



2014

Comprehensive Annual
Financial Report

City of Fargo, North Dakota
For the fiscal year ended
December 31, 2014





**CITY OF FARGO
NORTH DAKOTA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
DECEMBER 31, 2014**

**PREPARED BY:
FINANCE DEPARTMENT**

**CITY OF FARGO, NORTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2014**

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Fax: 701-241-1526

June 29, 2015

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, 2014. 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, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

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

CITY OF FARGO PROFILE

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

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

forum to communicate City and Community issues. The City Administrator, Pat Zavoral is the liaison to the City Commission and is responsible for overseeing the day to day operations of the City and its eight Departments. Bruce Grubb has been appointed as the Assistant City Administrator this year.

The Mayor and City Commissioners are elected at large and serve four year terms. Tim Mahoney is serving as the interim Mayor since the passing of Mayor Dennis Walaker. The next municipal election will be held in June of 2015 at which time the citizens will elect a Mayor and one Commissioner.

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

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

STABLE ECONOMIC CONDITIONS IN FARGO AND STATE OF NORTH DAKOTA

Favorable Statewide Financial Conditions

Statewide economic conditions remain very strong in North Dakota resulting primarily from the impact of oil discovery and related extraction in the Bakken oil formation in the Western portions of the State. State intergovernmental revenues remitted to the City have increased significantly over the past three years. State intergovernmental resources have now become the largest revenue source in our General Fund.

The Tax Commissioner for the State of North Dakota recently announced that statewide sales tax collections increased by 11% in 2014 as compared to 2013.

The growth of intergovernmental revenues is 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 \$47,023 in 2013 as compared to 39,812 in 2008 which represents an 18% increase in income levels. Our labor force has increased to 65,038 in 2014 as compared to 59,265 five years ago which represents a 9.7% increase.

Building Permit Activity Tops 1 Billion

Another record setting year is noted in overall building permits. Permits issued for 2014 totaled \$1 billion, up from \$378 million in 2013. Significant increases are noted in commercial construction. These totals include permits issued for Sanford Hospital who is constructing a \$500 million facility near Interstate 94. Significant increases are noted in commercial and multi-family construction categories.

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 113.

State and Local Sales Tax Revenue Trends

Sales tax collections across the State of North Dakota slowed considerably in 2012 and 2013. During 2014 the State experienced an increase of 11%, a notable increase as compared to past years. A portion of this revenue is shared with political subdivisions and helps to increase our General Fund revenues from State aid collections.

Fargo's locally imposed sales taxes exceeded last year's level slightly. Local sales tax collections reported in 2014 totaled \$48.3 million, up from \$47.1 in 2013, a 2.5% increase. Regardless of our economic conditions experienced in the past, Fargo has never experienced a negative growth rate for this revenue source. This reflects the strength of our regional economic conditions.

MAJOR INITIATIVES FOR THE YEAR

Fargo Moorhead Diversion Channel Project

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

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

This project was included in the 2013 Water Resources Development Act Bill and has been approved by the U.S. Senate and the House of Representatives. The construction project will take about eight to ten years to construct subject to funds being appropriated in a timely manner.

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

Work continued in 2014 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. This process will continue into 2015 with the goal of identifying a solution in 2016 or 2017.

Flood Levee Construction Continues

Flood levees are being constructed or enhanced along the Red River corridor. These levees require removal of existing homes and construction of levees or flood walls along the river. A five year capital improvement plan has been approved for work in various neighborhoods where flood control levees are needed. 2014 is the fourth year of this strategic plan. The City Engineering Department reported on the status of our accomplishments in local flood control projects. We have completed about 50% of the required work needed construct and connect our levee system to provide citywide protection. Additional funding was sought by City officials from the State of North Dakota and an additional \$100 million has been appropriated to help us achieve this goal.

Status of Municipal Building Projects in Progress

The City is currently working on three new municipal building projects. The first project is the acquisition and remodeling of a large retail facility which has been vacant for several years into the new home for Fargo Cass Public Health. The building was purchased in 2012 and final design work was completed in 2013. Bids were awarded in 2013 and final construction will be complete by July 1, 2015. The total project costs anticipated for this work is \$11.7 million. It is being funded by a combination of pay as we go financing from the General Fund and short term financing.

The second project is the design and construction of a new City Hall. The existing City Hall was built in 1960 and is not meeting the needs of our growing community. It will be demolished once the new facility is constructed. 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 during 2015 with an expected cost of \$27 million.

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 is expected to begin in June of 2015 and will take three years to complete.

Future Building Projects Currently Being Evaluated

The City Commission has approved study of the feasibility of constructing a convention center as well as the repurposing of the existing Civic Center into a performing arts center or other multi-purpose functions. These planning efforts will continue during 2015.

Strategic Planning and Long Term Capital Improvement Plans

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Fargo for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This will be the seventeenth 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,

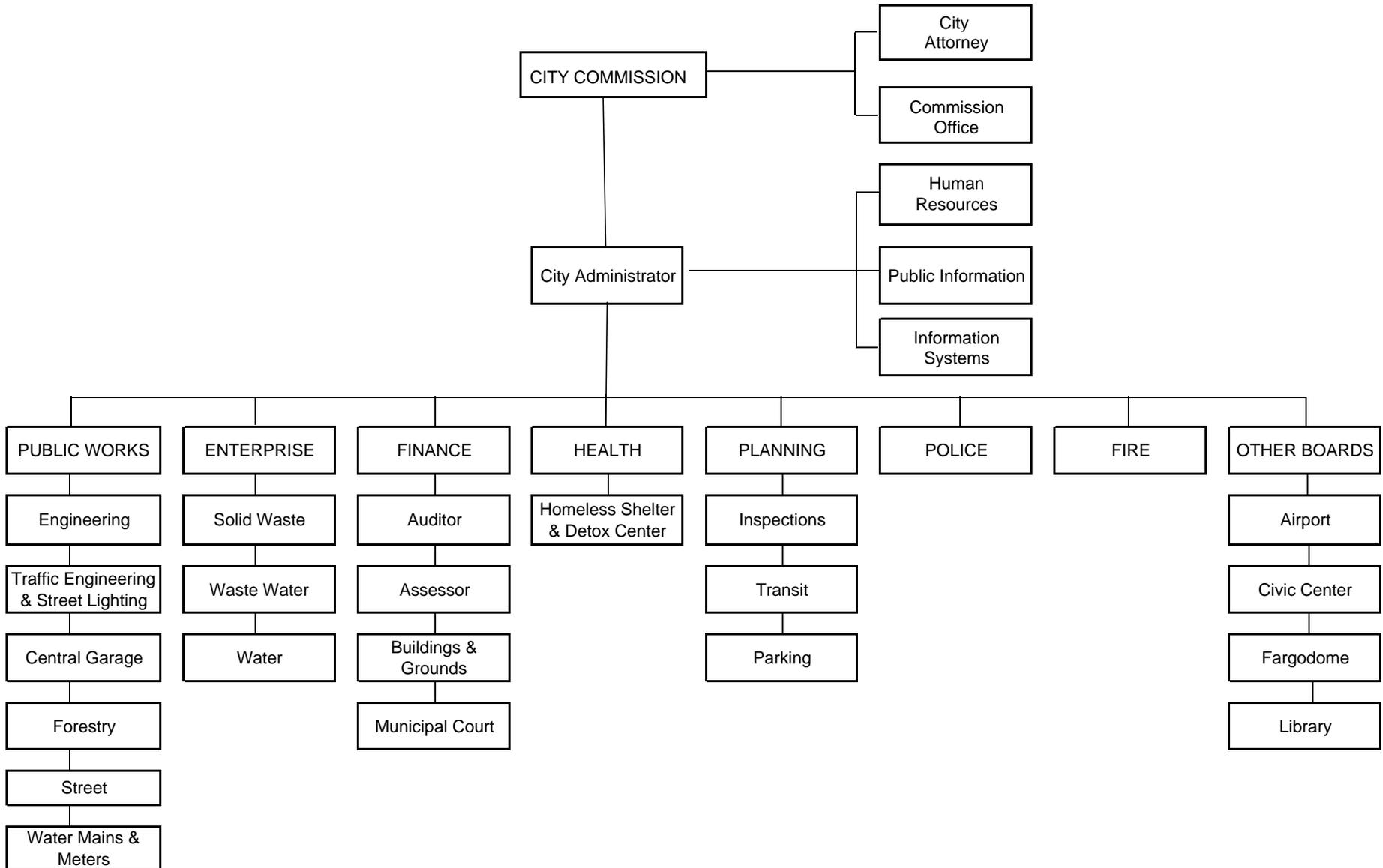


Kent A. Costin
Director of Finance

**CITY OF FARGO, NORTH DAKOTA
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2014**

NAME	OFFICE	TERM EXPIRES
Tim Mahoney	Interim Mayor/Deputy Mayor	June 2016
Dave Piepkorn	Commissioner	June 2016
Melissa Sobolik	Commissioner	June 2016
Michael Williams	Commissioner	June 2016
Pat Zavoral	City Administrator	
Kent Costin	Finance Director	
Steven Sprague	City Auditor	
Sharon Odegaard	City Commission Executive Assistant	

CITY OF FARGO, NORTH DAKOTA ORGANIZATIONAL CHART





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, 2013

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, 2014, 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, 2014, 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.

Restatement

As discussed in Note 4K to the financial statements, certain errors resulting in the understatement of intergovernmental revenues and receivables as of December 31, 2013 and an overstatement of long-term liabilities as of December 31, 2013, were discovered during the current year. Accordingly, an adjustment has been made to fund balance and net position as of January 1, 2014, to correct the errors. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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, 2015 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 black ink that reads "Eide Sallee LLP". The signature is written in a cursive, flowing style.

Bismarck, North Dakota
June 29, 2015

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, 2014. 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 \$971,333 (net position).

As of the close of the current fiscal year, the City of Fargo's governmental funds reported combined ending fund balances of \$171,730 an increase of \$43,698 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 32% of the total General Fund expenditures exceeds our management goal of 25%. Increases have been generated by stronger than anticipated economic conditions, especially building activities and demand for new housing sub-developments.

Fargo experienced a record level of building permits issued in 2014. The total value of building permits issued was \$1.012 billion which is an all time record for our community. This record total includes a new hospital valued at \$500 million constructed by Sanford Hospital near Interstate 94.

The City expended \$37.7 million on flood control projects in 2014 which is the continuation of a long term plan to protect our community from ongoing flood risk from the Red River. City Engineers reset our target date for completion of our in-town levee system in 2018. Additional funding has been requested from the State of North Dakota to help us achieve this goal on a timely basis. Subsequent to year end the Legislature appropriated \$100 million for Fargo flood control projects and continued funding for the FM Diversion project with an additional \$69 million in appropriations. Flood risk mitigation projects continue to be one of the highest priorities for our community.

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

The City of Fargo adopts an annual appropriated budget for its governmental funds, except for capital projects funds. 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 – 91 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 67 - 88 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 95 - 105 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 \$971,333 at the close of the most recent fiscal year.

By far the largest portion of the City of Fargo's net position (81%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related outstanding debt used to acquire those assets. The City of Fargo uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Fargo's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following two tables present condensed financial information on the City's Net Position and Changes in Net Position for the fiscal year ending December 31, 2014 and 2013. During the year, the City made an entry to record highway tax payments applicable to the year ended December 31, 2013, 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.

	Governmental Activities		Business-type Activities		Total	
	2014	2013 (Restated)	2014	2013	2014	2013 (Restated)
Current and other assets	\$ 462,977	\$ 402,029	\$ 100,837	\$ 93,755	\$ 563,814	\$ 495,784
Capital assets	380,433	348,790	611,374	588,696	991,807	937,486
Total assets	<u>843,410</u>	<u>750,819</u>	<u>712,211</u>	<u>682,451</u>	<u>1,555,621</u>	<u>1,433,270</u>
Long-term liabilities outstanding	517,614	443,576	40,853	43,700	558,467	487,276
Other liabilities	19,236	16,357	6,586	8,127	25,822	24,484
Total liabilities	<u>536,850</u>	<u>459,933</u>	<u>47,439</u>	<u>51,827</u>	<u>584,289</u>	<u>511,760</u>
Net position:						
Net investment in capital assets	206,472	189,087	580,624	554,814	787,096	743,901
Restricted	86,386	94,565	47,453	39,793	133,839	134,358
Unrestricted	13,703	7,235	36,695	36,017	50,398	43,252
Total net position	<u>\$ 306,561</u>	<u>\$ 290,887</u>	<u>\$ 664,772</u>	<u>\$ 630,624</u>	<u>\$ 971,333</u>	<u>\$ 921,511</u>

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

The City's net position increased by \$49,822 during the current fiscal year.

City of Fargo's Changes in Net Position (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013 (Restated)	2014	2013	2014	2013 (Restated)
Revenues:						
Program revenues:						
Charges for services	\$ 31,194	\$ 25,752	\$ 61,289	\$ 59,572	\$ 92,483	\$ 85,324
Operating grants and contributions	10,524	11,957	-	-	10,524	11,957
Capital grants and contributions	76,383	69,444	3,775	3,976	80,158	73,420
General Revenues:						
Taxes	81,643	79,104	693	664	82,336	79,768
Unrestricted intergovernmental	9,447	8,404	-	-	9,447	8,404
Unrestricted investment earnings	3,142	2,677	2,716	5,598	5,858	8,275
Miscellaneous	206	856	1,197	1,582	1,403	2,438
Total revenues	<u>212,539</u>	<u>198,194</u>	<u>69,670</u>	<u>71,392</u>	<u>282,209</u>	<u>269,586</u>
Expenses:						
General government	15,658	12,980	-	-	15,658	12,980
Public safety	34,416	33,862	-	-	34,416	33,862
Public works	73,316	69,083	-	-	73,316	69,083
Public health and welfare	9,937	9,682	-	-	9,937	9,682
Recreation and culture	8,222	7,497	-	-	8,222	7,497
Urban redevelopment	2,534	1,294	-	-	2,534	1,294
Transportation	9,671	9,449	-	-	9,671	9,449
General support	1,003	1,214	-	-	1,003	1,214
Interest and fiscal charges	18,545	17,091	-	-	18,545	17,091
Municipal airport authority	-	-	8,300	7,908	8,300	7,908
Water	-	-	14,112	14,475	14,112	14,475
Wastewater	-	-	8,956	9,279	8,956	9,279
Storm sewer	-	-	4,738	4,526	4,738	4,526
Solid waste	-	-	9,890	9,856	9,890	9,856
Fargodome	-	-	8,236	7,869	8,236	7,869
Southeast cass	-	-	74	68	74	68
Vector control	-	-	397	446	397	446
Street lighting	-	-	2,779	2,644	2,779	2,644
Forestry	-	-	1,603	1,631	1,603	1,631
Total expenses	<u>173,302</u>	<u>162,152</u>	<u>59,085</u>	<u>58,702</u>	<u>232,387</u>	<u>220,854</u>
Excess before Transfers	39,237	36,042	10,585	12,690	49,822	48,732
Transfers	<u>(23,563)</u>	<u>(16,295)</u>	<u>23,563</u>	<u>16,295</u>	-	-
Change in net position	15,674	19,747	34,148	28,985	49,822	48,732
Net position - beginning - as restated	290,887	271,140	630,624	601,639	921,511	872,779
Net position - ending	<u>\$ 306,561</u>	<u>\$ 290,887</u>	<u>\$ 664,772</u>	<u>\$ 630,624</u>	<u>\$ 971,333</u>	<u>\$ 921,511</u>

Governmental activities

The governmental activities' net position increased by \$15,674 during the current fiscal year.

We experienced increases in charges for services of \$5,442 and capital grants and contributions of \$6,939. The charges for services increase is the result of an increase in capital project administrative revenue, which was due to a large volume and demand for infrastructure in new developments. Prepayment of special assessments is the factor that lead to the increase in the capital grants and contributions revenue.

Overall, expenses in the governmental activities remained constant, noting only a slight increase in spending.

Business type activities.

Business-type activities increased the City of Fargo's net position by \$34,148. There were no notable changes in our business activities in 2014. Rates remained stable for all utility funds with the exception of the Wastewater Utility where rates were decreased and also Solid Waste where an increase in tipping fees was approved.

The FargoDome permanent capital escrow fund grew by \$2 million. This restricted resource now totals \$40.6 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 \$171,730, an increase of \$43,698 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 \$25,881 while total fund balance reached \$37,230. 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 32% 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 \$3,452 during the year due an increase in capital project administrative revenue for infrastructure demand in new developments and also a record year in building permit revenue. The remainder of fund balance is assigned (\$2,064, 6 percent), committed (\$3,274, 9 percent), restricted (\$2,933, 8 percent) or nonspendable (\$3,078, 8 percent).

Overall General Fund revenues increased by 4%. As mentioned in the transmittal letter, 2014 was a record setting year for building permits. Licenses and permits revenue increased by \$3,552, or 97%. Charges for services increased by 13% in conjunction with capital project levels of spending with an increased demand for infrastructure in new developments.

Total General Fund expenditures increased by 5%. All functional categories of spending were below budget with the exception of general government, general support, and recreation and culture. The most significant budget savings are related to the timing of capital outlay funding which lagged budget levels by \$2,543. Capital funds will be carried forward into the 2015 budget.

The debt service fund has a total fund balance of \$61,095, all of which is restricted for the payment of future debt service. The net decrease in fund balance during the current year was \$41,780. The capital projects fund had a net increase in fund balance of \$80,088. This increase is due to the issuance of debt proceeds to finance upcoming flood control projects and infrastructure for new developments. In 2014, there was a record level of special assessment prepayments received that totaled approximately \$9 million.

Capital project expenditures increased by 22% in 2014 due to a continuing aggressive housing acquisition program for flood control projects and continued expansion of our new housing sub developments. The City has been experiencing strong demand for housing with many new projects slated for 2015.

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 \$36,695. All individual proprietary funds reported increases in net position.

Operating revenues of this fund group increased by 3%, while the operating expenses increased by 2%. Solid Waste revenues increased by 10% due to an approved increase in tipping fees. The Fargodome also experienced an 18% increase in revenue due to a strong concert year with record attendance.

General Fund Budgetary Highlights

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

General Fund revenue projections exceeded the originally adopted by 10% and 6% of the revised budget. Changes were made to our revenue projections mid-year due to stronger than anticipated building and construction demand which impacted licenses and permits revenue. State intergovernmental revenues continue to grow as a result of the State's robust economy. The City has been following a budget strategy to appropriate surplus revenues to fund municipal building projects over the past two years from the growth in State resources shared with political subdivisions.

Noted variances between final budget and actual are as follows:

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

Capital outlay expenditures lagged budget by \$2,543 resulting due to the project timelines for various capital projects. Unexpended funds will be carried forward into the 2015 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, 2014 amounts to \$991,806 (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 \$38 million was expended on flood control projects infrastructure.

As mentioned in the transmittal letter, there were also a number of municipal building projects in progress during 2014. \$4.3 million was expended on the acquisition and remodeling of the new facility for the Fargo Cass Public Health department. \$1.2 million was expended on the new City Hall project and \$3.3 was expended on the expansion of the water treatment plant.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 59,244	\$ 50,863	\$ 40,568	\$ 39,772	\$ 99,812	\$ 90,635
Construction in progress	9,143	3,835	20,460	12,661	29,603	16,496
Intangible	7,875	7,003	920	915	8,795	7,918
Buildings	44,803	46,291	135,537	140,191	180,340	186,482
Improvements other than buildings	709	758	17,050	16,259	17,759	17,017
Machinery and equipment	16,860	17,592	21,719	20,817	38,579	38,409
Infrastructure	210,018	196,244	375,119	358,081	585,137	554,325
Flood Control	31,781	26,204	-	-	31,781	26,204
Total	\$ 380,433	\$ 348,790	\$ 611,373	\$ 588,696	\$ 991,806	\$ 937,486

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 \$519,608. Of this amount, \$332,360 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 \$60 million during the current fiscal year. This increase can be associated with the need to finance ongoing capital project funding and expansion of the City's utility infrastructure.

City of Fargo's Outstanding Debt (In Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Improvement bonds	\$ 332,360	\$ 299,160	\$ -	\$ -	\$ 332,360	\$ 299,160
Gross revenue bonds	-	100	16,785	20,595	16,785	20,695
General obligation bonds	2,285	2,400	-	-	2,285	2,400
Sales tax bonds	82,142	57,040	-	-	82,142	57,040
Notes payable	72,963	68,709	7,993	5,754	80,956	74,463
Capital leases	231	166	4,849	5,944	5,080	6,110
Total	<u>\$ 489,981</u>	<u>\$ 427,575</u>	<u>\$ 29,627</u>	<u>\$ 32,293</u>	<u>\$ 519,608</u>	<u>\$ 459,868</u>

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

The City issued a \$6,000 direct bank loan, Series 2014A to finance the expansion and relocation of the Fargo Cass Public Health department and the Red River Regional Dispatch Center project. The interest rate on this loan was 1.74% as of December 31, 2014.

The City issued \$32,512 Capital Financing Program Bonds, Series 2014B to finance the construction and installation of flood mitigation projects. These bonds were sold with a true interest cost of 3.23%

The City issued a \$3,000 direct bank loan, Series 2014C to finance the solid waste baling facility project. The interest rate on this loan was 0.83% as of December 31, 2014.

The City issued \$52,400 Refunding Improvement Bonds, Series 2014D at a true interest cost of 3.52%. These bonds were issued to reimburse the capital project fund for project costs previously incurred and to advance refunding the Series 2005A Refunding Improvement Bonds.

The City issued \$19,440 Refunding Improvement Bonds, Series 2014E at a true interest cost of 3%. These bonds were issued as a current refunding of the Series 2010B Refunding Improvement Bonds.

The City issued \$40,445 Refunding Improvement Bonds, Series 2014F at a true interest cost of 3.58%. These bonds were issued to reimburse the capital project fund for project costs previously incurred.

The City issued \$8,355 Taxable Refunding Improvement Bonds, Series 2014G at a true interest cost of 3.88%. These bonds were issued to reimburse the capital project fund for project costs previously incurred.

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

Falling oil prices have impacted our State-wide economic conditions. During the 2015-2017 Legislative Session it was noted that this impact could be as much as a 10% decline. Subsequent reports from the Office of the State Tax Commissioner for the most recent quarter are still showing growth, however, the growth in sales tax collections is slowed considerably. This may have a negative impact our State aid revenues to be received in 2015 and 2016.

The 2015 approved budget contained an increase of 5.8% in our General Fund. Budgets were increased for capital outlay spending by 10.7% which contributed to the overall General Fund increase. Funds appropriated for operational costs increased by 4.9%.

Fuel prices have declined significantly since our 2015 budget was approved. Budgets have been revised to reflect lower prices which resulted in a General Fund savings of approximately \$700k.

There were no utility fund rate increases approved in the 2015 budget.

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, 2014**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 240,307	\$ 3,935,628	\$ 4,175,935
Equity in pooled investments	143,443,033	42,594,933	186,037,966
Receivables (net of allowance for uncollectibles):			
Interest	157,325	64,319	221,644
Taxes	278,346	9,437	287,783
Accounts	7,951,681	4,932,879	12,884,560
Sales tax	9,364,671	-	9,364,671
Notes receivable	320,707	-	320,707
Special assessments	280,485,002	25,264	280,510,266
Intergovernmental	17,023,230	372,810	17,396,040
Contract	40,002	-	40,002
Loans	2,546,389	-	2,546,389
Internal balances	(417,445)	417,445	-
Inventory	861,787	661,288	1,523,075
Prepaid expenses	398,774	370,401	769,175
Property held for resale	194,538	-	194,538
Restricted assets:			
Equity in pooled investments	-	6,766,300	6,766,300
Investments	-	40,622,442	40,622,442
Prepaid expenses	-	64,271	64,271
Unamortized debt costs	89,886	-	89,886
Capital assets (net of accumulated depreciation):			
Land	59,243,761	40,568,220	99,811,981
Construction in progress	9,143,393	20,460,433	29,603,826
Intangible - Right-of-way Easements	7,874,570	420,036	8,294,606
Intangible - Water Rights	-	500,000	500,000
Buildings	44,803,030	135,537,322	180,340,352
Improvements other than buildings	709,168	17,049,842	17,759,010
Machinery and equipment	16,859,573	21,718,526	38,578,099
Infrastructure	210,018,138	375,119,384	585,137,522
Flood Control	31,780,955	-	31,780,955
Total capital assets	<u>380,432,588</u>	<u>611,373,763</u>	<u>991,806,351</u>
Total assets	<u>843,410,821</u>	<u>712,211,180</u>	<u>1,555,622,001</u>
LIABILITIES			
Vouchers payable	9,147,597	2,578,175	11,725,772
Retainage payable	2,990,768	423,667	3,414,435
Accrued payroll	1,695,103	441,515	2,136,618
Accrued interest payable	2,830,785	382,605	3,213,390
Accrued interest payable from restricted assets	-	443,364	443,364
Special assessments payable	392,720	-	392,720
Unearned revenue	1,804,025	2,285,965	4,089,990
Deposits	374,676	30,470	405,146
Noncurrent liabilities:			
Due within one year	26,242,090	2,686,041	28,928,131
Due within one year payable from restricted assets	-	5,851,000	5,851,000
Due in more than one year	491,372,106	32,316,308	523,688,414
Total liabilities	<u>536,849,870</u>	<u>47,439,110</u>	<u>584,288,980</u>
NET POSITION			
Net investment in capital assets	206,472,245	580,624,402	787,096,647
Restricted for:			
Debt service	38,512,874	6,308,825	44,821,699
Specific projects and programs	8,801,015	-	8,801,015
Capital improvements	39,071,917	41,144,188	80,216,105
Unrestricted	13,702,900	36,694,655	50,397,555
Total net position	<u>\$ 306,560,951</u>	<u>\$ 664,772,070</u>	<u>\$ 971,333,021</u>

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

**CITY OF FARGO, NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

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	\$ 15,657,870	\$ 3,548,664	\$ 1,014,521	\$ 9,709	\$ (11,084,976)	\$ -	\$ (11,084,976)
Public safety	34,415,785	8,337,597	626,512	51,802	(25,399,874)	-	(25,399,874)
Public works	73,315,688	11,731,930	4,502	75,936,641	14,357,385	-	14,357,385
Public health & welfare	9,937,389	2,839,283	3,327,588	236,622	(3,533,896)	-	(3,533,896)
Recreation & culture	8,222,506	777,310	643,722	-	(6,801,474)	-	(6,801,474)
Urban redevelopment	2,534,044	82,815	1,366,025	-	(1,085,204)	-	(1,085,204)
Transportation	9,670,550	3,876,963	3,541,063	148,595	(2,103,929)	-	(2,103,929)
General support	1,002,608	-	-	-	(1,002,608)	-	(1,002,608)
Interest and fiscal charges	18,545,356	-	-	-	(18,545,356)	-	(18,545,356)
Total governmental activities	<u>173,301,796</u>	<u>31,194,561</u>	<u>10,523,934</u>	<u>76,383,369</u>	<u>(55,199,933)</u>	<u>-</u>	<u>(55,199,933)</u>
Business-type activities:							
Municipal airport authority	8,299,826	8,641,627	-	3,749,958	-	4,091,759	4,091,759
Water	14,112,129	18,311,211	-	-	-	4,199,082	4,199,082
Wastewater	8,956,040	10,176,950	-	-	-	1,220,910	1,220,910
Storm sewer	4,737,663	1,582,079	-	-	-	(3,155,584)	(3,155,584)
Solid waste	9,889,337	12,310,654	-	-	-	2,421,317	2,421,317
Fargodome	8,236,303	6,442,044	-	-	-	(1,794,259)	(1,794,259)
Southeast Cass	73,926	30,593	-	25,000	-	(18,333)	(18,333)
Vector control	397,296	660,007	-	-	-	262,711	262,711
Street lighting	2,779,110	1,696,469	-	-	-	(1,082,641)	(1,082,641)
Forestry	1,603,197	1,437,141	-	-	-	(166,056)	(166,056)
Total business-type activities	<u>59,084,827</u>	<u>61,288,775</u>	<u>-</u>	<u>3,774,958</u>	<u>-</u>	<u>5,978,906</u>	<u>5,978,906</u>
Total	<u>\$ 232,386,623</u>	<u>\$ 92,483,336</u>	<u>\$ 10,523,934</u>	<u>\$ 80,158,327</u>	<u>(55,199,933)</u>	<u>5,978,906</u>	<u>(49,221,027)</u>
General revenues:							
Taxes:							
Property taxes					22,618,520	692,977	23,311,497
Sales taxes					48,336,282	-	48,336,282
Gross business receipts taxes					5,177,263	-	5,177,263
Lodging taxes					2,556,722	-	2,556,722
Other taxes					2,953,800	-	2,953,800
Unrestricted intergovernmental					9,446,998	-	9,446,998
Unrestricted investment earnings					3,141,709	2,715,512	5,857,221
Miscellaneous revenue					205,643	1,197,304	1,402,947
Transfers					(23,562,793)	23,562,793	-
Total general revenues and transfers					<u>70,874,144</u>	<u>28,168,586</u>	<u>99,042,730</u>
Change in net position					<u>15,674,212</u>	<u>34,147,492</u>	<u>49,821,704</u>
Net position - beginning - as restated					<u>290,886,739</u>	<u>630,624,578</u>	<u>921,511,317</u>
Net position - ending					<u>\$ 306,560,951</u>	<u>\$ 664,772,070</u>	<u>\$ 971,333,021</u>

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

CITY OF FARGO, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2014

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 188,606	\$ -	\$ 51,701	\$ -	\$ 240,307
Equity in pooled investments	30,921,170	40,800,013	68,080,116	3,641,734	143,443,033
Receivables (net of allowance for uncollectibles):					
Interest	43,128	85,784	28,413	-	157,325
Taxes	257,433	15,625	-	5,288	278,346
Accounts	4,295,457	-	3,174,720	481,504	7,951,681
Sales tax	-	7,023,503	2,341,168	-	9,364,671
Special assessments	-	279,643,044	179,920	662,038	280,485,002
Contracts	-	40,002	-	-	40,002
Intergovernmental	5,668,322	-	11,117,893	237,015	17,023,230
Long term note receivable	-	320,707	-	-	320,707
Loans	-	-	-	2,546,389	2,546,389
Advances to other funds	1,814,697	-	-	-	1,814,697
Inventory	861,787	-	-	-	861,787
Prepaid items	390,866	-	-	7,908	398,774
Property held for resale	10,500	-	-	184,038	194,538
	<u>\$ 44,451,966</u>	<u>\$ 327,928,678</u>	<u>\$ 84,973,931</u>	<u>\$ 7,765,914</u>	<u>\$ 465,120,489</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities					
Vouchers payable	\$ 2,861,062	\$ 135,156	\$ 5,858,872	\$ 292,507	\$ 9,147,597
Contract retainage payable	-	-	2,990,768	-	2,990,768
Advances from other funds	-	-	-	1,867,927	1,867,927
Due to other funds	-	-	-	364,215	364,215
Accrued payroll	1,685,247	-	-	9,856	1,695,103
Special assessments payable	-	49,372	84,694	258,654	392,720
Unearned revenue	45,885	-	-	1,758,140	1,804,025
Deposits	372,176	-	2,500	-	374,676
Total liabilities	<u>4,964,370</u>	<u>184,528</u>	<u>8,936,834</u>	<u>4,551,299</u>	<u>18,637,031</u>
Deferred inflows of resources					
Unavailable revenue	<u>2,257,558</u>	<u>266,649,297</u>	<u>4,453,180</u>	<u>1,393,467</u>	<u>274,753,502</u>
Fund balance					
Nonspendable	3,077,850	-	-	191,946	3,269,796
Restricted	2,933,454	61,094,853	71,583,917	2,875,965	138,488,189
Committed	3,273,816	-	-	-	3,273,816
Assigned	2,063,907	-	-	-	2,063,907
Unassigned	25,881,011	-	-	(1,246,763)	24,634,248
Total fund balance	<u>37,230,038</u>	<u>61,094,853</u>	<u>71,583,917</u>	<u>1,821,148</u>	<u>171,729,956</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 44,451,966</u>	<u>\$ 327,928,678</u>	<u>\$ 84,973,931</u>	<u>\$ 7,765,914</u>	<u>\$ 465,120,489</u>

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

CITY OF FARGO, NORTH DAKOTA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2014

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

Total fund balance - governmental funds (page 16)	\$ 171,729,956
Capital assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements	380,432,588
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	274,753,502
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds	<u>(520,355,095)</u>
Net position of governmental activities (page 14)	<u><u>\$ 306,560,951</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, 2014

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 26,186,531	\$ 39,168,040	\$ 12,084,070	\$ 4,239,289	\$ 81,677,930
Special assessments	-	32,160,993	542,753	332,223	33,035,969
Licenses and permits	7,224,633	-	-	-	7,224,633
Intergovernmental revenues	24,825,032	329,098	21,565,233	1,397,912	48,117,275
Charges for services	19,161,378	-	-	1,508,637	20,670,015
Fines and forfeits	2,265,238	-	-	44,580	2,309,818
Investment income	2,724,205	335,828	79,837	1,839	3,141,709
Miscellaneous revenues	907,384	56,755	519,106	290,686	1,773,931
Total revenues	<u>83,294,401</u>	<u>72,050,714</u>	<u>34,790,999</u>	<u>7,815,166</u>	<u>197,951,280</u>
EXPENDITURES					
Current:					
General government	14,255,796	-	481,830	-	14,737,626
Public safety	31,097,859	-	6,467	2,264,769	33,369,095
Public works	9,646,066	740,752	53,235,740	249,168	63,871,726
Public health & welfare	9,647,197	-	82,508	42,878	9,772,583
Recreation and culture	4,364,445	-	-	3,122,728	7,487,173
Urban redevelopment	-	753,067	-	1,721,974	2,475,041
Public transportation	7,162,185	-	10,105	618,065	7,790,355
General support	1,000,608	-	2,000	-	1,002,608
Capital outlay	3,710,639	-	75,809,945	363,655	79,884,239
Debt service:					
Principal	179,435	46,388,118	-	-	46,567,553
Interest and fiscal charges	6,028	18,237,201	1,076,627	-	19,319,856
Total expenditures	<u>81,070,258</u>	<u>66,119,138</u>	<u>130,705,222</u>	<u>8,383,237</u>	<u>286,277,855</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,224,143</u>	<u>5,931,576</u>	<u>(95,914,223)</u>	<u>(568,071)</u>	<u>(88,326,575)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	9,744,167	491,480	37,104,112	3,088,999	50,428,758
Transfers out	(8,263,795)	(29,988,138)	(1,509,656)	(1,079,729)	(40,841,318)
Loans issued	-	1,024,402	8,262,483	-	9,286,885
Bonds issued	-	32,336,016	120,815,984	-	153,152,000
Bond premium	-	2,134,829	11,328,831	-	13,463,660
Other financing uses - debt service - principal	-	(39,290,000)	-	-	(39,290,000)
Other financing uses - debt service - payment to escrow agent	-	(14,420,000)	-	-	(14,420,000)
Capital lease	244,935	-	-	-	244,935
Total other financing sources (uses)	<u>1,725,307</u>	<u>(47,711,411)</u>	<u>176,001,754</u>	<u>2,009,270</u>	<u>132,024,920</u>
Net change in fund balances	3,949,450	(41,779,835)	80,087,531	1,441,199	43,698,345
Fund balance (deficit) - beginning of year - as restated	33,280,588	102,874,688	(8,503,614)	379,949	128,031,611
Fund balance - end of year	<u>\$ 37,230,038</u>	<u>\$ 61,094,853</u>	<u>\$ 71,583,917</u>	<u>\$ 1,821,148</u>	<u>\$ 171,729,956</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, 2014**

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)	\$	43,698,345
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.		64,858,930
Capital assets transferred to enterprise funds		(33,150,232)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(66,595)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		14,654,114
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.		(75,869,926)
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.		1,549,576
Change in net position of governmental activities (page 15)	<u>\$</u>	<u>15,674,212</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 25,528,402	\$ 25,918,402	\$ 26,186,531	\$ 268,129
Licenses & permits	4,081,149	5,231,149	7,224,633	1,993,484
Intergovernmental revenues	24,622,945	25,826,547	24,825,032	(1,001,515)
Charges for services	16,412,519	16,418,144	19,161,378	2,743,234
Fines and forfeits	2,741,500	2,741,500	2,265,238	(476,262)
Investment income	1,819,500	1,819,500	2,724,205	904,705
Miscellaneous revenues	725,985	851,657	907,384	55,727
Total revenues	<u>75,932,000</u>	<u>78,806,899</u>	<u>83,294,401</u>	<u>4,487,502</u>
EXPENDITURES				
Current:				
General government	14,098,390	14,249,502	14,255,796	(6,294)
Public safety	31,393,878	32,369,015	31,097,859	1,271,156
Public works	9,545,217	9,680,194	9,646,066	34,128
Public health & welfare	9,409,986	10,102,232	9,647,197	455,035
Recreation & culture	4,295,570	4,327,664	4,364,445	(36,781)
Public Transportation	7,150,031	7,166,824	7,162,185	4,639
General support	1,100,483	955,483	1,000,608	(45,125)
Capital outlay	6,851,075	6,253,404	3,710,639	2,542,765
Debt service:				
Principal	-	179,435	179,435	-
Interest and fiscal charges	-	6,028	6,028	-
Total expenditures	<u>83,844,630</u>	<u>85,289,781</u>	<u>81,070,258</u>	<u>4,219,523</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,912,630)</u>	<u>(6,482,882)</u>	<u>2,224,143</u>	<u>8,707,025</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,990,000	9,431,183	9,744,167	312,984
Transfers out	(1,061,000)	(8,211,000)	(8,263,795)	(52,795)
Capital lease	-	244,935	244,935	-
Total other financing sources (uses)	<u>7,929,000</u>	<u>1,465,118</u>	<u>1,725,307</u>	<u>260,189</u>
Net change in fund balances	<u>\$ 16,370</u>	<u>\$ (5,017,764)</u>	3,949,450	<u>\$ 8,967,214</u>
Fund balance - beginning of year - as restated			33,280,588	
Fund balance - end of year			<u>\$ 37,230,038</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, 2014

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
ASSETS								
Current assets								
Cash	\$ -	\$ 50	\$ 50	\$ -	\$ 300	\$ 3,935,178	\$ 50	\$ 3,935,628
Equity in pooled investments	17,014,550	12,846,604	11,041,392	482,415	-	74,998	1,134,974	42,594,933
Receivables (net of allowance for uncollectibles):								
Interest	19,212	23,950	21,157	-	-	-	-	64,319
Special assessments	-	-	-	-	-	-	25,264	25,264
Taxes	9,437	-	-	-	-	-	-	9,437
Accounts	602,559	1,484,487	994,520	152,077	931,888	317,072	450,276	4,932,879
Intergovernmental	372,810	-	-	-	-	-	-	372,810
Due from other funds	-	1,198,496	-	-	-	-	-	1,198,496
Advances to other funds	-	-	-	-	53,230	-	-	53,230
Inventory	-	229,477	-	-	-	49,321	382,490	661,288
Prepaid expenses	6,461	43,240	21,477	3,505	74,186	209,932	11,600	370,401
Restricted equity in pooled investments	1,277,604	3,757,700	822,404	-	-	-	-	5,857,708
Total current assets	<u>19,302,633</u>	<u>19,584,004</u>	<u>12,901,000</u>	<u>637,997</u>	<u>1,059,604</u>	<u>4,586,501</u>	<u>2,004,654</u>	<u>60,076,393</u>
Noncurrent assets								
Restricted assets								
Equity in pooled investments	8,469	96,806	281,571	-	-	521,746	-	908,592
Investments	-	-	-	-	-	40,622,442	-	40,622,442
Prepaid expenses	7,619	56,652	-	-	-	-	-	64,271
Capital assets								
Land	8,049,047	4,657,945	333,448	24,032,322	3,495,458	-	-	40,568,220
Right of way	-	-	289,090	130,946	-	-	-	420,036
Construction in progress	3,641,806	9,503,038	-	4,347,637	-	2,967,952	-	20,460,433
Intangible	-	500,000	-	-	-	-	-	500,000
Buildings	28,011,807	85,714,229	31,550,528	-	5,699,195	58,256,248	-	209,232,007
Improvements other than buildings	2,118,927	1,567,963	2,049,521	2,745,443	12,231,783	4,715,233	-	25,428,870
Machinery and equipment	9,777,179	6,488,929	11,882,442	3,834,761	16,564,470	17,110,770	1,372,426	67,030,977
Infrastructure	86,645,807	117,110,775	125,614,128	174,369,683	6,158	-	31,493,264	535,239,815
Less accumulated depreciation	(50,871,317)	(51,734,623)	(53,832,741)	(54,541,936)	(16,766,431)	(44,338,286)	(15,421,261)	(287,506,595)
Total capital assets (net of accumulated depreciation)	<u>87,373,256</u>	<u>173,808,256</u>	<u>117,886,416</u>	<u>154,918,856</u>	<u>21,230,633</u>	<u>38,711,917</u>	<u>17,444,429</u>	<u>611,373,763</u>
Total noncurrent assets	<u>87,389,344</u>	<u>173,961,714</u>	<u>118,167,987</u>	<u>154,918,856</u>	<u>21,230,633</u>	<u>79,856,105</u>	<u>17,444,429</u>	<u>652,969,068</u>
Total assets	<u>\$ 106,691,977</u>	<u>\$ 193,545,718</u>	<u>\$ 131,068,987</u>	<u>\$ 155,556,853</u>	<u>\$ 22,290,237</u>	<u>\$ 84,442,606</u>	<u>\$ 19,449,083</u>	<u>\$ 713,045,461</u>

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

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2014

	Business Type Activities-Proprietary Funds						Other Proprietary Funds	Total
	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome		
LIABILITIES								
Current liabilities								
Vouchers payable	\$ 318,412	\$ 308,736	\$ 278,791	\$ 13,287	\$ 490,491	\$ 1,051,443	\$ 117,015	\$ 2,578,175
Retainage payable	294,243	-	-	-	-	129,424	-	423,667
Interest payable	-	23,975	49,880	135,970	143,238	29,542	-	382,605
Due to other funds	-	-	-	-	834,281	-	-	834,281
Accrued payroll	52,980	92,777	44,719	13,155	95,630	115,543	26,711	441,515
Current portion of special assessments	-	17,443	43,439	95,002	166,780	12,538	-	335,202
Current portion of capital lease	-	-	43,093	-	438,204	1,120,000	-	1,601,297
Current portion of contract payable	-	-	62,472	-	-	-	-	62,472
Accrued vacation payable	89,974	215,093	98,390	33,084	196,318	-	54,211	687,070
Unearned revenue	-	-	-	-	-	2,285,965	-	2,285,965
Deposits	-	-	-	-	-	30,470	-	30,470
Current liabilities payable from restricted assets:								
Current portion of long-term debt	1,205,000	3,470,000	776,000	-	400,000	-	-	5,851,000
Accrued interest and other	72,604	287,700	46,404	-	-	36,656	-	443,364
Total current liabilities	<u>2,033,213</u>	<u>4,415,724</u>	<u>1,443,188</u>	<u>290,498</u>	<u>2,764,942</u>	<u>4,811,581</u>	<u>197,937</u>	<u>15,957,083</u>
Noncurrent liabilities								
Landfill closure accruals	-	-	-	-	3,108,093	-	-	3,108,093
Long-term debt, net of current portion:								
Special assessments payable	-	465,683	927,062	2,540,951	2,211,499	436,424	-	6,581,619
Capital lease	-	-	182,043	-	735,524	2,330,000	-	3,247,567
Revenue bonds, net of deferred amount of refunding	3,931,541	7,930,488	-	-	600,000	-	-	12,462,029
Notes payable	-	-	4,217,000	-	2,700,000	-	-	6,917,000
Total noncurrent liabilities	<u>3,931,541</u>	<u>8,396,171</u>	<u>5,326,105</u>	<u>2,540,951</u>	<u>9,355,116</u>	<u>2,766,424</u>	<u>-</u>	<u>32,316,308</u>
Total liabilities	<u>5,964,754</u>	<u>12,811,895</u>	<u>6,769,293</u>	<u>2,831,449</u>	<u>12,120,058</u>	<u>7,578,005</u>	<u>197,937</u>	<u>48,273,391</u>
NET POSITION								
Net investment in capital assets	83,530,407	165,835,800	112,739,282	152,282,903	13,978,626	34,812,955	17,444,429	580,624,402
Restricted for:								
Debt service	1,293,692	3,911,158	1,103,975	-	-	-	-	6,308,825
Capital improvements	-	-	-	-	-	41,144,188	-	41,144,188
Unrestricted	15,903,124	10,986,865	10,456,437	442,501	(3,808,447)	907,458	1,806,717	36,694,655
Total net position	<u>\$ 100,727,223</u>	<u>\$ 180,733,823</u>	<u>\$ 124,299,694</u>	<u>\$ 152,725,404</u>	<u>\$ 10,170,179</u>	<u>\$ 76,864,601</u>	<u>\$ 19,251,146</u>	<u>\$ 664,772,070</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 POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2014

Business Type Activities-Proprietary Funds

	Airport	Water	Wastewater	Storm Sewer	Solid Waste	FargoDome	Other Proprietary Funds	Total
OPERATING REVENUES								
Charges for services	\$ 8,641,627	\$ 18,311,211	\$ 10,176,950	\$ 1,582,079	\$ 12,310,654	\$ 6,442,044	\$ 3,824,210	\$ 61,288,775
OPERATING EXPENSES								
Personnel services	1,388,468	3,438,917	1,580,000	474,200	3,620,883	2,638,689	1,133,921	14,275,078
Other services	2,782,551	2,518,051	1,688,029	137,994	2,046,178	2,950,794	967,123	13,090,720
Materials and supplies	193,619	3,502,328	1,598,209	156,010	1,980,399	161,118	1,415,576	9,007,259
Depreciation	3,609,909	4,031,574	3,855,672	3,833,489	2,064,012	2,352,780	1,336,909	21,084,345
Total operating expenses	7,974,547	13,490,870	8,721,910	4,601,693	9,711,472	8,103,381	4,853,529	57,457,402
Operating income (loss)	667,080	4,820,341	1,455,040	(3,019,614)	2,599,182	(1,661,337)	(1,029,319)	3,831,373
NONOPERATING REVENUES (EXPENSES)								
Gain (loss) on disposal of assets	31,449	754	-	(219,462)	10,877	-	13,181	(163,201)
Investment income (expense)	70,611	83,619	69,793	-	-	2,491,489	-	2,715,512
Interest expense and bond fees	(323,374)	(602,375)	(234,130)	(135,970)	(177,865)	(132,922)	-	(1,606,636)
Amortization expense	(1,905)	(18,884)	-	-	-	-	-	(20,789)
General property tax revenue	692,977	-	-	-	-	-	-	692,977
Miscellaneous revenue (expense)	6,602	151,262	-	-	53,943	770	-	212,577
Sale of byproducts	-	-	831,532	-	316,396	-	-	1,147,928
Total nonoperating revenues (expenses)	476,360	(385,624)	667,195	(355,432)	203,351	2,359,337	13,181	2,978,368
Income (loss) before contributions and transfers	1,143,440	4,434,717	2,122,235	(3,375,046)	2,802,533	698,000	(1,016,138)	6,809,741
Capital contributions	3,749,958	9,878,329	4,908,336	16,342,879	-	-	2,045,688	36,925,190
Transfers in:								
Capital projects	-	210,000	609,996	-	-	-	-	819,996
Enterprise	-	1,300,000	-	-	-	-	495,000	1,795,000
Transfers out:								
General	(50,000)	(3,100,000)	(1,430,000)	(300,000)	(2,512,984)	(50,000)	(410,000)	(7,852,984)
Capital projects	-	(1,400,556)	(1,085,371)	(68,524)	-	-	-	(2,554,451)
Enterprise	-	-	(1,715,000)	-	(80,000)	-	-	(1,795,000)
Change in net position	4,843,398	11,322,490	3,410,196	12,599,309	209,549	648,000	1,114,550	34,147,492
Total net position - beginning	95,883,825	169,411,333	120,889,498	140,126,095	9,960,630	76,216,601	18,136,596	630,624,578
Total net position - ending	\$ 100,727,223	\$ 180,733,823	\$ 124,299,694	\$ 152,725,404	\$ 10,170,179	\$ 76,864,601	\$ 19,251,146	\$ 664,772,070

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, 2014**

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	\$ 8,575,592	\$ 18,228,039	\$ 10,269,566	\$ 1,575,678	\$ 12,370,535	\$ 4,232,180	\$ 3,783,057	\$ 59,034,647
Payments to suppliers	(2,903,026)	(6,143,493)	(3,152,194)	(287,620)	(3,625,206)	(2,776,903)	(2,342,332)	(21,230,774)
Payments to employees	(1,049,156)	(2,566,570)	(1,195,985)	(386,194)	(2,714,244)	(2,636,290)	(877,733)	(11,426,172)
Payments of benefits on behalf of employees	(303,628)	(862,393)	(389,480)	(90,855)	(891,994)	-	(255,311)	(2,793,661)
Net cash provided (used) by operating activities	<u>4,319,782</u>	<u>8,655,583</u>	<u>5,531,907</u>	<u>811,009</u>	<u>5,139,091</u>	<u>(1,181,013)</u>	<u>307,681</u>	<u>23,584,040</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfers to other funds	(50,000)	(4,500,556)	(4,230,371)	(368,524)	(2,592,984)	(50,000)	(410,000)	(12,202,435)
Transfers from other funds	-	1,510,000	609,996	-	-	-	495,000	2,614,996
Contributions to other funds	-	-	-	-	-	-	-	-
Property taxes	693,078	-	-	-	-	-	-	693,078
Payments received on advances to other funds	-	-	-	-	120,000	-	-	120,000
Payments received on interfund borrowing	-	4,984,323	-	-	834,281	-	-	5,818,604
Payments made for interfund borrowing	-	(1,198,496)	-	-	(3,808,138)	-	-	(5,006,634)
Net cash provided (used) by noncapital financing activities	<u>643,078</u>	<u>795,271</u>	<u>(3,620,375)</u>	<u>(368,524)</u>	<u>(5,446,841)</u>	<u>(50,000)</u>	<u>85,000</u>	<u>(7,962,391)</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from sale of assets	31,449	754	-	2,289	10,877	-	43,483	88,852
Proceeds from byproduct sales	-	-	831,532	-	316,396	-	-	1,147,928
Proceeds from notes payable	-	-	-	-	3,000,000	-	-	3,000,000
Acquisition of capital assets	(6,297,749)	(401,591)	(96,868)	-	(1,878,758)	(704,332)	(126,782)	(9,506,080)
Debt service - principal	(415,000)	(3,306,906)	(1,204,641)	(73,661)	(956,004)	(1,114,777)	-	(7,070,989)
Debt service - interest & fees	(329,080)	(689,582)	(237,758)	(120,629)	(184,761)	(145,278)	-	(1,707,088)
Intergovernmental capital grants	3,572,984	-	-	-	-	-	25,000	3,597,984
Net cash provided (used) by capital and related financing activities	<u>(3,437,396)</u>	<u>(4,397,325)</u>	<u>(707,735)</u>	<u>(192,001)</u>	<u>307,750</u>	<u>(1,964,387)</u>	<u>(58,299)</u>	<u>(10,449,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Investment income (expense)	51,399	67,962	56,990	-	-	1,302	-	177,653
Investments redeemed	16,723,760	11,561,293	10,871,396	231,931	-	2,238,297	800,592	42,427,269
Investments (purchased)	(18,300,623)	(16,682,784)	(12,132,183)	(482,415)	-	(1,596,744)	(1,134,974)	(50,329,723)
Net cash provided (used) by investing activities	<u>(1,525,464)</u>	<u>(5,053,529)</u>	<u>(1,203,797)</u>	<u>(250,484)</u>	<u>-</u>	<u>642,855</u>	<u>(334,382)</u>	<u>(7,724,801)</u>
Net change in cash and cash equivalents	-	-	-	-	-	(2,552,545)	-	(2,552,545)
Cash and cash equivalents, January 1	-	50	50	-	300	6,487,723	50	6,488,173
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 3,935,178</u>	<u>\$ 50</u>	<u>\$ 3,935,628</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, 2014**

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)	\$ 667,080	\$ 4,820,341	\$ 1,455,040	\$ (3,019,614)	\$ 2,599,182	\$ (1,661,337)	\$ (1,029,319)	\$ 3,831,373
Adjustments to reconcile operating income to net cash provided by operating activities								
Depreciation	3,609,909	4,031,574	3,855,672	3,833,489	2,064,012	2,352,780	1,336,909	21,084,345
Change in assets and liabilities								
Accounts receivable	(72,637)	(83,172)	92,616	(6,401)	59,881	(25,863)	(24,590)	(60,166)
Specials receivable	-	-	-	-	-	-	(16,563)	(16,563)
Inventories	-	(22,632)	-	-	-	(3,828)	74,015	47,555
Prepaid expenses	11,189	24,624	20,971	4,184	495	(5,760)	(412)	55,291
Accounts payable	(74,536)	(125,106)	113,073	2,200	372,956	331,900	(33,236)	587,251
Retainage payable	143,093	-	-	-	(3,778)	12,697	-	152,012
Landfill closure accruals	-	-	-	-	31,698	-	-	31,698
Payroll payable	24,094	13,108	8,584	1,798	15,235	2,399	3,317	68,535
Vacation payable	11,590	(3,154)	(14,049)	(4,647)	(590)	-	(2,440)	(13,290)
Unearned revenue	-	-	-	-	-	(2,202,492)	-	(2,202,492)
Deposits	-	-	-	-	-	18,491	-	18,491
Total adjustments	3,652,702	3,835,242	4,076,867	3,830,623	2,539,909	480,324	1,337,000	19,752,667
Net cash provided (used) by operating activities	<u>\$ 4,319,782</u>	<u>\$ 8,655,583</u>	<u>\$ 5,531,907</u>	<u>\$ 811,009</u>	<u>\$ 5,139,091</u>	<u>\$ (1,181,013)</u>	<u>\$ 307,681</u>	<u>\$ 23,584,040</u>
Noncash transactions affecting financial position:								
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ 9,878,329</u>	<u>\$ 4,908,336</u>	<u>\$ 16,342,879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020,688</u>	<u>\$ 33,150,232</u>
Acquisition of assets through acquisition of debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,022</u>	<u>\$ 390,039</u>	<u>\$ 733,404</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,357,465</u>
Change in fair value of investments	<u>\$ -</u>	<u>\$ 18,326</u>	<u>\$ 13,184</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,510</u>

Concluded

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

CITY OF FARGO, NORTH DAKOTA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2014

	Pension Trust	Agency
ASSETS		
Cash	\$ 203,160	\$ 13,820
Equity in pooled investments	201,348	(4,348,534)
Receivables:		
Accounts receivable	20,112	2,243,669
Special assessments	-	5,469,572
Intergovernmental	-	28,112,640
Interest	20,795	-
Total receivables	40,907	35,825,881
Investments, at fair value:		
Corporate stocks	11,116	-
Mutual funds	86,591,562	-
Total investments	86,602,678	-
Total assets	\$ 87,048,093	\$ 31,491,167
LIABILITIES		
Vouchers and benefits payable	\$ 30,533	\$ 3,515,997
Due to other governments	-	27,343,730
Deposits	-	631,440
Total liabilities	\$ 30,533	\$ 31,491,167
NET POSITION		
Restricted for pension benefits	\$ 87,017,560	\$ -

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, 2014

	Pension Trust
ADDITIONS	
Contributions	
Employer	\$ 4,298,966
Employee	1,623,813
Total contributions	5,922,779
Investment income	
Net appreciation in fair value of investments	5,165,749
Less investment expense	(309,315)
Net investment income	4,856,434
Total additions	10,779,213
DEDUCTIONS	
Pension benefit payments	5,359,487
Member contribution refunds	140,590
Administrative expenses	86,199
Total deductions	5,586,276
Change in net position	5,192,937
Total net position - beginning	81,824,623
Total net position - ending	\$ 87,017,560

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



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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. BASIS OF PRESENTATION

The financial statements of the City have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the standard-setting board for governmental accounting and financial reporting.

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

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes accounting and financial reporting requirements related to pension for governments whose employees are provided with pension through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement – Determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. This Statement will be implemented by the City in the year ending December 21, 2015.

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 these statements will have on the entity's financial statements.

B. REPORTING ENTITY

The City is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Additionally, the City is not included in any other governmental reporting entity.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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, 2014**

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, 2014**

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. Three 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, 2014**

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 2014 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, 2014**

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 approximately 25 percent of the total current year general fund expenditures.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$520,355,095 difference are as follows:

Bonds payable	\$ 416,787,000
Notes payable	72,962,978
Capital leases	231,179
December 31, 2014 long-term debt outstanding	<u>\$ 489,981,157</u>
Accrued interest payable	2,830,785
Bond premium	21,522,491
Accumulated unpaid vacation	3,340,449
Bond discount and bond insurance	(89,886)
Net pension obligation liability	<u>2,770,099</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ 520,355,095</u></u>

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

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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 \$64,858,930 difference are as follows:

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Capital Outlay	\$ 79,884,239
Plus: assets transferred in from enterprise funds	40,049
Plus: prior year construction in progress added as asset in current year	752,028
Capital asset increases per footnote 4.C	<u>\$ 80,676,316</u>
Less: assets transferred in from enterprise funds	(40,049)
Less: prior year construction in progress added as asset in current year	(752,028)
Depreciation expense	<u>(15,025,309)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 64,858,930</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and deferred amounts on refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$75,869,926 difference are as follows:

Bonded debt issued	\$ (153,152,000)
Premium on bonded debt issued	(13,463,660)
Bonded debt principal payments	95,065,036
Capital lease proceeds	(244,935)
Capital lease payment	179,435
Loan proceeds	(9,286,885)
Loan payments	5,033,083
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ (75,869,926)</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$1,549,576 are as follows:

Compensated absences	\$ 41,616
Accrued interest	(10,269)
Amortization of bond discounts and bond insurance	(271,819)
Amortization of bond premium	1,056,586
Net pension obligation adjustment	733,462
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u><u>\$ 1,549,576</u></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.
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 2014 year include \$550,419 for the General Fund.
8. Appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration of all funds. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Authority to complete year-end encumbrances for the general fund may be granted by amending the subsequent year's budget. General Fund Budget revisions approved for open encumbrances totaled \$1,542,711 for the year ended December 31, 2014.

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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	\$	79,689
Regional Training Center		40,954
Court Forfeits		23,014
Skyway Maintenance		12,573
Baseball Stadium		130,836
HUD Home Participating Jurisdiction		78,851
HUD Home Program		6,450
NRI Loan Program		1,960
Convention and Visitors Bureau		308,873
Debt Service Fund	\$	447,024

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		
Emergency 911	20,931	This deficit will be eliminated by budget appropriations.
Baseball Stadium	1,222,823	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 \$132,311,594 of restricted net position, of which \$46,935,863 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, 2014, the carrying amount of the City's deposits was \$46,099,855 and the bank balance was \$49,644,238. 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, 2014, 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.

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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	\$ 2,079,517	\$ -	\$ -	\$ 2,079,517	\$ -	\$ -
Corporate Bonds	AA1	2,284,332	-	-	2,284,332	-	-
Corporate Bonds	AA3	942,487	-	-	942,487	-	-
Corporate Bonds	A1	5,057,261	-	-	5,057,261	-	-
Corporate Bonds	A2	5,505,530	-	-	5,505,530	-	-
Corporate Bonds	A3	1,303,406	-	-	1,303,406	-	-
Money Market Funds	AAAam	45,646,582	-	45,646,582	-	-	-
Money Market Funds	N/A	112,224	-	112,224	-	-	-
Municipal Bond	AA3	932,297	-	-	932,297	-	-
U.S. Agencies	AAA	12,283,781	-	2,064,780	10,219,001	-	-
U.S. Agencies	NA	951,211	-	-	-	561,068	390,142
U.S. Treasuries	AAA	49,296,882	-	-	49,296,882	-	-
Bond Mutal Funds	N/A	23,823,962	2,919,476	-	3,762,413	14,491,084	2,650,989
CDs	N/A	6,980,755	-	-	6,980,755	-	-
Corporate Commercial Paper	N/A	13,562,937	-	13,562,937	-	-	-
Corporate Stocks	N/A	11,116	11,116	-	-	-	-
Equity Mutual Funds	N/A	62,767,600	62,767,600	-	-	-	-
External Investment Pool *	N/A	40,633,381	40,633,381	-	-	-	-
		\$ 274,175,259	\$ 106,331,573	\$ 61,386,522	\$ 88,363,880	\$ 15,052,153	\$ 3,041,131

* - The weighted average maturity of the portion of the external investment pool subject to maturity is 7.62 years.

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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, 2014. On a fund level the Water Enterprise Fund's investment in the City of Fargo Housing Revenue Bonds represents 100% of its non-pooled investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City has investments in foreign currency in the external investment pool with the State Investment Board. Although the State Investment Board does not have a formal investment policy governing foreign currency risk, the board does manage its exposure to fair value loss by requiring their international securities investment managers to maintain diversified portfolios to limit foreign currency and security risk. As of June 30, 2014, the City has the following foreign currency risk exposure on investments.

Currency	All values in \$000			
	Short term	Debt	Equity	Total
Australian dollar	\$ 5	\$ -	\$ 238	\$ 243
Brazilian real	(6)	-	10	3
British pound sterling	5	2	948	955
Canadian dollar	6	-	92	98
Chilean peso	3	-	-	3
Chinese yuan renminbi	4	-	-	4
Israeli shekel	-	-	21	21
Danish krone	(5)	-	58	53
Euro	(25)	21	1,377	1,372
Hong Kong dollar	1	-	261	262
Indonesian rupiah	-	-	2	2
Japanese yen	(31)	6	952	928
Malaysian ringgit	3	-	-	3
Mexican peso	6	-	-	6
New Zealand dollar	6	-	9	15
Norwegian krone	2	-	95	97
Peruvian nuevo sol	(1)	-	-	(1)
Polish zloty	4	-	-	4
Russian ruble	4	-	-	4
Singapore dollar	4	-	57	61
South African rand	4	-	8	11
South Korean won	(2)	-	49	47
Swedish krona	(3)	-	142	138
Swiss franc	-	-	440	440
Turkish lira	3	-	-	3
International comingled funds	-	-	1,245	1,245
	<u>\$ (15)</u>	<u>\$ 29</u>	<u>\$ 6,003</u>	<u>\$ 6,017</u>

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B. RECEIVABLES

Loans receivable as of December 31, 2014 were:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amount</u>
Community Development	3%	8/2/2021	\$ 262,083
Neighborhood Revitalization Initiative (NRI)	2 - 4 %	3/1/15 - 8/1/21	57,715
Neighborhood Revitalization Initiative (NRI)	0%	Due Upon Sale	22,500
HUD HOME	3%	3/1/15 - 2/1/17	1,509,091
HUD HOME	0%	Due Upon Sale	695,000
Total loans receivable			<u>\$ 2,546,389</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, \$1,758,140 is considered in non-repayment status. These loans are forgiven upon certain criteria being met, usually relating to maintaining ownership for a certain number of years. However, if the given criteria is not met, payment is required.

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C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 50,862,630	\$ 8,381,131	\$ -	\$ 59,243,761
Right of Way	7,003,274	871,296	-	7,874,570
Construction in progress	3,835,426	6,059,994	752,027	9,143,393
Total capital assets, not being depreciated	61,701,330	15,312,421	752,027	76,261,724
Capital assets, being depreciated				
Buildings	75,814,131	438,323	-	76,252,454
Improvements other than buildings	1,095,859	5,490	-	1,101,349
Machinery and equipment	47,689,779	3,837,631	910,065	50,617,345
Infrastructure	317,836,574	55,197,422	33,871,574	339,162,422
Flood control	26,638,929	5,885,029	-	32,523,958
Total capital assets being depreciated	469,075,272	65,363,895	34,781,639	499,657,528
Less accumulated depreciation for:				
Buildings	29,522,836	1,926,588	-	31,449,424
Improvements other than buildings	338,300	53,881	-	392,181
Machinery and equipment	30,097,928	4,503,313	843,469	33,757,772
Infrastructure	121,592,094	8,273,533	721,343	129,144,284
Flood control	434,959	308,044	-	743,003
Total accumulated depreciation	181,986,117	15,065,359	1,564,812	195,486,664
Total capital assets, being depreciated, net	287,089,155	50,298,536	33,216,827	304,170,864
Governmental activities capital assets, net	\$ 348,790,485	\$ 65,610,957	\$33,968,854	\$ 380,432,588

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

Governmental activities:	
General government	\$ 931,101
Public safety	1,740,237
Public works	9,514,173
Public health & welfare	139,881
Recreation & culture	752,598
Urban development	68,044
Transportation	1,879,275
Total depreciation expense - governmental activities	\$ 15,025,309
Accumulated depreciation recorded through asset transfers from business-type activities	40,050
	\$ 15,065,359

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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 39,771,847	\$ 796,373	\$ -	\$ 40,568,220
Intangible - Right-of -way Easements	414,773	5,263	-	420,036
Construction in progress	12,661,608	11,546,820	3,747,995	20,460,433
Intangible - Water rights	500,000	-	-	500,000
Total capital assets, not being depreciated	<u>53,348,228</u>	<u>12,348,456</u>	<u>3,747,995</u>	<u>61,948,689</u>
Capital assets, being depreciated				
Buildings	209,232,007	-	-	209,232,007
Improvements other than buildings	23,566,946	1,861,924	-	25,428,870
Machinery and equipment	62,532,222	5,183,926	685,171	67,030,977
Infrastructure	507,381,498	28,470,531	612,214	535,239,815
Total capital assets being depreciated	<u>802,712,673</u>	<u>35,516,381</u>	<u>1,297,385</u>	<u>836,931,669</u>
Less accumulated depreciation for:				
Buildings	69,040,493	4,654,192	-	73,694,685
Improvements other than buildings	7,308,294	1,070,734	-	8,379,028
Machinery and equipment	41,715,168	4,240,714	643,431	45,312,451
Infrastructure	149,300,562	11,221,770	401,901	160,120,431
Total accumulated depreciation	<u>267,364,517</u>	<u>21,187,410</u>	<u>1,045,332</u>	<u>287,506,595</u>
Total capital assets, being depreciated, net	<u>535,348,156</u>	<u>14,328,971</u>	<u>252,053</u>	<u>549,425,074</u>
Business-type activities capital assets, net	<u>\$ 588,696,384</u>	<u>\$ 26,677,427</u>	<u>\$ 4,000,048</u>	<u>\$ 611,373,763</u>

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

Business-type activities:	
Airport	\$ 3,609,909
Water	4,031,574
Wastewater	3,855,672
Storm sewer	3,833,489
Vector control	11,350
Street lighting	1,280,302
Solid waste	2,064,012
Forestry	45,257
Fargodome	2,352,780
Total depreciation expense - business-type activities	<u>\$ 21,084,345</u>
Accumulated depreciation recorded through asset transfers from governmental-type activities	103,065
	<u>\$ 21,187,410</u>

D. COMMITMENTS

Construction

As of December 31, 2014, the City had commitments on various construction contracts totaling approximately \$39,753,087.

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 16 cells to date, which vary in surface area from 4 to 7 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 14, 16, and 17 are presently constructed and partially filled. Based upon design capacity, the landfill is 65% full (acres), and based upon present utilization rates; the remaining capacity of the landfill is estimated at 7.22 years. The estimated liability for landfill closure and post closure care is \$3,108,093 as of December 31, 2014. The City will recognize the remaining estimated cost of closure and post closure care of \$2,333,193 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, 2014. However, actual costs may be higher due to inflation, changes in technology, or landfill regulations. The City owns land held for future expansion adjacent to the existing landfill that can provide 50 years of future capacity.

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

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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, 2014, is as follows:

	Receivable	Payable
Water	\$ 364,215	\$ -
Nonmajor governmental	-	364,215
Water	834,281	-
Solid Waste	-	834,281
Interfund totals	<u>\$ 1,198,496</u>	<u>\$ 1,198,496</u>

At December 31, 2014, the inter-fund advance balances are:

	Funds Advanced	Amount Repaid To-Date	Advance Balance December 31, 2014
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	\$ 765,000	\$ 135,000	\$ 630,000
Total advances	<u>\$ 4,263,802</u>	<u>\$ 2,395,875</u>	<u>\$ 1,867,927</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.

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Interfund Transfers:

Transfer Out:	Transfer In:							
	Major Funds					Nonmajor Funds		Total
	General	Debt Service	Capital Projects	Water	Wastewater	Governmental	Enterprise	
Major Funds:								
General	\$ -	\$ 210,750	\$ 6,200,000	\$ -	\$ -	\$ 1,853,045	\$ -	\$ 8,263,795
Debt Service	1,450,000	-	28,388,683	-	-	149,455	-	29,988,138
Capital Projects	441,183	-	-	210,000	609,996	317,499	-	1,578,678
Airport	50,000	-	-	-	-	-	-	50,000
Water	3,100,000	-	1,400,556	-	-	-	-	4,500,556
Wastewater	1,430,000	-	1,085,371	1,300,000	-	-	415,000	4,230,371
Storm Sewer	300,000	-	68,524	-	-	-	-	368,524
Solid Waste	2,512,984	-	-	-	-	-	80,000	2,592,984
FargoDome	50,000	-	-	-	-	-	-	50,000
Nonmajor Funds:								
Governmental	-	280,730	30,000	-	-	769,000	-	1,079,730
Enterprise	410,000	-	-	-	-	-	-	410,000
Total	\$ 9,744,167	\$ 491,480	\$ 37,173,134	\$ 1,510,000	\$ 609,996	\$ 3,088,999	\$ 495,000	\$ 53,112,776

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 \$618,039 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2015	\$ 243,780
2016	206,314
2017	100,000
2018	100,000
	\$ 650,094

**CITY OF FARGO, NORTH DAKOTA
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Capital Leases

The City is obligated to the following capital lease agreements:

BUSINESS-TYPE	Remaining Balance
SOLID WASTE ENTERPRISE FUND	
Bomag Refuse Compactor	\$ 102,485
Cribus Screener	45,337
Duratech Tub Grinder	283,200
Labrie Expert Automated Packer	177,831
Loadmaster Excel Rear Loader	89,419
Peterbilt with Sideloader	175,728
Peterbilt with Sidewinder	176,153
Curbside Recycling Truck	123,575
WASTEWATER ENTERPRISE FUND	
CAT Wheel Loader	\$ 41,684
Ford F450 Cab/Chassis	54,514
Lanier LD620C Copier System	5,360
Rolloff Truck	123,578
FARGODOME ENTERPRISE FUND	
Turf and Parking Lot	<u>\$ 3,450,000</u>
Total Business-Type	<u>\$ 4,848,864</u>
GOVERNMENTAL	
Ford Explorer	12,839
Motor Grader	212,075
Canon Copier	6,265
Total Governmental	<u>\$ 231,179</u>

The assets acquired through the capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	\$ 287,322	\$ 7,698,974
Less: Accumulated depreciation	<u>(36,748)</u>	<u>(1,047,498)</u>
Total	<u>\$ 250,574</u>	<u>\$ 6,651,476</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Future Minimum Payments under the above capital lease agreements at December 31, 2014 are shown below:

	Governmental Activities	Business-type Activities
2015	\$ 43,576	\$ 1,738,437
2016	42,057	1,617,520
2017	32,860	1,578,133
2018	32,860	171,289
2019	<u>103,069</u>	<u>27,362</u>
Total minimum lease payments	254,422	5,132,741
Less: amount representing interest	<u>(23,242)</u>	<u>(283,877)</u>
Present value of minimum lease payments	\$ 231,179	\$ 4,848,864

Site and Facility Lease

Site Lease

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

Facility Lease

The FargoDome has executed a lease with North Dakota State University for use of its facility. The terms of the 2012 lease are set to expire on June 30, 2017 with the terms of NDSU having a maximum of fifty days per lease year to rent the FargoDome. Annual rental fees under the new terms are \$161,344. 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
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The asset leased to NDSU is as follows:

	Business-type Activity
Asset:	
Fargodome	\$ 58,256,248
Less: Accumulated depreciation	(28,511,092)
Total	<u>\$ 29,745,156</u>

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

2015	\$ 218,844
2016	218,844
2017	80,672
	<u>\$ 518,360</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
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The leased asset is as follows:

	<u>Governmental Activity</u>
Asset:	
Baseball stadium	\$ 5,266,692
Less: Accumulated depreciation	<u>(2,049,258)</u>
Total	<u>\$ 3,217,434</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:

2015	\$ 45,684
2016	45,684
2017	45,684
2018	45,684
2019	45,684
Thereafter	<u>342,630</u>
	<u>\$ 571,050</u>

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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G. LONG-TERM DEBT

The following is a summary of changes in long-term debt of the City for the year ended December 31, 2014

	Balance 1/1/2014	Additions	Deletions	Balance 12/31/2014	Due within one year
GOVERNMENTAL ACTIVITIES					
Improvement bonds	\$ 299,160,000	\$ 120,640,000	\$ 87,440,000	\$ 332,360,000	\$ 13,050,000
Gross revenue bonds	100,036	-	100,036	-	-
General obligation bonds	2,400,000	-	115,000	2,285,000	125,000
Sales tax revenue bonds	57,040,000	32,512,000	7,410,000	82,142,000	3,079,000
Total Bonds Payable	358,700,036	153,152,000	95,065,036	416,787,000	16,254,000
State revolving fund notes	65,651,213	2,583,190	4,825,000	63,409,403	4,951,075
Direct bank loan	-	6,000,000	-	6,000,000	545,000
Tax increment revenue notes	3,057,963	703,695	208,083	3,553,575	-
Total Notes Payable	68,709,176	9,286,885	5,033,083	72,962,978	5,496,075
Capital leases	165,679	244,935	179,435	231,179	36,886
Total Debt	427,574,891	162,683,820	100,277,554	489,981,157	21,786,961
Accumulated unpaid vacation	3,382,064	3,340,449	3,382,064	3,340,449	3,340,449
Unamortized premium on refunding	9,115,418	13,463,660	1,056,588	21,522,490	1,114,680
Net pension obligations	3,503,561	1,782,796	2,516,258	2,770,099	-
TOTAL	\$ 443,575,934	\$ 181,270,725	\$ 107,232,464	\$ 517,614,195	\$ 26,242,090
BUSINESS-TYPE ACTIVITIES					
Revenue bonds	\$ 20,595,000	\$ -	\$ 3,810,000	\$ 16,785,000	\$ 4,775,000
Unamortized premium on refunding	601,743	-	149,715	452,028	149,715
Total Bonds Payable	21,196,743	-	3,959,715	17,237,028	4,924,715
State revolving fund notes payable	5,754,000	-	761,000	4,993,000	776,000
Direct bank loan	-	3,000,000	-	3,000,000	300,000
Total Notes Payable	5,754,000	3,000,000	761,000	7,993,000	1,076,000
Capital leases	5,944,453	755,065	1,850,654	4,848,864	1,601,297
Special assessments	6,599,787	607,468	290,434	6,916,821	335,202
Contract payable	428,307	-	365,835	62,472	62,472
Landfill closure/postclosure	3,076,395	31,698	-	3,108,093	-
Accumulated unpaid vacation	700,360	687,070	700,360	687,070	687,070
TOTAL	\$ 43,700,045	\$ 5,081,301	\$ 7,927,998	\$ 40,853,348	\$ 8,686,756

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

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

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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BONDS PAYABLE

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

	Original Interest Rates	Original Issue Amounts	Balance Remaining
GOVERNMENTAL ACTIVITIES			
Improvement bonds (Special assessment debt)	0.80 - 6.00 %	\$ 372,100,000	\$ 332,360,000
General obligation bonds	2.00 - 4.00%	2,875,000	2,285,000
Sales tax revenue bonds	2.00 - 6.00%	83,887,000	82,142,000
TOTAL		<u><u>\$ 458,862,000</u></u>	<u><u>\$ 416,787,000</u></u>
BUSINESS-TYPE ACTIVITIES			
Water revenue bond	5.25%	\$ 28,065,000	\$ 10,960,000
Clean renewable energy bond	0.85%	1,500,000	700,000
Airport revenue bond	4.00 - 4.25%	7,755,000	5,125,000
TOTAL		<u><u>\$ 37,320,000</u></u>	<u><u>\$ 16,785,000</u></u>

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

Revenue bonds payable at December 31, 2014, 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, Solid Waste Fund, and the Airport Authority.

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 \$10,258,951. Net sales tax revenue totaled \$24,168,140 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 \$189,431. Net general fund appropriations totaled \$189,431 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 \$3,870,400. Net water revenue totaled \$8,851,915 for the year.

The City has pledged future airport revenues to repay \$7.755 million in revenue bonds issued in 2007. Proceeds from the bond were used to finance airport terminal improvements. Principal and interest paid for the current year was \$1,434,255. Net airport revenue totaled \$4,276,989 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 \$106,800. Net solid waste byproduct revenue totaled \$316,396 for the year.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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Debt service maturities for these revenue bonds at December 31, 2014, are as follows:

Sales Tax			
Year	Principal	Interest	Total
2015	\$ 3,079,000	\$ 3,217,930	\$ 6,296,930
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
2020-2024	19,963,000	11,509,875	31,472,875
2025-2029	24,708,000	6,765,310	31,473,310
2030-2034	21,025,000	1,571,300	22,596,300
Totals	<u>\$ 82,142,000</u>	<u>\$ 34,874,590</u>	<u>\$ 117,016,590</u>

Water			
Year	Principal	Interest	Total
2015	\$ 3,470,000	\$ 484,312	\$ 3,954,312
2016	3,650,000	297,413	3,947,413
2017	3,840,000	100,800	3,940,800
Totals	<u>\$ 10,960,000</u>	<u>\$ 882,525</u>	<u>\$ 11,842,525</u>

General Fund Appropriations			
Year	Principal	Interest	Total
2015	\$ 125,000	\$ 71,731	\$ 196,731
2016	120,000	68,825	188,825
2017	125,000	65,606	190,606
2018	125,000	62,012	187,012
2019	130,000	58,187	188,187
2020-2024	745,000	225,432	970,432
2025-2029	915,000	84,788	999,788
Totals	<u>\$ 2,285,000</u>	<u>\$ 636,581</u>	<u>\$ 2,921,581</u>

Solid Waste			
Year	Principal	Interest	Total
2015	\$ 100,000	\$ 5,950	\$ 105,950
2016	100,000	5,100	105,100
2017	100,000	4,250	104,250
2018	100,000	3,400	103,400
2019	100,000	2,550	102,550
2020-2024	200,000	2,550	202,550
Totals	<u>\$ 700,000</u>	<u>\$ 23,800</u>	<u>\$ 723,800</u>

Airport Authority			
Year	Principal	Interest	Total
2015	\$ 1,205,000	\$ 217,813	\$ 1,422,813
2016	1,255,000	166,600	1,421,600
2017	1,305,000	113,262	1,418,262
2018	1,360,000	57,800	1,417,800
Totals	<u>\$ 5,125,000</u>	<u>\$ 555,475</u>	<u>\$ 5,680,475</u>

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

The City of Fargo is subject to the North Dakota Century Code, which limits the amount of general obligation indebtedness (exclusive of revenue-producing utility debt, special assessment debt, tax increment debt, and Housing Authority debt) that the City may have outstanding to 5% of assessed valuation. On December 31, 2014, the statutory limit for the City was \$204,011,329 providing a debt margin of \$193,062,299. 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, 2014, \$199,800,000 of bonds outstanding are considered to be defeased.

**CITY OF FARGO, NORTH DAKOTA
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CONTRACT PAYABLE

The City has agreed to sell treated wastewater to Cass Rural Water Users District, and Cass Rural Water Users District has, in turn, agreed to sell treated wastewater to the Tharaldson Ethanol Plant, LLC for use at its ethanol plant. On July 9, 2007, the LLC, CRWU, and the City entered into a Memorandum of Understanding under which the parties each agreed to perform certain obligations, including the financing, construction, and maintenance of the infrastructure necessary for delivery of treated wastewater and for the return of plant wastewater to and from the ethanol plant. Cass Rural Water Users District financed the project through issuance of bonds, which are payable by both the LLC and the City for its corresponding obligations under the Memorandum of Understanding. Per the agreement, the City's obligation for this contract is \$1,703,181 which will be repaid to the CRWU over a five year period. As of December 31, 2014, the balance of this contract payable is \$62,472.

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.

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 12/31/14
GOVERNMENTAL ACTIVITIES				
SRLF Storm Sewer Project	9/1/2020	2.50%	\$ 1,816,295	\$ 640,000
SRLF Water Tower	9/1/2027	2.50%	2,270,000	1,835,000
SRLF North Side Sewer Service Facility Plan	9/1/2028	2.50%	1,630,000	1,340,000
SRLF 45th Street Corridor Interceptor System	9/1/2029	2.50%	63,725,000	41,406,565
SRLF Transmission Lines South Side System	9/1/2029	2.82%	29,240,000	10,180,422
SRLF Wastewater Clarifier Improvements	9/1/2029	0.50%	699,374	615,000
SRLF Wastewater Stabilization Ponds	9/1/2030	2.50%	4,071,140	3,486,075
SRLF Water Treatment Plant	9/1/2036	2.00%	66,352,000	3,906,341
TIF Revenue Notes	5/1/2034	6.00%	4,502,656	3,553,575
Direct Bank Loan - Fargo Cass Public Health Expansion and Relocation Project and Red River Regional Dispatch Center Project	5/1/2019	1.74%	6,000,000	6,000,000
TOTAL GOVERNMENTAL ACTIVITIES			<u>\$ 174,306,465</u>	<u>\$ 72,962,978</u>
BUSINESS-TYPE ACTIVITIES				
SRLF Sewer Plan Expansion Phase VI	9/1/2019	2.50%	\$ 10,266,793	\$ 3,325,000
SRLF Reile's Acres Sewer Project	9/1/2019	2.50%	210,000	58,000
SRLF Oxbow Sewer Extension	9/1/2025	2.50%	2,470,739	1,610,000
Direct Bank Loan - Baling Facility	12/1/2024	0.83%	3,000,000	3,000,000
TOTAL BUSINESS-TYPE ACTIVITIES			<u>\$ 15,947,532</u>	<u>\$ 7,993,000</u>
TOTAL NOTES PAYABLE			<u>\$ 190,253,997</u>	<u>\$ 80,955,978</u>

**CITY OF FARGO, NORTH DAKOTA
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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, 2014, are shown in the following table:

GOVERNMENTAL ACTIVITIES

	Special Assessment Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2015	\$ 13,050,000	\$ 12,972,673	125,000	71,731
2016	14,455,000	12,717,020	120,000	68,825
2017	14,535,000	12,199,001	125,000	65,606
2018	14,350,000	11,664,751	125,000	62,012
2019	14,300,000	11,149,051	130,000	58,187
2020-2024	75,295,000	47,516,611	745,000	225,432
2025-2029	80,125,000	31,998,120	915,000	84,788
2030-2034	66,585,000	15,815,391	-	-
2035-2039	39,665,000	4,048,868	-	-
	<u>\$ 332,360,000</u>	<u>\$ 160,081,486</u>	<u>\$ 2,285,000</u>	<u>\$ 636,581</u>

	Sales Tax Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2015	\$ 3,079,000	\$ 3,217,930	\$ 5,496,075	\$ 1,512,765
2016	3,174,000	3,118,500	3,913,349	1,395,679
2017	3,280,000	3,015,560	4,175,650	1,310,812
2018	3,394,000	2,902,050	4,279,319	1,224,069
2019	3,519,000	2,774,065	7,555,012	1,135,050
2020-2024	19,963,000	11,509,875	23,074,428	4,281,383
2025-2029	24,708,000	6,765,310	22,161,633	1,761,055
2030-2034	21,025,000	1,571,300	1,358,421	113,527
2035-2039	-	-	949,093	14,139
	<u>\$ 82,142,000</u>	<u>\$ 34,874,590</u>	<u>\$ 72,962,980</u>	<u>\$ 12,748,479</u>

BUSINESS-TYPE ACTIVITIES

	Revenue Bonds		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 4,775,000	\$ 708,075	\$ 1,076,000	\$ 124,825	\$ 335,202	\$ 363,044
2016	5,005,000	469,112	1,096,000	105,425	285,993	348,245
2017	5,245,000	218,313	1,117,000	85,525	292,375	332,529
2018	1,460,000	61,200	1,137,000	65,100	304,132	316,469
2019	100,000	2,550	1,157,000	44,175	291,058	299,757
2020-2024	200,000	2,550	2,255,000	76,625	1,501,637	1,268,705
2025-2029	-	-	155,000	1,937	1,808,785	834,412
2030-2034	-	-	-	-	1,434,657	375,323
2035-2039	-	-	-	-	662,982	82,089
	<u>\$ 16,785,000</u>	<u>\$ 1,461,800</u>	<u>\$ 7,993,000</u>	<u>\$ 503,612</u>	<u>\$ 6,916,821</u>	<u>\$ 4,220,573</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, 2014.

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/14
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	\$ 13,440,000
2005 Series B Refunding	Crossover refunding of 1997 Series A	12/15/2005	5/1/2018	4.00-4.25	10,675,000	2,360,000
2006 Series B	Infrastructure system construction	12/15/2006	5/1/2031	3.75-4.375	19,810,000	14,785,000
2006 Series C Refunding	Crossover refunding of Series 1999A, 2000B, and 2001B	12/15/2006	5/1/2018	3.75	6,465,000	2,335,000
2007 Series B	Infrastructure system construction	12/15/2007	5/1/2032	4.00-4.70	13,045,000	10,295,000
2008 Series E	Infrastructure system construction	12/19/2008	5/1/2033	4.00-6.00	26,285,000	22,095,000
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	6,515,000
2009 Series C	Infrastructure system construction	10/15/2009	5/1/2034	2.00-4.125	37,680,000	34,280,000
2014 Series E Refunding	Current refunding of 2010 Series B	9/4/2014	5/1/2035	2.00 - 5.00	19,440,000	19,440,000
2010 Series C Refunding	Crossover refunding of 2002 Series A	5/25/2010	5/1/2027	3.00-5.00	8,250,000	7,385,000
2011 Series A	Infrastructure system construction	5/15/2011	5/1/2036	2.00-5.00	19,180,000	18,035,000
2011 Series B	Infrastructure system construction	5/15/2011	5/1/2036	2.50-4.625	5,430,000	3,555,000
2011 Series C	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	20,965,000	19,930,000
2011 Series D	Infrastructure system construction	12/15/2011	5/1/2037	2.00-4.00	10,085,000	9,500,000
2011 Series E Refunding	Crossover refunding of 2003 Series A	12/15/2011	5/1/2028	2.00-3.25	9,515,000	8,965,000
2012 Series A Refunding	Crossover refunding of Series 2003D, 2004C, and 2004E	4/26/2012	5/1/2029	3.00-4.00	34,180,000	34,180,000
2013 Series C	Infrastructure system construction	9/12/2013	5/1/2039	2.00 - 4.60	16,705,000	16,705,000
2014 Series D	Infrastructure system construction	6/25/2014	5/1/2039	2.00 - 5.00	39,760,000	39,760,000
2014 Series F	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 5.00	40,445,000	40,445,000
2014 Series G	Infrastructure system construction	12/22/2014	5/1/2039	2.00 - 4.25	8,355,000	8,355,000
					<u>\$ 372,100,000</u>	<u>\$ 332,360,000</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	\$ 2,285,000
SALES TAX INFRASTRUCTURE BONDS						
2013 Series A	Flood mitigation projects	3/27/2013	6/1/2033	3.00 - 4.00	\$ 51,375,000	\$ 49,630,000
2014 Series B	Flood mitigation projects	4/22/2014	6/1/2032	2.00 - 5.00	32,512,000	32,512,000
					<u>\$ 83,887,000</u>	<u>\$ 82,142,000</u>
TOTAL GOVERNMENTAL ACTIVITIES					<u>\$ 458,962,000</u>	<u>\$ 416,787,000</u>

TYPE AND ISSUE	PURPOSE	ISSUE DATE	FINAL MATURITY DATE	INTEREST RATES	ORIGINAL ISSUE	PRINCIPAL OUTSTANDING 12/31/14
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	\$ 10,960,000
AIRPORT FUND						
Revenue Bonds of 2007	Terminal improvements	2/15/2007	9/1/2018	4.00-4.25	\$ 7,755,000	\$ 5,125,000
SOLID WASTE FUND						
Clean Renewable Energy Bond	Improvements to Landfill Gas Collection System	11/5/2007	12/15/2021	0.85	\$ 1,500,000	\$ 700,000
TOTAL BUSINESS-TYPE ACTIVITIES					<u>\$ 37,320,000</u>	<u>\$ 16,785,000</u>
TOTAL BONDED INDEBTEDNESS					<u>\$ 496,182,000</u>	<u>\$ 433,572,000</u>

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:

**CITY OF FARGO, NORTH DAKOTA
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	Deferred Inflows of		Total
	Resources	Liabilities	
	Unavailable	Unearned	
Delinquent property taxes receivable	\$ 198,541	\$ -	\$ 198,541
Special assessments receivable	267,354,636	-	267,354,636
Grant resources held and grant items receivable	3,308,594	45,885	3,354,479
Loans/contracts/accounts receivable	3,891,731	1,758,140	5,649,871
Total unavailable revenue for governmental funds	<u>\$ 274,753,502</u>	<u>\$ 1,804,025</u>	<u>\$ 276,557,527</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, 2014, the number of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is unknown. Neither the State of North Dakota nor the City of Fargo has a central repository. The only requirement for this type of issue is to request the amount needed for City approval, most times this amount is in excess of the actual amount issued. When completely paid or called they must notify the City of this event.

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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J. FUND BALANCES

The City classified fund balances within the governmental funds as follows at December 31, 2014:

	General Fund	Debt Service	Capital Projects	Other Governmental Funds	Total
Fund balances:					
Nonspendable:					
Advances to other funds	\$ 1,814,697	\$ -	\$ -	\$ -	\$ 1,814,697
Inventory	861,787	-	-	-	861,787
Prepaid Items	390,866	-	-	7,908	398,774
Property held for resale	10,500	-	-	184,038	194,538
Total Nonspendable	<u>3,077,850</u>	<u>-</u>	<u>-</u>	<u>191,946</u>	<u>3,269,796</u>
Restricted for:					
Auditors	26,689	-	-	-	26,689
Capital Projects	-	-	71,583,917	-	71,583,917
City Share of Specials	-	-	-	411,501	411,501
Community Development	-	-	-	10,526	10,526
Convention & Visitors Bureau	-	-	-	1,066	1,066
Court Forfeits	-	-	-	141,652	141,652
Debt Service	-	61,094,853	-	-	61,094,853
Downtown Business Improvement District	-	-	-	176,203	176,203
Fire	202,849	-	-	-	202,849
Health	878,585	-	-	-	878,585
Highway and streets	1,528,291	-	-	-	1,528,291
HUD Home Participating Jurisdiction	-	-	-	99,605	99,605
HUD Home Program	-	-	-	35,110	35,110
Noxious Weeds	-	-	-	128,691	128,691
NRI Loan Program	-	-	-	5,964	5,964
Parking Authority	-	-	-	187,925	187,925
Parking Repair and Replacement	-	-	-	400,646	400,646
Parking Surplus Fund	-	-	-	935,592	935,592
Planning and Development	8,550	-	-	-	8,550
Police	269,585	-	-	-	269,585
Regional Training Center	-	-	-	131,481	131,481
Skyway Maintenance	-	-	-	210,003	210,003
Transit	18,904	-	-	-	18,904
Total Restricted	<u>2,933,454</u>	<u>61,094,853</u>	<u>71,583,917</u>	<u>2,875,965</u>	<u>138,488,189</u>
Committed to:					
Revenue Stabilization	<u>3,273,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,273,816</u>
Assigned to:					
2015 Budget	<u>2,063,907</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,063,907</u>
Unassigned:					
	<u>25,881,011</u>	<u>-</u>	<u>-</u>	<u>(1,246,763)</u>	<u>24,634,248</u>
Total Fund Balances	<u>\$ 37,230,038</u>	<u>\$ 61,094,853</u>	<u>\$ 71,583,917</u>	<u>\$ 1,821,148</u>	<u>\$ 171,729,956</u>

**CITY OF FARGO, NORTH DAKOTA
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K. RESTATEMENT OF FUND BALANCE/NET POSITION

Subsequent to December 31, 2013 the City received tax payments for highway taxes applicable to November and December 2013 tax collections. Proper treatment for this item is to record the revenue and receivable relating to the collections for the year ended December 31, 2013. For that reason, the beginning fund balance of the general fund and the beginning net position of governmental activities have been restated to reflect the understatement of the revenues and receivables as reported in the prior year financial statements. The beginning net position of the governmental activities has also been restated to remove the net pension obligation related to the City Employees' Pension Plan and the Fargo Firefighters' Relief Association Retirement Plan. In reviewing the guidance for the newly implemented and upcoming pension statements, it was determined that neither plan is to be recorded as a net pension obligation on the City of Fargo financial statements. For that reason, the liability for these plans was removed from the government-wide statements. The effect of the restatements are as follows:

	General Fund	Governmental Activities
Fund balance/net position - January 1, as previously reported	\$ 31,884,450	\$ 284,069,405
Restatement		
Tax payment accrual	1,396,138	1,396,138
Net pension obligation	-	5,421,196
Fund balance/net position - January 1, as restated	<u>\$ 33,280,588</u>	<u>\$ 290,886,739</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.

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Membership in the plan on January 1, 2015 (date of most recent actuarial study) is as follows:

Retirees and beneficiaries	209
Terminated vested and deferred beneficiaries	35
City active plan members	151
NDPERS active plan members	210

Number of participating employers: 2

Employees under a discounted annuity formula may be eligible for early, normal or disability retirement. The plan permits early retirement at age 55. Normal retirement age for full benefits is age 65 or when an employee's age plus their years of service as a full time city employee reaches a sum of 90.

Employee death benefits of \$20,000 are paid to a designated beneficiary for a participant who dies prior to retirement. If a participant dies after retirement, the designated beneficiary will receive a \$3,000 death benefit.

All participants are eligible for a full refund of their contributions plus interest at 5%. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin between ages 55-65 or a lump sum payment. Lump sum settlements are allowable up to age 55. Lump sum payments are computed as the greater of the actuarial value of plan assets or the "cash balance" in their plan account. The cash balance consists of the employee contributions, plus one-half of the employer's contribution since January 1, 1990, plus interest at 5%.

The City makes a matching contribution of \$25 per month to a deferred compensation plan on behalf of pension plan members who also contribute a minimum of \$25 per month to the deferred compensation plan.

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

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 by the Plan's investment advisor using a building-block method in which best estimate 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 asset class estimates are combined to produce the portfolio long term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. The best estimates of expected future real rates of return were developed by Public Financial Management (PFM) in their annual capital market assumption study. These rates were

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combined with the target investment allocation provided by the investment advisor to determine the long-term expected real rate of return for the portfolio. This real rate of return was then added to the inflation assumption to create a long-term nominal rate of return and is summarized in the following table:

Asset Class	Allocation at Measurement Date	Long-Term Expected Real Rate of Return
Domestic equity	42.00%	5.40%
International equity	16.00%	5.40%
Emerging markets equity	7.00%	6.00%
Core fixed income	26.00%	3.30%
Investment grade corporate	2.25%	5.00%
High yield	2.25%	4.50%
Emerging markets debt	2.25%	4.75%
Bank loans	2.25%	3.25%
A. Long-term expected real rate of return (weighted average, rounded to 1/4%)		4.75%
B. Inflation assumption		2.75%
C. Long-term expected nominal rate of return (A. + B.)		7.50%

Reserves. The net position at December 31, 2014 is \$39,709,006 and the entire amount is reserved for employee pension benefits.

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

North Dakota Public Employee Retirement System Pension Plan

Plan Description. As of January 1, 2008, all newly hired full-time and certain part-time employees (with the exception of Police and Fire department employees) of the City of Fargo are covered by defined benefit plans administered by the North Dakota Public Employee Retirement System (NDPERS). Voluntary enrollment in the NDPERS plan was offered to all members currently participating in the City Employee Pension Plan. The System administers PERS, which is a cost-sharing multiple-employer retirement plan. The PERS was established July 1, 1966 as a defined contribution plan and was changed to a defined benefit plan by the 1977 North Dakota Legislature. The PERS is administered in accordance with Chapter 54-52 of the North Dakota Century Code.

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

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

Contributions. North Dakota Century Code Chapter 54-52 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. PERS members were required to contribute 7% of their regular compensation in 2014. The City of Fargo's required contribution is 8.26% of covered compensation.

The City's contribution to the Public Employees Retirement System for the years ending December 31, 2014, 2013 and 2012 was \$1,906,878, \$1,508,267, and \$1,205,215, respectively. The City's contribution was equal to the contractually required contribution for the year as set by state statute, or 100% of the required contributions for each year.

NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained on the internet at www.nd.gov/ndpers , 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.

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Membership on January 1, 2015, (date of most recent actuarial study) in the plan is as follows:

Retirees and beneficiaries currently receiving pension payments	108
Fully vested members contributing	87
Non vested members contributing	77
Terminated vested employees	6

Number of participating employers: 1

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

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

Participants are fully vested in plan benefits after 10 years of service. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin at the early retirement date, or may elect a refund of all employee contributions plus interest at 5% per annum, in lieu of a deferred vested benefit.

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

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 by the Plan's investment advisor using a building-block method in which best estimate 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 asset class estimates are combined to produce the portfolio long term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. The best estimates of expected future real rates of return were developed by the investment advisor and Morgan Stanley in their annual capital market assumption study. These rates were combined with the target investment allocation provided by the investment advisor to

**CITY OF FARGO, NORTH DAKOTA
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determine the long-term expected real rate of return for the portfolio. This real rate of return was then added to the inflation assumption to create a preliminary long-term nominal rate of return. Lastly, the nominal rate of return was reduced by 25 basis points to provide a margin for adverse deviation. This process is summarized in the following table:

<u>Asset Class</u>	<u>Allocation at Measurement Date</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	60.00%	6.70%
Fixed income	40.00%	2.40%
A. Long-term expected real rate of return (weighted average, rounded to 1/4%)		5.00%
B. Inflation assumption		2.75%
C. Preliminary long-term expected nominal rate of return (A. + B.)		7.75%
D. Margin for adverse deviation		-0.25%
E. Final long-term expected nominal rate of return (C.+D.)		7.50%

Reserves. The net position at December 31, 2014 is \$47,308,553 and the entire amount is reserved for employee pension benefits.

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

Fargo Firefighters' Relief Association Retirement Plan

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

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

Membership on January 1, 2015, (date of most recent actuarial study) in the plan is as follows:

Active plan members	117
Deferred vested	2
Retirees, disabled, and beneficiaries	91

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.

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. One of the Trustees can be the Chief of the Fargo Fire Department. At each annual meeting of the Association, Trustees shall be elected by the voting membership for a term of two (2) years each to succeed those Trustees whose terms are expiring.

Contributions. Participating employees contribute to the plan at a rate of 10.4% of salary and the City contributes at a rate of 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 by the Plan's investment advisor using a building-block method in which best estimate 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 asset class estimates are combined to produce the portfolio long term expected rate of return by weighting the expected future real rates of return by the current asset allocation percentage (or target allocation, if available) and by adding expected inflation. The best estimates of expected future real rates of return were developed by the investment advisor and Morgan Stanley in their annual capital market assumption study. These rates were combined with the target investment allocation provided by the investment advisor to determine the long-term expected real rate of return for the portfolio. This real rate of return was then added to the inflation assumption to create a preliminary long-term nominal rate of return. Lastly, the nominal rate of return was reduced by 25 basis points to provide a margin for adverse deviation. This process is summarized in the following table:

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<u>Asset Class</u>	<u>Allocation at Measurement Date</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	60.00%	6.70%
Fixed income	40.00%	2.40%
A. Long-term expected real rate of return (weighted average, rounded to 1/4%)		5.00%
B. Inflation assumption		2.75%
C. Preliminary long-term expected nominal rate of return (A. + B.)		7.75%
D. Margin for adverse deviation		-0.25%
E. Final long-term expected nominal rate of return (C.+D.)		7.50%

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

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

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SCHEDULES OF FUNDING PROGRESS (GASB's 67 & 27)

EMPLOYEES' PENSION PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2003	19,948,931	32,403,936	12,455,005	61.6%	15,508,120	80.3%
1/1/2005	25,817,436	35,828,009	10,010,573	72.1%	18,727,768	53.5%
1/1/2007	30,259,793	40,993,634	10,733,841	73.8%	20,329,420	52.8%
1/1/2009	22,218,940	43,169,721	20,950,781	51.5%	22,146,947	94.6%
1/1/2010	25,543,875	44,753,634	19,209,759	57.1%	23,560,008	81.5%
1/1/2011	27,993,517	45,628,332	17,634,815	61.4%	23,020,572	76.6%
1/1/2012	27,850,241	46,959,040	19,108,799	59.3%	23,904,652	79.9%
1/1/2013	31,614,750	47,696,930	16,082,180	66.3%	23,850,241	67.4%
1/1/2014	37,532,313	49,264,932	11,732,619	76.2%	23,051,797	50.9%
1/1/2015	39,709,008	54,316,214	14,607,206	73.1%	22,786,760	64.1%

For the Employees' Pension Plan, contributions for the years ended December 31, 2014, 2013 and 2012 were \$1,782,708, \$1,942,805, and \$1,706,073, respectively, which were 121%, 104%, and 72%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2014, 2013, and 2012 were \$1,144,888, \$1,525,063, and \$1,984,051, respectively. The percentage funded was 156%, 127%, and 86% for the years 2014, 2013, and 2012, respectively. The Net Pension Obligation (NPO) at the end of 2014, 2013, and 2012 was positive (a liability).

Annual Pension Cost Components					
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
2005	2,349,879	(36,514)	(57,165)	345,429	(141,422)
2006	2,349,879	(10,607)	(16,606)	237,575	96,153
2007	2,655,808	7,211	11,307	428,506	524,659
2008	2,655,808	39,349	61,696	1,315,603	1,840,261
2009	2,970,801	138,020	229,294	1,361,036	3,201,297
2010	3,133,463	240,097	431,253	1,731,678	4,932,975
2011	2,291,803	369,973	717,200	323,437	5,256,412
2012	2,376,824	394,231	787,004	277,978	5,534,390
2013	1,868,782	415,079	758,798	(417,742)	5,116,648
2014	1,477,428	383,749	716,289	(637,820)	4,478,828

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Schedule of Contributions			
Year Ended December 31	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)
2014	1,569,560	1,782,708	(213,148)

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%)	\$ 60,589,518	\$ 39,709,008	\$ 20,880,510
Current Discount Rate (7.5%)	54,316,214	39,709,008	14,607,206
1% Increase in Discount Rate (8.5%)	49,028,028	39,709,008	9,319,020

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2014	\$ 49,264,932	\$ 37,532,313	\$ 11,732,619
Changes for the year:			
Service cost	557,997	-	557,997
Interest	3,646,552	-	3,646,552
Differences between expected and actual experience	138,298	-	138,298
Changes of assumptions	3,112,904	-	3,112,904
Contributions - City and Park District	-	1,782,708	(1,782,708)
Contributions - member	-	626,300	(626,300)
Net investment income	-	2,220,334	(2,220,334)
Benefit payments, including refund of member contributions	(2,404,469)	(2,404,469)	-
Administrative expense	-	(48,178)	48,178
Net changes	5,051,282	2,176,695	2,874,587
Balance at 12/31/2014 Measurement Date	\$ 54,316,214	\$ 39,709,008	\$ 14,607,206

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Schedule of Changes in Net Pension Liability and Related Ratios	
	Fiscal Year Ending December 31
Total Pension Liability (TPL)	<u>2014</u>
Service Cost	\$ 557,997
Interest	3,646,552
Differences between expected and actual experience	138,298
Changes of assumptions	3,112,904
Benefit payments, including refunds of member contributions	(2,404,469)
Net change in total pension liability	5,051,282
Total Pension Liability - beginning of year	49,264,932
Total Pension Liability - end of year	\$ 54,316,214
Plan Fiduciary Net Position (FNP, assets)	
Contributions - employer	1,782,708
Contributions - member	626,300
Net investment income	2,220,334
Benefit payments, including refunds of member contributions	(2,404,469)
Administrative expense	(48,178)
Net change in plan fiduciary net position	2,176,695
Plan Fiduciary Net Position - beginning of year	37,532,313
Plan Fiduciary Net Position - end of year	39,709,008
Net Pension Liability (NPL)	\$ 14,607,206
FNP as a percentage of the TPL	73.11%

Schedule of Investment Returns	
	Year Ended December 31
	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.9%

Contributions and Net Pension Liability as a Percent of Payroll	
	2014
Payroll	\$ 23,051,797
Contributions as a percent of payroll	7.73%
NPL as a percent of payroll	63.37%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

POLICE PENSION PLAN

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

For the Police Pension Plan, employer contributions for the years ended December 31, 2014, 2013, and 2012 were \$2,516,258, \$2,348,118, and \$2,156,505, respectively, which were 113%, 91%, and 72%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2014, 2013, and 2012 was \$1,782,796, \$2,465,899, and \$2,882,988, respectively. The percentage funded was 141%, 95%, and 75% for the years 2014, 2013, and 2012, respectively. The Net Pension Obligation NPO at the end of each year was positive (a liability).

Annual Pension Cost Components					
Year Ended December 31	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
2005	717,971	(84,611)	(97,004)	(109,167)	(1,237,318)
2006	715,001	(92,799)	(106,390)	(182,607)	(1,419,925)
2007	1,120,286	(106,494)	(122,092)	217,264	(1,202,661)
2008	1,159,155	(90,200)	(103,410)	198,894	(1,003,767)
2009	2,393,756	(75,283)	(86,308)	976,950	(26,817)
2010	2,453,645	(2,011)	(2,306)	1,365,300	1,338,483
2011	2,453,645	100,386	115,089	1,320,814	2,659,297
2012	2,984,805	199,447	301,264	726,483	3,385,780
2013	2,595,531	253,934	383,566	117,781	3,503,561
2014	1,916,938	262,767	396,909	(733,462)	2,770,099

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
1/1/2010	31,341,953	48,435,926	17,093,973	64.7%	8,646,552	197.7%
1/1/2012	31,799,229	54,050,857	22,251,628	58.8%	9,407,268	236.5%
1/1/2013	36,629,483	56,641,319	20,011,836	64.7%	9,431,067	212.2%
1/1/2014	44,292,310	58,982,879	14,690,569	75.1%	10,050,543	146.2%
1/1/2015	47,308,553	63,273,844	15,965,291	74.8%	10,312,380	154.8%

Schedule of Contributions			
Year Ended December 31	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)
2014	2,059,933	2,516,258	(456,325)

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%)	\$ 71,517,434	\$ 47,308,553	\$ 24,208,881
Current Discount Rate (7.5%)	63,272,844	47,308,553	15,964,291
1% Increase in Discount Rate (8.5%)	56,436,011	47,308,553	9,127,458

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2014	\$ 58,982,879	\$ 44,292,309	\$ 14,690,570
Changes for the year:			
Service cost	1,463,698	-	1,463,698
Interest	4,417,408	-	4,417,408
Differences between expected and actual experience	519,099	-	519,099
Changes of assumptions	986,369	-	986,369
Contributions - City	-	2,516,258	(2,516,258)
Contributions - member	-	997,513	(997,513)
Net investment income	-	2,636,103	(2,636,103)
Benefit payments, including refund of member contributions	(3,095,609)	(3,095,609)	-
Administrative expense	-	(38,021)	38,021
Net changes	4,290,965	3,016,244	1,274,721
Balance at 12/31/2014 Measurement Date	\$ 63,273,844	\$ 47,308,553	\$ 15,965,291

Schedule of Changes in Net Pension Liability and Related Ratios	
	Fiscal Year Ending December 31
Total Pension Liability (TPL)	<u>2014</u>
Service Cost	\$ 1,463,698
Interest	4,417,408
Differences between expected and actual experience	519,099
Changes of assumptions	986,369
Benefit payments, including refunds of member contributions	(3,095,609)
Net change in total pension liability	4,290,965
Total Pension Liability - beginning of year	58,982,879
Total Pension Liability - end of year	\$ 63,273,844
Plan Fiduciary Net Position (FNP, assets)	
Contributions - employer	2,516,258
Contributions - member	997,513
Net investment income	2,636,103
Benefit payments, including refunds of member contributions	(3,095,609)
Administrative expense	(38,021)
Net change in plan fiduciary net position	3,016,244
Plan Fiduciary Net Position - beginning of year	44,292,309
Plan Fiduciary Net Position - end of year	47,308,553
Net Pension Liability (NPL)	\$ 15,965,291
FNP as a percentage of the TPL	74.77%

**CITY OF FARGO, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2014**

Schedule of Investment Returns	
	Year Ended December 31
	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	5.9%

Contributions and Net Pension Liability as a Percent of Payroll	
	<u>2014</u>
Payroll	\$ 10,050,543
Contributions as a percent of payroll	25.04%
NPL as a percent of payroll	158.85%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

FARGO FIREFIGHTERS' RELIEF ASSOCIATION RETIREMENT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
5/1/2000 (4)	14,455,282	16,947,114	2,491,832	85.3%	3,209,112	77.6%
6/1/2002 (5)	15,468,405	20,753,134	5,284,729	74.5%	3,467,994	152.4%
6/1/2004 (5)	15,770,496	22,296,992	6,526,496	70.7%	4,103,457	159.0%
7/1/2006	16,372,163	23,556,227	7,184,064	69.5%	4,359,485	164.8%
7/1/2008	18,415,293	27,376,868	8,961,575	67.3%	5,244,943	170.9%
1/1/2010	19,639,494	28,865,604	9,226,110	68.0%	6,016,656	153.3%
1/1/2012	16,697,278	32,824,700	16,127,422	50.9%	6,182,954	260.8%
1/1/2013	19,175,345	34,435,560	15,260,215	55.7%	6,588,204	231.6%
1/1/2014	23,300,491	35,622,231	12,321,740	65.4%	6,813,000	180.9%
1/1/2015	24,874,001	40,526,308	15,652,307	61.4%	7,129,995	219.5%

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

For the Fargo Firefighters' Relief Association Retirement Plan, employer contributions for the years ended December 31, 2014, 2013 and 2012 were \$1,661,219, \$1,524,715, and \$1,388,976, respectively, which were 116%, 84%, and 70%, respectively, of the required contributions for each year. The annual pension cost for the years ended December 31, 2014, 2013, and 2012 were \$1,416,256, \$1,814,169, and \$2,001,656, respectively. The percentage funded was 117%, 84%, and 69%, for the years ended December 31, 2014, 2013, and 2012, respectively. The Net Pension Obligation (NPO) at the end of 2011 was negative (an asset). The Net Pension Obligation (NPO) at the end of 2012, 2013, and 2014 was positive (a liability).

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Annual Pension Cost Components					
Year Ended	Annual Required Contribution (ARC)	Interest on NPO	ARC Adjustment	Change In NPO	NPO Balance
5/31/2005	609,144	(55,758)	(36,925)	61,687	(657,774)
6/30/2006	607,443	(50,978)	(34,347)	20,222	(637,552)
6/30/2007	607,443	(49,410)	(33,903)	(8,875)	(646,427)
6/30/2008	742,754	(50,098)	(35,042)	97,810	(548,617)
6/30/2009	742,754	(42,518)	(29,740)	22,317	(526,300)
12/31/2009 (2)	430,761	(20,394)	(15,584)	(241,521)	(767,821)
12/31/2010	861,521	(59,506)	(46,550)	86,515	(648,034)
12/31/2011	861,521	(52,801)	(42,345)	83,720	(597,586)
12/31/2012	1,978,776	(44,819)	(67,699)	612,680	15,094
12/31/2013	1,814,747	1,132	1,710	289,454	304,548
12/31/2014	1,427,916	22,841	34,504	(244,963)	59,585

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

Schedule of Contributions			
Year Ended December 31	Actuarially Determined Contribution (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)
2014	1,542,399	1,661,219	(118,820)

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%)	\$ 45,834,408	\$ 24,874,001	\$ 20,960,407
Current Discount Rate (7.5%)	40,526,308	24,874,001	15,652,307
1% Increase in Discount Rate (8.5%)	36,121,882	24,874,001	11,247,881

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

Changes in Net Pension Liability			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at 1/1/2014	\$ 35,622,231	\$ 23,300,491	\$ 12,321,740
Changes for the year:			
Service cost	882,740	-	882,740
Interest	2,656,719	-	2,656,719
Differences between expected and actual experience	(114,152)	-	(114,152)
Changes of assumptions	3,642,866	-	3,642,866
Contributions - City	-	1,661,219	(1,661,219)
Contributions - member	-	723,023	(723,023)
Net investment income	-	1,417,654	(1,417,654)
Benefit payments, including refund of member contributions	(2,164,096)	(2,164,096)	-
Administrative expense	-	(64,290)	64,290
Net changes	<u>4,904,077</u>	<u>1,573,510</u>	<u>3,330,567</u>
Balance at 12/31/2014 Measurement Date	\$ 40,526,308	\$ 24,874,001	\$ 15,652,307

Schedule of Changes in Net Pension Liability and Related Ratios	
	Fiscal Year Ending December 31
Total Pension Liability (TPL)	<u>2014</u>
Service Cost	\$ 882,740
Interest	2,656,719
Differences between expected and actual experience	(114,152)
Changes of assumptions	3,642,866
Benefit payments, including refunds of member contributions	(2,164,096)
Net change in total pension liability	4,904,077
Total Pension Liability - beginning of year	35,622,231
Total Pension Liability - end of year	\$ 40,526,308
Plan Fiduciary Net Position (FNP, assets)	
Contributions - employer	1,661,219
Contributions - member	723,023
Net investment income	1,417,654
Benefit payments, including refunds of member contributions	(2,164,096)
Administrative expense	(64,290)
Net change in plan fiduciary net position	<u>1,573,510</u>
Plan Fiduciary Net Position - beginning of year	22,300,491
Plan Fiduciary Net Position - end of year	24,874,001
Net Pension Liability (NPL)	\$ 15,652,307
FNP as a percentage of the TPL	61.38%

**CITY OF FARGO, NORTH DAKOTA
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2014**

Schedule of Investment Returns	
	Year Ended December 31
	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	6.0%

Contributions and Net Pension Liability as a Percent of Payroll	
	<u>2014</u>
Payroll	\$ 6,813,000
Contributions as a percent of payroll	24.38%
NPL as a percent of payroll	229.74%

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

SIGNIFICANT ACTUARIAL ASSUMPTIONS

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

	City Employees'	Police	Firefighters'
Valuation Date	1/1/2015	1/1/2015	1/1/2015
	Entry Age Normal Method		
Actuarial Cost Method	Unit Credit Method **	Entry Age Normal Method	Entry Age Normal Method
Amortization Method	Level Percent	Level Percent	Level Percent
Amortization Period	Closed	Closed	Closed
	3,5,6,7,8,9,11,12,13,14,15,16		
Remaining Amortization Period	,19,20	15,19,20	20
	Market Value plus		
Asset Valuation Method	contributions receivable less benefits payable	Market Value	Market Value
Discount Rate	7.50%	7.50%	7.50%
Expected long-term rate of return on assets	7.50%	7.50%	7.50%
Inflation Rate	2.75%	2.75%	2.75%
			3% for first class firefighter pay rate
Salary Increase Rate	3.00%	4.00%	4.50% for officers
Mortality table	RP-2014	RP-2014 Blue-collar	RP-2014 Blue-collar

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

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

Discount rate The liability discount rate was developed using the alternative method described in paragraph 43 of GASB 67, which states that "if the evaluations required by paragraph 41 can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan, alternative methods may be applied in making the evaluations." It was determined that the plan's current funded status, combined with the City's funding policy, provides sufficient reliability that projected plan assets will be adequate to pay future retiree benefits. Therefore, the plan's long-term expected return on plan assets has been used as the liability discount rate.

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

**CITY OF FARGO, NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

**CITY OF FARGO, NORTH DAKOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
December 31, 2014**

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash	\$ 123,163	\$ 79,997	\$ 203,160
Equity in pooled investments	161,144	40,204	201,348
Receivables:			
Accounts receivable	9,746	10,366	20,112
Interest	(1,281)	22,076	20,795
Total receivables	<u>8,465</u>	<u>32,442</u>	<u>40,907</u>
Investments, at fair value:			
Corporate stocks	6,180	4,936	11,116
Mutual funds	39,435,706	47,155,856	86,591,562
Total investments	<u>39,441,886</u>	<u>47,160,792</u>	<u>86,602,678</u>
Total assets	<u>\$ 39,734,658</u>	<u>\$ 47,313,435</u>	<u>\$ 87,048,093</u>
LIABILITIES			
Vouchers and benefits payable	<u>\$ 25,652</u>	<u>\$ 4,881</u>	<u>\$ 30,533</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 39,709,006</u>	<u>\$ 47,308,554</u>	<u>\$ 87,017,560</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, 2014**

**CITY OF FARGO, NORTH DAKOTA
PENSION TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended December 31, 2014**

	CITY EMPLOYEES' PENSION	POLICE PENSION	TOTAL
ADDITIONS			
Contributions			
Employer	\$ 1,655,927	\$ 2,516,258	\$ 4,172,185
Employer (Fargo Park District)	126,781	-	126,781
Employee	515,774	997,513	1,513,287
Employee (Fargo Park District)	110,526	-	110,526
Total contributions	<u>2,409,008</u>	<u>3,513,771</u>	<u>5,922,779</u>
Investment income			
Net appreciation in fair value of investments, and interest and dividends	2,346,479	2,819,270	5,165,749
Less investment expense	<u>(126,148)</u>	<u>(183,167)</u>	<u>(309,315)</u>
Net investment income (loss)	<u>2,220,331</u>	<u>2,636,103</u>	<u>4,856,434</u>
Total additions (deductions)	<u>4,629,339</u>	<u>6,149,874</u>	<u>10,779,213</u>
DEDUCTIONS			
Pension benefit payments	2,348,573	3,010,915	5,359,488
Member contribution refunds	55,896	84,694	140,590
Administrative expenses	48,177	38,021	86,198
Total deductions	<u>2,452,646</u>	<u>3,133,630</u>	<u>5,586,276</u>
Change in net position	2,176,693	3,016,244	5,192,937
Total net position - beginning	<u>37,532,313</u>	<u>44,292,310</u>	<u>81,824,623</u>
Total net position - ending	<u>\$ 39,709,006</u>	<u>\$ 47,308,554</u>	<u>\$ 87,017,560</u>

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

Related Party Investments

During 2014 and as of December 31, 2014 the pension plans (City Employees', Police or Firefighters Relief Association) held no securities issued by the City of Fargo or other related parties.

C. JOINT POWERS AGREEMENT

Regional Dispatch Center

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

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

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

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

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

Refunding Improvement Bonds Refinanced

On February 2, 2015 the Board of City Commissioners approved a resolution authorizing the issuance of \$18,250,000 Refunding Improvement Refunding Bonds, Series 2015A to refinance outstanding bonds from Refunding Improvement Bonds, Series 2006B and Series 2007B. The new bonds were marketed at a true interest cost of 2.23% which generated a net present value savings of \$2.9 million.

Membrane Water Treatment Plant Expansion

On March 2, 2015, the Board of City Commissioners awarded bids for the new Membrane Water Treatment plant expansion as follows:

Contract #1 General Construction \$84,116,383
Contract #2 Mechanical Construction \$6,820,000
Contract #3 Electrical Construction \$16,379,666

Construction is expected to begin in June of 2015 and will take three years to complete.

Early Redemption of State Revolving Fund Loan (SRF) Notes

On March 30, 2015 the Board of City Commissioners approved the early redemption of three outstanding State Revolving Fund Loan (SRF) notes in the amount of \$4,993,000. The early redemption was completed in order to get the best return on invested funds.

Special Election

On April 28, 2015 a special election was held and the voters elected Timothy Mahoney as the Mayor of the City of Fargo. Anthony Gehrig was also elected as a City Commissioner.

Highland Park Properties Settlement

Highland Park Properties commenced an action claiming that the City of Fargo, through its application of Ordinance 4818, committed a regulator taking of its property and sought damages for inverse condemnation as to lots 4, 5 and 6. Portions of lots 4, 5, and 6 are in the minimal and the limited disturbance zone setbacks as defined by Ordinance 4818. On May 5, 2015, the City of Fargo agreed to settle the underlying claims and obtain ownership of all the lots for the sum of \$920,000.

US Bank Loan for Metro Flood Project Diversion Authority

On May 11, 2015, the Board of City Commissioners approved a resolution authorizing a loan of \$50 million from US Bank National Association for the Metro Flood Project Diversion Authority project and supplemental agreement with Cass County relating to the pledge of sales tax resources to pay this obligation.

Metro Flood Project Diversion Authority Preliminary Injunction

There was a pending lawsuit brought by the Richland/Wilkin County JPA (a joint powers entity) against the federal government regarding the FM Diversion Project being undertaken by and sponsored by the United States Army Corps of Engineers. In this project, the cities of Fargo, North Dakota and Moorhead, Minnesota, along with the Metro Flood Diversion Authority are the non-federal sponsors. Because of its significant interest in the Metro Flood Project, the Diversion Authority sought to intervene in the lawsuit, succeeding in the fall of 2013. Upon motion by the Richland/Wilkin JPA, the federal District Court issued a preliminary injunction (dated May 13, 2015) against the Metro Flood Diversion Authority directing that the Diversion Authority immediately cease all actual physical construction activity related to the OHB ring levee (referring to a ring levee being constructed around the communities of Oxbow, Hickson and Bakke, located approximately 8 miles south of Fargo. This preliminary injunction is not a decision on the merits of the underlying lawsuit.



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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.

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, 2014

	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	\$ 626,471	\$ 137,950	\$ -	\$ 130,309	\$ -	\$ -	\$ 129,824
Receivables (net of allowance for uncollectibles):							
Taxes	4,816	472	-	-	-	-	-
Accounts	-	-	209,665	-	174,510	-	3,703
Special assessments	-	-	-	590,517	-	-	-
Intergovernmental	-	-	-	-	-	68,640	-
Prepaid expenditures	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	81,700	-
Total assets	<u>\$ 631,287</u>	<u>\$ 138,422</u>	<u>\$ 209,665</u>	<u>\$ 720,826</u>	<u>\$ 174,510</u>	<u>\$ 150,340</u>	<u>\$ 133,527</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities							
Vouchers payable	\$ -	\$ 9,402	\$ 13,616	\$ 1,291	\$ 166,317	\$ 75	\$ 2,046
Advances from other funds	-	-	-	-	-	-	-
Due to other funds	-	-	216,980	-	6,649	65,556	-
Accrued payroll	-	-	-	-	-	-	-
Special assessments payable	216,420	-	-	-	478	3,009	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>216,420</u>	<u>9,402</u>	<u>230,596</u>	<u>1,291</u>	<u>173,444</u>	<u>68,640</u>	<u>2,046</u>
Deferred inflows of resources							
Unavailable revenue	<u>3,366</u>	<u>329</u>	<u>-</u>	<u>543,332</u>	<u>-</u>	<u>3,009</u>	<u>-</u>
Fund balance							
Nonspendable	-	-	-	-	-	81,700	-
Restricted	411,501	128,691	-	176,203	1,066	-	131,481
Unassigned	-	-	(20,931)	-	-	(3,009)	-
Total fund balance	<u>411,501</u>	<u>128,691</u>	<u>(20,931)</u>	<u>176,203</u>	<u>1,066</u>	<u>78,691</u>	<u>131,481</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 631,287</u>	<u>\$ 138,422</u>	<u>\$ 209,665</u>	<u>\$ 720,826</u>	<u>\$ 174,510</u>	<u>\$ 150,340</u>	<u>\$ 133,527</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2014

	Special Revenue						
	Parking Authority	Parking Repair and Replacement	Parking Surplus Fund	Community Development	HUD Home Participating Jurisdiction	HUD Home Program	
ASSETS							
Equity in pooled investments	\$ 768,791	\$ 400,646	\$ 935,592	\$ -	\$ 99,449	\$ 35,110	\$ 7,880
Receivables (net of allowance for uncollectibles):							
Taxes	-	-	-	-	-	-	-
Accounts	90,999	-	-	-	-	-	-
Special assessments	8,598	-	-	-	-	-	-
Intergovernmental	-	-	-	93,705	74,670	-	-
Prepaid expenditures	2,114	-	-	-	-	-	-
Loans	-	-	-	262,083	1,769,371	434,719	80,216
Property held for resale	-	-	-	66,159	-	-	36,179
Total assets	<u>\$ 870,502</u>	<u>\$ 400,646</u>	<u>\$ 935,592</u>	<u>\$ 421,947</u>	<u>\$ 1,943,490</u>	<u>\$ 469,829</u>	<u>\$ 124,275</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE							
Liabilities							
Vouchers payable	\$ 5,770	\$ -	\$ -	\$ 2,856	\$ 62,280	\$ -	\$ 105
Advances from other funds	630,000	-	-	-	-	-	-
Due to other funds	-	-	-	75,030	-	-	-
Accrued payroll	1,661	-	-	5,293	2,482	-	420
Special assessments payable	35,316	-	-	-	-	-	1,391
Unearned revenue	-	-	-	261,189	1,140,967	355,984	-
Total liabilities	<u>672,747</u>	<u>-</u>	<u>-</u>	<u>344,368</u>	<u>1,205,729</u>	<u>355,984</u>	<u>1,916</u>
Deferred inflows of resources							
Unavailable revenue	<u>7,716</u>	<u>-</u>	<u>-</u>	<u>894</u>	<u>638,156</u>	<u>78,735</u>	<u>80,216</u>
Fund balance							
Nonspendable	2,114	-	-	66,159	-	-	36,179
Restricted	187,925	400,646	935,592	10,526	99,605	35,110	5,964
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>190,039</u>	<u>400,646</u>	<u>935,592</u>	<u>76,685</u>	<u>99,605</u>	<u>35,110</u>	<u>42,143</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 870,502</u>	<u>\$ 400,646</u>	<u>\$ 935,592</u>	<u>\$ 421,947</u>	<u>\$ 1,943,490</u>	<u>\$ 469,829</u>	<u>\$ 124,275</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
December 31, 2014

	Special Revenue				Total
	Court Forfeits	FTA Transit Capital Escrow	Skyway Maintenance	Baseball Stadium	
ASSETS					
Equity in pooled investments	\$ 151,192	\$ -	\$ 193,480	\$ 25,040	\$ 3,641,734
Receivables (net of allowance for uncollectibles):					
Taxes	-	-	-	-	5,288
Accounts	-	-	-	2,627	481,504
Special assessments	-	-	62,923	-	662,038
Intergovernmental	-	-	-	-	237,015
Prepaid expenditures	-	-	5,794	-	7,908
Loans	-	-	-	-	2,546,389
Property held for resale	-	-	-	-	184,038
Total assets	<u>\$ 151,192</u>	<u>\$ -</u>	<u>\$ 262,197</u>	<u>\$ 27,667</u>	<u>\$ 7,765,914</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities					
Vouchers payable	\$ 9,540	\$ -	\$ 8,686	\$ 10,523	\$ 292,507
Advances from other funds	-	-	-	1,237,927	1,867,927
Due to other funds	-	-	-	-	364,215
Accrued payroll	-	-	-	-	9,856
Special assessments payable	-	-	-	2,040	258,654
Unearned revenue	-	-	-	-	1,758,140
Total liabilities	<u>9,540</u>	<u>-</u>	<u>8,686</u>	<u>1,250,490</u>	<u>4,551,299</u>
Deferred inflows of resources					
Unavailable revenue	-	-	37,714	-	1,393,467
Fund balance					
Nonspendable	-	-	5,794	-	191,946
Restricted	141,652	-	210,003	-	2,875,965
Unassigned	-	-	-	(1,222,823)	(1,246,763)
Total fund balance	<u>141,652</u>	<u>-</u>	<u>215,797</u>	<u>(1,222,823)</u>	<u>1,821,148</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 151,192</u>	<u>\$ -</u>	<u>\$ 262,197</u>	<u>\$ 27,667</u>	<u>\$ 7,765,914</u>

CITY OF FARGO, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2014

	Special Revenue						
	City Share of Specials	Noxious Weed	Emergency 911	Downtown Business Improvement District	Convention & Visitors Bureau	Neighborhood Stabilization	Regional Training Center
REVENUES							
Taxes	\$ 348,887	\$ 34,697	\$ 1,298,983	\$ -	\$ 2,556,722	\$ -	\$ -
Special assessments	-	-	-	214,664	-	-	-
Intergovernmental revenues	-	-	-	-	-	319,607	50,949
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	6,300	-	-	(10,580)	17,405
Total revenues	<u>348,887</u>	<u>34,697</u>	<u>1,305,283</u>	<u>214,664</u>	<u>2,556,722</u>	<u>309,027</u>	<u>68,354</u>
EXPENDITURES							
Current:							
Public safety	-	-	2,038,273	-	-	-	58,598
Public works	249,168	-	-	-	-	-	-
Public health & welfare	-	19,394	-	-	-	-	-
Recreation & culture	-	-	-	273,231	2,567,183	-	-
Urban redevelopment	-	-	-	-	-	430,519	-
Public transportation	-	-	-	-	-	-	-
Capital outlay	-	18,804	-	-	-	-	62,890
Intergovernmental	-	-	-	-	-	-	-
Total expenditures	<u>249,168</u>	<u>38,198</u>	<u>2,038,273</u>	<u>273,231</u>	<u>2,567,183</u>	<u>430,519</u>	<u>121,488</u>
Excess (deficiency) of revenues over (under) expenditures	<u>99,719</u>	<u>(3,501)</u>	<u>(732,990)</u>	<u>(58,567)</u>	<u>(10,461)</u>	<u>(121,492)</u>	<u>(53,134)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	-	-	1,650,000	45,200	-	-	30,845
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital Projects	317,499	-	-	-	-	-	-
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
Special revenue funds	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>317,499</u>	<u>-</u>	<u>1,650,000</u>	<u>45,200</u>	<u>-</u>	<u>-</u>	<u>30,845</u>
Net change in fund balances	417,218	(3,501)	917,010	(13,367)	(10,461)	(121,492)	(22,289)
Fund balance (deficit) - beginning of year	(5,717)	132,192	(937,941)	189,570	11,527	200,183	153,770
Fund balance (deficit) - end of year	<u>\$ 411,501</u>	<u>\$ 128,691</u>	<u>\$ (20,931)</u>	<u>\$ 176,203</u>	<u>\$ 1,066</u>	<u>\$ 78,691</u>	<u>\$ 131,481</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, 2014

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	8,598	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	634,677	392,679	-	-
Charges for services	1,303,436	-	-	-	-	-	1,600
Fines and forfeits	-	-	-	-	-	-	-
Investment income	-	-	-	29	229	-	1,581
Miscellaneous revenues	9,560	-	-	9,630	181,989	24,306	27,761
Total revenues	<u>1,321,594</u>	<u>-</u>	<u>-</u>	<u>644,336</u>	<u>574,897</u>	<u>24,306</u>	<u>30,942</u>
EXPENDITURES							
Current:							
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Public health & welfare	-	-	-	23,484	-	-	-
Recreation & culture	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	668,196	567,693	36,450	19,116
Public transportation	618,065	-	-	-	-	-	-
Capital outlay	-	-	-	266,845	-	-	-
Total expenditures	<u>618,065</u>	<u>-</u>	<u>-</u>	<u>958,525</u>	<u>567,693</u>	<u>36,450</u>	<u>19,116</u>
Excess (deficiency) of revenues over (under) expenditures	<u>703,529</u>	<u>-</u>	<u>-</u>	<u>(314,189)</u>	<u>7,204</u>	<u>(12,144)</u>	<u>11,826</u>
OTHER FINANCING SOURCES (USES)							
Transfers in							
General fund	27,000	-	-	-	-	-	-
Special revenue funds	-	174,000	595,000	-	-	-	-
Debt service	-	-	116,468	-	-	-	32,987
Enterprise funds	-	-	-	-	-	-	-
Transfers out							
Special revenue funds	(769,000)	-	-	-	-	-	-
Debt service	(180,693)	-	-	-	-	-	(100,036)
Capital projects	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(922,693)</u>	<u>174,000</u>	<u>711,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,049)</u>
Net change in fund balances	(219,164)	174,000	711,468	(314,189)	7,204	(12,144)	(55,223)
Fund balance (deficit) - beginning of year	409,203	226,646	224,124	390,874	92,401	47,254	97,366
Fund balance (deficit) - end of year	<u>\$ 190,039</u>	<u>\$ 400,646</u>	<u>\$ 935,592</u>	<u>\$ 76,685</u>	<u>\$ 99,605</u>	<u>\$ 35,110</u>	<u>\$ 42,143</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, 2014

	Special Revenue				
	Court Forfeits	FTA Transit Capital Escrow	Skyway Maintenance	Baseball Stadium	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 4,239,289
Special assessments	-	-	108,961	-	332,223
Intergovernmental revenues	-	-	-	-	1,397,912
Charges for services	-	-	-	203,601	1,508,637
Fines and forfeits	44,580	-	-	-	44,580
Investment income	-	-	-	-	1,839
Miscellaneous revenues	24,315	-	-	-	290,686
Total revenues	<u>68,895</u>	<u>-</u>	<u>108,961</u>	<u>203,601</u>	<u>7,815,166</u>
EXPENDITURES					
Current:					
Public safety	167,898	-	-	-	2,264,769
Public works	-	-	-	-	249,168
Public health & welfare	-	-	-	-	42,878
Recreation & culture	-	-	98,998	183,316	3,122,728
Urban redevelopment	-	-	-	-	1,721,974
Public transportation	-	-	-	-	618,065
Capital outlay	15,116	-	-	-	363,655
Total expenditures	<u>183,014</u>	<u>-</u>	<u>98,998</u>	<u>183,316</u>	<u>8,383,237</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(114,119)</u>	<u>-</u>	<u>9,963</u>	<u>20,285</u>	<u>(568,071)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
General fund	-	-	-	100,000	1,853,045
Special revenue funds	-	-	-	-	769,000
Debt service	-	-	-	-	149,455
Enterprise funds	-	-	-	-	317,499
Transfers out					
Special revenue funds	-	-	-	-	(769,000)
Debt service	-	-	-	-	(280,729)
Capital projects	-	(30,000)	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>100,000</u>	<u>2,009,270</u>
Net change in fund balances	(114,119)	(30,000)	9,963	120,285	1,441,199
Fund balance (deficit) - beginning of year	255,771	30,000	205,834	(1,343,108)	379,949
Fund balance (deficit) - end of year	<u>\$ 141,652</u>	<u>\$ -</u>	<u>\$ 215,797</u>	<u>\$ (1,222,823)</u>	<u>\$ 1,821,148</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, 2014

	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	\$ 345,000	\$ 345,000	\$ 348,887	\$ 3,887	\$ 34,000	\$ 34,000	\$ 34,697	\$ 697
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	<u>345,000</u>	<u>345,000</u>	<u>348,887</u>	<u>3,887</u>	<u>34,000</u>	<u>34,000</u>	<u>34,697</u>	<u>697</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	302,000	302,000	249,168	52,832	-	-	-	-
Public health and welfare	-	-	-	-	50,000	31,196	19,394	11,802
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	18,804	18,804	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>302,000</u>	<u>302,000</u>	<u>249,168</u>	<u>52,832</u>	<u>50,000</u>	<u>50,000</u>	<u>38,198</u>	<u>11,802</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,000</u>	<u>43,000</u>	<u>99,719</u>	<u>56,719</u>	<u>(16,000)</u>	<u>(16,000)</u>	<u>(3,501)</u>	<u>12,499</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	317,499	317,499	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	(57,000)	(57,000)	-	(57,000)	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(57,000)</u>	<u>(57,000)</u>	<u>317,499</u>	<u>374,499</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(14,000)	(14,000)	417,218	431,218	(16,000)	(16,000)	(3,501)	12,499
Fund balance (deficit) - beginning of year	(5,717)	(5,717)	(5,717)	-	132,191	132,191	132,192	-
Fund balance (deficit) - end of year	<u>\$ (19,717)</u>	<u>\$ (19,717)</u>	<u>\$ 411,501</u>	<u>\$ 431,218</u>	<u>\$ 116,191</u>	<u>\$ 116,191</u>	<u>\$ 128,691</u>	<u>\$ 12,499</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, 2014**

	Emergency 911				Downtown Business Improvement District			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 2,109,000	\$ 1,401,000	\$ 1,298,983	\$ (102,017)	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	193,542	193,542	214,664	21,122
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	6,300	6,300	-	-	-	-
Total revenues	2,109,000	1,401,000	1,305,283	(95,717)	193,542	193,542	214,664	21,122
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	2,039,000	2,039,000	2,038,273	727	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	193,542	193,542	273,231	(79,689)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	2,039,000	2,039,000	2,038,273	727	193,542	193,542	273,231	(79,689)
Excess (deficiency) of revenues over (under) expenditures	70,000	(638,000)	(732,990)	(94,990)	-	-	(58,567)	(58,567)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	1,650,000	1,650,000	-	-	-	45,200	45,200
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	1,650,000	1,650,000	-	-	-	45,200	45,200
Net change in fund balances	70,000	1,012,000	917,010	(94,990)	-	-	(13,367)	(13,367)
Fund balance (deficit) - beginning of year	(937,941)	(937,941)	(937,941)	-	189,571	189,571	189,570	-
Fund balance (deficit) - end of year	\$ (867,941)	\$ 74,059	\$ (20,931)	\$ (94,990)	\$ 189,571	\$ 189,571	\$ 176,203	\$ (13,367)

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, 2014

	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	\$ 2,252,310	\$ 2,252,310	\$ 2,556,722	\$ 304,412	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	620,000	620,000	319,607	(300,393)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	6,000	6,000	-	(6,000)	250,000	250,000	(10,580)	(260,580)
Total revenues	<u>2,258,310</u>	<u>2,258,310</u>	<u>2,556,722</u>	<u>298,412</u>	<u>870,000</u>	<u>870,000</u>	<u>309,027</u>	<u>(560,973)</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	2,258,310	2,258,310	2,567,183	(308,873)	-	-	-	-
Urban redevelopment	-	-	-	-	601,769	601,769	430,519	171,250
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>2,258,310</u>	<u>2,258,310</u>	<u>2,567,183</u>	<u>(308,873)</u>	<u>601,769</u>	<u>601,769</u>	<u>430,519</u>	<u>171,250</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(10,461)	(10,461)	268,231	268,231	(121,492)	(389,723)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	(10,461)	(10,461)	268,231	268,231	(121,492)	(389,723)
Fund balance (deficit) - beginning of year	11,527	11,527	11,527	-	200,183	200,183	200,183	-
Fund balance (deficit) - end of year	<u>\$ 11,527</u>	<u>\$ 11,527</u>	<u>\$ 1,066</u>	<u>\$ (10,461)</u>	<u>\$ 468,414</u>	<u>\$ 468,414</u>	<u>\$ 78,691</u>	<u>\$ (389,723)</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, 2014

	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	-	-	-	-	-	8,598	8,598	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	49,699	49,699	50,949	1,250	-	-	-	-
Charges for services	-	-	-	-	973,500	973,500	1,303,436	329,936
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	25,000	25,000	17,405	(7,595)	10,000	10,000	9,560	(440)
Total revenues	74,699	74,699	68,354	(6,345)	983,500	983,500	1,321,594	338,094
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	80,534	17,644	58,598	(40,954)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	673,223	673,674	618,065	55,609
General support	-	-	-	-	-	-	-	-
Capital outlay	-	62,890	62,890	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	80,534	80,534	121,488	(40,954)	673,223	673,674	618,065	55,609
Excess (deficiency) of revenues over (under) expenditures	(5,835)	(5,835)	(53,134)	(47,299)	310,277	309,826	703,529	393,703
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	30,845	30,845	30,845	-	27,000	27,000	27,000	-
Special revenue	-	-	-	-	44,367	44,367	-	(44,367)
Debt service	-	-	-	-	266,000	266,000	-	(266,000)
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	(10,000)	(10,000)	-	10,000	-	-	-	-
Special revenue	-	-	-	-	(36,000)	(626,000)	(769,000)	(143,000)
Debt service	-	-	-	-	(292,223)	(292,223)	(180,693)	111,530
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	20,845	20,845	30,845	10,000	9,144	(580,856)	(922,693)	(341,837)
Net change in fund balances	15,010	15,010	(22,289)	(37,300)	319,421	(271,030)	(219,164)	51,866
Fund balance (deficit) - beginning of year	153,770	153,770	153,770	-	409,203	409,203	409,203	-
Fund balance (deficit) - end of year	\$ 168,780	\$ 168,780	\$ 131,481	\$ (37,300)	\$ 728,624	\$ 138,173	\$ 190,039	\$ 51,866

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, 2014

	Court Forfeits				FTA Transit Capital Escrow			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	100,000	100,000	44,580	(55,420)	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	24,315	24,315	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>68,895</u>	<u>(31,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	160,000	144,884	167,898	(23,014)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	15,116	15,116	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>160,000</u>	<u>160,000</u>	<u>183,014</u>	<u>(23,014)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(114,119)</u>	<u>(54,119)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Net change in fund balances	<u>(60,000)</u>	<u>(60,000)</u>	<u>(114,119)</u>	<u>(54,119)</u>	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Fund balance (deficit) - beginning of year	255,771	255,771	255,771	-	30,000	30,000	30,000	-
Fund balance (deficit) - end of year	<u>\$ 195,771</u>	<u>\$ 195,771</u>	<u>\$ 141,652</u>	<u>\$ (54,119)</u>	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ (30,000)</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, 2014

	Skyway Maintenance				Baseball Stadium			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	120,000	120,000	108,961	(11,039)	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	192,000	192,000	203,601	11,601
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-
Miscellaneous revenue	-	-	-	-	-	-	-	-
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>108,961</u>	<u>(11,039)</u>	<u>192,000</u>	<u>192,000</u>	<u>203,601</u>	<u>11,601</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	86,425	86,425	98,998	(12,573)	52,480	52,480	183,316	(130,836)
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>86,425</u>	<u>86,425</u>	<u>98,998</u>	<u>(12,573)</u>	<u>52,480</u>	<u>52,480</u>	<u>183,316</u>	<u>(130,836)</u>
Excess (deficiency) of revenues over (under) expen	<u>33,575</u>	<u>33,575</u>	<u>9,963</u>	<u>(23,612)</u>	<u>139,520</u>	<u>139,520</u>	<u>20,285</u>	<u>(119,235)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	100,000	100,000
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	(120,000)	(120,000)	-	120,000
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>(120,000)</u>	<u>100,000</u>	<u>220,000</u>
Net change in fund balances	33,575	33,575	9,963	(23,612)	19,520	19,520	120,285	100,765
Fund balance (deficit) - beginning of year	205,834	205,834	205,834	-	\$ (1,343,108)	\$ (1,343,108)	\$ (1,343,108)	\$ -
Fund balance (deficit) - end of year	<u>\$ 239,409</u>	<u>\$ 239,409</u>	<u>\$ 215,797</u>	<u>\$ (23,612)</u>	<u>(1,323,588)</u>	<u>(1,323,588)</u>	<u>(1,222,823)</u>	<u>100,765</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, 2014**

	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	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	678,000	678,000	634,677	(43,323)	420,000	420,000	392,679	(27,321)
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	100	100	29	(71)	2,000	2,000	229	(1,771)
Miscellaneous revenue	5,500	5,500	9,630	4,130	51,000	51,000	181,989	130,989
Total revenues	683,600	683,600	644,336	(39,264)	473,000	473,000	574,897	101,897
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	23,484	(23,484)	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	687,422	744,950	668,196	76,754	487,969	488,842	567,693	(78,851)
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	266,845	266,845	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	687,422	1,011,795	958,525	53,270	487,969	488,842	567,693	(78,851)
Excess (deficiency) of revenues over (under) expenditures	(3,822)	(328,195)	(314,189)	14,006	(14,969)	(15,842)	7,204	23,046
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(3,822)	(328,195)	(314,189)	14,006	(14,969)	(15,842)	7,204	23,046
Fund balance (deficit) - beginning of year	390,873	390,873	390,874	-	92,402	92,402	92,401	-
Fund balance (deficit) - end of year	\$ 387,051	\$ 62,678	\$ 76,685	\$ 14,006	\$ 77,433	\$ 76,560	\$ 99,605	\$ 23,046

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, 2014

	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	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	3,000	3,000	1,600	(1,400)
Fines and forfeits	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	6,000	6,000	1,581	(4,419)
Miscellaneous revenue	23,000	23,000	24,306	1,306	51,500	51,500	27,761	(23,739)
Total revenues	23,000	23,000	24,306	1,306	60,500	60,500	30,942	(29,558)
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	30,000	30,000	36,450	(6,450)	16,999	17,156	19,116	(1,960)
Public transportation	-	-	-	-	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	30,000	30,000	36,450	(6,450)	16,999	17,156	19,116	(1,960)
Excess (deficiency) of revenues over (under) expenditures	(7,000)	(7,000)	(12,144)	(5,144)	43,501	43,344	11,826	(31,518)
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	33,000	33,000	32,987	(13)
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	(104,997)	(104,997)	(100,036)	4,961
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(71,997)	(71,997)	(67,049)	4,948
Net change in fund balances	(7,000)	(7,000)	(12,144)	(5,144)	(28,496)	(28,653)	(55,223)	(26,570)
Fund balance (deficit) - beginning of year	47,254	47,254	47,254	-	97,365	97,365	97,366	-
Fund balance (deficit) - end of year	<u>\$ 40,254</u>	<u>\$ 40,254</u>	<u>\$ 35,110</u>	<u>\$ (5,144)</u>	<u>\$ 68,869</u>	<u>\$ 68,712</u>	<u>\$ 42,143</u>	<u>\$ (26,570)</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, 2014

	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	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
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:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Public health and welfare	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-	-	-
Public transportation	75,000	75,000	-	75,000	-	-	-	-
General support	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest & fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</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>-</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
Transfers in:								
General fund	-	-	-	-	-	-	-	-
Special revenue	36,000	36,000	174,000	138,000	-	590,000	595,000	5,000
Debt service	-	-	-	-	-	-	116,468	116,468
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Transfers out:								
General fund	-	-	-	-	-	-	-	-
Special revenue	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-
Enterprise	-	-	-	-	-	-	-	-
Internal Service	-	-	-	-	-	-	-	-
Loans issued	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>36,000</u>	<u>36,000</u>	<u>174,000</u>	<u>138,000</u>	<u>-</u>	<u>590,000</u>	<u>711,468</u>	<u>121,468</u>
Net change in fund balances	(39,000)	(39,000)	174,000	213,000	-	590,000	711,468	121,468
Fund balance (deficit) - beginning of year	226,646	226,646	226,646	-	224,124	224,124	224,124	-
Fund balance (deficit) - end of year	<u>\$ 187,646</u>	<u>\$ 187,646</u>	<u>\$ 400,646</u>	<u>\$ 213,000</u>	<u>\$ 224,124</u>	<u>\$ 814,124</u>	<u>\$ 935,592</u>	<u>\$ 121,468</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, 2014

	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Taxes	\$ 4,740,310	\$ 4,032,310	\$ 4,239,289	\$ 206,979
Special assessments	313,542	313,542	332,223	18,681
Intergovernmental revenues	1,767,699	1,767,699	1,397,912	(369,787)
Charges for services	1,168,500	1,168,500	1,508,637	340,137
Fines and forfeits	100,000	100,000	44,580	(55,420)
Investment income	8,100	8,100	1,839	(6,261)
Miscellaneous revenue	422,000	422,000	290,686	(131,314)
Total revenues	<u>8,520,151</u>	<u>7,812,151</u>	<u>7,815,166</u>	<u>3,016</u>
EXPENDITURES				
Current:				
Public safety	2,279,534	2,201,528	2,264,769	(63,241)
Public works	302,000	302,000	249,168	52,832
Public health and welfare	50,000	31,196	42,878	(11,682)
Recreation and culture	2,590,757	2,590,757	3,122,728	(531,971)
Urban redevelopment	1,824,159	1,882,717	1,721,974	160,743
Public transportation	748,223	748,674	618,065	130,609
Capital outlay	-	363,655	363,655	-
Total expenditures	<u>7,794,673</u>	<u>8,120,527</u>	<u>8,383,237</u>	<u>(262,711)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>725,478</u>	<u>(308,376)</u>	<u>(568,071)</u>	<u>(259,695)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General fund	57,845	1,707,845	1,853,045	145,200
Special revenue	80,367	670,367	769,000	98,633
Debt service	299,000	299,000	149,455	(149,545)
Capital projects	-	-	317,499	317,499
Transfers out:				
General fund	(10,000)	(10,000)	-	10,000
Special revenue	(36,000)	(626,000)	(769,000)	(143,000)
Debt service	(397,220)	(397,220)	(280,729)	116,491
Capital projects	(57,000)	(57,000)	(30,000)	27,000
Enterprise	(120,000)	(120,000)	-	120,000
Total other financing sources (uses)	<u>(183,008)</u>	<u>1,466,992</u>	<u>2,009,270</u>	<u>542,278</u>
Net change in fund balances	542,470	1,158,616	1,441,199	282,583
Fund balance (deficit) - beginning of year	379,949	379,949	379,949	-
Fund balance (deficit) - end of year	<u>\$ 922,419</u>	<u>\$ 1,538,565</u>	<u>\$ 1,821,148</u>	<u>\$ 282,583</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 50,600,000	\$ 38,600,000	\$ 39,168,040	\$ 568,040
Special assessments	23,218,700	23,418,700	32,160,993	8,742,293
Intergovernmental revenues	357,000	357,000	329,098	(27,902)
Investment income	85,000	85,000	335,828	250,828
Miscellaneous revenues	-	-	56,755	56,755
Total revenues	<u>74,260,700</u>	<u>62,460,700</u>	<u>72,050,714</u>	<u>9,590,014</u>
EXPENDITURES				
Current:				
Public works	417,300	417,300	740,752	(323,452)
Urban redevelopment	97,000	752,695	753,067	(372)
Debt Service	45,811,473	64,502,119	64,625,319	(123,200)
Total expenditures	<u>46,325,773</u>	<u>65,672,114</u>	<u>66,119,138</u>	<u>(447,024)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,934,927</u>	<u>(3,211,414)</u>	<u>5,931,576</u>	<u>9,142,990</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	971,431	971,431	491,480	(479,951)
Transfers out	(31,525,126)	(31,573,126)	(29,988,138)	1,584,988
Loans issued	-	703,695	1,024,402	320,707
Bonds issued	-	33,057,367	32,336,016	(721,351)
Bond premium	-	2,134,828	2,134,829	1
Other financing uses - debt service - principal	-	(39,290,000)	(39,290,000)	-
Other financing uses - debt service - payment to escrow agent	-	(14,420,000)	(14,420,000)	-
Total other financing sources (uses)	<u>(30,553,695)</u>	<u>(48,415,805)</u>	<u>(47,711,411)</u>	<u>704,394</u>
Net change in fund balances	<u>(2,618,768)</u>	<u>(51,627,219)</u>	(41,779,835)	<u>9,847,384</u>
Fund balance - beginning of year			102,874,688	
Fund balance - end of year			<u>\$ 61,094,853</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, 2014

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
ASSETS					
Current assets					
Cash	\$ -	\$ -	\$ -	\$ 50	\$ 50
Equity in pooled investments	11,949	654,152	227,477	241,396	1,134,974
Receivables (net of allowance for uncollectibles):					
Special assessments	-	-	-	25,264	25,264
Accounts	36,338	62,203	200,310	151,425	450,276
Inventory	-	-	382,490	-	382,490
Prepaid expenses	-	1,685	4,419	5,496	11,600
Total current assets	<u>48,287</u>	<u>718,040</u>	<u>814,696</u>	<u>423,631</u>	<u>2,004,654</u>
Noncurrent assets					
Capital assets					
Machinery and equipment	-	60,132	342,061	970,233	1,372,426
Infrastructure	-	-	31,493,264	-	31,493,264
Less accumulated depreciation	-	(41,549)	(14,559,935)	(819,777)	(15,421,261)
Total noncurrent assets	<u>-</u>	<u>18,583</u>	<u>17,275,390</u>	<u>150,456</u>	<u>17,444,429</u>
Total assets	<u>48,287</u>	<u>736,623</u>	<u>18,090,086</u>	<u>574,087</u>	<u>19,449,083</u>
LIABILITIES					
Current liabilities					
Vouchers payable	2,629	-	111,080	3,306	117,015
Accrued payroll	-	-	4,658	22,053	26,711
Accrued vacation payable	-	-	10,536	43,675	54,211
Total current liabilities	<u>2,629</u>	<u>-</u>	<u>126,274</u>	<u>69,034</u>	<u>197,937</u>
NET POSITION					
Net investment in capital assets	-	18,583	17,275,390	150,456	17,444,429
Unrestricted	45,658	718,040	688,422	354,597	1,806,717
Total net position	<u>\$ 45,658</u>	<u>\$ 736,623</u>	<u>\$ 17,963,812</u>	<u>\$ 505,053</u>	<u>\$ 19,251,146</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, 2014

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
OPERATING REVENUES					
Charges for services	\$ 30,593	\$ 660,007	\$ 1,696,469	\$ 1,437,141	\$ 3,824,210
OPERATING EXPENSES					
Personnel services	6,787	-	174,286	952,848	1,133,921
Other services	18,740	287,638	214,114	446,631	967,123
Materials and supplies	48,399	98,308	1,110,408	158,461	1,415,576
Depreciation	-	11,350	1,280,302	45,257	1,336,909
Total operating expenses	<u>73,926</u>	<u>397,296</u>	<u>2,779,110</u>	<u>1,603,197</u>	<u>4,853,529</u>
Operating income (loss)	<u>(43,333)</u>	<u>262,711</u>	<u>(1,082,641)</u>	<u>(166,056)</u>	<u>(1,029,319)</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposal of assets	-	13,181	-	-	13,181
Total nonoperating revenues	<u>-</u>	<u>13,181</u>	<u>-</u>	<u>-</u>	<u>13,181</u>
Income (loss) before contributions and transfers	(43,333)	275,892	(1,082,641)	(166,056)	(1,016,138)
Capital Contributions	25,000	-	2,020,688	-	2,045,688
Transfers in:					
Enterprise	-	-	115,000	380,000	495,000
Transfers out:					
General	<u>-</u>	<u>(123,000)</u>	<u>(200,000)</u>	<u>(87,000)</u>	<u>(410,000)</u>
Change in net position	(18,333)	152,892	853,047	126,944	1,114,550
Total net position - beginning	63,991	583,731	17,110,765	378,109	18,136,596
Total net position - ending	<u>\$ 45,658</u>	<u>\$ 736,623</u>	<u>\$ 17,963,812</u>	<u>\$ 505,053</u>	<u>\$ 19,251,146</u>

CITY OF FARGO, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2014

	Southeast Cass Sewer	Vector Control	Street Lighting	Forestry	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 10,659	\$ 656,538	\$ 1,713,422	\$ 1,402,438	\$ 3,783,057
Payments to employees	(5,773)	-	(135,464)	(736,496)	(877,733)
Payments of benefits on behalf of employees	(1,014)	-	(38,094)	(216,203)	(255,311)
Payments to suppliers	(67,576)	(385,961)	(1,283,684)	(605,111)	(2,342,332)
Net cash provided (used) by operating activities	<u>(63,704)</u>	<u>270,577</u>	<u>256,180</u>	<u>(155,372)</u>	<u>307,681</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	(123,000)	(200,000)	(87,000)	(410,000)
Transfers from other funds	-	-	115,000	380,000	495,000
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(123,000)</u>	<u>(85,000)</u>	<u>293,000</u>	<u>85,000</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	-	43,483	-	-	43,483
Acquisition of capital assets	-	-	(43,445)	(83,337)	(126,782)
Intergovernmental capital grants	25,000	-	-	-	25,000
Net cash provided (used) by capital and related financing activities	<u>25,000</u>	<u>43,483</u>	<u>(43,445)</u>	<u>(83,337)</u>	<u>(58,299)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investments redeemed	50,653	463,092	99,742	187,105	800,592
Investments (purchased)	(11,949)	(654,152)	(227,477)	(241,396)	(1,134,974)
Net cash provided (used) by investing activities	<u>38,704</u>	<u>(191,060)</u>	<u>(127,735)</u>	<u>(54,291)</u>	<u>(334,382)</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)	\$ (43,333)	\$ 262,711	\$ (1,082,641)	\$ (166,056)	\$ (1,029,319)
Adjustments to reconcile operating income to net cash provided by operating activities					
Depreciation	-	11,350	1,280,302	45,257	1,336,909
Change in assets and liabilities					
Accounts receivable	(19,934)	(3,469)	16,953	(18,140)	(24,590)
Special assessment receivable	-	-	-	(16,563)	(16,563)
Inventories	-	-	74,015	-	74,015
Prepaid expenses	-	(15)	(160)	(237)	(412)
Accounts payable	(437)	-	(33,017)	218	(33,236)
Vacation payable	-	-	130	(2,570)	(2,440)
Payroll payable	-	-	598	2,719	3,317
Total adjustments	<u>(20,371)</u>	<u>7,866</u>	<u>1,338,821</u>	<u>10,684</u>	<u>1,337,000</u>
Net cash provided (used) by operating activities	<u>\$ (63,704)</u>	<u>\$ 270,577</u>	<u>\$ 256,180</u>	<u>\$ (155,372)</u>	<u>\$ 307,681</u>
Noncash transactions affecting financial position:					
Acquisition of / change in assets through capital contributions and donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,020,688</u>	<u>\$ -</u>	<u>\$ 2,020,688</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, 2014

	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	179,261	-	(4,966,154)	438,359	(4,348,534)
Receivables(net of allowance for uncollectibles)					
Accounts	-	-	2,243,669	-	2,243,669
Special assessments receivable	-	5,469,572	-	-	5,469,572
Intergovernmental	-	-	28,112,640	-	28,112,640
Total assets	<u>\$ 193,081</u>	<u>\$ 5,469,572</u>	<u>\$ 25,390,155</u>	<u>\$ 438,359</u>	<u>\$ 31,491,167</u>
LIABILITIES					
Vouchers payable	\$ -	\$ -	\$ 3,515,997	\$ -	\$ 3,515,997
Due to other governments	-	5,469,572	21,874,158	-	27,343,730
Deposits	193,081	-	-	438,359	631,440
Total liabilities	<u>\$ 193,081</u>	<u>\$ 5,469,572</u>	<u>\$ 25,390,155</u>	<u>\$ 438,359</u>	<u>\$ 31,491,167</u>

**CITY OF FARGO, NORTH DAKOTA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2014**

	Beginning of Year	Additions	Deductions	End of Year
PERFORMANCE DEPOSITS				
ASSETS				
Cash, including time deposits	\$ 13,820	\$ -	\$ -	\$ 13,820
Equity in pooled investments	88,786	130,641	40,166	179,261
Total assets	\$ 102,606	\$ 130,641	\$ 40,166	\$ 193,081
LIABILITIES				
Deposits	\$ 102,606	\$ 130,641	\$ 40,166	\$ 193,081
Total liabilities	\$ 102,606	\$ 130,641	\$ 40,166	\$ 193,081
PARK DISTRICT SPECIAL ASSESSMENTS				
ASSETS				
Equity in pooled investments	\$ 702	\$ 349,701	\$ 350,403	\$ -
Special assessments receivable	3,879,278	1,761,852	171,558	5,469,572
Total assets	\$ 3,879,980	\$ 2,111,553	\$ 521,961	\$ 5,469,572
LIABILITIES				
Due to other governments	\$ 3,879,278	\$ 1,761,852	\$ 171,558	\$ 5,469,572
Deposits	702	349,701	350,403	-
Total liabilities	\$ 3,879,980	\$ 2,111,553	\$ 521,961	\$ 5,469,572
METRO FLOOD PROJECT DIVERSION AUTHORITY				
ASSETS				
Equity in pooled investments	\$ (3,020,883)	\$ 42,838,314	\$ 44,783,585	\$ (4,966,154)
Accounts receivable	764,460	2,243,669	764,460	2,243,669
Intergovernmental receivable	8,293,533	50,323,652	30,504,545	28,112,640
Total assets	\$ 6,037,110	\$ 95,405,635	\$ 76,052,590	\$ 25,390,155
LIABILITIES				
Vouchers Payable	\$ 1,388,716	\$ 31,172,016	\$ 29,044,735	\$ 3,515,997
Due to other governments	4,648,394	17,362,816	137,052	21,874,158
Total liabilities	\$ 6,037,110	\$ 48,534,832	\$ 29,181,787	\$ 25,390,155
RED RIVER REGIONAL DISPATCH CENTER				
ASSETS				
Equity in pooled investments	\$ 567,194	\$ 4,427,874	\$ 4,556,709	\$ 438,359
Total assets	\$ 567,194	\$ 4,427,874	\$ 4,556,709	\$ 438,359
LIABILITIES				
Deposits	\$ 567,194	\$ 4,427,874	\$ 4,556,709	\$ 438,359
Total liabilities	\$ 567,194	\$ 4,427,874	\$ 4,556,709	\$ 438,359
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash, including time deposits	\$ 13,820	\$ -	\$ -	\$ 13,820
Equity in pooled investments	(2,364,201)	47,746,530	49,730,863	(4,348,534)
Accounts receivable	764,460	2,243,669	764,460	2,243,669
Special assessments receivable	3,879,278	1,761,852	171,558	5,469,572
Intergovernmental receivable	8,293,533	50,323,652	30,504,545	28,112,640
Total assets	\$ 10,586,890	\$ 102,075,703	\$ 81,171,426	\$ 31,491,167
LIABILITIES				
Vouchers payable	\$ 1,388,716	\$ 31,172,016	\$ 29,044,735	\$ 3,515,997
Due to other governments	8,527,672	19,124,668	308,610	27,343,730
Deposits	670,502	4,908,216	4,947,278	631,440
Total liabilities	\$ 10,586,890	\$ 55,204,900	\$ 34,300,623	\$ 31,491,167

**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, 2014

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 59,243,761
Intangible - Right of way	7,874,570
Buildings	76,252,454
Improvements other than buildings	1,101,349
Machinery and equipment	50,617,345
Infrastructure	339,162,421
Flood Control	32,523,958
Construction in progress	9,143,393
Total governmental funds capital assets	<u>\$ 575,919,251</u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

General fund	\$ 40,234,408
Special revenue funds	6,453,427
Capital projects	498,940,152
Enterprise funds	1,484,628
Federal and state grants	27,256,436
Donated	1,550,200
Total governmental funds capital assets	<u>\$ 575,919,251</u>

CITY OF FARGO, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
DECEMBER 31, 2014

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	-	-	-	-	4,132,573	-	-	2,244,195	6,376,768
Public Information	-	-	-	-	42,000	-	-	61,060	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	-	-	-	-	29,229	-	-	-	29,229
Central Garage	-	-	4,205,878	127,813	1,175,498	-	-	-	5,509,189
City Buildings	-	-	1,159,334	17,865	358,128	-	-	1,196,373	2,731,700
Total	-	-	6,962,160	145,678	6,032,618	-	-	3,501,628	16,642,084
Public Safety:									
Traffic Engineering	-	-	21,422	-	242,874	-	-	15,517	279,813
Fire Department	436,448	-	8,923,974	5,490	7,395,711	-	-	-	16,761,623
Emergency Management	-	-	-	-	457,943	-	-	-	457,943
Police Department	43,000	-	2,160,811	31,654	5,498,797	-	-	-	7,734,262
Inspections	-	-	-	-	199,032	-	-	-	199,032
Total	479,448	-	11,106,207	37,144	13,794,357	-	-	15,517	25,432,673
Public Works:									
City Engineer	39,000	45,471	-	-	1,102,193	-	-	288,010	1,474,674
Street Department	817,500	4,588,892	578,317	53,068	10,674,854	339,162,421	-	579,929	356,454,981
Flood	55,555,350	3,240,207	-	134,240	-	-	32,523,958	-	91,453,755
Total	56,411,850	7,874,570	578,317	187,308	11,777,047	339,162,421	32,523,958	867,939	449,383,410
Public Health & Welfare:									
Health Department	857,805	-	4,272,924	305,120	495,295	-	-	4,758,309	10,689,453
Total	857,805	-	4,272,924	305,120	495,295	-	-	4,758,309	10,689,453
Recreation & Culture:									
Public Library	-	-	13,173,098	-	3,502,280	-	-	-	16,675,378
City Auditorium	-	-	9,661,627	-	415,148	-	-	-	10,076,775
Convention Bureau	199,505	-	749,851	-	-	-	-	-	949,356
Baseball Stadium	-	-	5,266,692	61,439	243,364	-	-	-	5,571,495
Total	199,505	-	28,851,268	61,439	4,160,792	-	-	-	33,273,004
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	-	14,164,483	-	-	-	26,199,013
Parking Authority	1,106,000	-	7,899,898	336,214	152,955	-	-	-	9,495,067
Total	1,106,000	-	19,934,428	336,214	14,317,438	-	-	-	35,694,080
Grand Total	\$ 59,243,761	\$ 7,874,570	\$ 76,252,454	\$ 1,101,349	\$ 50,617,345	\$ 339,162,421	\$ 32,523,958	\$ 9,143,393	\$ 575,919,251

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, 2014

FUNCTION AND ACTIVITY	Balance January 1, 2014	Additions & Transfers In	Deletions & Transfers Out	Balance December 31, 2014
GENERAL GOVERNMENT:				
City Commission	\$ 60,930	\$ -	\$ -	\$ 60,930
City Auditor	89,257	8,319	(33,119)	64,457
Information Technology	6,117,503	277,950	(18,684)	6,376,769
Public Information	42,000	61,060	-	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	-	-	29,229
Central Garage	5,255,377	253,813	-	5,509,190
City Buildings	1,484,952	1,246,748	-	2,731,700
Detox Center	501,136	39,760	(540,896)	-
Total	<u>15,347,135</u>	<u>1,887,650</u>	<u>(592,699)</u>	<u>16,642,086</u>
PUBLIC SAFETY:				
Traffic Engineer	226,151	58,962	(5,300)	279,813
Fire Department	16,572,325	321,624	(132,327)	16,761,622
Emergency Management	334,387	123,556	-	457,943
Police Department	7,488,408	423,185	(177,331)	7,734,262
Inspections	203,206	42,786	(46,960)	199,032
Total	<u>24,824,477</u>	<u>970,113</u>	<u>(361,918)</u>	<u>25,432,672</u>
PUBLIC WORKS:				
City Engineer	1,109,157	446,209	(80,692)	1,474,674
Street Department	333,545,785	24,059,914	(1,150,718)	356,454,981
Flood	76,943,333	14,510,423	-	91,453,756
Total	<u>411,598,275</u>	<u>39,016,546</u>	<u>(1,231,410)</u>	<u>449,383,411</u>
PUBLIC HEALTH & WELFARE:				
Health Department	5,827,171	4,872,193	(9,911)	10,689,453
Total	<u>5,827,171</u>	<u>4,872,193</u>	<u>(9,911)</u>	<u>10,689,453</u>
RECREATION & CULTURE:				
Public Library	16,553,754	121,623	-	16,675,377
City Auditorium	10,076,775	-	-	10,076,775
Convention Bureau	949,356	-	-	949,356
Baseball Stadium	5,571,495	-	-	5,571,495
Total	<u>33,151,380</u>	<u>121,623</u>	<u>-</u>	<u>33,273,003</u>
URBAN REDEVELOPMENT				
Home Grants	605,042	-	-	605,042
Community Development	3,932,660	266,845	-	4,199,505
Total	<u>4,537,702</u>	<u>266,845</u>	<u>-</u>	<u>4,804,547</u>
TRANSPORTATION:				
Transit	25,995,395	203,617	-	26,199,012
Parking Authority	9,495,067	-	-	9,495,067
Total	<u>35,490,462</u>	<u>203,617</u>	<u>-</u>	<u>35,694,079</u>
Grand Total	<u>\$ 530,776,602</u>	<u>\$ 47,338,587</u>	<u>\$ (2,195,938)</u>	<u>\$ 575,919,251</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	114
These schedules contain trend information to help the reader understand and assess how the government's financial position has changed over time.	
Revenue Capacity	119
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	135
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	144
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	147
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)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment in capital assets	\$ 206,472,245	\$ 189,087,362	\$ 198,360,557	\$ 165,198,383	\$ 142,709,681	\$ 133,054,594	\$ 136,829,790	\$ 109,639,923	\$ 100,497,504	\$ 61,311,933
Restricted	86,385,806	94,565,364	91,329,393	64,114,256	83,724,522	88,187,372	99,854,244	101,928,282	106,449,181	180,030,481
Unrestricted	13,702,900	416,679	(19,974,535)	9,117,295	(26,809,117)	(13,592,579)	(24,461,521)	445,006	7,637,497	4,409,329
Total governmental activities	306,560,951	284,069,405	269,715,415	238,429,934	199,625,086	207,649,387	212,222,513	212,013,211	214,584,182	245,751,743
Business-type activities										
Net investment in capital assets	580,624,402	554,814,340	534,544,356	507,957,852	488,520,828	447,423,939	405,649,311	384,874,278	365,275,829	341,630,870
Restricted	47,453,013	39,793,330	35,995,567	31,565,252	34,129,228	29,310,590	27,578,567	20,037,327	12,506,543	10,728,371
Unrestricted	36,694,655	36,016,908	31,301,382	25,929,372	22,190,520	20,655,890	18,795,131	19,752,324	22,993,008	30,520,724
Total business-type	664,772,070	630,624,578	601,841,305	565,452,476	544,840,576	497,390,419	452,023,009	424,663,929	400,775,380	382,879,965
Primary government										
Net investment in capital assets	787,096,647	743,901,702	732,904,913	673,156,235	631,230,509	580,478,533	542,479,101	494,514,201	465,773,333	402,942,803
Restricted	133,838,819	134,358,694	127,324,960	95,679,508	117,853,750	117,497,962	127,432,811	121,965,609	118,955,724	190,758,852
Unrestricted	50,397,555	36,433,587	11,326,847	35,046,667	(4,618,597)	7,063,311	(5,666,390)	20,197,330	30,630,505	34,930,053
Total primary government	\$ 971,333,021	\$ 914,693,983	\$ 871,556,720	\$ 803,882,410	\$ 744,465,662	\$ 705,039,806	\$ 664,245,522	\$ 636,677,140	\$ 615,359,562	\$ 628,631,708

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities:										
General government	\$ 15,657,870	\$ 12,980,379	\$ 13,785,114	\$ 10,287,469	\$ 16,172,223	\$ 16,061,513	\$ 12,628,766	\$ 11,988,162	\$ 9,636,548	\$ 9,879,150
Public safety	34,415,785	33,861,695	33,428,258	31,735,792	31,292,462	31,299,101	27,258,895	24,518,517	23,310,046	22,823,346
Public works	73,315,688	69,082,966	42,392,349	53,970,609	56,086,729	61,560,495	66,435,406	53,116,809	35,070,333	28,942,829
Public health & welfare	9,937,389	9,682,135	9,083,491	9,182,688	9,184,914	8,619,558	7,802,377	7,381,740	6,671,796	6,695,429
Recreation & culture	8,222,506	7,497,540	7,132,599	6,898,193	6,176,197	7,290,768	5,877,783	5,564,318	5,257,930	4,433,031
Urban redevelopment	2,534,044	1,293,873	2,278,779	4,294,454	4,986,361	5,270,433	4,901,145	5,530,189	5,330,190	5,310,907
Transportation	9,670,550	9,448,794	8,653,280	8,117,307	7,637,009	8,240,985	6,712,613	5,839,730	5,297,182	4,210,866
General support	1,002,608	1,214,200	1,200,633	982,211	1,576,481	1,279,040	1,252,486	1,709,940	1,297,392	1,110,473
Interest and fiscal charges	18,545,356	17,090,585	15,751,657	13,699,460	13,203,253	10,970,999	10,078,666	10,383,847	10,562,600	8,943,842
Total governmental activities expenses	173,301,796	162,152,167	133,706,160	139,168,183	146,315,629	150,592,892	142,948,137	126,033,252	102,434,017	92,349,873
Business-type activities:										
Municipal airport authority	8,299,826	7,908,632	6,570,226	6,331,018	6,920,335	6,380,673	6,340,451	6,492,808	5,630,173	5,575,563
Water	14,112,129	14,474,710	13,293,762	13,634,186	13,378,237	13,172,848	12,739,834	11,186,131	13,690,417	12,011,121
Wastewater	8,956,040	9,279,582	8,733,862	8,802,312	8,114,318	7,282,660	6,810,660	6,759,994	6,280,502	6,088,183
Storm sewer	4,737,663	4,525,630	3,988,408	4,131,731	3,743,309	3,573,700	3,318,002	3,137,414	2,963,669	2,852,773
Solid waste	9,889,337	9,856,134	9,272,784	9,279,191	8,229,701	7,524,388	7,739,012	6,615,557	5,673,508	6,505,547
Fargodome	8,236,303	7,868,558	7,099,483	6,435,476	7,284,833	6,872,075	6,781,837	7,544,366	7,562,959	7,748,926
Southeast Cass	73,926	67,763	67,079	74,054	46,757	66,047	66,979	52,694	66,919	69,321
Vector control	397,296	445,567	327,920	477,494	592,516	389,667	589,113	479,179	367,989	550,956
Street lighting	2,779,110	2,644,451	2,604,698	2,374,751	2,237,468	-	-	-	-	-
Forestry	1,603,197	1,630,661	1,477,668	1,550,266	1,475,962	1,361,803	1,271,640	1,198,305	1,112,526	990,339
Total business-type activities expenses	59,084,827	58,701,688	53,435,890	53,090,479	52,023,436	46,623,861	45,657,528	43,466,448	43,348,662	42,392,729
Total primary government expenses	\$ 232,386,623	\$ 220,853,855	\$ 187,142,050	\$ 192,258,662	\$ 198,339,065	\$ 197,216,753	\$ 188,605,665	\$ 169,499,700	\$ 145,782,679	\$ 134,742,602
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 3,548,664	\$ 2,953,292	\$ 2,989,977	\$ 2,789,248	\$ 2,443,507	\$ 2,406,704	\$ 2,238,848	\$ 2,371,413	\$ 2,632,513	\$ 2,527,843
Public safety	8,337,597	5,467,052	5,433,194	4,668,687	4,264,740	4,285,553	4,694,548	4,876,717	5,587,229	4,852,471
Public works	11,731,930	9,708,531	8,064,249	10,519,541	11,163,026	8,418,374	8,041,216	4,962,198	5,497,488	5,677,239
Public health & welfare	2,839,283	2,802,846	2,590,591	2,560,812	2,621,144	2,439,988	2,341,930	2,479,295	2,258,421	2,127,051
Recreation & culture	777,310	764,587	716,288	670,765	739,345	676,537	702,866	652,563	731,817	631,439
Urban redevelopment	82,815	465,744	151,670	170,033	1,659,901	2,409,435	2,974,370	3,512,005	4,483,915	3,343,959
Transportation	3,876,963	3,589,903	3,441,492	3,130,777	3,076,024	2,875,615	2,760,860	2,561,343	1,878,831	1,842,756
Operating grants and contributions	10,523,934	11,957,140	10,084,351	14,268,244	13,938,290	19,366,139	8,736,849	7,374,752	6,807,640	6,181,092
Capital grants and contributions	76,383,369	68,048,195	65,485,536	71,999,481	57,828,290	65,836,704	51,553,892	37,607,084	43,812,610	45,269,891
Total governmental activities program revenues	118,101,865	105,757,290	98,957,348	110,777,588	97,734,267	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Business-type activities:										
Charges for services:										
Airport	8,641,627	7,546,237	6,716,756	6,244,177	6,042,021	5,822,644	5,622,701	5,274,194	5,295,396	4,856,814
Water	18,311,211	19,051,936	19,828,733	17,284,658	17,307,253	17,695,424	17,422,765	16,894,612	16,434,832	14,331,669
Wastewater	10,176,950	11,046,790	10,905,355	10,401,385	10,321,247	10,340,200	9,949,467	9,226,721	8,479,324	7,467,026
Storm sewer	1,582,079	1,588,515	1,528,614	1,504,238	1,485,138	1,546,291	1,479,912	1,457,069	1,434,027	1,406,773
Solid waste	12,310,654	11,181,542	10,724,500	11,266,479	9,990,271	9,881,695	10,428,390	9,702,453	8,765,444	7,920,611
Fargodome	6,442,044	5,447,421	5,161,637	4,473,612	5,305,298	4,756,694	4,312,703	4,539,268	3,836,200	3,795,488
Other activities	3,824,210	3,740,032	3,672,429	3,470,485	3,423,829	1,735,879	1,659,185	1,556,522	1,516,823	1,475,820
Operating grants and contributions	-	-	-	-	-	-	-	20,000	8,818	4,432
Capital grants and contributions	3,774,958	3,975,726	10,312,478	588,860	4,157,791	9,095,212	26,965,424	19,540,506	1,849,235	2,116,326
Total business-type activities program revenues	65,063,733	63,578,199	68,850,502	55,233,894	58,032,848	60,874,039	77,840,547	68,211,345	47,620,099	43,374,959
Total primary government program revenues	\$ 183,165,598	\$ 169,335,489	\$ 167,807,850	\$ 166,011,482	\$ 155,767,115	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700
NET (EXPENSE) REVENUE										
Governmental activities	\$ (55,199,931)	\$ (56,394,877)	\$ (34,748,812)	\$ (28,390,595)	\$ (48,581,362)	\$ (41,877,843)	\$ (58,902,758)	\$ (59,635,882)	\$ (28,743,553)	\$ (19,896,132)
Business-type activities	5,978,906	4,876,511	15,414,612	2,143,415	6,009,412	14,250,178	32,183,019	24,744,897	4,271,437	982,230
Total primary government net expense	\$ (49,221,025)	\$ (51,518,366)	\$ (19,334,200)	\$ (26,247,180)	\$ (42,571,950)	\$ (27,627,665)	\$ (26,719,739)	\$ (34,890,985)	\$ (24,472,116)	\$ (18,913,902)
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property taxes	\$ 22,618,520	\$ 21,988,667	\$ 20,979,784	\$ 20,144,787	\$ 19,180,738	\$ 18,312,912	\$ 17,319,289	\$ 16,200,629	\$ 15,056,935	\$ 13,745,240
Sales taxes	48,336,282	47,107,737	39,471,099	42,049,097	40,435,541	29,243,136	10,364,101	10,376,182	14,462,645	17,070,962
Gross business receipts taxes	5,177,263	4,789,001	4,360,497	4,474,974	4,146,643	4,134,001	4,487,665	4,171,392	3,977,283	3,818,097
Lodging taxes	2,556,722	2,310,646	2,152,130	1,942,057	1,775,404	1,675,939	1,625,484	1,480,061	1,325,969	1,150,027
Other taxes	2,953,800	2,907,258	2,586,200	3,312,240	3,255,800	3,051,229	3,014,048	2,978,215	2,792,882	4,207,493
Unrestricted intergovernmental	9,446,998	8,404,341	8,188,288	5,632,867	3,830,789	3,296,682	3,403,887	2,970,994	2,619,532	2,434,789
Unrestricted investment earnings	3,141,709	2,677,208	2,267,527	3,058,022	3,014,501	3,440,226	4,889,864	5,833,229	5,559,410	3,629,600
Miscellaneous	205,642	855,955	262,848	2,497,946	405,694	(85,941)	286,695	254,248	222,665	105,948
Transfers	(23,562,793)	(16,294,658)	(14,234,080)	(15,765,314)	(35,488,049)	(25,763,467)	13,721,027	12,799,961	(893,663)	(162,689)
Total governmental activities	70,874,143	74,746,155	66,034,293	67,346,676	40,557,061	37,304,717	59,112,060	57,064,911	45,123,658	45,999,467
Business-type activities:										
Property taxes	692,977	664,036	637,860	619,474	601,556	579,513	556,329	515,932	459,010	420,714
Sales taxes	-	-	-	-	-	-	10,364,101	10,271,895	9,696,521	8,825,107
Unrestricted investment earnings	2,715,512	5,597,897	4,566,253	557,643	3,942,511	3,601,388	(3,064,009)	2,067,151	2,543,953	1,423,862
Miscellaneous	1,197,304	1,581,978	1,536,024	1,374,819	1,408,629	1,172,864	1,040,667	426,700	30,831	7,284
Transfers	23,562,793	16,294,658	14,234,080	15,765,314	35,488,049	25,763,467	(13,721,027)	(12,799,961)	893,663	162,689
Total business-type activities	28,168,586	24,138,569	20,974,217	18,317,250	41,440,745	31,117,232	(4,823,939)	481,717	13,623,978	10,839,656
Total primary government	\$ 99,042,729	\$ 98,884,724	\$ 87,008,510	\$ 85,663,926	\$ 81,997,806	\$ 68,421,949	\$ 54,288,121	\$ 57,546,628	\$ 58,747,636	\$ 56,839,123
CHANGE IN NET POSITION										
Governmental activities	\$ 15,674,212	\$ 18,351,278	\$ 31,285,481	\$ 38,956,081	\$ (8,024,301)	\$ (4,573,126)	\$ 209,302	\$ (2,570,971)	\$ 16,380,105	\$ 26,103,335
Business-type activities	34,147,492	29,015,080	36,388,829	20,460,665	47,450,157	45,367,410	27,359,080	25,226,614	17,895,415	11,821,886
Total primary government	\$ 49,821,704	\$ 47,366,358	\$ 67,674,310	\$ 59,416,746	\$ 39,425,856	\$ 40,794,284	\$ 27,568,382	\$ 22,655,643	\$ 34,275,520	\$ 37,925,221

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General fund										
Nonspendable	\$ 3,077,850	\$ 3,193,345	\$ 2,396,008	\$ 2,446,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	2,933,454	1,408,205	2,099,862	3,508,782	-	-	-	-	-	-
Committed	3,273,816	3,311,267	3,276,615	3,094,517	-	-	-	-	-	-
Assigned	2,063,907	1,542,711	1,634,896	1,125,286	-	-	-	-	-	-
Unassigned	25,881,011	22,428,922	23,280,959	23,450,515	-	-	-	-	-	-
Reserved	-	-	-	-	2,851,707	2,764,013	2,276,501	1,731,044	3,044,227	3,104,257
Unreserved	-	-	-	-	19,629,816	17,564,092	15,273,881	14,115,241	11,634,215	10,760,730
Total general fund	\$ 37,230,038	\$31,884,450	\$32,688,340	\$33,625,606	\$ 22,481,523	\$ 20,328,105	\$ 17,550,382	\$ 15,846,285	\$ 14,678,442	\$ 13,864,987
All other governmental funds										
Nonspendable	\$ 191,946	\$ 1,309,969	\$ 988,582	\$ 1,932,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	134,026,444	105,306,381	105,663,729	84,927,466	-	-	-	-	-	-
Unassigned	281,528	(11,865,327)	(34,364,189)	(23,806,670)	-	-	-	-	-	-
Reserved	-	-	-	-	68,563,005	58,095,953	46,730,034	66,757,669	68,160,369	70,253,057
Unreserved, reported in:										
Special revenue funds	-	-	-	-	3,373,748	3,118,470	5,122,076	6,185,099	6,625,055	5,080,365
Capital projects funds	-	-	-	-	(47,781,251)	(37,522,477)	(51,656,261)	(32,643,415)	(20,367,422)	(13,808,618)
Total all other governmental funds	\$ 134,499,918	\$94,751,023	\$72,288,122	\$63,052,924	\$ 24,155,502	\$ 23,691,946	\$ 195,849	\$ 40,299,353	\$ 54,418,002	\$ 61,524,804

Note: GASB 54 provisions implemented in 2011.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Taxes	\$ 81,677,930	\$ 79,112,438	\$ 69,609,843	\$ 71,159,547	\$ 67,815,586	\$ 56,327,777	\$ 35,181,056	\$ 33,706,700	\$ 36,013,536	\$ 36,952,573
Special assessments	33,035,969	28,217,162	28,443,896	23,242,178	27,610,188	20,762,524	20,126,159	19,223,615	22,013,443	19,614,519
Licenses and permits	7,224,633	3,672,166	3,195,162	2,697,940	2,605,989	2,757,375	2,975,291	2,999,236	3,181,293	3,015,399
Intergovernmental revenues	48,117,275	47,217,292	46,724,100	63,779,423	32,971,141	42,922,740	24,313,438	22,063,937	21,390,890	25,181,910
Charges for services	20,670,015	18,309,587	16,451,021	18,428,393	18,567,755	15,419,727	14,336,047	11,837,766	11,701,799	10,934,941
Fines and forfeits	2,309,818	2,615,896	2,809,790	2,621,381	2,324,097	2,234,844	2,611,087	2,837,597	3,046,432	2,594,234
Investment income	3,141,709	2,677,209	2,267,491	3,101,711	3,075,599	3,623,716	4,691,496	5,194,334	5,186,857	3,431,234
Miscellaneous revenues	1,773,931	2,306,385	1,800,660	3,430,688	4,224,204	3,525,198	4,011,940	6,935,170	5,947,492	4,574,411
Total revenues	197,951,280	184,128,135	171,301,963	188,461,261	159,194,559	147,573,901	108,246,514	104,798,355	108,481,742	106,299,221
EXPENDITURES										
Current:										
General government	14,737,626	13,369,708	12,927,891	13,530,675	12,140,948	11,709,061	10,526,038	9,702,005	9,226,175	9,280,268
Public safety	33,369,095	31,456,126	28,662,756	28,329,588	28,244,521	28,942,982	25,994,545	23,742,908	23,103,579	22,206,681
Public works	63,871,726	58,425,075	32,735,925	46,196,098	48,548,373	53,311,460	58,698,000	43,450,218	28,212,265	21,431,342
Public health & welfare	9,772,583	9,600,626	8,991,350	9,019,173	9,021,360	8,557,497	7,711,261	7,348,459	6,770,330	6,602,690
Recreation & culture	7,487,173	6,759,915	6,296,540	6,090,421	5,484,437	6,679,735	5,252,313	5,004,157	4,762,248	3,871,160
Urban redevelopment	2,475,041	1,229,670	2,197,434	4,222,138	4,924,389	5,221,218	4,803,641	5,207,247	5,324,037	5,223,921
Public transportation	7,790,355	7,699,061	6,949,410	6,421,022	6,171,266	6,465,418	5,620,779	4,747,917	4,378,471	3,249,197
General support	1,002,608	1,214,200	1,200,633	982,211	1,580,065	1,278,791	1,251,485	1,328,686	1,301,094	1,110,807
Capital outlay	79,884,239	65,404,888	54,920,932	78,375,741	63,602,202	71,582,986	34,422,248	17,638,072	17,896,822	24,825,723
Intergovernmental	-	-	-	-	-	-	-	689,928	-	-
Debt service										
Principal	46,567,553	27,353,897	30,418,791	22,675,445	26,718,154	21,886,706	22,828,713	18,676,869	21,984,363	12,880,075
Interest and fiscal charges	19,319,856	17,469,622	16,756,119	15,023,826	13,425,675	11,724,171	10,311,530	10,438,935	10,240,691	9,394,614
Total expenditures	286,277,855	239,982,788	202,057,781	230,866,338	219,861,390	227,360,025	187,420,553	147,975,401	133,200,075	120,076,478
Excess of revenues over (under) expenditures	(88,326,575)	(55,854,653)	(30,755,818)	(42,405,077)	(60,666,831)	(79,786,124)	(79,174,039)	(43,177,046)	(24,718,333)	(13,777,257)
OTHER FINANCING SOURCES (USES)										
Transfers in	50,428,758	48,232,207	46,061,220	42,564,702	48,822,131	25,596,564	27,235,645	24,845,543	27,168,658	28,765,409
Transfers out	(40,841,318)	(36,515,024)	(38,384,136)	(31,047,668)	(38,375,335)	(17,720,667)	(13,514,618)	(12,045,582)	(28,062,321)	(28,928,098)
Lease proceeds	-	-	25,845	219,752	-	-	-	-	-	380,000
Loans issued	9,286,885	3,777,275	2,750,577	14,629,667	21,367,174	33,387,993	8,832,714	2,946,737	3,825,000	1,700,000
Bonds issued	153,152,000	68,080,000	34,180,000	65,175,000	31,070,000	68,090,000	26,285,000	14,445,000	26,275,000	52,245,000
Bond premium	13,463,660	4,634,206	2,500,244	1,056,364	439,282	1,616,054	5,891	34,542	36,028	1,553,908
Bond proceeds used for refunding	-	-	-	-	-	-	-	-	(10,785,000)	(4,010,000)
Bond discount	-	-	-	-	(39,447)	-	-	-	(32,379)	(75,224)
Other financing sources - proceeds of refunding bond	-	-	-	-	-	13,190,000	-	-	-	-
Other financing uses - payment to bond escrow agent	(14,420,000)	-	-	-	-	(4,910,000)	(8,070,000)	-	-	-
Other financing uses - debt service - principal	(39,290,000)	(10,695,000)	(8,080,000)	-	-	(13,190,000)	-	-	-	-
Capital lease	244,935	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	132,024,920	77,513,664	39,053,750	92,597,817	63,283,805	106,059,944	40,774,632	30,226,240	18,424,986	51,630,995
Net change in fund balances	\$ 43,698,345	\$ 21,659,011	\$ 8,297,932	\$ 50,192,740	\$ 2,616,974	\$ 26,273,820	\$ (38,399,407)	\$ (12,950,806)	\$ (6,293,347)	\$ 37,853,738
Debt service as a percentage of noncapital expenditures	31.9%	25.7%	32.1%	24.7%	25.7%	21.6%	21.7%	22.3%	27.9%	23.4%

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Function/Programs										
Governmental Activities:										
General government	\$ 4,572,894	\$ 3,727,768	\$ 3,584,780	\$ 3,807,394	\$ 3,085,939	\$ 2,628,121	\$ 2,512,175	\$ 2,641,964	\$ 2,830,186	\$ 2,651,435
Public safety	9,015,911	6,467,611	7,521,154	6,979,120	8,113,499	7,817,668	8,561,356	5,947,115	7,123,477	6,775,378
Public works	87,673,073	78,027,652	73,015,009	83,718,083	67,011,130	78,101,673	56,788,795	38,739,772	44,547,243	48,282,625
Public health & welfare	6,403,493	6,090,635	5,590,433	5,884,252	5,912,211	5,436,794	4,963,580	5,162,518	4,353,897	4,272,555
Recreation & culture	1,421,032	909,441	885,669	818,073	941,916	913,567	864,413	2,980,784	1,101,982	688,406
Urban redevelopment	1,448,840	1,056,476	1,676,716	1,870,273	4,529,526	5,425,772	4,732,935	5,089,096	5,923,382	5,228,816
Transportation	7,566,621	9,477,706	6,683,587	7,700,393	8,140,046	8,391,454	5,622,125	5,836,121	7,810,297	4,554,526
Total governmental activities	118,101,864	105,757,289	98,957,348	110,777,588	97,734,267	108,715,049	84,045,379	66,397,370	73,690,464	72,453,741
Business-type activities:										
Municipal airport authority	12,391,585	11,471,963	17,004,234	6,776,001	10,025,213	6,375,330	10,023,033	9,494,525	7,147,631	6,835,353
Water	18,311,211	19,051,936	19,828,733	17,284,658	17,307,253	17,867,299	27,051,914	20,469,187	16,434,832	14,331,669
Wastewater	10,176,950	11,046,790	10,905,355	10,433,222	10,328,132	18,708,251	13,730,007	12,746,076	8,479,324	7,467,026
Storm sewer	1,582,079	1,558,515	1,528,614	1,504,238	1,485,138	1,546,291	10,628,965	9,683,314	1,434,027	1,406,773
Solid waste	12,310,654	11,181,542	10,724,500	11,266,678	10,009,798	9,884,295	10,428,390	9,722,453	8,765,444	7,920,611
FargoDome	6,442,044	5,447,421	5,161,637	4,473,612	5,305,298	4,756,694	4,312,703	4,539,268	3,836,200	3,933,275
Southeast Cass	55,593	88,414	64,064	62,423	50,686	64,174	61,159	60,261	49,002	43,787
Vector control	660,007	646,742	631,774	631,185	621,293	630,597	602,787	591,349	579,482	570,960
Street lighting	1,696,469	1,669,511	1,642,346	1,629,769	1,744,395	-	-	-	-	-
Forestry	1,437,141	1,385,365	1,359,245	1,172,108	1,155,642	1,041,108	1,001,589	904,912	894,157	865,505
Total business-type activities	65,063,733	63,548,199	68,850,502	55,233,894	58,032,848	60,874,039	77,840,547	68,211,345	47,620,099	43,374,959
Total	\$ 183,165,597	\$ 169,305,488	\$ 167,807,850	\$ 166,011,482	\$ 155,767,115	\$ 169,589,088	\$ 161,885,926	\$ 134,608,715	\$ 121,310,563	\$ 115,828,700

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

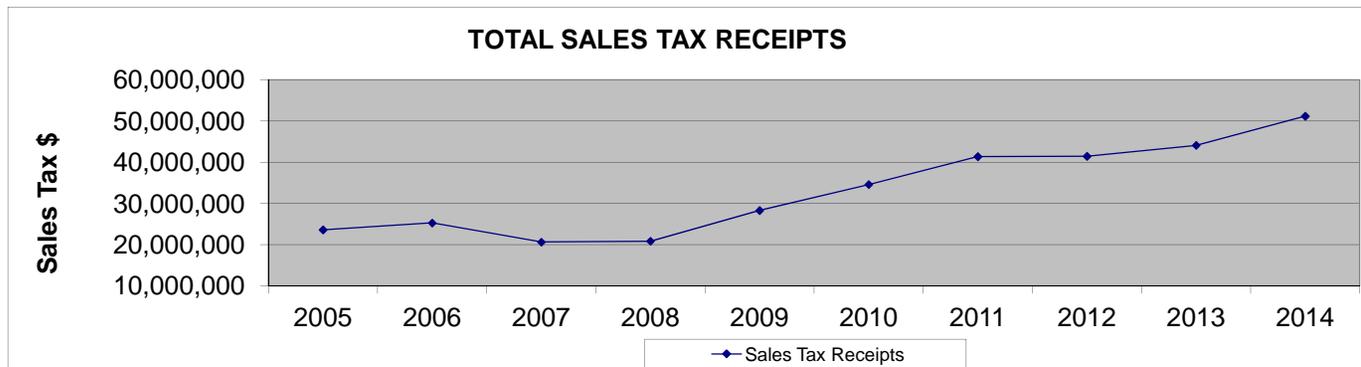
Year	Property Tax	Business Tax	Sales Tax	Lodging Tax	Other	Totals
2014	\$ 22,653,864	\$ 5,177,263	\$ 48,336,282	\$ 2,556,722	\$ 2,953,800	\$ 81,677,931
2013	21,997,795	4,789,001	47,107,737	2,310,646	2,907,259	79,112,438
2012	21,039,916	4,360,497	39,471,099	2,152,130	2,586,201	69,609,843
2011	20,203,287	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
2005	13,764,582	3,818,097	17,070,962	1,150,027	1,148,905	36,952,573

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Allocation of Receipts:										
FargoDome Enterprise Fund To Street Construction (1) Subtotal FargoDome	\$ 8,510,011	\$ 9,408,632	\$ 10,256,127	\$ 10,414,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Utility Debt Service	-	-	-	-	-	-	-	-	-	-
Library Expansion Fund (3)	6,574,035	6,436,250	104,288	-	-	-	-	-	-	-
Sales Tax Bond Debt Service (2)	8,510,011	9,408,632	10,256,127	10,414,568	14,094,046	13,348,107	15,515,131	15,046,337	10,806,389	11,742,903
Public Utility Infrastructure (4)	-	-	-	-	14,179,416	13,106,476	15,515,131	15,047,541	13,102,714	13,942,903
Flood Control (5)	-	-	-	-	-	8,148,383	10,343,421	11,368,486	20,202,834	25,485,806
Total Sales Tax Receipts	\$ 23,594,057	\$ 25,253,514	\$ 20,616,542	\$ 20,829,136	\$ 28,273,462	\$ 34,602,966	\$ 41,373,683	\$ 41,462,364	\$ 44,111,937	\$ 51,171,612

Receipts are shown net of state administrative fee.

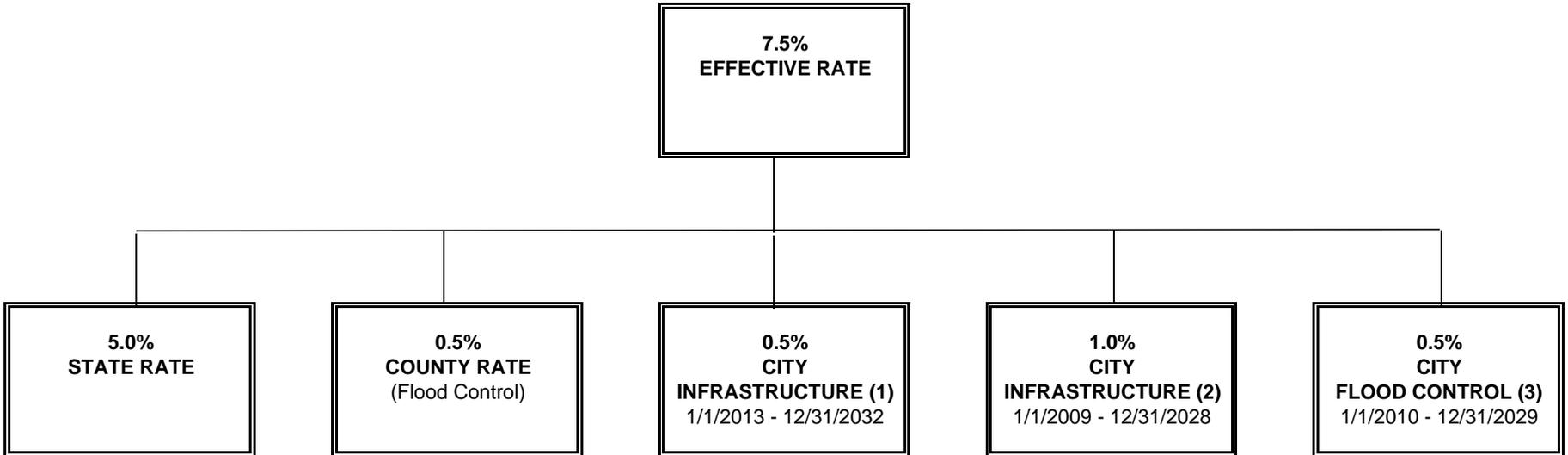
- (1) Beginning in 1996, ordinances were revised to allow the FargoDome to share excess sales tax with the Street Construction Fund.
- (2) Beginning in December 1999, a 1 cent sales tax is receipted into the Sales Tax Bond Debt Service Fund instead of the Street Construction Fund, surplus receipts used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



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

Required MSRB continuing disclosure for CUSIPs: 307490, 30747M

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



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

(2) The City of Fargo uses this sales tax for infrastructure capital improvements which may include the following: streets and traffic management; water supply and treatment needs, including construction or expansion of water treatment facilities; water distribution system needs; sewage treatment and collection system needs, including construction or expansion of sewage treatment facilities and flood protection projects.

(3) This sales tax is utilized by the City of Fargo for flood risk protection, mitigation and reduction.

CITY OF FARGO, NORTH DAKOTA
TAXABLE SALES BY CATEGORY (in thousands)
LAST EIGHT FISCAL YEARS
(UNAUDITED)

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014
Construction	\$ 82,499	\$ 86,142	\$ 97,143	\$ 97,776	\$ 73,367	\$ 102,562	\$ 121,777	\$ 119,922
Manufacturing	122,548	134,155	119,197	125,544	152,891	176,696	154,645	189,713
Wholesale Trade	339,441	391,944	355,798	381,220	457,370	518,411	527,446	546,741
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
Transportation and Warehousing	4,719	2,794	2,634	4,160	2,772	2,868	3,166	4,185
Information Industries	14,202	14,790	17,107	14,644	14,106	17,664	17,080	19,702
Finc. Ins. Real Estate, Rental & Leasing	60,605	69,169	64,782	66,777	77,385	87,578	93,327	100,771
Professional, Scientific, Tech., & Mgmt Serv.	19,926	21,998	20,459	26,150	23,032	26,893	24,260	24,027
Educational, Health Care, and Social Serv.	31,321	33,747	35,501	37,917	32,365	33,254	29,370	26,464
Arts, Entertainment & Recreation	15,836	14,500	14,685	16,342	17,301	21,060	24,760	27,254
Accommodation & Food Services	305,202	322,805	326,475	331,913	347,719	371,266	379,938	409,666
Other Services	41,765	45,153	44,915	42,547	45,707	44,282	50,751	50,272
Miscellaneous	7,467	7,612	7,725	9,805	11,743	11,952	13,061	14,190
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

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
2014	\$ 4,232,485,313	\$ 3,597,320	\$ 3,864,045,803	\$ 5,823,820	\$ 84,829,680	\$ (30,328,792)	\$ 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
2005	2,883,661,866	2,265,400	2,281,314,500	2,446,720	60,906,740	(59,763,220)	5,170,832,006	2,585,416,003	244,141,153	59.25

- (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
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
2005	2006	54.15	2.00	3.00	0.10	59.25	318.62	-	254.02	32.58	63.00	1.00	0.31	6.00	480.76	-	416.16

* 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
2014 AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2014			2005		
	Assessed Valuation	Rank	% of total assessed valuation	Assessed Valuation	Rank	% of total assessed valuation
INREIT Properties	\$ 63,718,250	1	1.56	-	-	-
West Acres Development Company	49,166,650	2	1.20	\$ 34,959,700	1	1.47
Sanford / Meritcare	44,343,100	3	1.09	23,770,850	3	1.00
Matrix Properties	27,832,650	4	0.68	21,079,450	4	0.88
Osgood Investments	21,885,150	5	0.54	-	-	-
R & B Development	20,885,700	5	0.51	-	-	-
Innovis Health	19,903,150	6	0.49	-	-	-
Dakota UPREIT	19,829,700	7	0.49	-	-	-
Wal-Mart Real Estate Business Trust	19,782,900	9	0.48	-	-	-
RVC Ltd Partnership/Van Raden	17,996,450	10	0.44	13,529,600	5	0.57
Dakota Specialty Institute/Innovis	-	-	-	29,287,050	2	1.23
Anda Const. Co. Inc	-	-	-	11,393,300	6	0.48
Medical Properties	-	-	-	10,902,000	7	0.46
Blue Cross/Blue Shield	-	-	-	10,523,850	8	0.44
Case Equipment Co.	-	-	-	9,473,500	9	0.40
Wold Properties	-	-	-	8,359,200	10	0.35
Total attributable to top taxpayers	305,343,700		7.48	173,278,500		7.28
Total of all other properties	3,774,882,872		92.52	2,212,890,956		92.72
	<u>\$ 4,080,226,572</u>		<u>100.00</u>	<u>\$ 2,386,169,456</u>		<u>100.00</u>

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

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

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

Fiscal Year	Taxes levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 25,772,763	\$ 5,886,208	22.84%	\$ -	\$ 5,886,208	22.84%
2013	23,753,857	4,924,969	20.73%	17,692,637	22,617,606	95.22%
2012	23,259,142	6,631,277	28.51%	15,605,791	22,237,068	95.61%
2011	22,063,050	6,438,438	29.18%	14,735,493	21,173,931	95.97%
2010	21,183,386	5,497,427	25.95%	14,745,744	20,243,171	95.56%
2009	20,324,344	5,448,392	26.81%	14,012,387	19,460,779	95.75%
2008	19,234,312	5,462,763	28.40%	12,920,313	18,383,076	95.57%
2007	18,272,888	5,351,247	29.29%	12,066,686	17,417,933	95.32%
2006	17,053,222	4,417,046	25.90%	11,549,433	15,966,479	93.63%
2005	15,888,706	4,463,294	28.09%	10,690,968	15,154,262	95.38%

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)**

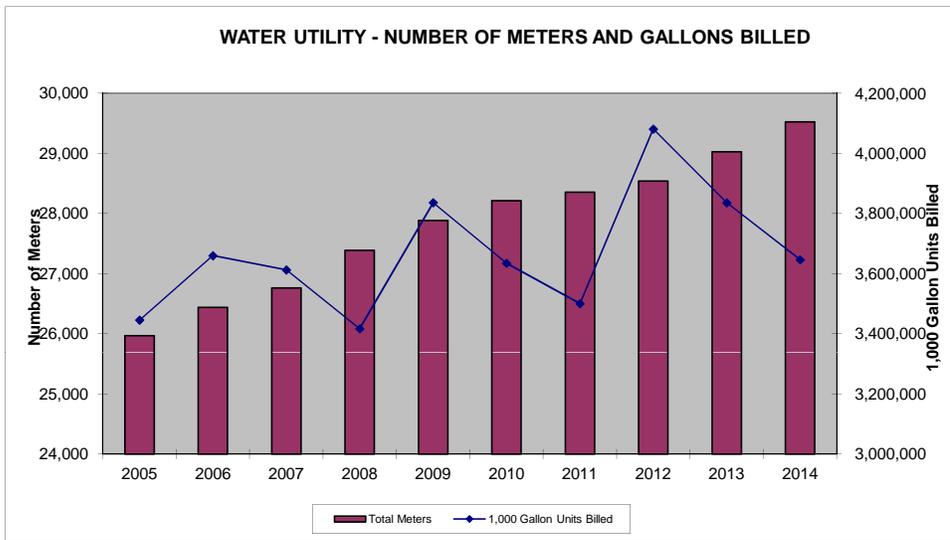
Fiscal Year	Residential		Commercial		Multiple Dwelling		Other		Total	
	No.	Value	No.	Value	No.	Value	No.	Value	No.	Value
2014	312	\$ 75,353,306	79	\$ 516,998,923	44	\$ 148,775,000	1,878	\$ 271,008,516	2,313	\$ 1,012,135,745
2013	411	82,346,838	64	76,140,336	29	84,674,999	1,887	134,605,425	2,391	377,767,598
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
2005	338	60,267,963	62	82,958,300	10	28,640,980	1,944	124,840,484	2,354	296,707,727

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)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential Customers (1,000 Gallon Units)	1,318,301	1,431,399	1,372,331	1,298,233	1,318,338	1,259,759	1,243,427	1,456,310	1,323,864	1,178,140
Commercial Customers (1,000 Gallon Units)	2,127,720	2,228,497	2,240,250	2,118,567	2,517,916	2,374,922	2,256,798	2,624,512	2,511,811	2,468,018
Total 1,000 Gallon Units	3,446,021	3,659,896	3,612,581	3,416,800	3,836,254	3,634,681	3,500,225	4,080,822	3,835,675	3,646,158
Total Number of Meters	25,971	26,440	26,760	27,388	27,882	28,209	28,355	28,539	29,027	29,525



Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

**CITY OF FARGO, NORTH DAKOTA
WATER UTILITY - MAJOR CUSTOMERS
DECEMBER 31, 2014
(UNAUDITED)**

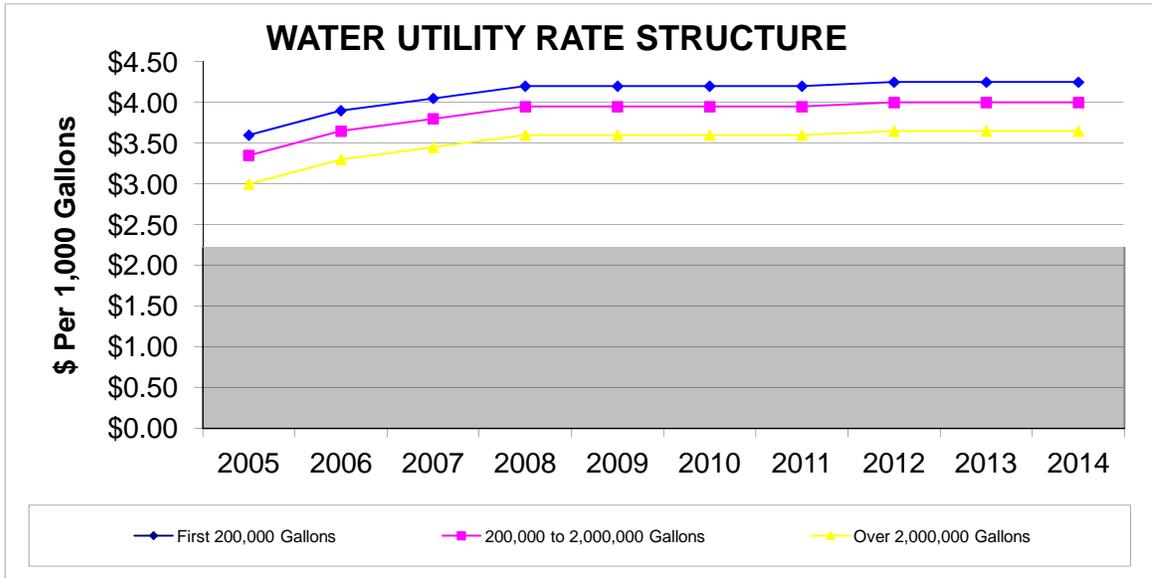
Customer	1,000 Gallon Units
Goldmark	182,008
North Dakota State University	166,643
Cass Rural Water District	126,514
Sanford Health	80,817
Cass Clay Creamery	48,746
Vally Rental Service	42,641
MHC Operating LP	37,171
BMI	35,780
Fargo Public Schools	33,918
Case New Holland	33,913
Fargo Park District	30,202
Coldwell Banker	27,826
Hegenes Management	27,396
William Block	25,548
Fargo Housing	<u>24,933</u>
Total Attributable to Major Customers	<u><u>924,056</u></u>
Total Billed Consumption	<u><u>3,646,158</u></u>
Percentage Attributable to to Major Customers	<u><u>25.3%</u></u>

Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
First 200,000 Gallons	\$3.60	\$3.90	\$4.05	\$4.20	\$4.20	\$4.20	\$4.20	\$4.25	\$4.25	\$4.25
200,000 Gallons to 2,000,000 Gallons	3.35	3.65	3.80	3.95	3.95	3.95	3.95	4.00	4.00	4.00
Over 2,000,000 Gallons	3.00	3.30	3.45	3.60	3.60	3.60	3.60	3.65	3.65	3.65

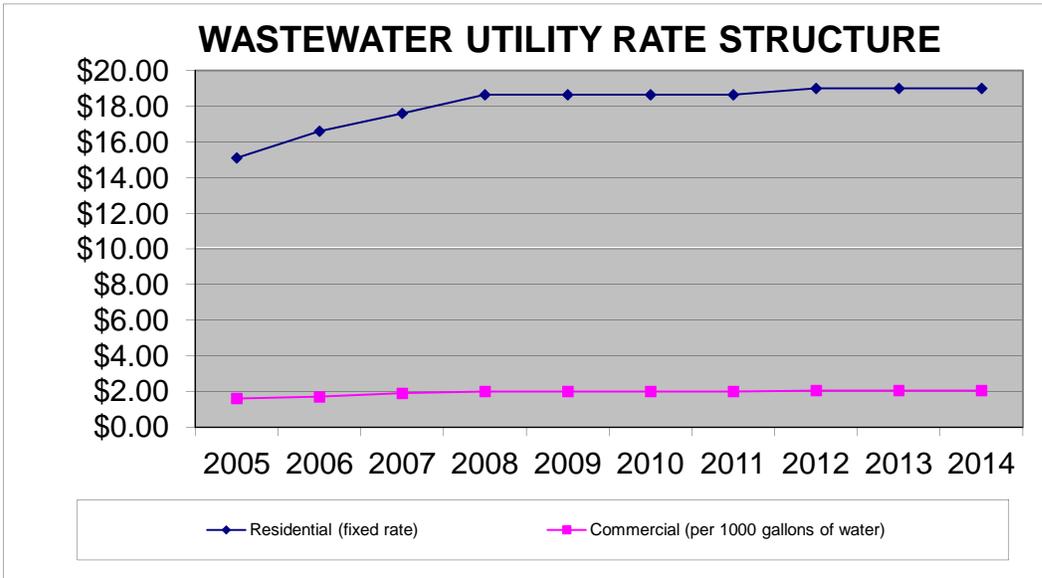


Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531, 30753

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential (fixed rate)	\$15.10	\$16.60	\$17.60	\$18.65	\$18.65	\$18.65	\$18.65	\$19.00	\$19.00	\$19.00
Commercial (per 1000 gallons)	1.60	1.70	1.90	2.00	2.00	2.00	2.00	2.05	2.05	2.05

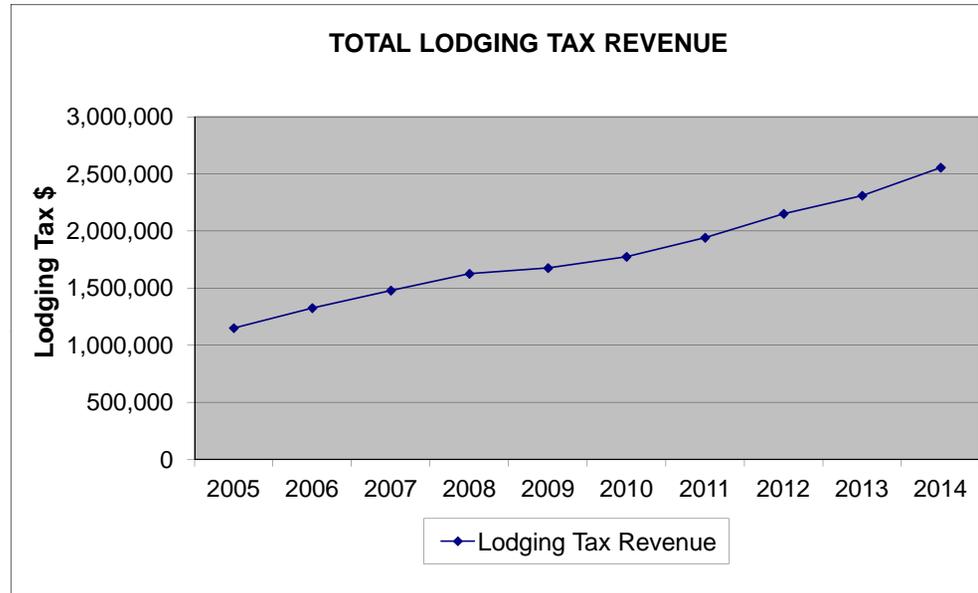


Source: City Auditor's Office

Required MSRB continuing disclosure for CUSIPs: 307531

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Lodging Tax Revenue -										
2% Operating	\$ 774,968	\$ 877,292	\$ 986,709	\$ 1,083,658	\$ 1,117,293	\$ 1,183,607	\$ 1,294,751	\$ 1,434,821	\$ 1,540,920	\$ 1,705,336
1% Capital	375,059	448,677	493,352	541,826	558,646	591,797	647,306	717,309	769,726	851,386
Total	\$ 1,150,027	\$ 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



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	460
Radisson Hotel	250	225
Ground Transportation Center	185	197
Surface Lots:		
2nd Avenue North	100	120
2nd Avenue South	65	29
Main Avenue	77	64
NP Avenue	145	75
4th Street	175	228
3rd Street	145	181
3rd Avenue & 5th Street	40	45

Operation of the Parking Facilities

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

Existing Rate Structure

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

	<u>2014</u>	<u>2015</u>	<u>Hourly</u>	<u>Daily Max</u>
Designated for Revenue Bond Repayment:				
Ramps:				
Island Park Ramp	\$52	\$53	N/A	N/A
Island Park Lower Level	N/A	\$55	N/A	N/A
Radisson Hotel	\$68	\$72	\$1.50	\$7.50
Ground Transportation Center	\$63	\$63	N/A	N/A
Surface Lots:				
2nd Avenue North	\$58	\$63	N/A	N/A
2nd Avenue South	\$68	\$72	\$1.50	\$7.50
Main Avenue	\$50	\$53	N/A	N/A
NP Avenue	\$55	\$63	\$1	\$5
4th Street	\$52	\$56	N/A	N/A
Ground Transportation Center	\$63	\$69	N/A	N/A
Civic Center	\$52	N/A	\$1	\$5
3rd Street	\$52	\$56	N/A	N/A
3rd Avenue & 5th Street	\$68	\$72	N/A	N/A

Financial Performance

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

	<u>2014(2)</u>
Revenues	\$ 1,311,564
Expenditures	\$ 544,300
Net Revenues	\$ 767,264

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

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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Per Capita (2)
	Special Assessment Bonds	Other General Obligation Debt	Gross Revenue Debt	Sales Tax Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Special Assessments	Capital Leases			
2014	\$ 332,360,000	\$ 2,285,000	\$ -	\$ 82,142,000	\$ 72,962,978	\$ 231,179	\$ 16,785,000	\$ 4,993,000	\$ 6,916,821	\$ 4,848,864	\$ 523,524,842	n/a	4,534
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
2005	195,767,805	35,777	7,112,028	30,250,000	3,483,162	646,327	58,570,000	16,864,193	4,207,688	156,471	317,093,451	5.18%	3,249

(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		
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
2005	35,777	7,112,028	2,043,162	9,190,967	3.76%	94

(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
2014	115,464	\$ 4,080,226,572	\$ 433,572,000	\$ 61,094,853	\$ 16,785,000	\$ 355,692,147	8.72%	\$ 3,081
2013	112,075	3,802,125,794	379,295,036	102,874,688	20,595,000	255,825,348	6.73%	\$ 2,283
2012	109,779	3,661,954,369	347,867,727	103,608,342	24,230,000	220,029,385	6.01%	2,004
2011	107,054	3,518,033,884	352,941,022	83,267,593	29,845,000	239,828,429	6.82%	2,240
2010	105,600	3,419,759,611	313,454,054	67,151,036	33,815,000	212,488,018	6.21%	2,012
2009	103,428	3,325,203,475	309,788,513	57,548,208	37,610,000	214,630,305	6.45%	2,075
2008	102,404	3,201,497,937	271,424,819	44,286,451	42,690,000	184,448,368	5.76%	1,801
2007	100,477	3,080,628,987	278,042,459	57,619,829	48,325,000	172,097,630	5.59%	1,713
2006	99,208	2,843,133,622	280,653,885	56,440,708	50,110,000	174,103,177	6.12%	1,755
2005	97,610	2,585,416,003	291,735,610	61,756,417	58,570,000	171,409,193	6.63%	1,756

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

2) Source - Cass County Auditor

Required MSRB continuing disclosure for CUSIPs: 30747M, 307531, 307490, 30747PA, 30748T

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

Legal Debt Margin Calculation for Fiscal Year 2013

Market Value of all property (1)	\$ 8,160,453,144
	50%
Assessed valuation	\$ 4,080,226,573
Debt limit (5% of assessed value)	\$ 204,011,329
Debt applicable to limit:	
City's Share of Special Assessments	9,059,322 (2)
Debt Supported Soley by Taxes	2,285,000 (2)
Governmental Lease Obligations	231,179 (2)
Less:	
Debt available in related debt service funds	(626,471) (2)
Total net debt applicable to limit	10,949,030
Legal debt margin	\$ 193,062,299

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 129,270,800	\$ 142,156,681	\$ 154,031,449	\$ 160,074,897	\$ 166,260,174	\$ 170,987,981	\$ 175,901,694	\$ 183,097,718	\$ 190,106,290	\$ 204,011,329
Total net debt applicable to limit	8,704,197	8,379,256	7,119,965	6,218,384	8,672,284	6,941,107	10,057,205	10,613,336	10,762,778	10,949,030
Legal debt margin	\$ 120,566,603	\$ 133,777,425	\$ 146,911,484	\$ 153,856,513	\$ 157,587,890	\$ 164,046,874	\$ 165,844,489	\$ 172,484,382	\$ 179,343,512	\$ 193,062,299
Total net debt applicable to the limit as a percentage of debt limit	7.22%	6.26%	4.85%	4.04%	5.50%	4.23%	6.06%	6.15%	6.00%	5.67%

(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, 2014
(UNAUDITED)**

Taxing Entity	2014 Taxable Value	Debt Outstanding	Percent Overlapping to City of Fargo	Total Direct and Overlapping Debt
City of Fargo	\$ 387,008,093	\$ 433,572,000	100.00%	\$ 433,572,000
Fargo Park District	387,008,093	19,295,000	100.00%	19,295,000
Fargo Public Schools	288,468,136	105,415,000	91.75%	96,718,263
Kindred Public Schools	19,900,491	12,150,880	0.10%	12,151
West Fargo Public Schools	227,945,630	122,525,629	41.93%	51,374,996
Subtotal overlapping debt		<u>259,386,509</u>		<u>167,400,410</u>
Total Direct and Overlapping Debt		<u>\$ 692,958,509</u>		<u>\$ 600,972,410</u>

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

Source: The individual entity specified.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fargo. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages are estimated by determining the portion of the entity's taxable value that is within the city's boundaries and dividing it by the entity's total taxable assessed value.

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

Summary of Direct Debt	Gross Debt	Less: Debt Service Funds	Net Direct Debt
Supported by Tax Increment (G.O.)	\$ 2,285,000	\$ -	\$ 2,285,000
Supported by Special Assessments	333,000,000	(29,738,810)	303,261,190
Supported by Revenues	144,911,403	(5,818,670)	139,092,733
Supported by Airport Revenue	5,125,000	(1,286,073)	3,838,927
Leases Payable	5,080,043	-	5,080,043
Notes Payable	3,553,577	-	3,553,577
Specials Payable	6,916,821	-	6,916,821
Debt Ratios		Net Direct Debt	Indirect & Net Direct Debt**
To 2014 Assessed Value (\$4,080,226,572)		0.113726109	0.223729541
Per Capita (2014 - 115,464)		\$ 2,781	\$ 7,906

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

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

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

Fiscal Year	Special Assessment Bonds				Lease Revenue Bonds				Housing Revenue Bonds			
	Special Assessment Collections	Debt Service		Coverage	Lease Revenue	Debt Service		Coverage	NRI Loan Repayments	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
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
2005	19,458,723	9,797,620	7,596,235	1.12	382,790	175,000	207,790	1.00	104,997	76,167	28,830	1.00

Fiscal Year	Convention Bureau Revenue Bonds				Parking Revenue Bonds					
	1% Lodging Tax	Debt Service		Coverage	Parking Revenue	Less:	Net Available Revenue	Debt Service		Coverage
		Principal	Interest			Operating Expenditures		Principal	Interest	
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
2005	375,059	100,000	36,360	2.75	927,098	395,605	531,493	45,000	70,706	4.59

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	
2014	\$ 24,168,140	\$ 7,410,000	\$ 2,848,951	2.36	\$ 77,574	\$ 100,000	\$ 18,500	0.65	\$ 6,712,765	\$ 4,725,000	1,649,348	1.05
2013	20,609,635	5,580,000	1,591,026	2.87	64,883	95,000	20,875	0.56	6,624,171	4,604,374	1,679,810	1.05
2012	16,455,425	10,800,000	672,463	1.43	65,533	95,000	23,250	0.55	6,468,440	4,556,000	1,710,247	1.03
2011	15,768,411	10,530,000	1,093,503	1.36	60,872	90,000	25,500	0.53	2,117,679	351,000	1,475,188	1.16
2010	15,163,328	4,910,000	773,680	2.67	127,594	90,000	27,750	1.08	1,696,252	175,974	973,833	1.48
2009	14,621,568	4,735,000	1,010,430	2.54	4,436	85,000	29,875	0.04	-	125,000	193,382	-
2008	10,364,101	4,570,000	1,238,930	1.78	43,125	85,000	32,000	0.37	n/a	n/a	n/a	n/a
2007	10,271,895	4,415,000	1,459,680	1.75	43,163	80,000	34,000	0.38	n/a	n/a	n/a	n/a
2006	9,697,069	1,215,000	1,456,605	3.63	38,122	80,000	36,000	0.33	n/a	n/a	n/a	n/a
2005	8,826,254	1,160,000	577,580	5.08	50,364	80,000	38,000	0.43	n/a	n/a	n/a	n/a

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	
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	\$ 1,205,000	\$ 229,255	2.98
2013	19,051,936	9,704,611	9,347,325	3,130,000	748,388	2.41	7,546,237	4,406,659	3,139,578	405,000	245,731	4.82
2012	19,828,733	8,815,325	11,013,408	2,975,000	912,713	2.83	6,716,756	3,151,206	3,565,550	2,540,000	340,259	1.24
2011	17,284,658	9,243,565	8,041,093	2,825,000	1,143,056	2.03	6,244,177	2,955,458	3,288,719	1,045,000	377,369	2.31
2010	17,533,098	8,957,643	8,575,455	2,685,000	1,287,694	2.16	6,722,597	3,488,605	3,233,992	1,010,000	413,254	2.27
2009	17,934,051	8,462,145	9,471,906	2,195,000	1,415,794	2.62	5,907,184	3,150,752	2,756,432	975,000	447,566	1.94
2008	17,798,504	7,940,224	9,858,280	-	1,105,059	8.92	6,444,752	3,323,596	3,121,156	940,000	239,533	2.65
2007	17,570,378	6,992,730	10,577,648	2,375,000	1,676,758	2.61	6,345,195	3,586,971	2,758,224	595,000	176,145	3.58
2006	17,011,665	8,637,725	8,373,940	2,245,000	1,742,070	2.10	6,110,962	2,963,611	3,147,351	585,000	180,970	4.11
2005	14,783,027	7,303,760	7,479,267	2,140,000	1,865,545	1.87	5,525,505	2,965,961	2,559,544	590,000	193,224	3.27

Fiscal Year	FargoDome Sales Tax Revenue Bonds				Clean Renewable Energy Bond			
	FargoDome Sales Tax	Debt Service		Coverage	Sale of by products	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
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	-	-	-	-
2005	8,825,107	3,990,000	830,108	1.83	-	-	-	-

Fiscal Year	SRLF Notes Payable					
	Wastewater Revenue	Less: Expenditures	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$ 10,176,950	\$ 5,251,745	\$ 4,925,205	\$ 761,000	\$ 140,327	5.46
2013	11,046,790	5,252,745	5,794,045	741,000	155,411	6.46
2012	10,905,355	4,769,262	6,136,093	4,117,766	233,609	1.41
2011	10,401,385	4,920,920	5,480,465	1,590,000	308,444	2.89
2010	10,321,247	4,533,593	5,787,654	1,550,000	348,269	3.05
2009	10,340,200	4,000,183	6,340,017	1,500,000	386,794	3.36
2008	9,949,467	3,819,699	6,129,768	1,350,000	422,155	3.46
2007	9,226,721	3,847,702	5,379,019	1,325,000	420,748	3.08
2006	8,479,324	3,399,478	5,079,846	1,290,000	429,844	2.95
2005	7,467,026	3,162,829	4,304,197	1,255,000	462,144	2.51

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

Maturity Year	Principal	Interest	Total Principal and Interest	Coverage of 2014 Net Revenues Available for Debt Service
2015	1,205,000	217,812	1,422,812	14.78
2016	1,255,000	166,600	1,421,600	14.79
2017	1,305,000	113,262	1,418,262	14.83
2018	1,360,000	57,800	1,417,800	14.83

2012 Net Revenues Available for Debt Service

2014 Operating Revenues	\$ 8,641,627
2014 Operating Expenses	7,974,547
Add: Depreciation	3,609,909
Gain on disposal of assets	31,449
Interest Income	70,611
General Property Tax Revenue	692,977
Miscellaneous Revenue	6,602
2014 Net Revenues Available for Debt Service	<u>\$ 21,027,722</u>

Required MSRB continuing disclosure for CUSIPs: 30748T

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

Year	Estimated Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (1)	Level of Education (1) % High School Grad or Higher	% Bachelor's Degree or higher	K - 12 Public School Enrollment (1)	Fargo Unemployment Rate (3)	State Unemployment Rate (3)	National Unemployment Rate (3)	Fargo Labor Force (3)
2014	115,464	n/a	n/a	n/a	n/a	n/a	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
2005	97,610	6,123,960,000	32,981	31.3	94.6%	33.3%	10,880	2.7%	3.4%	5.1%	57,779

(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
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
2005	2,115,084	2,564,208	36,765	34,177

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	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Sanford Health	6,020	1	9.26%	-	-	-
North Dakota State University	4,464	2	6.86%	2,127	2	3.68%
Essentia Health	3,381	3	5.20%	-	-	-
Fargo Public Schools	1,816	4	2.79%	1,383	4	2.39%
Noridian Healthcare Solutions	1,371	5	2.11%	-	-	0.00%
CNH Industrial America, LLC	1,250	6	1.92%	660	7	1.14%
West Fargo Public Schools	1,248	7	1.92%	-	-	-
Wanzek Construction, Inc.	1,100	8	1.69%	-	-	-
U.S. Bank	1,059	9	1.63%	1,089	5	1.88%
Eventide Senior Living Center	1,006	10	1.55%	-	-	-
MeritCare Health Center	-	-	-	3,961	1	6.86%
Blue Cross Blue Shield of North Dakota	-	-	-	1,492	3	2.58%
Microsoft Business Solutions	-	-	-	1,055	6	1.83%
City of Fargo	-	-	-	632	8	1.09%
Department of Veterans Affairs	-	-	-	630	9	1.09%
Dakota Clinic, Ltd.	-	-	-	575	10	1.00%

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)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
City Administrator	1	1	1	1	2	2	2	3	3	3
Human Resources	10	11	11	11	11	10	10	10	9	9
Information Services	24	23	21	21	19	18	16	17	18	17
Public Information	3	3	2	2	2	2	2	-	-	-
Auditor	15	16	15	17	17	17	17	17	16	17
Municipal Court	8	8	8	8	8	8	8	8	8	8
City Assessor	12	12	11	12	12	12	11	11	11	14
Buildings & Grounds	7	7	7	7	7	8	8	6	9	10
Planning	14	14	13	13	11	10	11	10	11	9
Central Garage	24	23	23	21	23	27	23	20	25	24
City Commission	7	8	8	8	8	8	8	8	7	8
Public safety										
Inspections	21	20	21	19	21	20	21	19	22	19
Traffic Engineering	9	9	7	9	9	8	8	8	9	8
Fire Department	119	116	117	117	114	116	103	100	99	101
Police Department	166	168	164	165	162	155	150	149	149	144
Public works										
City Engineering	48	44	45	43	49	44	43	38	41	41
Streets & Sewers	53	53	54	52	49	52	48	48	46	49
Public health & welfare										
Health	121	117	116	115	118	120	117	108	119	115
Homeless shelter	20	19	10	14	13	14	12	-	-	-
Recreation & culture										
Public Library	57	54	55	54	50	53	63	41	42	40
Civic Memorial Auditorium	15	15	6	6	18	14	22	24	20	17
Urban redevelopment	2	2	3	3	3	3	3	3	4	4
Public transportation	22	21	21	21	21	21	19	15	7	5
Business-type funds										
Airport	30	20	21	20	19	18	17	16	16	16
Water	45	45	44	43	40	41	41	40	39	37
Wastewater	20	21	21	21	20	20	22	19	18	18
Solid waste	53	50	51	54	52	52	49	48	46	48
Storm sewer	5	5	5	4	5	4	3	3	3	3
Street Lighting	2	2	2	2	2	3	3	3	3	2
Forestry	13	12	12	13	12	10	14	11	12	13
Total	946	919	895	896	897	890	874	803	812	799

- Number includes full and part time employees.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Public safety										
Fire										
Number of calls answered	7,196	6,984	6,262	4,785	4,485	4,221	4,280	3,886	3,609	4,176
Number of fire inspections	6,470	6,552	7,109	8,372	7,754	6,949	7,216	7,174	7,111	7,204
Police										
Number of calls for service	65,682	62,836	55,584	51,215	47,534	48,062	46,183	44,751	43,478	42,483
Arrests	6,063	6,067	7,632	8,285	7,991	10,117	9,939	10,544	10,730	10,561
Public works										
Average daily water consumption (gallons)	9,989,474	10,508,699	11,180,334	9,589,658	9,958,030	10,510,285	9,361,096	9,897,482	10,027,112	9,441,153
Wastewater avg flow per day (MGD)	12.84	13.39	12.23	13.66	13.01	12.86	12.16	11.49	11.51	11.95
Public health & welfare										
WIC participation	2,701	2,702	2,695	2,720	2,606	2,699	2,801	2,261	2,144	2,194
Nursing visits	152,266*	214,637	192,853	196,131	194,823	208,124	211,013	210,719	203,347	197,690
Recreation & culture										
Library circulation	1,000,024	997,492	986,773	960,092	919,845	815,998	830,287	659,139	748,382	852,541
Civic center attendance	91,660	88,355	82,870	78,327	91,115	88,828	112,032	101,382	112,050	117,875
Fargodome attendance	550,330	539,285	529,657	499,805	528,380	486,059	436,294	445,270	409,149	381,507
Public transportation										
Number of rides										
Fixed route	1,751,824	1,682,267	1,608,628	1,665,221	1,624,637	1,479,646	1,228,464	962,030	899,572	837,281
Paratransit	53,893	53,403	54,217	58,992	57,850	57,428	60,255	50,768	48,989	40,868
Public information										
Web site										
Total Sessions	1,272,993	1,269,295	1,220,404	905,700	n/a	n/a	n/a	n/a	n/a	n/a
Users	745,192	716,763	620,800	419,268	n/a	n/a	n/a	n/a	n/a	n/a
Page views	3,017,692	3,216,029	3,640,975	2,789,176	n/a	n/a	n/a	n/a	n/a	n/a
Pages per visit	2.37	2.50	2.98	3.08	n/a	n/a	n/a	n/a	n/a	n/a
Infrastructure										
New projects assessed	43	51	50	19	71	32	32	29	42	51
Value of new projects	\$ 42,278,237	\$ 27,096,674	\$ 27,829,486	\$ 10,826,700	\$ 25,706,180	\$ 37,651,698	\$ 27,452,278	\$ 13,349,269	\$ 20,442,045	\$ 22,011,590

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General government										
Area in square miles	48.84	48.80	48.60	48.45	48.45	48.45	47.74	46.63	46.35	44.52
Public safety										
Fire										
Stations	7	7	7	7	7	6	6	6	6	6
Vehicles	31	31	27	28	28	30	27	25	29	29
Police										
Stations	1	2	3	3	3	3	3	3	3	2
Marked cars	41	41	41	39	38	37	26	33	28	28
Public works										
Number of street lights	10,402	10,113	9,785	9,430	9,077	8,959	8,514	8,119	7,839	7,926
Miles of paved streets	464.39	407.43	400.92	394.30	371.65	367.16	369.17	363.76	358.78	352.87
Miles of water mains	472.90	459.93	449.79	445.26	436.00	428.02	424.82	411.82	403.98	398.52
Miles of sanitary sewer	453.99	443.30	433.98	429.53	425.40	414.64	404.39	398.01	384.23	357.94
Miles of storm sewer	442.51	429.74	416.49	409.85	395.05	387.88	383.56	369.01	361.04	352.42
Recreation & culture										
Print materials - Library	299,774	283,852	273,736	224,547	218,355	202,790	179,120	167,998	175,076	193,067
Public transportation										
Buses	32	32	28	27	26	22	17	18	17	13

**CITY OF FARGO, NORTH DAKOTA
SCHEDULE OF INSURANCE IN FORCE
DECEMBER 31, 2014
(UNAUDITED)**

Policy No.	Insurance Broker	Insuring Company	Coverage type / \$ Limits	Term
FBP8341772	Wells Fargo Insurance	Hartford	Boiler & equipment breakdown \$ 100,000,000	1/1/2014-1/1/2015
1949	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 351,561,205 Building \$ 40,042,125 Contents \$ 76,949,589 Outdoor property	7/1/14-6/30/15
2476	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 0 Building	7/1/14-6/30/15
2536	State Fire & Tornado	State Fire & Tornado	Buildings & Contents \$ 4,892,899 Building	7/1/14-6/30/15
COP00000035513P	USI Insurance Services LLC	Harleysville Insurance Company	Buildings & Contents Transit Maintenance Facility \$ 7,000,000 Building \$ 653,650 Contents	10/30/14-10/30/15
IM000114704	Warner & Company	ND Insurance Reserve Fund	Mobile Equipment and Trailers \$47,683,248 Fine Arts \$15,500 Portable Radio Equipment \$944,721	6/1/2014 - 6/1/2015
33 1150903540	Insure Forward	Wright National Flood Insurance	City Hall Flood - \$500,000 Building/\$500,000 Contents	4/15/14 - 04/15/15
87043898542014	Warner & Company	Harleysville Insurance Company	Main Library Flood - \$500,000 Building/\$500,000 Contents	3/26/14 - 3/26/15
33 1150903541	Insure Forward	Wright National Flood Insurance	Convention Visitors Bureau Flood - \$500,000 Building/\$185,000 Contents	4/15/14 - 04/15/15
G2382520A 008	Dawson Insurance Agency	Westchester Surplus Lines Insurance Co.	Environmental General Liability for Methane Operations \$2,000,000	8/14/2014- 8/14/2015
BA000230008	Warner & Company	ND Insurance Reserve Fund	Auto Liability - \$2,000,000 Liability	1/1/2014 - 1/1/2015
GL000333405	Warner & Company	ND Insurance Reserve Fund	General Liability - \$2,000,000	10/29/2014 - 10/29/2015
MSP000644	MMIC Insurance, Inc.	MMIC Insurance, Inc.	Malpractice Insurance	1/1/2014 - 1/1/2015
CPO11525202	WARNER & CO	AIG Specialty Insurance Co	Pollution Liability	5/14/2014 - 6/10/2015
AP 003387932-15	Northstar Aviation Ins. Inc	Commerce & Industry Insurance Co.	Primary Aircraft Liability \$ 100,000,000	1/1/14-1/1/15
33 1150903542 01	Insure Forward	Wright National Flood Insurance	Hector Airport Admin Building Flood - \$500,000 Building/\$78,000 Contents	4/15/14 - 04/15/15
BA000230207	Warner & Company	ND Insurance Reserve Fund	Airport Auto Liability - \$2,000,000 Liability	3/5/2014- 3/5/2015
LS302; 1-17334	No Broker - Direct Writer	FM Global	Fargodome \$160 MM property, \$100MM flood	11/2/14-11/2/15
33-1150891263 02	Insure Forward	Wright National Flood Insurance Company	Fargodome Flood - \$500M contents & \$500M building	3/5/13-3/5/14
6LKKO0000004847200 & 6LKKO0000004847300	Insure Forward	K&K	Fargodome General Liability - \$1MM per event aggregate Excess Liability - \$10MM umbrella	11/1/14-10/31/15
6LKKO0000004847200	Insure Forward	K&K	Fargodome Auto Insurance	11/1/14-10/31/15
EOC967493501	AON Risk Services	Employment Practices Liability	Employment Practices	8/14-7/15
VPPL004404	AON Risk Services	Crime Coverage, Prof Liability	Crime Coverage, Prof Liability	4/14-3/15
3735	State Bonding Fund	ND Insurance Department	Fidelity Bond - \$2,000,000	1/1/2014 - 12/31/2015



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