556	619,474	637,860	664,036	692,977	744,009
Sales taxes	9,696,521	10,271,895	10,364,101	-	-	-	-	-	-	-
Unrestricted investment earnings	2,543,953	2,067,151	(3,064,009)	3,601,388	3,942,511	557,643	4,566,253	5,597,897	2,715,512	407,886
Miscellaneous	30,831	426,700	1,040,667	1,172,864	1,408,629	1,374,819	1,536,024	1,581,978	1,197,304	1,270,719
Transfers	893,663	(12,799,961)	(13,721,027)	25,763,467	35,488,049	15,765,314	14,234,080	16,294,658	23,562,793	48,659,781
Total business-type activities	13,623,978	481,717	(4,823,939)	31,117,232	41,440,745	18,317,250	20,974,217	24,138,569	28,168,586	51,082,395
Total primary government	\$ 58,747,636	\$ 57,546,628	\$ 54,288,121	\$ 68,421,949	\$ 81,997,806	\$ 85,663,926	\$ 87,008,510	\$ 98,884,724	\$ 99,042,729	\$ 98,913,729
CHANGE IN NET POSITION										
Governmental activities	\$ 16,380,105	\$ (2,570,971)	\$ 209,302	\$ (4,573,126)	\$ (8,024,301)	\$ 38,956,081	\$ 31,285,481	\$ 18,351,278	\$ 15,674,212	\$ (36,597,935)
Business-type activities	17,895,415	25,226,614	27,359,080	45,367,410	47,450,157	20,460,665	36,388,829	29,015,080	34,147,492	55,361,514
Total primary government	\$ 34,275,520	\$ 22,655,643	\$ 27,568,382	\$ 40,794,284	\$ 39,425,856	\$ 59,416,746	\$ 67,674,310	\$ 47,366,358	\$ 49,821,704	\$ 18,763,579

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,446,506	\$ 2,396,008	\$ 3,193,345	\$ 3,077,850	\$ 3,458,674
Restricted	-	-	-	-	-	3,508,782	2,099,862	1,408,205	2,933,454	2,724,557
Committed	-	-	-	-	-	3,094,517	3,276,615	3,311,267	3,273,816	3,255,360
Assigned	-	-	-	-	-	1,125,286	1,634,896	1,542,711	2,063,907	696,286
Unassigned	-	-	-	-	-	23,450,515	23,280,959	22,428,922	25,881,011	29,041,175
Reserved	3,044,227	1,731,044	2,276,501	2,764,013	2,851,707	-	-	-	-	-
Unreserved	11,634,215	14,115,241	15,273,881	17,564,092	19,629,816	-	-	-	-	-
Total general fund	\$ 14,678,442	\$ 15,846,285	\$ 17,550,382	\$ 20,328,105	\$ 22,481,523	\$ 33,625,606	\$ 32,688,340	\$ 31,884,450	\$ 37,230,038	\$ 39,176,052
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,932,128	\$ 988,582	\$ 1,309,969	\$ 191,946	\$ 164,444
Restricted	-	-	-	-	-	84,927,466	105,663,729	105,306,381	134,026,444	180,217,679
Unassigned	-	-	-	-	-	(23,806,670)	(34,364,189)	(11,865,327)	281,528	(1,233,295)
Reserved	68,160,369	66,757,669	46,730,034	58,095,953	68,563,005	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	6,625,055	6,185,099	5,122,076	3,118,470	3,373,748	-	-	-	-	-
Capital projects funds	(20,367,422)	(32,643,415)	(51,656,261)	(37,522,477)	(47,781,251)	-	-	-	-	-
Total all other governmental funds	\$ 54,418,002	\$ 40,299,353	\$ 195,849	\$ 23,691,946	\$ 24,155,502	\$ 63,052,924	\$ 72,288,122	\$ 94,751,023	\$ 134,499,918	\$ 179,148,828

Note: GASB 54 provisions implemented in 2011.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Programs										
Governmental Activities:										
General government	\$ 2,830,186	\$ 2,641,964	\$ 2,512,175	\$ 2,628,121	\$ 3,085,939	\$ 3,807,394	\$ 3,584,780	\$ 3,727,768	\$ 4,572,894	\$ 3,396,977
Public safety	7,123,477	5,947,115	8,561,356	7,817,668	8,113,499	6,979,120	7,521,154	6,467,611	9,015,911	7,073,142
Public works	44,547,243	38,739,772	56,788,795	78,101,673	67,011,130	83,718,083	73,015,009	78,027,652	87,673,073	97,619,054
Public health & welfare	4,353,897	5,162,518	4,963,580	5,436,794	5,912,211	5,884,252	5,590,433	6,090,635	6,403,493	6,677,501
Recreation & culture	1,101,982	2,980,784	864,413	913,567	941,916	818,073	885,669	909,441	1,421,032	644,517
Urban redevelopment	5,923,382	5,089,096	4,732,935	5,425,772	4,529,526	1,870,273	1,676,716	1,056,476	1,448,840	1,847,404
Transportation	7,810,297	5,836,121	5,622,125	8,391,454	8,140,046	7,700,393	6,683,587	9,477,706	7,566,621	9,123,215
Total governmental activities	<u>73,690,464</u>	<u>66,397,370</u>	<u>84,045,379</u>	<u>108,715,049</u>	<u>97,734,267</u>	<u>110,777,588</u>	<u>98,957,348</u>	<u>105,757,289</u>	<u>118,101,864</u>	<u>126,381,810</u>
Business-type activities:										
Municipal airport authority	7,147,631	9,494,525	10,023,033	6,375,330	10,025,213	6,776,001	17,004,234	11,471,963	12,391,585	12,764,183
Water	16,434,832	20,469,187	27,051,914	17,867,299	17,307,253	17,284,658	19,828,733	19,051,936	18,311,211	19,134,802
Wastewater	8,479,324	12,746,076	13,730,007	18,708,251	10,328,132	10,433,222	10,905,355	11,046,790	10,176,950	10,328,605
Storm sewer	1,434,027	9,683,314	10,628,965	1,546,291	1,485,138	1,504,238	1,528,614	1,558,515	1,582,079	1,602,497
Solid waste	8,765,444	9,722,453	10,428,390	9,884,295	10,009,798	11,266,678	10,724,500	11,181,542	12,310,654	11,850,605
FargoDome	3,836,200	4,539,268	4,312,703	4,756,694	5,305,298	4,473,612	5,161,637	5,447,421	6,442,044	6,069,576
Southeast Cass	49,002	60,261	61,159	64,174	50,686	62,423	64,064	88,414	55,593	41,399
Vector control	579,482	591,349	602,787	630,597	621,293	631,185	631,774	646,742	660,007	678,189
Street lighting	-	-	-	-	1,744,395	1,629,769	1,642,346	1,669,511	1,696,469	1,753,908
Forestry	894,157	904,912	1,001,589	1,041,108	1,155,642	1,172,108	1,359,245	1,385,365	1,437,141	1,462,886
Total business-type activities	<u>47,620,099</u>	<u>68,211,345</u>	<u>77,840,547</u>	<u>60,874,039</u>	<u>58,032,848</u>	<u>55,233,894</u>	<u>68,850,502</u>	<u>63,548,199</u>	<u>65,063,733</u>	<u>65,686,650</u>
Total	<u><u>\$ 121,310,563</u></u>	<u><u>\$ 134,608,715</u></u>	<u><u>\$ 161,885,926</u></u>	<u><u>\$ 169,589,088</u></u>	<u><u>\$ 155,767,115</u></u>	<u><u>\$ 166,011,482</u></u>	<u><u>\$ 167,807,850</u></u>	<u><u>\$ 169,305,488</u></u>	<u><u>\$ 183,165,597</u></u>	<u><u>\$ 192,068,460</u></u>

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

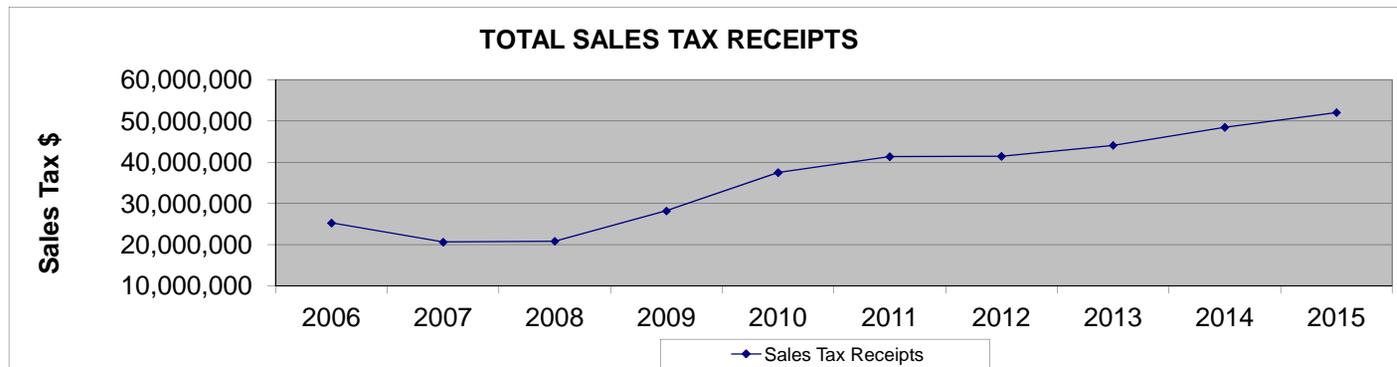
Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other	Totals
2015	\$ 24,098,953	\$ 4,943,429	\$ 50,988,474	\$ 2,408,710	\$ 1,874,754	\$ 84,314,320
2014	22,653,864	5,177,263	48,336,282	2,556,722	2,953,800	81,677,931
2013	21,997,795	4,789,001	47,107,737	2,310,646	2,907,259	79,112,438
2012	21,039,916	4,360,497	39,471,099	2,152,130	2,586,201	69,609,843
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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Allocation of Receipts:										
FargoDome Enterprise Fund To Street Construction (1)	\$ 9,408,632	\$ 10,256,127	\$ 10,414,568	\$ 1,923,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal FargoDome	9,408,632	10,256,127	10,414,568	1,923,863	-	-	-	-	-	-
Water Utility Debt Service	-	-	-	-	-	-	-	-	-	-
Library Expansion Fund (3)	6,436,250	104,288	-	-	-	-	-	-	-	-
Sales Tax Bond Debt Service (2)	9,408,632	10,256,127	10,414,568	14,094,045	14,673,960	15,515,131	15,046,337	10,806,389	11,528,271	13,018,973
Public Utility Infrastructure (4)	-	-	-	12,170,181	13,856,832	15,515,131	15,047,541	13,102,714	13,313,638	13,018,973
Flood Control (5)	-	-	-	-	8,965,511	10,343,421	11,368,486	20,202,834	23,651,664	26,037,946
Total Sales Tax Receipts	\$ 25,253,514	\$ 20,616,542	\$ 20,829,136	\$ 28,188,089	\$ 37,496,303	\$ 41,373,683	\$ 41,462,364	\$ 44,111,937	\$ 48,493,573	\$ 52,075,892

Receipts are shown net of state administrative fee.

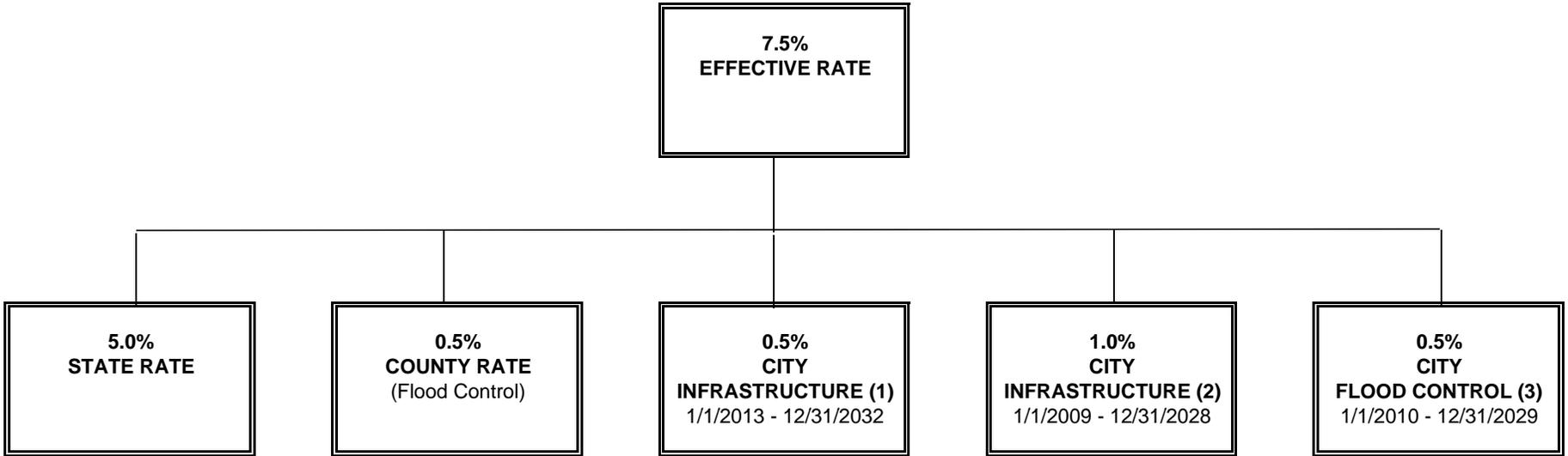
- (1) Beginning in 1996, ordinances were revised to allow the FargoDome to share excess sales tax with the Street Construction Fund.
- (2) Beginning in December 1999, a 1 cent sales tax is receipted into the Sales Tax Bond Debt Service Fund instead of the Street Construction Fund, surplus receipts used 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 AND PURCHASES BY STATE NAICS CATEGORY (in thousands)
LAST NINE FISCAL YEARS
(UNAUDITED)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
Construction	\$ 82,499	\$ 86,142	\$ 97,143	\$ 97,776	\$ 73,367	\$ 102,562	\$ 121,777	\$ 119,922	\$ 118,725
Manufacturing	122,548	134,155	119,197	125,544	152,891	176,696	154,645	189,713	179,881
Wholesale Trade	339,441	391,944	355,798	381,220	457,370	518,411	527,446	546,741	479,306
Retail Trade	1,040,708	1,050,394	1,024,063	1,066,433	1,165,980	1,225,611	1,251,316	1,264,918	1,271,354
Transportation and Warehousing	4,719	2,794	2,634	4,160	2,772	2,868	3,166	4,185	3,566
Information Industries	14,202	14,790	17,107	14,644	14,106	17,664	17,080	19,702	20,529
Fin. Ins. Real Estate, Rental & Leasing	60,605	69,169	64,782	66,777	77,385	87,578	93,327	100,771	93,348
Professional, Scientific, Tech., & Mgmt Serv.	19,926	21,998	20,459	26,150	23,032	26,893	24,260	24,027	21,936
Educational, Health Care, and Social Serv.	31,321	33,747	35,501	37,917	32,365	33,254	29,370	26,464	37,643
Arts, Entertainment & Recreation	15,836	14,500	14,685	16,342	17,301	21,060	24,760	27,254	27,308
Accommodation & Food Services	305,202	322,805	326,475	331,913	347,719	371,266	379,938	409,666	419,240
Other Services	41,765	45,153	44,915	42,547	45,707	44,282	50,751	50,272	46,657
Miscellaneous	7,467	7,612	7,725	9,805	11,743	11,952	13,061	14,190	19,267
Total	\$ 2,086,239	\$ 2,195,203	\$ 2,130,484	\$ 2,221,228	\$ 2,421,738	\$ 2,640,097	\$ 2,690,897	\$ 2,797,825	\$ 2,738,760

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
2015	\$ 4,637,475,674	\$ 2,942,720	\$ 4,659,371,042	\$ 6,088,160	\$ 96,224,260	\$ (205,087,389)	\$ 9,197,014,467	\$ 4,598,507,234	\$ 436,837,979	55.00
2014	4,235,747,016	3,655,120	4,066,383,200	5,823,820	84,829,680	(235,985,692)	8,160,453,144	4,080,226,572	387,008,093	57.25
2013	4,012,709,775	3,265,100	3,666,459,320	5,664,700	77,865,780	(161,713,089)	7,604,251,586	3,802,125,794	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

(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
2015	2016	51.90	2.00	1.00	0.10	55.00	166.35	126.88	139.71	29.52	58.32	1.00	0.63	6.50	317.32	277.85	290.68
2014	2015	54.15	2.00	1.00	0.10	57.25	165.35	133.05	142.20	30.71	63.67	1.00	0.44	7.00	325.42	293.12	302.27
2013	2014	54.15	2.00	1.00	0.10	57.25	165.35	137.51	142.20	30.74	63.67	1.00	0.70	7.00	325.71	297.87	302.56
2012	2013	55.15	2.00	1.00	0.10	58.25	219.28	179.22	192.20	31.25	64.60	1.00	0.68	7.00	382.06	342.00	354.98
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

* 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
2015 AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2015			2006		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
Sanford / Meritcare	\$ 77,071,950	1	1.68	\$ 24,122,950	3	0.85
INREIT Properties	71,407,300	2	1.55	-	-	-
West Acres Development Company	51,938,950	3	1.13	35,608,100	1	1.25
Matrix Properties	30,997,250	4	0.67	23,346,250	4	0.82
R & B Development	23,991,900	5	0.52	-	-	-
Dakota UPREIT	23,752,900	5	0.52	11,523,350	7	0.41
Innovis Health	22,828,850	6	0.50	-	-	-
Wal-Mart Real Estate Business Trust	21,751,750	7	0.47	-	-	-
RVC Ltd Partnership/Van Raden	20,276,750	9	0.44	14,785,300	5	0.52
Osgood Investments	19,448,350	10	0.42	-	-	-
Dakota Specialty Institute/Innovis	-	-	-	29,787,050	2	1.05
Blue Cross/Blue Shield	-	-	-	12,973,700	6	0.46
Anda Const. Co. Inc	-	-	-	11,397,850	8	0.40
Dakota Park Ltd	-	-	-	11,320,050	9	0.40
Medical Properties	-	-	-	11,116,900	10	0.39
Total attributable to top taxpayers	363,465,950		7.90	185,981,500		6.55
Total of all other properties	4,235,041,284		92.10	2,657,152,122		93.45
	<u>\$ 4,598,507,234</u>		<u>100.00</u>	<u>\$ 2,843,133,622</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
2015	\$ 28,012,985	\$ 7,034,130	25.11%	\$ -	\$ 7,034,130	25.11%
2014	26,036,427	5,892,963	22.63%	18,826,072	24,719,035	94.94%
2013	23,964,157	4,924,969	20.55%	17,947,301	22,872,270	95.44%
2012	23,439,045	6,631,277	28.29%	15,862,321	22,493,598	95.97%
2011	22,228,006	6,439,159	28.97%	14,900,195	21,339,354	96.00%
2010	21,344,948	5,498,150	25.76%	14,907,007	20,405,157	95.60%
2009	20,473,762	5,449,123	26.62%	14,161,124	19,610,247	95.78%
2008	19,350,364	5,463,374	28.23%	13,035,754	18,499,128	95.60%
2007	18,384,404	5,351,853	29.11%	12,177,596	17,529,449	95.35%
2006	17,147,192	4,511,016	26.31%	11,549,433	16,060,449	93.66%

Property taxes are collectable at the taxpayer's option under two plans: 1) taxes paid in full by February 15 of the collection year receive a 5% discount or 2) taxes paid in two installments dues by March 1 and due by October 15. Penalties are levied on the following schedule:

<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)**

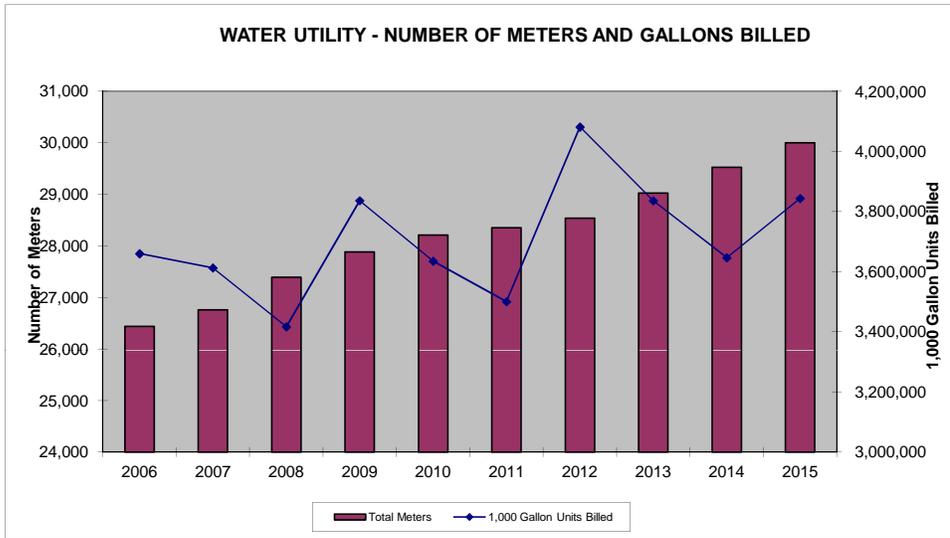
Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2015	366	\$ 90,050,759	82	\$ 60,341,584	27	\$ 76,040,603	957	\$ 274,312,784	1,432	\$ 500,745,730
2014	312	75,353,306	79	516,998,923	44	148,775,000	1,878	271,008,516	2,313	1,012,135,745
2013	411	82,346,838	64	76,140,336	29	84,674,999	1,887	134,605,425	2,391	377,767,598
2012	306	59,679,260	54	65,903,210	23	52,561,747	1,925	114,491,655	2,308	292,635,872
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

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)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Residential Customers (1,000 Gallon Units)	1,431,399	1,372,331	1,298,233	1,318,338	1,259,759	1,243,427	1,456,310	1,323,864	1,178,140	1,239,102
Commercial Customers (1,000 Gallon Units)	2,228,497	2,240,250	2,118,567	2,517,916	2,374,922	2,256,798	2,624,512	2,511,811	2,468,018	2,604,483
Total 1,000 Gallon Units	3,659,896	3,612,581	3,416,800	3,836,254	3,634,681	3,500,225	4,080,822	3,835,675	3,646,158	3,843,585
Total Number of Meters	26,440	26,760	27,388	27,882	28,209	28,355	28,539	29,027	29,525	30,001



Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA
WATER UTILITY - MAJOR CUSTOMERS
DECEMBER 31, 2015
(UNAUDITED)**

Customer	1,000 Gallon Units
Goldmark	196,344
Cass Rural Water District	167,401
North Dakota State University	165,997
Sanford Health	91,516
Cass Clay Creamery	51,783
BMI	50,311
Vally Rental Service	44,768
Fargo Public Schools	36,870
Hegenes Management	30,129
Fargo Park District	29,873
Fargo Housing	29,631
Campbell Property Management	24,872
Van Raden Properties	24,869
Case New Holland	24,562
William Block	<u>23,173</u>
Total Attributable to Major Customers	<u><u>992,099</u></u>
Total Billed Consumption	<u><u>3,843,585</u></u>
Percentage Attributable to to Major Customers	<u><u>25.8%</u></u>

Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA
UTILITY RATE STRUCTURE
LAST TEN FISCAL YEARS
(UNAUDITED)**

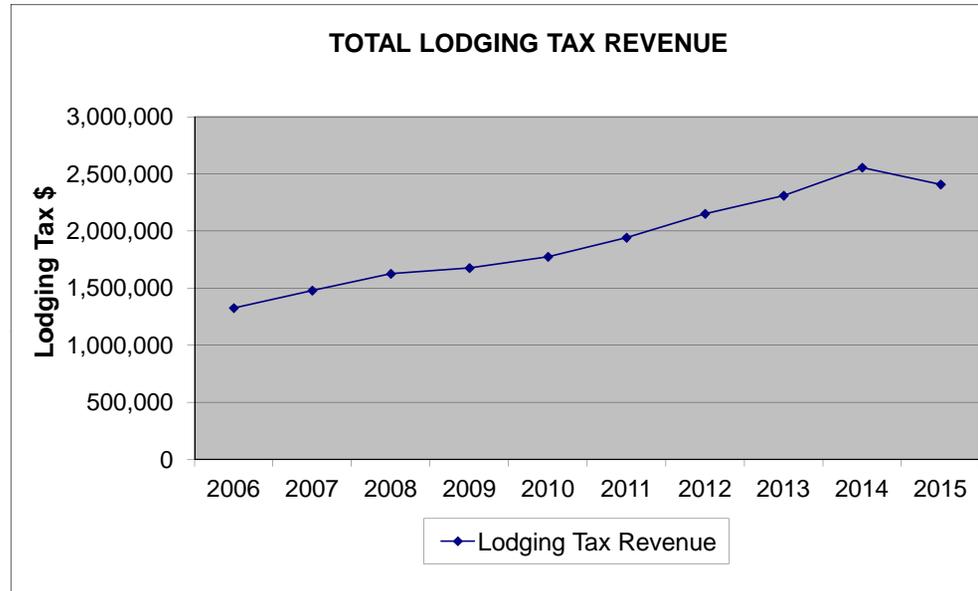
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water (\$ per 1,000 gallons)										
First 200,000 Gallons	\$ 3.90	\$ 4.05	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.20	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
200,000 Gallons to 2,000,000 Gallons	3.65	3.80	3.95	3.95	3.95	3.95	4.00	4.00	4.00	4.00
Over 2,000,000 Gallons	3.30	3.45	3.60	3.60	3.60	3.60	3.65	3.65	3.65	3.65
Waste Water										
Residential (fixed rate)	16.60	17.60	18.65	18.65	18.65	18.65	19.00	19.00	16.00	16.00
Commercial (per 1000 gallons)	1.80	1.90	2.00	2.00	2.00	2.00	2.05	2.05	2.05	2.05
Garbage										
Small (48-gallon)	N/A	N/A	N/A	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Medium (65-gallon)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Large (96-gallon)	N/A	N/A	N/A	14.00	14.00	14.00	14.00	14.00	14.00	14.00
Storm Sewer										
Residential	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Commercial	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Forestry	2.40	2.40	2.60	2.60	3.00	3.00	3.50	3.50	3.50	3.50
Mosquito	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Street Lights										
Residential	-	-	-	-	2.50	2.50	2.50	2.50	2.50	2.50
Commercial	-	-	-	-	8.00	8.00	8.00	8.00	8.00	8.00

Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Lodging Tax Revenue -										
2% Operating	\$ 877,292	\$ 986,709	\$ 1,083,658	\$ 1,117,293	\$ 1,183,607	\$ 1,294,751	\$ 1,434,821	\$ 1,540,920	\$ 1,705,336	\$ 1,606,176
1% Capital	448,677	493,352	541,826	558,646	591,797	647,306	717,309	769,726	851,386	802,535
Total	\$ 1,325,969	\$ 1,480,061	\$ 1,625,484	\$ 1,675,939	\$ 1,775,404	\$ 1,942,057	\$ 2,152,130	\$ 2,310,646	\$ 2,556,722	\$ 2,408,711



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>
Designated for Revenue Bond Repayment:		
Ramps:		
Island Park Ramp	355	564
Radisson Hotel/Civic Center Ramp	250	218
Ground Transportation Center	185	223
Surface Lots:		
2nd Avenue North	100	126
2nd Avenue South	65	33
Main Avenue	75	83
NP Avenue	145	78
4th Street	174	292
3rd Street	145	224
3rd Avenue & 5th Street	40	45

Operation of the Parking Facilities

The City contracts with Interstate Parking Company of North Dakota (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>2015</u>	<u>2016</u>	<u>Hourly</u>	<u>Daily Max</u>
Designated for Revenue Bond Repayment:				
Ramps:				
Island Park Ramp	\$53	\$55	N/A	N/A
Island Park Lower Level	\$55	\$57	N/A	N/A
Radisson Hotel/Civic Center Ramp	\$72	\$81	\$1.50	\$7.50
Ground Transportation Center	\$63	\$81	N/A	N/A
Surface Lots:				
2nd Avenue North	\$63	\$81	\$1.50	\$7.50
2nd Avenue South	\$72	\$81	\$1.50	\$7.50
Main Avenue	\$53	\$55	N/A	N/A
NP Avenue	\$63	\$70	\$1	\$5
4th Street	\$56	\$62	N/A	N/A
Ground Transportation Center	N/A	N/A	N/A	N/A
Civic Center	N/A	N/A	N/A	N/A
3rd Street	\$56	\$62	N/A	N/A
3rd Avenue & 5th Street	\$72	\$75	N/A	N/A

Financial Performance

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

	<u>2015(2)</u>
Revenues	\$ 1,493,444
Expenditures	\$ 873,214
Net Revenues	\$ 620,230

(2) Revenues and Expenses do not include 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			
2015	\$ 386,760,000	\$ 12,390,000	\$ -	\$ 79,063,000	\$ 126,954,821	\$ 322,749	\$ 10,965,000	\$ 2,700,000	\$ 6,727,822	\$ 4,625,543	\$ 630,508,935	n/a	5,323
2014	332,360,000	2,285,000	-	82,142,000	72,962,978	231,179	16,785,000	7,993,000	6,916,821	4,848,864	526,524,842	4.72%	4,544
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	4.44%	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

(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		
2015	\$ 12,390,000	\$ -	\$ -	\$ 12,390,000	2.84%	\$ 105
2014	2,285,000	-	-	2,285,000	0.59%	20
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

(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
2015	118,456	\$ 4,598,507,234	\$ 489,178,000	\$ 90,670,688	\$ 10,965,000	\$ 387,542,312	8.43%	\$ 3,272
2014	115,863	4,080,226,572	433,572,000	61,094,853	16,785,000	355,692,147	8.72%	3,070
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

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 2015

Market Value of all property (1)	\$ 9,197,014,467
	50%
Assessed valuation	\$ 4,598,507,235
Debt limit (5% of assessed value)	\$ 229,925,362
Debt applicable to limit:	
City's Share of Special Assessments	8,732,809 (2)
Debt Supported Solely by Taxes	12,390,000 (2)
Governmental Lease Obligations	322,749 (2)
Less:	
Debt available in related debt service funds	728,666 (2)
Total net debt applicable to limit	22,174,224
Legal debt margin	\$ 207,751,138

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 142,156,681	\$ 154,031,449	\$ 160,074,897	\$ 166,260,174	\$ 170,987,981	\$ 175,901,694	\$ 183,097,718	\$ 190,106,290	\$ 204,011,329	\$ 229,925,362
Total net debt applicable to limit	8,379,256	7,119,965	6,218,384	8,672,284	6,941,107	10,057,205	10,613,336	10,762,778	10,949,030	22,174,224
Legal debt margin	\$ 133,777,425	\$ 146,911,484	\$ 153,856,513	\$ 157,587,890	\$ 164,046,874	\$ 165,844,489	\$ 172,484,382	\$ 179,343,512	\$ 193,062,299	\$ 207,751,138
Total net debt applicable to the limit as a percentage of debt limit	6.26%	4.85%	4.04%	5.50%	4.23%	6.06%	6.15%	6.00%	5.67%	10.67%

(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, 2015
(UNAUDITED)**

Taxing Entity	2015 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 436,837,979	\$ 489,178,000	100.00%	\$ 489,178,000
Fargo Park District	436,837,979	19,470,000	100.00%	19,470,000
Fargo Public Schools	317,913,169	137,260,000	96.90%	133,004,940
Kindred Public Schools	21,467,074	12,007,872	0.10%	12,008
West Fargo Public Schools	265,839,679	121,166,586	48.43%	58,680,978
Subtotal overlapping debt		<u>289,904,458</u>		<u>211,167,926</u>
Total Direct and Overlapping Debt		<u>\$ 779,082,458</u>		<u>\$ 700,345,926</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, 2015
(UNAUDITED)**

Summary of Direct Debt	Gross Debt	Less: Debt Service Funds	Net Direct Debt
Supported by Tax Increment (G.O.)	\$ 12,390,000	\$ -	\$ 12,390,000
Supported by Special Assessments	387,300,000	(22,935,023)	364,364,977
Supported by Revenues	146,666,235	(4,832,258)	141,833,977
Leases Payable	4,948,292	-	4,948,292
Notes Payable	3,356,586	-	3,356,586
Specials Payable	6,727,822	-	6,727,822
Debt Ratios		Net Direct Debt	Indirect & Net Direct Debt**
To 2015 Assessed Value (\$4,598,507,234)		0.116042365	0.233340022
Per Capita (2015 - 118,456)		\$ 3,307	\$ 9,058

** 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
PLEGGED 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	
2015	\$ 26,817,909	\$ 13,850,000	\$ 13,431,966	0.98	\$ -	\$ -	\$ -	-	\$ -	\$ -	-	-
2014	33,035,969	87,440,000	11,159,663	0.34	-	-	-	-	100,036	100,036	-	1.00
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

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

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	
2015	\$ 12,747,118	\$ 3,079,000	\$ 3,217,930	2.02	\$ 113,343	\$ 100,000	\$ 16,000	0.98	\$ 12,747,118	\$ 4,851,075	1,581,750	1.98
2014	24,168,140	7,410,000	2,848,951	2.36	77,574	100,000	18,500	0.65	12,084,070	4,725,000	1,649,348	1.90
2013	20,609,635	5,580,000	1,591,026	2.87	64,883	95,000	20,875	0.56	17,665,401	4,604,374	1,679,810	2.81
2012	16,455,425	10,800,000	672,463	1.43	65,533	95,000	23,250	0.55	14,029,328	4,556,000	1,710,247	2.24
2011	15,768,411	10,530,000	1,093,503	1.36	60,872	90,000	25,500	0.53	15,768,412	351,000	1,475,188	8.63
2010	15,163,328	4,910,000	773,680	2.67	127,594	90,000	27,750	1.08	15,163,328	175,974	973,833	13.19
2009	14,621,568	4,735,000	1,010,430	2.54	4,436	85,000	29,875	0.04	14,621,568	125,000	193,382	45.92
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

Sales Tax Note Payable - Direct Bank Loan - FM Diversion Financing*				
Fiscal Year	Sales Tax	Debt Service		Coverage
		Principal	Interest	
2015	\$ 27,715,763	\$ -	\$ 436,439	63.50
2014	14,709,662	-	41,206	356.98

* Includes both the City of Fargo note payable and the Cass County note payable

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	
2015	\$ 19,134,802	\$ 9,439,787	\$ 9,695,015	\$ 3,470,000	\$ 484,313	2.45	\$ 8,546,795	\$ 4,281,126	\$ 4,265,669	\$ 5,125,000	\$ 146,597	0.81
2014	18,311,211	9,459,296	8,851,915	3,295,000	575,400	2.29	8,641,627	4,364,638	4,276,989	415,000	229,255	6.64
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

Fiscal Year	FargoDome Sales Tax Revenue Bonds				Clean Renewable Energy Bond				Qualified Energy Conservation Bonds			
	FargoDome Sales Tax	Debt Service		Coverage	Sale of by products	Debt Service		Coverage	Tipping Fee Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2015	-	-	-	-	\$ 335,117	\$ 100,000	\$ 5,950	3.16	\$ 6,996,671	\$ 300,000	\$ 49,347	20.03
2014	-	-	-	-	316,396	100,000	6,800	2.96	-	-	-	-
2013	-	-	-	-	416,658	100,000	7,650	3.87	-	-	-	-
2012	-	-	-	-	375,264	100,000	8,500	3.46	-	-	-	-
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	-	-	-	-	-	-	-	-

Fiscal Year	SRLF Notes Payable					
	Wastewater Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2015	\$ 10,328,605	\$ 5,559,656	\$ 4,768,949	\$ 4,993,000	\$ 72,815	0.94
2014	10,176,950	4,866,238	5,310,712	761,000	140,327	5.89
2013	11,046,790	5,252,745	5,794,045	741,000	155,411	6.46
2012	10,905,355	4,769,262	6,136,093	4,117,766	233,609	1.41
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

**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)
2015	118,456	n/a	n/a	n/a	n/a	n/a	11,157	2.2%	2.7%	5.3%	65,665
2014	115,863	\$ 11,166,605,000	\$ 48,914	29.5	94.7%	38.6%	11,026	2.5%	2.8%	6.2%	65,038
2013	112,075	10,509,203,000	47,023	31.7	93.7%	35.3%	10,903	3.0%	2.9%	7.4%	61,896
2012	109,779	10,033,320,000	46,384	32.1	94.9%	37.1%	10,821	3.2%	3.1%	8.1%	60,869
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

(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
2015	\$ 4,946,200	\$ 4,556,037	\$ 46,208	\$ 49,198
2014	4,839,445	4,231,840	45,276	46,365
2013	2,862,674	3,667,475	42,550	40,911
2012	3,435,135	3,198,040	37,714	36,558
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

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	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sanford Health	6,664	1	10.15%	-	-	-
North Dakota State University	4,232	2	6.44%	2,127	2	3.61%
Essentia Health	3,167	3	4.82%	-	-	-
Fargo Public Schools	1,816	4	2.77%	1,383	4	2.35%
Noridian Healthcare Solutions	1,666	5	2.54%	-	-	-
Department of Veterans Affairs	1,022	6	1.56%	620	10	1.05%
Blue Cross Blue Shield of North Dakota	961	7	1.46%	1,543	3	-
U.S. Bank	955	8	1.45%	770	7	1.31%
City of Fargo	881	9	1.34%	946	5	1.61%
Microsoft Business Solutions	877	10	1.34%	878	6	1.49%
MeritCare Health Center	-	-	-	3,051	1	5.18%
Case Corporation	-	-	-	672	8	1.14%
Innovis Health	-	-	-	610	9	1.04%

Source: Fargo Moorhead Chamber of Commerce
City of Fargo, ND

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)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
City Administrator	3	3	3	3	2	1	1	1	1	1
Human Resources	4	4	4	5	6	6	6	6	6	6
Information Services	15	14	15	15	19	22	22	23	23	23
Public Information	-	-	-	-	1	1	2	2	2	2
Auditor	16	16	16	16	16	16	15	15	15	15
Municipal Court	8	8	8	8	8	8	8	8	8	8
City Assessor	10	10	11	11	11	11	11	11	11	11
Buildings & Grounds	7	7	7	7	7	7	7	7	7	7
Planning	9	9	9	9	10	11	12	11	12	13
Central Garage	23	21	21	23	23	23	23	23	23	23
City Commission	8	8	8	8	8	8	8	8	8	8
Public safety										
Inspections	19	19	19	20	20	20	20	20	20	21
Traffic Engineering	8	8	8	8	9	9	9	9	9	11
Fire Department	101	100	107	111	117	117	117	117	121	121
Police Department	146	146	149	157	164	166	167	169	172	180
Public works										
City Engineering	36	36	36	37	38	36	37	37	37	41
Streets & Sewers	43	44	45	46	46	49	49	51	51	54
Public health & welfare										
Health	109	110	111	111	111	111	110	112	114	113
Homeless shelter	-	-	-	1	2	2	15	16	18	22
Recreation & culture										
Public Library	43	44	46	45	46	47	48	48	49	49
Civic Memorial Auditorium	6	6	6	6	6	6	6	6	6	6
Urban redevelopment	4	4	4	3	3	3	3	2	2	2
Public transportation	5	15	16	18	19	20	19	21	22	21
Business-type funds										
Airport	14	14	14	14	14	14	16	16	16	26
Water	39	39	38	39	39	42	42	44	45	46
Wastewater	18	17	18	19	19	20	20	20	20	20
Solid waste	45	45	46	49	49	50	50	50	50	50
Storm sewer	3	3	3	4	4	4	5	5	5	5
Street Lighting	3	3	3	3	3	2	2	2	2	2
Forestry	10	10	10	10	10	10	10	10	11	11
Total	755	763	781	806	830	842	860	870	886	918

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

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Fire										
Number of calls answered	3,609	3,886	4,280	4,221	4,485	4,785	6,262	6,984	7,196	6,437
Number of fire inspections	7,111	7,174	7,216	6,949	7,754	8,372	7,109	6,552	6,470	9,336
Police										
Number of calls for service	43,478	44,751	46,183	48,062	47,534	51,215	55,584	62,836	65,682	74,516
Arrests	10,730	10,544	9,939	10,117	7,991	8,285	7,632	6,067	6,063	6,907
Public works										
Average daily water consumption (gallons)	10,027,112	9,897,482	9,361,096	10,510,285	9,958,030	9,589,658	11,180,334	10,508,699	9,989,474	10,530,370
Wastewater avg flow per day (MGD)	11.51	11.49	12.16	12.86	13.01	13.66	12.23	13.39	12.84	12.17
Public health & welfare										
WIC participation	2,144	2,261	2,801	2,699	2,606	2,720	2,695	2,702	2,701	2,970
Nursing visits	203,347	210,719	211,013	208,124	194,823	196,131	192,853	214,637	152,266*	144,985*
Recreation & culture										
Library circulation	748,382	659,139	830,287	815,998	919,845	960,092	986,773	997,492	1,000,024	1,004,966
Civic center attendance	112,050	101,382	112,032	88,828	91,115	78,327	82,870	88,355	91,660	48,945
Fargodome attendance	409,149	445,270	436,294	486,059	528,380	499,805	529,657	539,285	550,330	565,914
Public transportation										
Number of rides										
Fixed route	899,572	962,030	1,228,464	1,479,646	1,624,637	1,665,221	1,608,628	1,682,267	1,751,824	1,600,610
Paratransit	48,989	50,768	60,255	57,428	57,850	58,992	54,217	53,403	53,893	51,513
Public information										
Web site										
Total Sessions	n/a	n/a	n/a	n/a	n/a	905,700	1,220,404	1,269,295	1,272,993	1,378,527
Users	n/a	n/a	n/a	n/a	n/a	419,268	620,800	716,763	745,192	759,584
Page views	n/a	n/a	n/a	n/a	n/a	2,789,176	3,640,975	3,216,029	3,017,692	3,110,926
Pages per visit	n/a	n/a	n/a	n/a	n/a	3.08	2.98	2.50	2.37	2.26
Infrastructure										
New projects assessed	42	29	32	32	71	19	50	51	43	38
Value of new projects	\$ 20,442,045	\$ 13,349,269	\$ 27,452,278	\$ 37,651,698	\$ 25,706,180	\$ 10,826,700	\$ 27,829,486	\$ 27,096,674	\$ 42,278,237	\$ 34,950,435

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Area in square miles	46.35	46.63	47.74	48.45	48.45	48.45	48.60	48.80	48.84	49.22
Public safety										
Fire										
Stations	6	6	6	6	7	7	7	7	7	7
Vehicles	29	25	27	30	28	28	27	31	31	31
Police										
Stations	3	3	3	3	3	3	3	2	1	2
Marked cars	28	33	26	37	38	39	41	41	41	44
Public works										
Number of street lights	7,839	8,119	8,514	8,959	9,077	9,430	9,785	10,113	10,402	11,091
Miles of paved streets	358.78	363.76	369.17	367.16	371.65	394.30	400.92	407.43	464.39	514.63
Miles of water mains	403.98	411.82	424.82	428.02	436.00	445.26	449.79	459.93	472.90	484.03
Miles of sanitary sewer	384.23	398.01	404.39	414.64	425.40	429.53	433.98	443.30	453.99	460.87
Miles of storm sewer	361.04	369.01	383.56	387.88	395.05	409.85	416.49	429.74	442.51	455.86
Recreation & culture										
Print materials - Library	175,076	167,998	179,120	202,790	218,355	224,547	273,736	283,852	299,774	222,848
Public transportation										
Buses	17	18	17	22	26	27	28	32	32	29

**CITY OF FARGO, NORTH DAKOTA
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2015
(UNAUDITED)**

Policy No.	Insurance Broker	Insuring Company	Coverage type / \$ Limits	Term
FBP8341772	USI Insurance Services LLC	Hartford	Boiler & equipment breakdown \$ 100,000,000	1/1/2015 - 1/1/2016
1949	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$355,451,252 Building \$ 43,315,626 Contents \$ 79,253,159 Outdoor property	7/1/15 - 6/30/16
2536	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 5,152,640 Building	7/1/15 - 6/30/16
COP0000035513P	USI Insurance Services LLC	Harleysville Insurance Company	Buildings & Contents Transit Maintenance Facility \$ 7,000,000 Building \$ 653,680 Contents	10/30/15 - 10/30/16
IM000114705	Warner & Company	ND Insurance Reserve Fund	Mobile Equipment and Trailers \$53,125,049 Fine Arts \$15,500 Portable Radio Equipment \$991,216	6/1/15 - 6/1/16
33 1150903540 02	Insure Forward	Wright National Flood Insurance	City Hall Flood - \$500,000 Building/\$500,000 Contents	4/15/15 - 4/15/16
87043898542014	Warner & Company	Harleysville Insurance Company	Main Library Flood - \$500,000 Building/\$500,000 Contents	4/15/15 - 4/15/16
33 1150903541 02	Insure Forward	Wright National Flood Insurance	Convention Visitors Bureau Flood - \$500,000 Building/\$185,000 Contents	4/15/15 - 4/15/16
G2382520A 009	Dawson Insurance Agency	Westchester Surplus Lines Insurance Co.	Environmental General Liability for Methane Operations \$2,000,000	8/14/15 - 8/14/16
BA000230009	Warner & Company	ND Insurance Reserve Fund	Auto Liability - \$2,000,000 Liability	1/1/15 - 1/1/16
GL000333406	Warner & Company	ND Insurance Reserve Fund	General Liability - \$2,000,000	10/29/15 - 10/29/2016
MSP000644	MMIC Insurance, Inc.	MMIC Insurance, Inc.	Malpractice Insurance	1/1/2015 - 1/1/2016
AP 003387932-16	Northstar Aviation Ins. Inc	Commerce & Industry Insurance Co.	Primary Aircraft Liability \$ 100,000,000	1/1/15 - 1/1/16
33 1150903542 02	Insure Forward	Wright National Flood Insurance	Hector Airport Admin Building Flood - \$500,000 Building/\$78,000 Contents	4/15/15 - 4/15/16
BA000230208	Warner & Company	ND Insurance Reserve Fund	Airport Auto Liability - \$2,000,000 Liability	3/5/15 - 3/5/16
106177	No Broker - Direct Writer	FM Global	Fargodome \$160 MM property, \$100MM flood	11/2/15 - 11/2/16
33-1150891263 02	Insure Forward	Wright National Flood Insurance Company	Fargodome Flood - \$500M contents & \$500M building	3/5/15 - 3/5/16
6LKKO0000005784700 & 6LKKO0000005874800	Insure Forward	K&K	Fargodome General Liability - \$1MM per event aggregate Excess Liability - \$10MM umbrella Auto Liability - \$1MM	11/1/15 - 10/31/16
106244436	Warner & Company	Traveler's Insurance	Commercial Crime Police Forgery or Alteration - \$5,000,000 Computer Crimes - \$5,000,000 Computer Program & Electronic Data Restoration Expense - \$1,000,000 Funds Transfer Fraud - \$5,000,000	2/12/15 - 2/12/16
VPPL004404	AON Risk Services	Crime Coverage, Prof Liability	Crime Coverage, Prof Liability	4/15 - 3/16
3735	State Bonding Fund	ND Insurance Department	Fidelity Bond - \$2,000,000	1/1/2014 - 12/31/2016



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