

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025



BOARD OF EDUCATION OF THE CITY OF FARGO

Fargo, North Dakota

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
BOARD OF EDUCATION OF THE CITY OF FARGO**

700 7th Street South
Fargo, North Dakota 58103

For the Fiscal Year Ended **June 30, 2025**

Dr. Cory Steiner, Superintendent

Prepared By:
Dustin Foster, CPA

BOARD OF EDUCATION OF THE CITY OF FARGO

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BOARD OF EDUCATION OF THE CITY OF FARGO

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SECTION I
INTRODUCTORY SECTION





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December 15, 2025

To: Citizens of the Board of Education of the City of Fargo
School Board
Employees of the District

INTRODUCTION

The Annual Comprehensive Financial Report (ACFR) of the Board of Education of the City of Fargo (District), included as part of this report, presents the financial position of the District and results of its operations as of June 30, 2025. This report was prepared in accordance with the United States generally accepted accounting principles (GAAP). The District's administration accepts total responsibility for the accuracy, completeness, and fairness of the presentation of these financial statements. Eide Bailly LLP audits this financial report.

REPORT FORMAT

The Annual Comprehensive Financial Report is presented in four sections: Introductory, Financial, Statistical, and Compliance. The Introductory section includes this letter of transmittal, organizational chart, listing of School Board and Administration members, and the Association of School Business Officials (ASBO) International Certificate of Excellence in Financial Reporting. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, and supplementary information. The Statistical section includes financial and demographic information, generally presented on a multi-year comparative basis. The Compliance section includes the Schedule of Expenditures of Federal Awards (SEFA) and Schedule of Findings and Questioned Costs.

The United States generally accepted accounting principles (GAAP) require management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and to be read in conjunction with it. The MD&A of the Board of Education of the City of Fargo can be found immediately following the Independent Auditor's Report.

FEDERAL SINGLE AUDIT

The District is required to undergo an annual federal single audit in conformity with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

REPORTING ENTITY AND ITS SERVICES

The financial reporting entity includes all funds of the primary government (Board of Education of the City of Fargo). Component units are legally separate entities for which the District (primary government) is financially accountable. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. The criteria include appointing a voting majority of an organization's governing body and (1) the ability of the Board of Education of the City of Fargo to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Board of Education of the City of Fargo. Based on these criteria, there is one component unit to be included within the Board of Education of the City of Fargo. This blended component unit, the Fargo Public School District Building Authority (Building Authority), was created by the School Board as a separate legal entity. Its purpose is to promote the educational system of the District by providing financing for use in altering, repairing, maintaining, or constructing buildings and making improvements connected to school buildings. The School Board is the governing board of the Building Authority.

BOARD OF EDUCATION OF THE CITY OF FARGO

Letter of Transmittal – Continued
For the Year Ended June 30, 2025

The Board of Education of the City of Fargo provides a full range of public education services appropriate to grade levels ranging from pre-kindergarten through grade 12. These services include regular and enriched academic education, special education, and career/vocational education; nutrition services and transportation are provided as supporting programs. The District's community education programs include Early Childhood Special Education (ECSE), Adult Education, and a myriad of classes for lifelong learning experiences for children and adults.

The Board of Education of the City of Fargo was organized in 1873 and serves the Fargo-Metropolitan area, which is bordered on the east by the Red River of the North, which separates North Dakota and Minnesota and the cities of Fargo and Moorhead, MN. The District enrolled approximately 11,575 students in 2024-25 from an estimated population of 136,285 in the city of Fargo. The District's projected enrollment is expected to remain stable. The District employs approximately 2,142 employees, including 1,089 teachers. The District encompasses 57 square miles, and in terms of the number of students, is North Dakota's third-largest school district.

During the 2024-25 school year, the District operated 28 school buildings: three comprehensive (grades 9-12) high schools, one alternative (grades 9-12) high school, three comprehensive (grades 6-8) middle schools, sixteen (grades K-5) elementary schools, including Early Childhood Special Education, one (grades K-12) Virtual Academy, one (grades K-8) special education school, one performing arts school, and one (grades 6-8) Self-Directed Academy. With 28 different school buildings, the age of these structures varies from over one hundred years old to construction occurring in 2025. The District continues to evaluate the renovation needs for its older buildings to keep up with the safety requirements and needs of its students. The community also benefits from six post-secondary institutions that serve the educational needs of the entire community.

MAJOR INITIATIVES

The District's Long-Range Facility Plan (LRFP) is an ambitious and forward-thinking initiative designed to transform and enhance the educational landscape within the District over the next 50+ years. The comprehensive plan seeks to address and balance student diversity, provide equitable environments, and improve operational efficiencies to maximize resources for students.

By focusing on increasing overall utilization to around 85%, improving educational adequacy, and ensuring financial sustainability, the plan outlines strategic goals to consolidate schools, thereby creating more cohesive, equitable, and modern educational facilities.

The plan involves significant investment in facility improvements, a meticulous review of educational adequacy across the portfolio, and a keen emphasis on maintaining safe and healthy learning environments that cater to the long-term needs of all students and staff, while also considering community feedback and ensuring a good return on investment for taxpayers.

Major projects of the plan aim to create facilities that support student success and enhance the community's overall well-being, including:

- Building a new elementary school while consolidating and remodeling existing elementary schools.
- Building a new middle school.
- Building a new Early Childhood Special Education learning center.
- Rebuilding certain elementary schools on existing properties.
- Redistricting and boundary studies.

ECONOMIC CONDITION AND OUTLOOK OF THE LOCAL ECONOMY

Fargo is the economic center of southeastern North Dakota and a portion of northwestern Minnesota. Fargo is a cultural, manufacturing, healthcare, and education hub for the region and is the primary population center of the state of North Dakota. According to federal census data from 2020, the population of the City of Fargo has increased approximately 8.2% since then. In 2016, the unemployment rate was 2.6%. During the past ten years, unemployment in Fargo has remained stable, and is at one of the lowest rates in the United States, at 2.8%. Unemployment is expected to remain stable in the future as overall construction in the Fargo-Metropolitan area continues to be robust. In the 2025 City of Fargo building permit report, Fargo issued 936 permits and exceeded \$334 million in projected construction.

BOARD OF EDUCATION OF THE CITY OF FARGO

Letter of Transmittal – Continued
For the Year Ended June 30, 2025

STRATEGIC PLAN

The Board of Education of the City of Fargo established its Strategic Plan in 2015 through a strategic planning process involving the community. In 2024, the plan was redesigned to integrate the District's long-term vision with its annual action steps, resulting in the Unified Strategic and Operational Plan. The plan continues to remain a "living document" that is reviewed annually and updated as needed to better meet the needs of all students.

The Strategic Plan is proactive and provides a road map for the educational experiences our community desires for students. The plan is comprehensive and inclusive of all areas impacting District operations. Both the academic and operational branches of the District are melded together to create consistency in practice that caters to each child focused on multiple standards of success for students.

Within the Unified Strategic and Operational Plan, Operational Plan Projects are developed each year. These projects translate the District's Strategic Initiatives into specific actions designed to strengthen student outcomes and drive continuous improvement. Successful implementation of the Operational Plan Projects is essential to advancing the goals of the Strategic Plan.

The plan makes District priorities clear, ensures full transparency, and provides informative information that can be used to hold the District accountable for maintaining focus on the results that will benefit its students.

The Strategic Plan is grouped by five strategic initiatives directly aligned to the results monitored by the Board of Education of the City of Fargo based on their policies:

1. Tiered Instruction
2. Positive School Culture and Safety
3. Co-Curricular Activities
4. Community Outreach and Communication
5. Equitable Resources and Planning

To view the detailed Strategic Plan, visit: <https://www.fargo.k12.nd.us/about-us/strategic-plan>.

The School Board, elected by the citizens, believes the Strategic Plan is the District's blueprint for the future.

VISION

The Board of Education of the City of Fargo is committed to excellence through a student-centered learning environment supported by positive collaborations with students, staff, parents, school, and community.

A Board of Education of the City of Fargo education will provide students with a broad knowledge base by engaging in a standards-based curriculum with co-curricular opportunities. Graduates will possess sound character and 21st Century skills in communication, critical thinking, collaboration, and creativity necessary to participate in an ever-changing and culturally diverse world.

Equitable opportunities will ensure a quality educational experience to stimulate and support all students in their intellectual, social, and personal growth.

VALUES

The Board of Education of the City of Fargo is committed to:

- Believing all students can learn and grow.
- Creating a supportive and positive school climate.
- Ensuring all students receive effective, rigorous, and relevant instruction from highly qualified teachers.
- Engaging leadership in all students, parents, and community partnerships.
- Making data-driven decisions for continuous improvement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Letter of Transmittal – Continued
For the Year Ended June 30, 2025

MISSION STATEMENT

Educating and empowering all students to succeed.

STUDENT ASSESSMENT AND TESTING

Assessments provide students, educators, parents, and the public with a range of information about standards-based achievement and help to determine the best practices and policies that will result in improvements to student learning. The District uses a balanced assessment system of formative (classroom assessments to inform instruction) and summative (District assessments to evaluate student learning at the conclusion of instruction) assessments. The assessments used are designed to provide students, parents, and teachers with the information they need to assist all students in meeting or exceeding the standards, and to provide the District with the data it needs for its continuous improvement model.

ADD-VANTAGE MATH RECOVERY (AVMR) ASSESSMENTS

AVMR assessments are research-based assessments designed to determine students' strengths and areas of improvement in mathematics. Assessments are given one-on-one and are dynamic in nature. Teachers use student responses to determine which tasks will best determine the level of skill or understanding. The information is used to make informed decisions about the next steps in class and small group instruction. AVMR assessments are given three times per year to all students in grades K-2 and once per year to all students in grades 3-5.

AIMSweb PLUS

AIMSweb Plus is a benchmark and progress monitoring system based on a set of standardized, individually administered measures of early literacy development. Tests are designed to measure fluency and monitor the development of pre-reading and early reading skills. These tests are given to students in grades K-8 and some special needs students in the fall, winter, and spring. The goal is to show valid indicators of early literacy development and predict later reading proficiency and provide early identification of students who are not progressing as expected. In the spring, all students in the English Learners program are tested on their understanding of speech, listening, reading, writing, oral language, literacy, and comprehension.

AMERICAN COLLEGE TEST (ACT)

With the addition of ND A+, the District no longer requires the American College Test (ACT) entrance exam. Even with the District no longer requiring this entrance exam, the District still continually scores above both the state and national average composite scores on it. In 2024-25, the District had an average composite score of 24.2.

LETRS SPELLING SCREENER

LETRS Spelling Screener teaches the five essential components of reading: phonics, phonemic awareness, vocabulary, reading comprehension, and fluency. It also covers writing, spelling, and oral language.

NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS (NAEP)

NAEP is mandated by Congress to assess the educational achievement of U.S. students and monitor changes in those achievements. Schools and classes are randomly selected to participate in this assessment, and it is administered online.

NORTH DAKOTA ACADEMIC PROGRESSION OF LEARNING AND UNDERSTANDING OF STUDENTS or ND A-PLUS (ND A+)

ND A-PLUS (ND A+) is a connected system of assessments that includes state-provided interim assessments and a statewide summative assessment that replaced the NDSA in 2025. The innovation with the ND A+ system lies in the alignment between the interim assessments and the ND educational content standards and alignment to the ND A+ summative.

BOARD OF EDUCATION OF THE CITY OF FARGO

Letter of Transmittal – Continued
For the Year Ended June 30, 2025

NORTH DAKOTA ALTERNATE ASSESSMENT TESTING

The North Dakota Alternate Assessment Testing provides a single, unified statewide tool that measures the performance of all students in terms of the state's challenging content and achievement standards. Alternate assessment testing is used for assessing students with significant disabilities. Through this assessment, the students' scores are integrated into the overall student achievement database of the school, district, and state.

STUDENT RISK SCREENING SCALE-INTERNALIZING AND EXTERNALIZING (SRSS-IE)

The SRSS-IE is a tool for identifying students with internalizing and externalizing behaviors that require additional support risk and identifying interventions to help them succeed. This will be completed by the classroom teachers for students in attendance for a minimum of four weeks.

WIDA ACCESS TESTING

WIDA ACCESS testing for English Language Learners is the annual North Dakota English Language Proficiency Assessment in which all English Learners must participate. The assessment measures students' academic English language in each of the four language domains: listening, speaking, reading, and writing. The content of the assessment aligns with the five North Dakota English Language Development Standards.

NATIONAL AWARDS AND RECOGNITION

The Board of Education of the City of Fargo's faculty and staff exhibit a high level of commitment to provide and sustain an outstanding learning environment for all. As a result, the District performs at an elevated level and has received the following recognition:

- Best Communities for Music Education for the 22nd year by the National Association of Music Merchants
- United Way's Top 50 Generous Workplaces
- Certificate of Excellence in Financial Reporting award for the 21st year in a row from the Association of School Business Officials (ASBO) International

ATTENDANCE, GRADUATION, CO-CURRICULAR ACTIVITIES, AND STAFFING

The Board of Education of the City of Fargo has a 92% average daily attendance rate, which has remained consistent over the years.

The District's four-year graduation rate is 77%, which has also remained consistent over the years.

Nearly 86% of the District's students studied a foreign language, and nearly 63% of students in grades 6-12 participated in one or more co-curricular activities. Also, approximately 14% of the District's students in grades 1-8 are enrolled in gifted and talented instruction.

The District has approximately 64% of teachers who maintain an advanced degree (master's degree or higher).

INTERNAL CONTROL SYSTEM

The District's management assumes full responsibility for establishing and maintaining an internal control structure designed to ensure the assets of the District are protected from loss, misuse, or theft, and to ensure adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with generally accepted accounting principles (GAAP). The District believes their internal control processes adequately safeguard assets and provide reasonable assurance of proper recording of all financial transactions. The concept of reasonable assurance recognizes that the cost of these controls should not exceed the anticipated benefits of those controls. The objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements. The evaluation of these costs and benefits requires estimates and judgments by management on a continuous basis.

BOARD OF EDUCATION OF THE CITY OF FARGO

Letter of Transmittal – Continued
For the Year Ended June 30, 2025

BUDGETARY CONTROLS

Budgetary controls are maintained through an annual budget adopted by the School Board. The taxes levied to support the final budget must be preliminarily certified to the County Auditor by August 10th each year and filed final to the County Auditor no later than October 10th each year. Budgetary control is established at the fund level; all financial transactions of the District are accounted for in specific funds. The accounting system provides complete, self-balancing accounts for each fund of the District. This system provides budgetary control for activities of the General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Funds. The system also provides budgetary control at the sub-function level by the encumbrance of estimated purchases before the release of purchase orders to vendors.

DEBT ADMINISTRATION

Total outstanding bonded debt of the District as of June 30, 2025, was \$86,809,133. The bonds mature at various dates through 2043. The District's bond rating is Aa2 based on Moody's Investors Service. This rating reflects the District's sound financial operations evidenced by their healthy reserve and liquidity levels, as well as the diverse and expanding regional economy and above average debt burden.

FUTURE FINANCIAL PROSPECTS

The District's major revenue sources are state aid and property tax revenue. Instruction remains the District's largest expenditure and is the expenditure with the greatest favorable budget variances in recent years due to lower-than-anticipated operating expenditure increases. Enrollment trends are stable, but additional growth towards the south-end of the city has the potential to increase enrollment in the future. Enrollment is a key factor in calculating state revenue sources, which represents over half of the District's operating revenue. The District expects financial operations to remain steady due to prudent budgeting, reserves, and a diverse and expanding regional economy. While the current financial condition of the District is strong, careful planning and financing must be followed to ensure a stable future.

As noted previously in the 'Major Initiatives' section, the District is guided by the Long-Range Facility Plan. This plan details the long-term configuration of our educational facilities and identifies projects that need short and long-term improvements. Managing the District's investment in facilities is a major area of focus. The District will continue to maintain the quality and appropriate configuration of its facilities in the future while providing the best educational opportunities available.

REPORTING ACHIEVEMENT

As noted previously in the 'National Awards and Recognition' section, the Association of School Business Officials (ASBO) International awarded the Certificate of Excellence in Financial Reporting to the District for its preparation of their Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This award is presented to governmental units that publish an ACFR that is easily readable, efficiently organized, and conforms to program standards, generally accepted accounting principles (GAAP), and applicable legal requirements. The District believes this report will continue to meet those standards and requirements.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report requires a great deal of work by many individuals. The District acknowledges the efforts of the entire District Office staff for their dedication to their work and to the School Board for their encouragement and leadership.



Jackie Gapp, CPA, SFO
Chief Financial Officer

BOARD OF EDUCATION OF THE CITY OF FARGO

School Board and Administration
For the Year Ended June 30, 2025

SCHOOL BOARD

Katie Christensen Mineer	President
Robin Nelson	Vice President
Melissa Burkland	Board Member
Greg Clark	Board Member
Nyamal Dei	Board Member
Nikkie Gullickson	Board Member
Jason Nelson	Board Member
Kristin Nelson	Board Member
Allie Ollenburger	Board Member

ADMINISTRATION

Dr. Rupak Gandhi	Superintendent (7/1/24 – 6/5/25)
Dr. Cory Steiner	Superintendent (6/6/25 – Present)
Dr. Robert Grosz	Secondary Associate Superintendent
Missy Eidsness	Elementary Associate Superintendent
Bill Westrick	Chief Operating Officer
Dr. Jeff McCanna	Chief Human Capital Officer
Tara Brandner	General Counsel
AnnMarie Campbell	Chief Communications Officer
Jackie Gapp, CPA, SFO	Chief Financial Officer
Joy Retterath, CPA	Director of Accounting

BOARD OF EDUCATION OF THE CITY OF FARGO

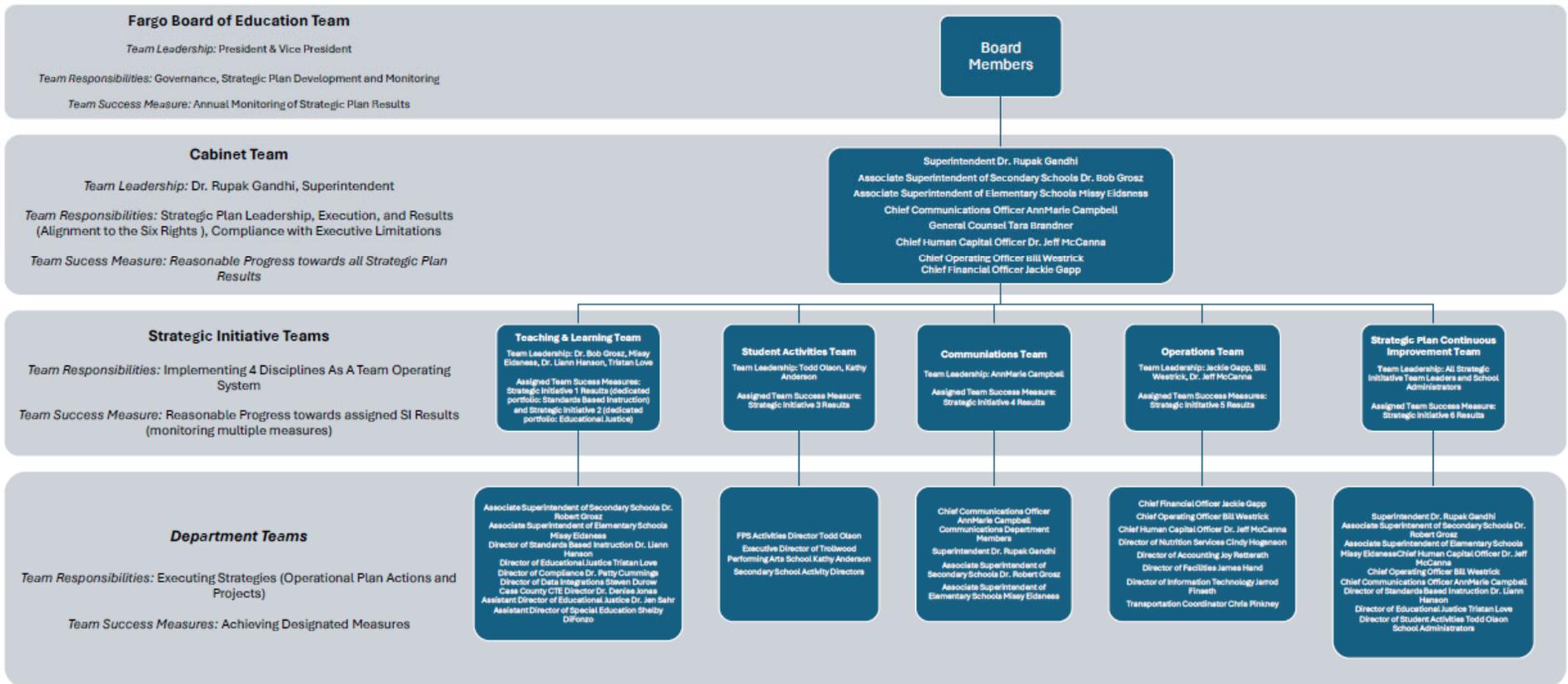
Organizational Chart

For the Year Ended June 30, 2025



Organizational Structure

Mission: Educating and Empowering All Students to Succeed



Each school within Fargo Public Schools develops its own strategic plan that aligns with the district's overarching Strategic and Operational Plan. These individual school plans contribute to the achievement of all district-wide Strategic Initiatives, particularly Strategic Initiative 6. Therefore, school administrators play a crucial role in the success of all strategic initiatives and are integral to the district's overall strategic efforts.

BOARD OF EDUCATION OF THE CITY OF FARGO

ASBO Certificate of Excellence in Financial Reporting
For the Year Ended June 30, 2025



The Certificate of Excellence in Financial Reporting
is presented to

Board of Education of the City of Fargo
for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
CAE, SFO
President
Director

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan,
CEO/Executive

SECTION II
FINANCIAL SECTION





Independent Auditor's Report

The School Board of
Fargo Public Schools
Fargo, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fargo Public Schools ("the District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fargo Public Schools, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the general fund, schedules of employer's share of net pension liability and employer contributions, and schedule of employer's share of net OPEB liability and employer contributions as listed in the table of contents 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 GAAS, which consisted of inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The budgetary comparison schedules; combining statement of revenues, expenditures, and changes in fund balances for the nonmajor special revenue funds; comparative balance sheets; combining balance sheets; schedule of fund activity; and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules; combining statement of revenues, expenditures, and changes in fund balances for the nonmajor special revenue funds; comparative balance sheets; combining balance sheets; schedule of fund activity; and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Report on Summarized Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the Fargo Public Schools 2024 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information in our report dated November 18, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Fargo, North Dakota
December 15, 2025

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2025

The management of the Board of Education of the City of Fargo (also known as "Fargo Public School District" or "District"), offer readers of the financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The District encourages readers to consider the information presented here in conjunction with the additional information presented in subsequent sections. The intent of this discussion and analysis is to look at the District's overall financial performance.

Financial Highlights

- The assets and deferred outflows of resources for the Fargo Public School District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,004,691 (Net Position). Of this amount, \$157,439,817 (Unrestricted Net Position) is a negative number, so it cannot be used to meet ongoing obligations. The other portion of this amount is a positive \$164,093,949 (Net Investment in Capital Assets) and \$20,350,559 (Restricted Net Position).
- Fargo Public School District's total net position increased by \$4,985,629 based on the current year's operations.
- Fargo Public School District's total revenues from all sources were \$237,860,138 while total expenses were \$232,874,509.
- At the close of the current fiscal year, Fargo Public School District's governmental funds reported combined ending fund balances of \$59,640,317, a decrease of \$5,805,910 in comparison with the prior year. The amount available for spending through the unassigned fund balance is \$33,875,936, or 57.96%, of total fund balance.

Overview of the Financial Statements

Management's discussion and analysis (MD&A) is intended to serve as an introduction to the Fargo Public School District's basic financial statements. The Fargo Public School District's basic financial statements are comprised of three components:

1. Government-Wide Financial Statements
2. Fund Financial Statements
3. Notes to the Financial Statements

These financial statements are organized so the reader can more clearly understand the Fargo Public School District as a whole.

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of Fargo Public School District's assets and deferred outflows of resources, and liabilities and deferred inflows 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 Fargo Public School District is improving or declining.

The Statement of Activities presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flow. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both government-wide financial statements distinguish functions of the District 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.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

Figure 1 below summarizes the major features of the District’s financial statements, including portions of the District’s activities covered and the types of information they contain. The remainder of this overview section of the Management’s Discussion and Analysis (MD&A) highlights the structure and contents of each of the financial statements.

Figure 1 Major Features of the Government-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental	Proprietary Funds
Scope	Entire District	The activities of the District that are not Proprietary or Fiduciary: <ul style="list-style-type: none"> ☐ Nutrition Services ☐ Student Activities 	Activities the District operates similar to private businesses: <ul style="list-style-type: none"> ☐ Internal Service Fund
Required Financial Statements	<ul style="list-style-type: none"> ☐ Statement of Net Position ☐ Statement of Activities 	<ul style="list-style-type: none"> ☐ Balance Sheet ☐ Statement of Revenues, Expenditures, and Changes in Fund Balance 	<ul style="list-style-type: none"> ☐ Statement of Net Position ☐ Statement of Revenues, Expenses, and Changes in Net Position ☐ Statement of Cash Flows
Accounting Basis and Measurement Focus	Accrual Accounting and Economic Resource Focus	Modified Accrual Accounting and Current Financial Resource Focus	Accrual Accounting and Economic Resource Focus
Type of Asset/Liability Information	All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (Both financial and capital; short-term and long-term)	Generally, assets expected to be consumed, and liabilities paid during the year or soon thereafter (No capital assets or long-term liabilities)	All assets and liabilities (Both financial and capital; short-term and long-term)
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year; expenditures for when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The Fargo Public School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Fargo Public School District can be divided into three groups: 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 of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

Proprietary Funds

The Fargo Public School District maintains a proprietary fund to account for the financing of a self-insurance program available to employees. This account is used to accumulate and allocate costs internally on a cost-reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of specific groups and are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Fargo Public School District.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The District's net position is segregated into three categories: Net Investment in Capital Assets, Restricted, and Unrestricted. These assets are not available for future spending. Although the District's Net Investment in Capital Assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets are not used to liquidate these liabilities. Restricted Net Position represents the District's resources that are subject to external restrictions on how they may be utilized. Unrestricted Net Position represents the remaining resources. The large negative Unrestricted Net Position balance is solely due to the net pension and OPEB liability and related deferred inflows and outflows of resources. The pension and OPEB obligations are long-term obligations that are not likely to ever be liquidated from the Unrestricted Net Position and are not obligated out of current resources to pay upcoming obligations. Not considering the effects of pension items, the Unrestricted Net Position would have decreased from the prior year and would be \$24,705,625. The District believes this amount of Unrestricted Net Position, not considering the effects of pension and OPEB items, is adequate enough to meet its ongoing obligations.

	2025	2024 (Restated)
Assets		
Current and Non-Current Assets	\$ 86,546,257	\$ 85,965,506
Capital Assets (Net of Depreciation)	253,716,364	252,812,538
Right-to-Use Assets (Net of Amortization)	94,234	185,266
Subscription-Based IT Assets (Net of Amortization)	290,806	413,978
Total Assets	\$ 340,647,661	\$ 339,377,288
Deferred Outflows of Resources		
Derived from Pension and OPEB	\$ 49,841,864	\$ 62,927,921
Liabilities		
Current Liabilities	\$ 11,920,409	\$ 6,713,903
Long-Term Liabilities	321,717,231	327,241,017
Total Liabilities	\$ 333,637,640	\$ 333,954,920
Deferred Inflows of Resources		
Derived from Pension and OPEB	\$ 29,678,153	\$ 46,085,130
Derived from Leases	169,041	246,097
Total Deferred Inflows of Resources	\$ 29,847,194	\$ 46,331,227
Net Position		
Net Investment in Capital Assets	\$ 164,093,949	\$ 155,344,384
Restricted	20,350,559	20,905,133
Unrestricted	(157,439,817)	(154,230,455)
Total Net Position	\$ 27,004,691	\$ 22,019,062

BOARD OF EDUCATION OF THE CITY OF FARGO

Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

Current and Non-Current Assets increased mainly from the increased amount of cash on hand at the end of the year. Capital Assets increased mainly due to the increased amount of construction projects completed during the year compared to 2024. Right-to-Use Assets decreased during the year with several prior year leases ending in the current year. Subscription-Based IT Assets decreased due to a full year of amortization on subscriptions during the current year, reducing the remaining net book value of the assets. The Deferred Outflows of Resources decreased with the change in assumptions on pension and OPEB investments. Current Liabilities increased primarily due to the increase in accounts payable and salaries and benefits payable during the year. Long-Term Liabilities [due within one year] decreased due to the increase in bond principal payments due in 2026. Long-Term Liabilities [due after one year] decreased mainly due to the change in net pension and OPEB liability. Deferred Inflows of Resources decreased due to the difference between the expected and actual experience and changes of assumptions on pension and OPEB investments. Net Investment in Capital Assets increased due to the decrease in related debt for capital assets in the current year. Restricted Net Position decreased mainly because of the decrease in cash balances in the Capital Projects Fund during the year. Unrestricted Net Position decreased mainly because of fluctuations in the District’s pension and OPEB investments.

Governmental activities increased the Fargo Public School District's net position as of June 30, 2025, by \$4,985,629. Key elements of this increase are as follows:

	2025	2024 (Restated)
Revenues		
Program Revenues		
Charges for Services	\$ 9,708,445	\$ 9,481,100
Operating Grants and Contributions	28,100,371	37,933,325
General Revenues		
Taxes	89,037,398	82,726,588
State Aid	106,621,047	105,668,443
Interest and Other Revenue	4,392,877	4,533,826
Total Revenues	<u>\$ 237,860,138</u>	<u>\$ 240,343,282</u>
Expenses		
Instruction	\$ 151,824,605	\$ 158,832,768
Support Services		
Business Services	2,693,424	2,640,560
Co-Curricular Activities	8,111,657	8,277,171
Community Services	206,669	323,487
Food Services Outlay	8,973,796	9,025,540
General Administration Services	4,312,802	4,117,732
Instructional Staff Services	6,207,220	6,161,870
Operations and Maintenance	23,620,075	20,765,763
Pupil Services	7,608,562	7,325,083
Pupil Transportation Services	3,250,719	3,209,929
School Administration Services	13,703,100	12,513,439
Interest and Other Charges on Long-Term Debt	2,361,880	2,470,661
Total Expenses	<u>\$ 232,874,509</u>	<u>\$ 235,664,003</u>
Change in Net Position	<u>\$ 4,985,629</u>	<u>\$ 4,679,279</u>
Net Position – July 1, as previously reported	<u>\$ 22,019,062</u>	<u>\$ 38,065,183</u>
Adjustment (Note 2)	<u>\$ -</u>	<u>\$ (20,725,400)</u>
Net Position – July 1, as restated	<u>\$ 22,019,062</u>	<u>\$ 17,339,783</u>
Net Position – June 30	<u>\$ 27,004,691</u>	<u>\$ 22,019,062</u>

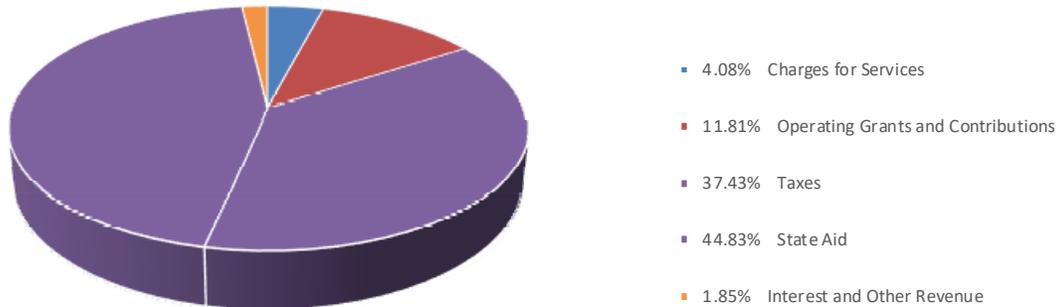
Total revenues decreased mainly due to decreased federal and state grant revenue funding in the current year. Total expenses decreased mainly due to lower than anticipated instruction costs in the current year.

BOARD OF EDUCATION OF THE CITY OF FARGO

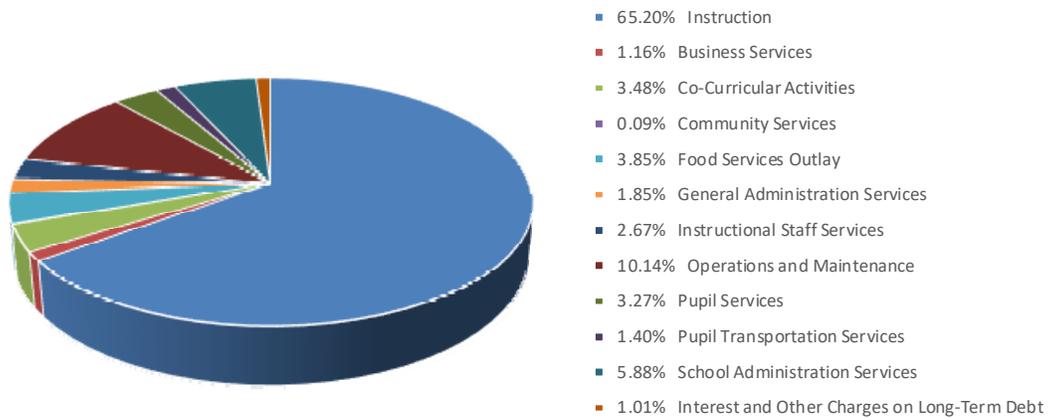
Management’s Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

The following charts present the portion of each category/function of revenues and expenses:

Revenues of the Board of Education of the City of Fargo
June 30, 2025



Expenses of the Board of Education of the City of Fargo
June 30, 2025



The District’s funding formula places more emphasis on students rather than property. As a result, state per-pupil aid increased this year along with property taxes. The cost of all governmental activities for the year ended June 30, 2025, was \$232,874,509 compared to \$235,664,003 for the year ended June 30, 2024.

- Some of the costs were paid for by the users of the District’s programs (\$9,708,445).
- The federal and state governments subsidized certain programs with grants and contributions for operating purposes (\$28,100,371).
- Most of the District’s revenues (\$200,051,322) were funded by district taxpayers and the taxpayers of the State of North Dakota and is comprised of property taxes (\$89,037,398), state aid based on the statewide education aid formula (\$106,621,047), and interest and other revenues (\$4,392,877).

BOARD OF EDUCATION OF THE CITY OF FARGO

Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

	2025		2024	
	<u>Total Cost of Service</u>	<u>Net (Expense) Revenue</u>	<u>Total Cost of Service</u>	<u>Net (Expense) Revenue</u>
<i>Instruction:</i>				
Adult Education	\$ 1,430,813	\$ (601,190)	\$ 1,375,897	\$ (470,594)
Regular Education	95,425,085	(80,529,373)	105,280,575	(78,357,321)
Special Education	46,341,514	(39,685,931)	43,987,446	(36,916,560)
Vocational Education	8,627,193	(7,110,379)	8,188,850	(7,050,013)
<i>Support Services:</i>				
Business Services	2,693,424	(2,478,929)	2,640,560	(2,428,929)
Co-Curricular Activities	8,111,657	(5,067,239)	8,277,171	(5,034,813)
Community Services	206,669	(206,669)	323,487	(81,999)
Food Service Outlay	8,973,796	(659,065)	9,025,540	(619,260)
General Administration Services	4,312,802	(4,312,802)	4,117,732	(4,051,254)
Instructional Staff Services	6,207,220	(6,207,220)	6,161,870	(6,062,152)
Operations and Maintenance	23,620,075	(23,473,244)	20,765,763	(20,320,055)
Pupil Services	7,608,562	(6,547,999)	7,325,083	(6,500,821)
Pupil Transportation Services	3,250,719	(2,120,673)	3,209,929	(2,213,980)
School Administration Services	13,703,100	(13,703,100)	12,513,439	(12,347,243)
Interest and Fees on Long-Term Debt	2,361,880	(2,361,880)	2,470,661	(2,336,484)
Total	<u>\$ 232,874,509</u>	<u>\$ (195,065,693)</u>	<u>\$ 235,664,003</u>	<u>\$ (184,791,478)</u>

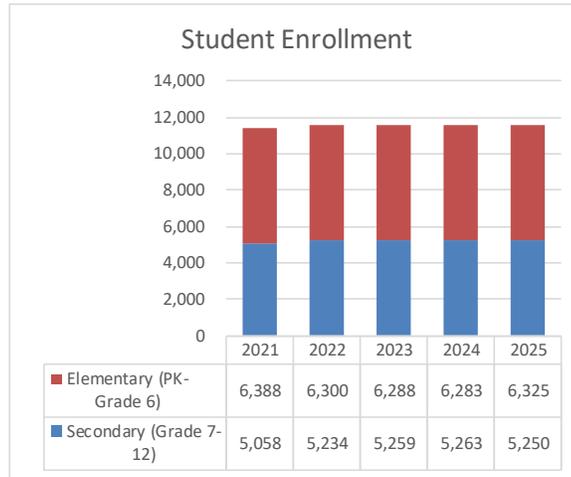
The “Net (Expense) Revenue” columns are calculated by subtracting the total program revenues from the expenses of each function. If the expenses of the District’s functions surpass the program revenues, negative numbers result in the Statement of Activities, representing a net expense or net cost to the public. These functions are generally dependent upon general-purpose revenues, including tax dollars. When program revenues exceed expenses, the resulting number is positive, representing net revenue to the public, sometimes available to offset other program costs. The “positive” or “negative” numbers merely indicate whether a particular function relies on general revenues for financing or is a net contributor to the resources of the District. Because the District relies on property taxes and state aid as its primary funding source, the total net cost of services will be a negative number.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from pre-school through grade 12. Over the last five years, the District’s total student population has increased from 11,446 in 2021 to 11,575 in 2025. The 2024-25 school year saw consistent enrollment numbers compared to the last few years. Due to the continued strong development of new residential areas, the District anticipates the total number of students will continue to increase or remain stable in future years.



The following schedule presents a summary of General Fund revenues:

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Increase (Decrease)
Local Sources	\$ 79,310,714	\$ 74,932,807	\$ 4,377,907	5.84%
State Sources	111,949,527	110,842,057	1,107,470	1.00%
Federal Sources	13,094,755	27,200,817	(14,106,062)	-51.86%
Other Sources	32,200	24,826	7,374	29.70%
Total Revenue	\$ 204,387,196	\$ 213,000,507	\$ (8,613,311)	-4.04%

During the 2024-25 fiscal year, total General Fund revenue decreased by \$8,613,311, or 4.04%, from the previous fiscal year. Basic general education revenue is determined by a state per-student funding formula and consists of a mix of property taxes and state aid revenue. Federal grant carryover also decreased significantly in 2025 with the ending of various grant agreements.

The following schedule presents a summary of General Fund expenditures:

	Fiscal Year 2025	Fiscal Year 2024	Increase (Decrease)	Increase (Decrease)
Instruction	\$ 145,694,862	\$ 151,360,372	\$ (5,665,510)	-3.74%
Support Services	58,257,705	56,236,660	2,021,045	3.59%
Capital Outlay	719,934	2,767,221	(2,047,287)	-73.98%
Debt Service	-	306,219	(306,219)	-100.00%
Total Expenditures	\$ 204,672,501	\$ 210,670,472	\$ (5,997,971)	-2.85%

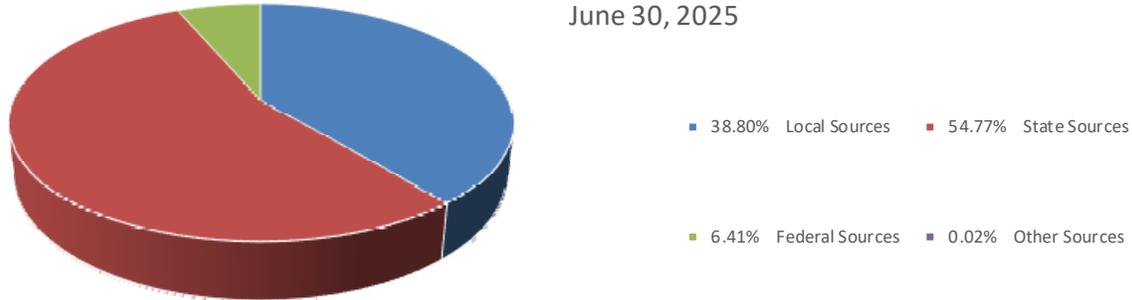
During the 2024-25 fiscal year, total General Fund expenditures decreased by \$5,997,971, or 2.85%, from the previous fiscal year. In 2024-25, Instruction costs decreased in relation to decreases in Regular Education costs.

BOARD OF EDUCATION OF THE CITY OF FARGO

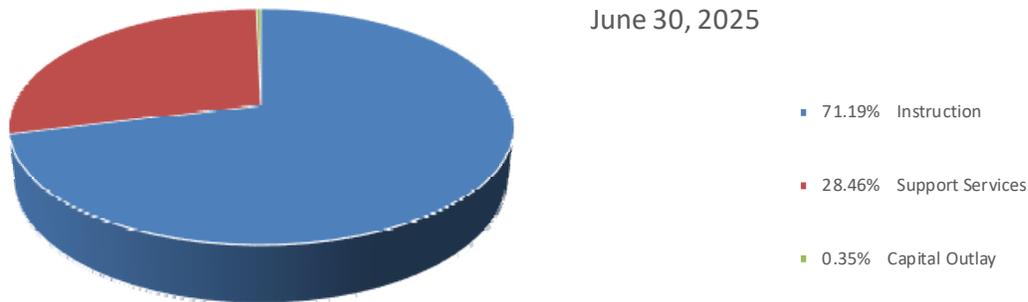
Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

During the 2024-25 fiscal year, General Fund expenditures and other financing sources (uses) exceeded revenues by \$4,493,758, resulting in a total fund balance of \$34,566,796, compared to a fund balance of \$39,060,554 in 2023-24.

General Fund Revenues by Source
 June 30, 2025



General Fund Expenditures by Source
 June 30, 2025



General Fund Budgetary Highlights

During the 2024-25 fiscal year, there was a \$526,033 increase in appropriations between the original and final revenue budget and \$826,033 increase in appropriations between the original and final expenditure budget. See Note 5 to the Required Supplementary Information.

The actual revenue amount was less than the final revenue budget amount by \$5,297,501. Most of this difference resulted from lower than projected federal and state grant receipts. The actual expenditures were less than the final expenditure budget amount by \$560,836. The difference in the final budget expenditure compared to the actual expenditures was mainly due to lower-than-expected instruction costs.

REVENUES					
	Original Budget	Amended Budget	Budget Variance	Actual	Final Budget to Actual Variance
General Fund	\$ 209,158,664	\$209,684,697	\$ 526,033	\$204,387,196	\$ (5,297,501)

EXPENDITURES					
	Original Budget	Amended Budget	Budget Variance	Actual	Final Budget to Actual Variance
General Fund	\$ 204,407,304	\$205,233,337	\$ 826,033	\$204,672,501	\$ (560,836)

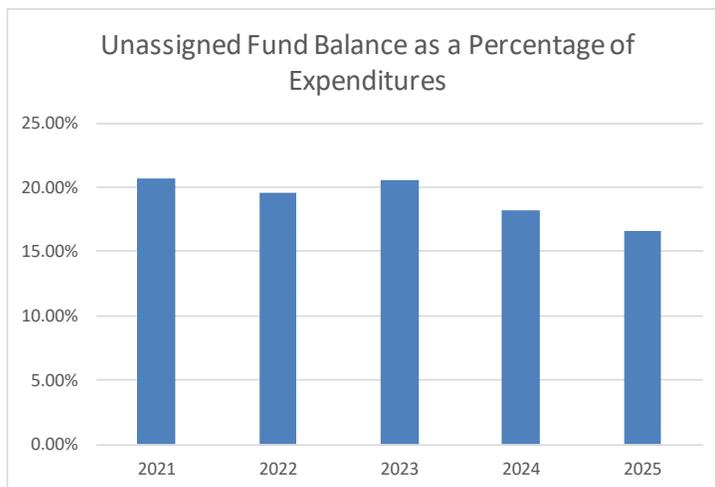
BOARD OF EDUCATION OF THE CITY OF FARGO

Management’s Discussion and Analysis (MD&A) – Continued
 For the Year Ended June 30, 2025

**Summary of General Fund Changes
 Last Ten Years**

Fiscal Year	Beginning Balance	Prior Period Adjustment	Revenues	Expenditures	Other Financing Sources (Uses)	Ending Balance
2016	\$28,975,841	\$ -	\$155,901,680	\$147,458,328	\$ (7,233,839)	\$30,185,354
2017	30,185,354	-	159,054,370	150,251,090	(7,340,357)	31,648,277
2018	31,648,277	-	160,672,265	153,664,001	(6,720,263)	31,936,278
2019	31,936,278	-	165,139,440	158,494,195	(6,728,656)	31,852,867
2020	31,852,867	-	171,040,884	162,336,912	(7,582,161)	32,974,678
2021	32,974,678	(1,193,831)	185,118,190	176,139,201	(3,756,185)	37,003,651
2022	37,003,651	1,689,630	189,503,993	186,782,550	(4,136,263)	37,278,461
2023	37,278,461	-	203,771,744	195,771,222	(4,200,931)	41,078,052
2024	41,078,052	-	213,000,507	210,670,472	(4,347,533)	39,060,554
2025	39,060,554	-	204,387,196	204,672,501	(4,208,453)	34,566,796

The following graph shows the General Fund unassigned fund balance as a percentage of expenditures over the last five fiscal years:



The graph above is one of the best measures of overall financial health. The unassigned fund balance of \$33,875,936 as of June 30, 2025, represents 16.55% of annual General Fund expenditures. The Board of Education of the City of Fargo established a minimum 10% fund balance reserve requirement several years ago to assist with financial stability. It substantially modified that requirement to 15% thereafter and surpassed it dating back to fiscal year 2001-02. This minimum requirement provides enough unassigned resources to avoid short-term cash flow borrowing by the District.

DEBT SERVICE FUND

The Debt Service Fund is included as a major fund for the Board of Education of the City of Fargo. This fund is used to make principal and interest payments on bonds when due. The use of a Debt Service Fund allows the District to report principal, interest, and other bond related costs separate from the ongoing operating activities of the General Fund.

There were no Debt Service Fund revenues in the current fiscal year, similar to the previous fiscal year.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

The following schedule presents a summary of Debt Service Fund expenditures:

	Year Ended June 30, 2025	Year Ended June 30, 2024	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Principal	\$ 7,633,020	\$ 6,710,070	\$ 922,950	13.75%
Interest	2,933,892	2,930,653	3,239	0.11%
Fiscal Charges and Fees	-	4,445	(4,445)	-100.00%
Total Expenditures	\$ 10,566,912	\$ 9,645,168	\$ 921,744	9.56%

Total Debt Service Fund expenditures increased by \$921,744, or 9.56%, from the previous fiscal year. During 2024-25, Debt Service expenditures increased due to there being more bond principal payments due than in 2023-24.

CAPITAL PROJECTS FUND

The Capital Projects Fund is also a major fund for the Board of Education of the City of Fargo. This fund contains major capital acquisitions and construction costs. The use of a Capital Projects Fund allows the District to report construction activities financed through bond borrowings separate from the ongoing operating activities of the General Fund.

The following schedule presents a summary of Capital Projects Fund revenues and other financing sources:

	Year Ended June 30, 2025	Year Ended June 30, 2024	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Local Sources	\$ 16,311,626	\$ 15,251,041	\$ 1,060,585	6.95%
Sale of Land	3,600,000	-	3,600,000	100.00%
Total Revenues and Other Financing Sources	\$ 19,911,626	\$ 15,251,041	\$ 4,660,585	30.56%

Total Capital Projects Fund revenues and other financing sources increased by \$4,660,585, or 30.56%, from the previous fiscal year. The primary reason for this increase was the \$3.6 million sale of land at the old District Office.

The following schedule presents a summary of Capital Projects Fund expenditures:

	Year Ended June 30, 2025	Year Ended June 30, 2024	Amount of Increase (Decrease)	Percent of Increase (Decrease)
Operations and Maintenance	\$ 341,273	\$ 26,766	\$ 314,507	1175.02%
Capital Outlay	8,839,210	2,039,890	6,799,320	333.32%
Principal	1,002,307	59,974	942,333	1571.24%
Interest	46,038	35,137	10,901	31.02%
Bond Costs	7,275	45,695	(38,420)	-84.08%
Total Expenditures	\$ 10,236,103	\$ 2,207,462	\$ 8,028,641	363.70%

Total Capital Projects Fund expenditures and other financing uses increased by \$8,028,641, or 363.70%, from the previous fiscal year. The primary reason for this increase was due to the increase in capital outlay expenditures during the current fiscal year.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the Fargo Public School District had \$253,716,364 in capital assets (net of accumulated depreciation). These assets include land and improvements, buildings and improvements, equipment and vehicles, and construction in progress.

	<u>2025</u>	<u>2024</u>
Capital Assets (Not Being Depreciated)		
Land and Improvements	\$ 35,692,064	\$ 35,758,164
Construction in Progress	9,439,063	11,730,088
Capital Assets (Net of Accumulated Depreciation)		
Buildings and Improvements	203,084,821	199,356,262
Equipment and Vehicles	<u>5,500,416</u>	<u>5,968,024</u>
Total Capital Assets, Net	<u>\$ 253,716,364</u>	<u>\$ 252,812,538</u>

Land and Improvements decreased with the sale of land of the old District Office. Construction in Progress decreased and Buildings and Improvements increased due to the increase in construction projects completed in the current year as compared to the prior year. Equipment and Vehicles decreased due to the increase in the District's capitalization threshold from \$5,000 to \$10,000. More detailed information about capital assets can be found in Note 6 to the financial statements.

Right-to-Use Assets

As of June 30, 2025, the Fargo Public School District had \$94,234 in right-to-use assets (net of accumulated amortization). These assets include various GASB 87 lease agreements the District has entered into.

	<u>2025</u>	<u>2024</u>
Right-to-Use Assets	<u>\$ 94,234</u>	<u>\$ 185,266</u>

Subscription-Based IT Assets (SBITA's)

As of June 30, 2025, the Fargo Public School District had \$290,806 in subscription-based IT assets (net of accumulated amortization). These assets include various GASB 96 subscription agreements the District has entered into.

	<u>2025</u>	<u>2024</u>
Subscription-Based IT Assets	<u>\$ 290,806</u>	<u>\$ 413,978</u>

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

Long-Term Liabilities

At the end of the current fiscal year, the District had \$321,717,231 in long-term liabilities. Of this amount, \$86,809,133 is long-term debt and \$8,241,001 of that long-term debt is the current liability due within one year that consists of general obligation bonds payable. The District decreased its existing debt obligations by \$5,523,786 this year. The key factors for this decrease were the decrease in general obligation bonds and special assessments.

	2025	2024 (Restated)
Long-Term Bond Premium	<u>\$ 3,198,323</u>	<u>\$ 3,625,246</u>
Long-Term Debt		
General Obligation Bonds Payable	\$ 86,809,133	\$ 94,442,153
Special Assessments Payable	-	564,023
Total Long-Term Debt	<u>\$ 86,809,133</u>	<u>\$ 95,006,176</u>
Long-Term Payroll Liabilities		
Compensated Absences	<u>\$ 29,017,913</u>	<u>\$ 28,734,849</u>
Total Long-Term Payroll Liabilities	<u>\$ 29,017,913</u>	<u>\$ 28,734,849</u>
Long-Term Lease Liability	<u>\$ 71,754</u>	<u>\$ 169,382</u>
Long-Term SBITA Liability	<u>\$ 310,955</u>	<u>\$ 408,776</u>
Net Pension and OPEB Liability	<u>\$ 202,309,153</u>	<u>\$ 199,296,588</u>
Total Long-Term Liabilities	<u>\$ 321,717,231</u>	<u>\$ 327,241,017</u>

Economic Factors and Next Year's Budget

The Fargo Public School District considers many factors when preparing the fiscal year 2025–26 budget. The District's overall economic position remains stable, supported by a strong local economy and continued population growth within the City of Fargo. Taxable property valuation for the city is projected to increase by approximately 6% from the prior year, reflecting both residential and commercial development.

During the 2025 North Dakota legislative session, new legislation placed limits on the ability of political subdivisions, including school districts, to increase the dollar amount of property tax levies beyond a capped percentage of 3% without voter approval. While the District's General Fund mill levy remains authorized up to 127 mills, future growth in property tax collections will rely primarily on dollars levied rather than mill adjustments. This legislative change will require continued careful planning to balance revenues with the District's long-term needs.

The State of North Dakota remains a primary source of funding for the District. The 2025 legislative session approved an increase to the per pupil payment rate at \$11,349 per weighted average daily membership (ADM) for fiscal year 2026, prior to funding formula offsets. This represents a 2.5% increase from the prior year and provides important stability in the District's operating revenues.

The District will continue to focus on fiscal efficiency and strong stewardship of resources while prioritizing investments in student achievement and staff support. Through proactive financial management, Fargo Public Schools remains committed to ensuring all students are educated and empowered to succeed in a changing economic and policy environment.

BOARD OF EDUCATION OF THE CITY OF FARGO

Management's Discussion and Analysis (MD&A) – Continued
For the Year Ended June 30, 2025

Requests for Information

This Annual Comprehensive Financial Report (ACFR) is designed to provide a general overview of the Fargo Public School District's finances for all applicable citizens, taxpayers, investors, and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Fargo Public Schools District Office
Dustin Foster, CPA
700 7th Street South
Fargo, North Dakota 58103

SECTION II-A
BASIC FINANCIAL STATEMENTS



BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Net Position

June 30, 2025 (Summarized Comparative Totals 2024)

	Governmental Activities	
	2025	2024 (Restated)
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 71,717,327	\$ 70,501,209
Accounts Receivable	640,073	821,410
Taxes Receivable	6,248,726	4,347,922
Intergovernmental Receivable	4,855,340	7,437,370
Lease Receivable	84,747	90,785
Due from County Treasurer	324,675	141,439
Prepaid Items	23,597	19,098
Inventories	1,025,032	829,786
Notes Receivable	65,000	65,000
Total Current Assets	\$ 84,984,517	\$ 84,254,019
Non-Current Assets		
Lease Receivable	\$ 126,740	\$ 211,487
Notes Receivable	1,435,000	1,500,000
Capital Assets (Not Being Depreciated)		
Land	35,692,064	35,758,164
Construction in Progress	9,439,063	11,730,088
Capital Assets (Net of Accumulated Depreciation)		
Buildings and Improvements	203,084,821	199,356,262
Equipment and Vehicles	5,500,416	5,968,024
Right-to-Use Assets (Net of Accumulated Amortization)		
Right-to-Use Assets	94,234	185,266
Subscription-Based IT Assets (Net of Accumulated Amortization)		
Subscription-Based IT Assets	290,806	413,978
Total Non-Current Assets	\$ 255,663,144	\$ 255,123,269
Total Assets	\$ 340,647,661	\$ 339,377,288
DEFERRED OUTFLOWS OF RESOURCES		
Derived from Pension and OPEB	\$ 49,841,864	\$ 62,927,921
Total Assets and Deferred Outflows of Resources	\$ 390,489,525	\$ 402,305,209
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 3,081,861	\$ 2,894,144
Salaries and Benefits Payable	5,602,842	756,449
Contracts Payable	208,156	124,400
Due to Other Agencies	111,587	57,138
IBNR Claims	1,467,157	1,395,179
Interest Payable	1,149,899	1,271,772
Unearned Revenue - Food Service Commodity Inventory	114,362	50,583
Unearned Revenue - Food Service Lunch Credits	184,545	164,238
Total Current Liabilities	\$ 11,920,409	\$ 6,713,903
Long-Term Liabilities		
Due Within One Year		
Long-Term Bond Premium	\$ 426,923	\$ 679,446
Long-Term Lease Liability	47,175	94,616
Long-Term SBITA Liability	310,955	237,088
Long-Term Debt	8,241,001	7,655,983
Due After One Year		
Long-Term Bond Premium	2,771,400	2,945,800
Long-Term Lease Liability	24,579	74,766
Long-Term SBITA Liability	-	171,688
Long-Term Debt	78,568,132	87,350,193
Long-Term Payroll Liabilities	29,017,913	28,734,849
Net Pension and OPEB Liability	202,309,153	199,296,588
Total Long-Term Liabilities	\$ 321,717,231	\$ 327,241,017
Total Liabilities	\$ 333,637,640	\$ 333,954,920
DEFERRED INFLOWS OF RESOURCES		
Derived from Pension and OPEB	\$ 29,678,153	\$ 46,085,130
Derived from Leases	169,041	246,097
Total Deferred Inflows of Resources	\$ 29,847,194	\$ 46,331,227
Total Liabilities and Deferred Inflows of Resources	\$ 363,484,834	\$ 380,286,147
NET POSITION		
Net Investment in Capital Assets	\$ 164,093,949	\$ 155,344,384
Restricted		
Capital Projects	20,350,559	20,905,133
Unrestricted	(157,439,817)	(154,230,455)
Total Net Position	\$ 27,004,691	\$ 22,019,062

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Activities

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

Functions/Programs	2025				2024 (Restated)	
	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions			Capital Grants and Contributions
Governmental Activities						
Instruction						
Adult Education	\$ 1,430,813	\$ 14,732	\$ 814,891	\$ -	\$ (601,190)	\$ (470,594)
Regular Education	95,425,085	1,325,979	13,569,733	-	(80,529,373)	(78,357,321)
Special Education	46,341,514	447,399	6,208,184	-	(39,685,931)	(36,916,560)
Vocational Education	8,627,193	578,783	938,031	-	(7,110,379)	(7,050,013)
Support Services						
Business Services	2,693,424	214,495	-	-	(2,478,929)	(2,428,929)
Co-Curricular Activities	8,111,657	2,687,416	357,002	-	(5,067,239)	(5,034,813)
Community Services	206,669	-	-	-	(206,669)	(81,999)
Food Services Outlay	8,973,796	3,232,247	5,082,484	-	(659,065)	(619,260)
General Administration Services	4,312,802	-	-	-	(4,312,802)	(4,051,254)
Instructional Staff Services	6,207,220	-	-	-	(6,207,220)	(6,062,152)
Operations and Maintenance	23,620,075	146,831	-	-	(23,473,244)	(20,320,055)
Pupil Services	7,608,562	1,060,563	-	-	(6,547,999)	(6,500,821)
Pupil Transportation Services	3,250,719	-	1,130,046	-	(2,120,673)	(2,213,980)
School Administration Services	13,703,100	-	-	-	(13,703,100)	(12,347,243)
Interest and Fees on Long-Term Debt	2,361,880	-	-	-	(2,361,880)	(2,336,484)
Total Governmental Activities	\$ 232,874,509	\$ 9,708,445	\$ 28,100,371	\$ -	\$ (195,065,693)	\$ (184,791,478)
General Revenues						
Taxes						
Property Taxes - Levied for General Purposes					\$ 69,998,850	\$ 65,291,243
Property Taxes - Levied for Debt Purposes					15,150,098	14,084,943
Other Tax Revenue					3,888,450	3,350,402
State Aid Not Restricted to Specific Program						
Per Pupil Aid					106,621,047	105,668,443
Interest Income and Other Revenue					4,392,877	4,533,826
Total General Revenues					\$ 200,051,322	\$ 192,928,857
Change in Net Position					\$ 4,985,629	\$ 4,679,279
Net Position - July 1, as previously reported					\$ 22,019,062	\$ 38,065,183
Adjustment (Note 2)					\$ -	\$ (20,725,400)
Net Position - July 1, as restated					\$ 22,019,062	\$ 17,339,783
Net Position - June 30					\$ 27,004,691	\$ 22,019,062

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Balance Sheets – Governmental Funds

June 30, 2025 (Summarized Comparative Totals 2024)

	Major Funds				Total Governmental Funds	
	General	Debt	Capital	Other	2025	2024
	Fund	Service Fund	Projects Fund	Governmental Funds		
ASSETS						
Cash and Cash Equivalents	\$35,476,265	\$ -	\$21,164,474	\$ 5,702,680	\$ 62,343,419	\$ 60,858,257
Accounts Receivable	220,103	-	26,257	82,801	329,161	137,615
Taxes Receivable	5,139,797	-	1,108,929	-	6,248,726	4,347,922
Intergovernmental Receivable	4,796,960	-	2,500	55,880	4,855,340	7,437,370
Lease Receivable	211,487	-	-	-	211,487	302,272
Due from County Treasurer	293,268	-	31,407	-	324,675	141,439
Prepaid Items	22,750	-	-	847	23,597	19,098
Inventories	668,110	-	-	356,922	1,025,032	829,786
Notes Receivable	-	-	1,500,000	-	1,500,000	1,565,000
Total Assets	\$46,828,740	\$ -	\$23,833,567	\$ 6,199,130	\$ 76,861,437	\$ 75,638,759
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,267,299	\$ -	\$ 1,774,852	\$ 39,710	\$ 3,081,861	\$ 2,880,705
Salaries and Benefits Payable	5,574,220	-	-	28,622	5,602,842	756,449
Contracts Payable	-	-	208,156	-	208,156	124,400
Due to Other Agencies	111,587	-	-	-	111,587	57,138
Unearned Revenue - Food Service Commodity Inventory	-	-	-	114,362	114,362	50,583
Unearned Revenue - Food Service Lunch Credits	-	-	-	184,545	184,545	164,238
Total Liabilities	\$ 6,953,106	\$ -	\$ 1,983,008	\$ 367,239	\$ 9,303,353	\$ 4,033,513
Deferred Inflows of Resources						
Uncollected Taxes Receivable	\$ 5,139,797	\$ -	\$ 1,108,929	\$ -	\$ 6,248,726	\$ 4,347,922
Uncollected Notes Receivable	-	-	1,500,000	-	1,500,000	1,565,000
Leases	169,041	-	-	-	169,041	246,097
Total Deferred Inflows of Resources	\$ 5,308,838	\$ -	\$ 2,608,929	\$ -	\$ 7,917,767	\$ 6,159,019
Total Liabilities and Deferred Inflows of Resources	\$12,261,944	\$ -	\$ 4,591,937	\$ 367,239	\$ 17,221,120	\$ 10,192,532
Fund Balances						
Nonspendable						
Inventories	\$ 668,110	\$ -	\$ -	\$ 356,922	\$ 1,025,032	\$ 829,786
Prepaid Items	22,750	-	-	847	23,597	19,098
Restricted						
Capital Projects	-	-	19,241,630	-	19,241,630	20,133,019
Committed						
Special Revenue	-	-	-	5,474,122	5,474,122	6,082,569
Unassigned						
General	33,875,936	-	-	-	33,875,936	38,381,755
Total Fund Balances	\$34,566,796	\$ -	\$19,241,630	\$ 5,831,891	\$ 59,640,317	\$ 65,446,227
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$46,828,740	\$ -	\$23,833,567	\$ 6,199,130	\$ 76,861,437	\$ 75,638,759

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 For the Year Ended June 30, 2025

Total Fund Balances - Governmental Funds \$ 59,640,317

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Capital Assets	\$ 372,061,344	
Less Accumulated Depreciation	<u>(118,344,980)</u>	253,716,364

Right-to-use assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Right-to-Use Assets	\$ 511,953	
Less Accumulated Amortization	<u>(417,719)</u>	94,234

Subscription-based IT assets used in governmental activities are not financial resources and are not reported in the governmental funds.

Cost of Subscription-Based IT Assets	\$ 976,604	
Less Accumulated Amortization	<u>(685,798)</u>	290,806

Some revenue will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are not available in the funds.

Taxes Receivable	\$ 6,248,726	
Notes Receivable	<u>1,500,000</u>	7,748,726

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred Outflows Related to Pensions and OPEB	\$ 49,841,864	
Deferred Inflows Related to Pensions and OPEB	<u>(29,678,153)</u>	20,163,711

Long-term liabilities applicable to the School District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at year-end is made up of the following liabilities:

Long-Term Debt	\$ (86,809,133)	
Interest Payable	(1,149,899)	
Long-Term Payroll Liabilities	(29,017,913)	
Bond Premium	(3,198,323)	
Lease Liability	(71,754)	
SBITA Liability	(310,955)	
Net Pension and OPEB Liability	<u>(202,309,153)</u>	(322,867,130)

An internal service fund is used by the School District to charge the cost of medical insurance, worker's compensation insurance and unemployment claims to individual functions. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. Internal Service Fund net position is:

8,217,663

Total Net Position - Governmental Activities

\$ 27,004,691

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Major Funds				Total Governmental Funds	
	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	2025	2024
REVENUES						
Local Sources	\$ 79,310,714	\$ -	\$ 16,311,626	\$ 6,476,258	\$ 102,098,598	\$ 96,891,963
State Sources	111,949,527	-	-	203,855	112,153,382	111,009,623
Federal Sources	13,094,755	-	-	4,843,438	17,938,193	31,918,450
Other Sources	32,200	-	-	-	32,200	24,826
Total Revenues	\$204,387,196	\$ -	\$ 16,311,626	\$ 11,523,551	\$ 232,222,373	\$ 239,844,862
EXPENDITURES						
Current						
Instruction						
Adult Education	\$ 1,383,188	\$ -	\$ -	\$ -	\$ 1,383,188	\$ 1,317,936
Regular Education	91,176,121	-	-	-	91,176,121	99,578,679
Special Education	44,796,012	-	-	-	44,796,012	42,556,197
Vocational Education	8,339,541	-	-	-	8,339,541	7,907,560
Support Services						
Business Services	2,509,066	-	-	-	2,509,066	2,562,926
Co-Curricular Activities	306,715	-	-	7,742,541	8,049,256	7,926,461
Community Services	199,754	-	-	-	199,754	317,531
Food Services Outlay	-	-	-	8,790,027	8,790,027	8,825,731
General Administration Services	4,169,003	-	-	-	4,169,003	3,976,658
Instructional Staff Services	6,000,286	-	-	-	6,000,286	5,950,529
Operations and Maintenance	21,337,100	-	341,273	-	21,678,373	20,882,265
Pupil Services	7,354,746	-	-	-	7,354,746	7,092,325
Pupil Transportation Services	3,142,208	-	-	-	3,142,208	3,118,197
School Administration Services	13,238,827	-	-	-	13,238,827	12,066,672
Capital Outlay	719,934	-	8,839,210	-	9,559,144	4,807,111
Debt Service						
Principal	-	7,633,020	1,002,307	-	8,635,327	7,076,263
Interest	-	2,933,892	46,038	-	2,979,930	2,965,790
Fiscal Charges and Fees	-	-	7,275	-	7,275	50,140
Total Expenditures	\$204,672,501	\$ 10,566,912	\$ 10,236,103	\$ 16,532,568	\$ 242,008,084	\$ 238,978,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (285,305)	\$ (10,566,912)	\$ 6,075,523	\$ (5,009,017)	\$ (9,785,711)	\$ 865,891
OTHER FINANCING SOURCES (USES)						
Transfers In	\$ 350,000	\$ 10,566,912	\$ 5,500,000	\$ 4,938,254	\$ 21,355,166	\$ 20,636,783
Transfers Out	(4,938,254)	-	(16,066,912)	(350,000)	(21,355,166)	(20,636,783)
Right-to-Use Asset Proceeds	-	-	-	-	-	54,685
Subscription-Based IT Asset Proceeds	242,835	-	-	-	242,835	282,555
Sale of Land	-	-	3,600,000	-	3,600,000	-
Sale of Assets	136,966	-	-	-	136,966	77,623
Total Other Financing Sources and Uses	\$ (4,208,453)	\$ 10,566,912	\$ (6,966,912)	\$ 4,588,254	\$ 3,979,801	\$ 414,863
Net Change in Fund Balances	\$ (4,493,758)	\$ -	\$ (891,389)	\$ (420,763)	\$ (5,805,910)	\$ 1,280,754
Fund Balances - July 1	\$ 39,060,554	\$ -	\$ 20,133,019	\$ 6,252,654	\$ 65,446,227	\$ 64,165,473
Fund Balances - June 30	\$ 34,566,796	\$ -	\$ 19,241,630	\$ 5,831,891	\$ 59,640,317	\$ 65,446,227

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (5,805,910)

The change in net position reported for governmental activities in the statement of activities is different because:

Capital Outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.

Capital Asset Additions	\$ 9,316,309	
Depreciation Expense	<u>(7,293,883)</u>	2,022,426

Capital Outlays related to leases are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlay exceeded amortization in the current year.

Right-to-Use Asset Deletions	\$ (6,021)	
Amortization Expense	<u>(85,011)</u>	(91,032)

Capital Outlays related to subscription-based IT assets are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as amortization expense. This is the amount by which capital outlay exceeded amortization in the current year.

Subscription-Based IT Asset Additions	\$ 242,835	
Amortization Expense	<u>(366,007)</u>	(123,172)

In the statement of activities, only the gain (loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold.

(1,118,600)

Repayment of long-term debt is an expenditure in the governmental funds, but reduces long-term debt in the statement of net position. The issuance of long-term debt is reported as other financing sources in the governmental funds, but increases liabilities on the statement of net position.

Repayment of Long-Term Debt		8,197,043
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Bond premium amortization is a reduction and to interest expense, respectively, as they are amortized over the life of the outstanding bonds using the straight-line method.

426,923

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net Change in Long-Term Payroll Liabilities	\$ (283,064)	
Net Change in Long-Term Lease Liability	97,628	
Net Change in Long-Term SBITA Liability	97,821	
Net Change in Interest Payable	<u>121,873</u>	34,258

The net pension and OPEB liability, and related deferred outflows of resources and deferred inflows of resources are reported in the government wide statements; however, activity related to these pension items do not involve current financial resources, and are not reported in the funds.

Net Change in Net Pension and OPEB Liability	\$ (3,012,565)	
Net Change in Deferred Outflows of Resources	(13,086,057)	
Net Change in Deferred Inflows of Resources	<u>16,406,977</u>	308,355

Some revenues reported on the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of the change in taxes receivable and notes receivable.

Net Change in Taxes Receivable	\$ 1,900,804	
Net Change in Notes Receivable	<u>(65,000)</u>	1,835,804

An internal service fund is used by the School District's management to charge the cost of health insurance to individual functions. The change in net position of internal service funds reported with governmental activities.

(700,466)

Change in Net Position of Governmental Activities **\$ 4,985,629**

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Net Position - Proprietary Fund
June 30, 2025 (Summarized Comparative Totals 2024)

	Internal Service Fund	
	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 9,373,908	\$ 9,642,952
Accounts Receivable	<u>310,912</u>	<u>683,795</u>
Total Current Assets	<u>\$ 9,684,820</u>	<u>\$10,326,747</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ -	\$ 13,439
IBNR Claims	<u>1,467,157</u>	<u>1,395,179</u>
Total Current Liabilities	<u>\$ 1,467,157</u>	<u>\$ 1,408,618</u>
NET POSITION		
Unrestricted	<u>\$ 8,217,663</u>	<u>\$ 8,918,129</u>

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund
For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Internal Service Fund	
	<u>2025</u>	<u>2024</u>
OPERATING REVENUES		
Contributions to Self-Insurance	<u>\$ 23,016,599</u>	<u>\$ 21,843,505</u>
OPERATING EXPENSES		
Health Insurance Claims	\$ 21,097,780	\$ 17,497,057
Administrative Fees	<u>2,619,285</u>	<u>2,518,897</u>
Total Operating Expenses	<u>\$ 23,717,065</u>	<u>\$ 20,015,954</u>
Operating (Loss) Income	<u>\$ (700,466)</u>	<u>\$ 1,827,551</u>
Net Position - July 1	<u>\$ 8,918,129</u>	<u>\$ 7,090,578</u>
Net Position - June 30	<u>\$ 8,217,663</u>	<u>\$ 8,918,129</u>

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statements of Cash Flows - Proprietary Fund

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Internal Service Fund	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from User Charges	\$ 23,389,481	\$22,044,496
Payments for Health Insurance Claims and Administrative Fees	<u>(23,658,525)</u>	<u>(19,894,818)</u>
Net Cash (Used in) Provided by Operating Activities	<u>\$ (269,044)</u>	<u>\$ 2,149,678</u>
Cash and Cash Equivalents - July 1	<u>\$ 9,642,952</u>	<u>\$ 7,493,274</u>
Cash and Cash Equivalents - June 30	<u>\$ 9,373,908</u>	<u>\$ 9,642,952</u>
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Operating (Loss) Income	\$ (700,466)	\$ 1,827,551
Adjustments to Reconcile Operating (Loss) Income to Net Cash (Used in) Provided by Operating Activities		
Net Change in Accounts Receivable	372,882	200,991
Net Change in Accounts Payable	(13,438)	11,826
Net Change in IBNR Claims Payable	<u>71,978</u>	<u>109,310</u>
Net Cash (Used in) Provided by Operating Activities	<u>\$ (269,044)</u>	<u>\$ 2,149,678</u>

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Statement of Fiduciary Net Position - Fiduciary Fund

June 30, 2025

	<u>Custodial Fund</u>
ASSETS	
Cash and Cash Equivalents	<u>\$ -</u>
LIABILITIES	
Accounts Payable	<u>\$ -</u>
NET POSITION	
Restricted	
Funds Held for Other Entities	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO
 Statement of Changes in Fiduciary Net Position – Fiduciary Fund
 For the Year Ended June 30, 2025

	<u>Custodial Fund</u>
ADDITIONS	
Miscellaneous Collections	<u>\$ -</u>
DEDUCTIONS	
Miscellaneous Disbursements	<u>\$ 6,334</u>
Net (Decrease) in Fiduciary Net Position	<u>\$ (6,334)</u>
Net Position - Beginning	<u>\$ 6,334</u>
Net Position - Ending	<u><u>\$ -</u></u>

The Notes to the Financial Statements are an integral part of this statement.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the City of Fargo have been prepared in conformity with the generally accepted accounting principles (GAAP) of the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more specific accounting policies are described below.

Reporting Entity

The accompanying financial statements present the activities of the Board of Education of the City of Fargo. The District has considered all potential component units for which they are financially accountable and any other organizations for which the nature and significance of their relationships with the District, such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability, which include: appointing a voting majority of an organization's governing body and (1) the ability of the Board of Education of the City of Fargo to impose its will on the organization or (2) the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Board of Education of the City of Fargo.

Based on these criteria, there is one component unit to be included within the Board of Education of the City of Fargo as a reporting entity as described below.

Blended Component Unit

This component unit is a legally separate entity, which provides services exclusively to the District.

Fargo Public School District Building Authority ("Building Authority") – The Building Authority was created by the School Board as a legally separate entity. Its purpose is to promote the educational system of the District by providing financing for use in altering, repairing, maintaining, or constructing buildings and making improvements connected to school buildings. The School Board, Superintendent, and Chief Financial Officer make up the governing board of the Building Authority. The activity of the Building Authority is recorded in the Debt Service and Capital Projects Funds. Financial statements for the component unit may be obtained at the Fargo Public School District Office.

Basis of Presentation and Basis of Accounting

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the primary government, the Board of Education of the City of Fargo. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-recording of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements – The fund financial statements provide information about the District's funds, including fiduciary funds. Separate statements are presented for each fund category: Governmental, Proprietary, and Fiduciary. The emphasis of fund financial statements is on major governmental funds; each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary Fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

The Fargo Public School District reports the following major governmental funds:

General Fund – This is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund – This fund is used to account for financial resources that are restricted, committed, or assigned for the payment of principal, interest, and fees on outstanding bonds.

Capital Projects Fund – This fund is used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities.

Additionally, the District reports the following fund types:

Internal Service Fund – This fund accounts for medical insurance, workers’ compensation insurance, and unemployment claims provided to other departments on a cost-reimbursement basis.

Custodial Fund – This fund accounts for assets held by the District in a custodial capacity as an agent on behalf of others.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in governmental funds to be available if the revenues are collected within thirty days after year-end. All revenues are susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and sales of capital assets are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both a restricted and unrestricted net position available to finance the program. It is the District’s policy to first apply cost-reimbursement grant resources to such programs and then use general revenues.

Summarized Comparative Information

These financial statements include certain prior years summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the District’s financial statements for the year-ended June 30, 2024, from which the summarized information was derived.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Budgets

Based on available financial information and requests by the School Board, the Chief Financial Officer prepares the District's budget, with assistance from the Director of Accounting and District Accountant. The budget is prepared for the General, Special Revenue, Debt Service, and Capital Projects Funds on the modified accrual basis of accounting. The budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

The District's taxes must be levied by the governing body and preliminarily certified to the County Auditor by August 10th. The governing body of the District may amend its tax levy and budget for the current fiscal year, but the certification must be filed final to the County Auditor by October 10th. The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.

Encumbrance accounting is employed in governmental funds. Encumbrances, which are comprised of purchase orders outstanding at year-end, are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated during the subsequent fiscal year.

Cash and Cash Equivalents

Cash consists of amounts in demand deposit and money market accounts. Cash equivalents consist of deposits with a maturity of three months or less.

Inventories

The District accounts for the inventory of the General Fund and Nutrition Services Fund using the consumption method. Under this method, inventories are initially recorded as assets, and the recognition of the expenditure is deferred until the period in which the inventories are consumed. Donated food commodities are reported in the governmental funds as food service commodity inventory when received. Inventories are valued on the average cost basis.

The valuation of food service commodity inventory is established by the USDA and provided to the District. Food service commodity inventory of \$114,362 was reported as unearned revenue on June 30, 2025.

Prepaid Items

Prepaid items are expenses paid for in the current accounting period, but for which the underlying assets will not be entirely consumed until a future period. The District accounts for prepayments using the consumption method.

Capital Assets

Capital assets, which include land and improvements, building and improvements, equipment and vehicles, and construction in progress, are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$10,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential on the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or extend assets useful lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of capital assets is not capitalized.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Capital assets are depreciated using the straight-line method for the following estimated useful lives (in years):

Buildings and Improvements:	
Permanent Buildings	50
Temporary or Wood Structure	10
Equipment and Vehicles:	
Playground Equipment	20
Vehicles:	
New	15
Used	*
Copy Machines	6
Servers and Computer Hardware	5
Other Equipment	10

*Useful lives on used vehicles are calculated as 15 years less the (year of manufacture less the year of purchase).

Land and construction in progress are not depreciated.

Right-to-Use Leased Assets

Right-to-use leased assets are recognized at the lease commencement date and represent the District's right to use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the leased asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 15 years for these assets.

Subscription-Based Information Technology Arrangements (SBITA's)

Subscription-based IT assets (SBITA's) are recognized at the subscription commencement date and represent an entity's right to use the underlying IT asset for the subscription term. Subscription-based IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. Subscription-based IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 2 to 4 years for these assets.

Lease Receivables

Lease receivables are recorded by the District at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received is discounted based on the interest rate the District charges the lessee.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Compensated Absences

Vacation Leave

Vested or accumulated vacation leave is reported in the government-wide statement of net position. Compensation for unused vacation leave is granted to all 12-month employees upon termination of employment with the District based on their current rate of pay. Twelve-month employees may carry forward unused leave not to exceed 5 days, which will be added to the accumulation for the current year, not to exceed a maximum of twenty-five days. Earned vacation leave for hourly employees is as follows:

Employee Service Period	Hours Per Bi-Weekly Pay Period	Days Per Year
0 – 11 months	3.08	10
1 year through 5 years 11 months	4.31	14
6 years through 11 years 11 months	5.23	17
12 years through 14 years 11 months	6.15	20
15 years and above	6.77	22

Personal Leave

Teachers and Occupational Therapists/Physical Therapists (OT/PT's) will receive three personal days per year which may accumulate to a maximum of six days, prorated to the length of the employee's workday. Other nine/ten-month employees are also entitled to three personal days per year, prorated to the length of the employees' workday, which may accumulate to a maximum of six days. Employees may request payment for unused personal leave; payment will be based on contracted daily hours at their current salary step for each personal day accumulated.

Sick Leave

Sick leave benefits are provided to all employees who are employed for four or more hours per day. All twelve-month employees receive 15 sick days per year. Teachers, OT/PT's, and all other nine/ten-month employees, receive twelve sick days per year. Sick leave benefits are pro-rated based on the number of months of employment for employees whose employment starts after the normal starting date. Under the prior teacher and OT/PT contracts, two categories of sick leave were established: Legacy Sick Leave and Sick Leave. Any unused accumulated sick leave at the end of the 2010-11 school year was reclassified as Legacy Sick Leave. Employees who were employed before this date may have a balance of Legacy Sick Leave. Legacy Sick Leave benefits could accumulate up to a maximum of 180 days for regular District employees and 246 days for administrators. Sick days taken during the 2011-12 fiscal year and forward will be taken from the Legacy Sick Leave balance first, if available. When the employee's Legacy Sick Leave balance is reduced to zero, the days will then come off their Sick Leave balance. Starting with the 2012-13 contracts, an employee's sick leave will be added to their Sick Leave category, not the Legacy Sick Leave. Any unused sick leave can accumulate year after year with a maximum accumulation of 150 days.

In accordance with the provisions of GASB Statement No. 101, *Compensated Absences*, a liability is recorded for leave benefits that are attributable to services already rendered and that are more likely than not to be used or otherwise paid to employees. Regular employees earn non-vesting sick leave benefits that accumulate but are not expected to be paid or settled; therefore, no liability is recorded for those benefits. Teachers and OT/PT's may elect to sell back some or all of their next year's sick leave (not to exceed the number of days to be earned) once they have accumulated at least 65 days. Support staff have this same option once they have accumulated at least 90 days (Legacy Sick Leave and/or Sick Leave combined). Employees who irrevocably elect to sell back their upcoming year's sick leave in excess of the 65/90 day minimum will receive payment at fifty percent of their current daily rate in January of the following year, and a liability is recognized for those amounts once the election is made.

Emergency Leave

Nine/ten-month employees working four or more hours per day earn two days of emergency leave per year. Teachers working half-time or more also accrue two days of emergency leave per year. Teachers working less than half of the annual employment period shall receive one-half of the allotted emergency leave. Twelve-month employees earn 3 days of emergency leave per year. Emergency leave will accumulate to a maximum of twelve days for all employees.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are expensed as they incur.

In the fund financial statements, governmental fund types recognize bond premiums/discounts and issuance costs in the current period. The face value of the debt 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. Issuance costs are reported as debt service expenditures.

Lease liabilities represent the District's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of future lease payments is discounted based on a borrowing rate determined by the District.

Subscription-based liabilities represent the District's obligation to make subscription-based payments arising from the subscription contract. Subscription-based liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of future subscription payments is discounted based on a borrowing rate determined by the District.

Fund Balance

Fund Balance Spending Policy – It is the policy of the Board of Education of the City of Fargo to spend restricted resources first, followed by unrestricted resources. It is also the policy to spend unrestricted resources of funds in the following order: committed, assigned, and then unassigned.

Minimum Fund Balance Policy – The Board of Education of the City of Fargo established a minimum 10% general fund reserve requirement several years ago to help with financial stability. It substantially modified that requirement to 15% thereafter and surpassed it since the fiscal year 2001-02. This level provides enough unassigned resources to avoid short-term cash flow borrowing by the District. The unassigned General Fund balance of \$33,875,936 as of June 30, 2025, represents 16.55% of annual General Fund expenditures.

Nonspendable Fund Balances – Nonspendable fund balances consist of inventories and prepaid items.

Restricted Fund Balances – Restricted fund balances are shown by primary function on the balance sheet. Restricted fund balances are restricted by enabling legislation (primarily state law for tax levies) and by outside 3rd parties (state and federal governments for various grants and reimbursements).

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Committed Fund Balances – Committed fund balances are amounts that can only be used for specific constraints imposed by formal action of the government’s highest decision-making authority, the School Board. Committed fund balances consist of amounts in the Nutrition Services Fund and Student Activity Funds.

Unassigned Fund Balances – Unassigned fund balances are residual amounts in the General Fund not reported in any other classification. Unassigned amounts in the General Fund are technically available for expenditure for any purpose.

Assigned Fund Balances – Assigned fund balances are the portion of overall fund balance set aside for a specific purpose but does not meet the criteria for being restricted or committed. This intent is established by the government’s highest decision-making authority, the School Board.

Net Position

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first and then unrestricted resources as they are needed.

Net investment in capital assets is reported for capital/right-to-use assets less accumulated depreciation/amortization, as well as net of any related debt used to purchase or finance capital/right-to-use assets. The resources needed to repay this related debt must be provided by other sources since the capital/right-to-use assets are not used to liquidate these liabilities. These assets are not available for future spending.

Restrictions of net position, shown in the statement of net position, are due to restricted tax levies and bond indenture requirements for the Capital Projects and Debt Service Funds.

Unrestricted net position is primarily unrestricted amounts related to the General Fund and the large negative balance of the net pension and OPEB liability. It is the portion that is not restricted or reported as net investment in capital assets.

Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

In the government-wide financial statements, interfund transactions have been eliminated.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on fund balance or net position.

NOTE 2: CHANGES IN ACCOUNTING POLICIES AND PRINCIPLES

Change in Accounting Policy

As of July 1, 2024, the District revised its capitalization policy for capital assets. The capitalization threshold for individual capital assets were increased from \$5,000 to \$10,000, requiring items with a unit acquisition value of \$10,000 or more to be capitalized.

This change was implemented to improve the consistency of asset capitalization with industry practices and to provide a more accurate representation of the District’s capital assets. It also streamlines the expense process by allowing for assets with a cost between \$5,000 and \$10,000 to be immediately expensed, which is considered immaterial to report as separate capital assets.

This change does not materially affect the District’s prior period financial statements, as this threshold was applied prospectively.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Change in Accounting Principle

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*. The provisions of this standard modernize the types of leave that are considered a compensated absence and provide guidance for consistent recognition and measurement of the compensated absence liability. Therefore, compensated absences were increased by \$20,725,400 as of July 1, 2023. The effect of this change in accounting principle is described in the table below.

	<u>July 1, 2023, As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>July 1, 2023, As Restated</u>
Government-Wide			
Governmental Activities Net Position	<u>\$ 38,065,183</u>	<u>\$ (20,725,400)</u>	<u>\$ 17,339,783</u>

NOTE 3: DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk associated with the failure of a depository institution, such that in the event of a depository financial institution's failure, the District would not be able to recover the deposits or collateralized securities that are in the possession of outside parties. The District does not have a formal policy regarding deposits that limit the amount it may invest in any one issuer.

In accordance with North Dakota Statutes, deposits must either be deposited within the Bank of North Dakota or in other financial institutions situated and working within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities. All bonds and notes guaranteed by the United States government, federal land bank bonds, regular bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing body and bonds issued by another state of the United States or such other securities, must be approved by the banking board.

At the year ended June 30, 2025, the Fargo Public School District's carrying amount of all deposits was \$71,717,327 and the bank balances were \$75,589,734. Of the bank balances, \$75,039,698 was covered by Federal Depository Insurance. The remaining balances are collateralized with securities held by the pledging financial institution's agent in the District's name.

NOTE 4: TAXES RECEIVABLE

Property taxes are levied as of January 1st each year. The property taxes attach as an enforceable lien on the property on January 1st and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and the second installment is the balance of the real estate taxes due. The first installment is due March 1st, and the second installment is due October 15th. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15th. After the October 15th due date, the bill becomes delinquent, and penalties are assessed. Taxes receivable as of June 30, 2025, were \$6,248,726.

NOTE 5: PREPAID ITEMS

The District occasionally prepays health, dental, and vision insurance premiums based on the timing of payroll. There were no prepaid items related to these costs during the year; however, the District had prepaid items totaling \$23,597 as of June 30, 2025, related to contracts entered towards the end of the year for the District's performing arts school's summer performances and maintenance services.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

NOTE 6: CAPITAL/RIGHT-TO-USE/SBITA ASSETS

The following is a summary of changes in capital/right-to-use/SBITA assets for the year ended June 30, 2025:

	Balance July 1	Increases	Decreases	Transfers	Balance June 30
<i>Capital assets not being depreciated</i>					
Land	\$ 35,758,164	\$ -	\$ 66,100	\$ -	\$ 35,692,064
Construction in Progress	11,730,088	8,839,210	-	(11,130,235)	9,439,063
Total Capital Assets, Not Being Depreciated	\$ 47,488,252	\$ 8,839,210	\$ 66,100	\$ (11,130,235)	\$ 45,131,127
<i>Capital assets being depreciated</i>					
Buildings and Improvements	\$ 303,371,982	\$ -	\$ 2,073,681	\$ 11,130,235	\$ 312,428,536
Vehicles and Equipment	14,515,298	477,099	490,716	-	14,501,681
Total Capital Assets, Being Depreciated	\$ 317,887,280	\$ 477,099	\$ 2,564,397	\$ 11,130,235	\$ 326,930,217
<i>Less Accumulated Depreciation for</i>					
Buildings and Improvements	\$ 104,015,720	\$ 6,427,630	\$ 1,099,635	\$ -	\$ 109,343,715
Vehicles and Equipment	8,547,274	866,253	412,262	-	9,001,265
Total Accumulated Depreciation	\$ 112,562,994	\$ 7,293,883	\$ 1,511,897	\$ -	\$ 118,344,980
Total Capital Assets Being Depreciated, Net	\$ 205,324,286	\$ (6,816,784)	\$ 1,052,500	\$ 11,130,235	\$ 208,585,237
Capital Assets, Net	\$ 252,812,538	\$ 2,022,426	\$ 1,118,600	\$ -	\$ 253,716,364

	Balance July 1	Increases	Decreases	Transfers	Balance June 30
<i>Right-to-use assets being amortized</i>					
Right-to-Use Assets	\$ 517,974	\$ -	\$ 6,021	\$ -	\$ 511,953
Total Right-to-Use Assets, Being Amortized	\$ 517,974	\$ -	\$ 6,021	\$ -	\$ 511,953
<i>Less Accumulated Amortization for</i>					
Right-to-Use Assets	\$ 332,708	\$ 85,011	\$ -	\$ -	\$ 417,719
Total Right-to-Use Accumulated Amortization	\$ 332,708	\$ 85,011	\$ -	\$ -	\$ 417,719
Total Right-to-Use Assets Being Amortized, Net	\$ 185,266	\$ (85,011)	\$ 6,021	\$ -	\$ 94,234

	Balance July 1	Increases	Decreases	Transfers	Balance June 30
<i>Right-to-use subscription IT assets being amortized</i>					
SBITA Assets	\$ 733,769	\$ 242,835	\$ -	\$ -	\$ 976,604
Total Subscription IT Assets, Being Amortized	\$ 733,769	\$ 242,835	\$ -	\$ -	\$ 976,604
<i>Less Accumulated Amortization for</i>					
SBITA Assets	\$ 319,791	\$ 366,007	\$ -	\$ -	\$ 685,798
Total Subscription IT Assets Accumulated Amortization	\$ 319,791	\$ 366,007	\$ -	\$ -	\$ 685,798
Total Subscription IT Assets Being Amortized, Net	\$ 413,978	\$ (123,172)	\$ -	\$ -	\$ 290,806
Total Accumulated Amortization	\$ 652,499	\$ 451,018	\$ -	\$ -	\$ 1,103,517
Total Capital Assets, Right-to-Use Assets, and Subscription IT Assets, Net	\$ 253,411,782	\$ 1,814,243	\$ 1,124,621	\$ -	\$ 254,101,404

Depreciation and Amortization were charged to the different functions of the District as follows:

Depreciation and Amortization by Function	Depreciation	Amortization
Instruction		
Adult Education	\$ 43,490	\$ -
Regular Education	2,932,931	-
Special Education	1,408,466	-
Vocational Education	262,210	-
Support Services		
Business Services	208,217	451,018
Co-Curricular Activities	127,790	-
Community Services	6,281	-
Food Services Outlay	129,363	-
General Administration Services	131,081	-
Instructional Staff Services	188,660	-
Operations and Maintenance	1,101,555	-
Pupil Services	231,246	-
Pupil Transportation Services	98,797	-
School Administration Services	423,796	-
Total Depreciation and Amortization by Function	\$ 7,293,883	\$ 451,018

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

NOTE 7: BOND PREMIUM

The following is a summary of changes in bond premiums for the year ended June 30, 2025:

	Balance July 1	Addition	Bond Premium Amortization	Balance June 30
2015 \$9.835M Limited Tax Refunding Bond	\$ 45,083	\$ -	\$ 12,880	\$ 32,203
2015B \$9.750M Limited Tax Refunding Bond	34,396	-	13,759	20,637
2016A \$9.160M Limited Tax Refunding Bond	208,841	-	16,707	192,134
2016B \$14.310M Limited Tax Refunding Bond	156,473	-	156,473	-
2018 \$14.00M Limited Tax Bond	1,246,559	-	85,970	1,160,589
2019 \$18.475M Limited Tax Refunding Bond	485,829	-	57,157	428,672
2020 \$11.205 Limited Tax Bond	813,860	-	49,325	764,535
2022A \$7.920M Limited Tax Bond	119,931	-	6,853	113,078
2023 \$17.155M Limited Tax Bond	514,274	-	27,799	486,475
Total Bond Premium	\$ 3,625,246	\$ -	\$ 426,923	\$ 3,198,323

NOTE 8: LEASES (LESSEE)

120DPS and FFSVR136

Fargo Public School District entered into an agreement to lease a copier for 72 months, beginning February 28, 2020. The lease terminates February 28, 2026. Under the terms of the lease, the District pays a monthly base fee of \$6,426.

As of June 30, 2025, Fargo Public School District recognized a right-to-use asset of \$46,228, net of accumulated amortization of \$369,825, and lease liability of \$25,450 related to this agreement. During the fiscal year, the District recorded \$69,342 in amortization expenses and \$1,516 in interest expense for the right to use the copier. The District used a discount rate of 1.50% based on the rate in the agreement.

Loffler Cannon 8595I II

Fargo Public School District entered into an agreement to lease a copier for 60 months, beginning January 11, 2022. The lease terminates January 11, 2027. Under the terms of the lease, the District pays an annual base fee of \$1,997.

As of June 30, 2025, Fargo Public School District recognized a right-to-use asset of \$2,867, net of accumulated amortization of \$6,690, and lease liability of \$2,944 related to this agreement. During the fiscal year, the District recorded \$1,912 in amortization expenses and \$73 in interest expense for the right to use the copier. The District used a discount rate of 1.50% based on the rate in the agreement.

Loffler Versant VR280

Fargo Public School District entered into an agreement to lease a copier for 60 months, beginning September 1, 2023. The lease terminates September 1, 2028. Under the terms of the lease, the District pays a monthly base fee of \$1,038.

As of June 30, 2025, Fargo Public School District recognized a right-to-use asset of \$38,280, net of accumulated amortization of \$16,406, and lease liability of \$36,018 related to this agreement. During the fiscal year, the District recorded \$10,937 in amortization expense and \$2,101 in interest expense for the right to use the copier. The District used a discount rate of 1.50% based on the rate in the agreement.

Power Square 224

Fargo Public School District entered into an agreement to lease a copier for 60 months, beginning July 26, 2021. The lease terminates July 26, 2026. Under the terms of the lease, the District pays an annual base fee of \$7,020.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

As of June 30, 2025, Fargo Public School District recognized a right-to-use asset of \$6,859, net of accumulated amortization of \$24,798, and lease liability of \$7,342 related to this agreement. During the fiscal year, the District recorded \$6,331 in amortization expenses and \$494 in interest expense for the right to use the copier. The District used a discount rate of 3.56% based on the baseline rate provided by the United States State and Local Government Securities table.

Riverwood Park Football Field

Fargo Public School District entered into an agreement to lease a football field for 355 months, beginning April 1, 2007. The lease terminated during this fiscal year. Under the terms of the lease, the District pays an annual base fee of \$323.

As of June 30, 2025, Fargo Public School District removed the lease liability of \$3,227, accumulated amortization of \$3,511, right-to-use asset of \$6,021, and recognized a gain on the early termination of this lease of \$717. The District used a discount rate of 3.34% based on the baseline rate provided by the United States State and Local Government Securities table.

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2026	\$ 47,175	\$ 2,192
2027	10,694	1,151
2028	11,825	629
2029	2,060	16
Total	\$ 71,754	\$ 3,988

NOTE 9: LEASES (LESSOR)

702 Communications

Fargo Public School District entered into an agreement to lease EBS channels for 180 months, beginning October 16, 2018. The lease terminates October 16, 2023, with the option to extend it through October 16, 2033. Under the terms of the lease, the District pays a monthly base fee of \$500.

As of June 30, 2025, Fargo Public School District recognized a lease receivable of \$41,837 and deferred inflow of resources of \$37,884 related to this agreement. During the fiscal year, the District recorded \$4,592 in lease revenue and \$1,658 in interest revenue for the right to use the channels. The District used a discount rate of 3.59% based on the baseline rate provided by the United States State and Local Government Securities table.

American Gold Gymnastics

Fargo Public School District entered into an agreement to lease a building for 180 months, beginning July 1, 2015. The lease terminates June 30, 2020, with the option to extend it through June 30, 2030. Under the terms of the lease, the District pays an annual base fee of \$16,373 where the lease rate is adjusted upward on July 1st of each year.

As of June 30, 2025, Fargo Public School District recognized a lease receivable of \$108,230 and deferred inflow of resources of \$77,623 related to this agreement. During the fiscal year, the District recorded \$15,525 in lease revenue and \$4,415 in interest revenue for the right to use the building. The District used a discount rate of 3.51% based on the baseline rate provided by the United States State and Local Government Securities table.

Spartan Youth Basketball Association (SYBA)

Fargo Public School District entered into an agreement to lease basketball gym space for 36 months, beginning October 1, 2021. The lease terminated September 30, 2024. Under the terms of the lease, the District pays an annual base fee of \$5,000 with a \$500/year increase at the beginning of each lease term.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

As of June 30, 2025, Fargo Public School District recognized a lease receivable of \$0 and deferred inflow of resources of \$0 related to this agreement. During the fiscal year, the District recorded \$1,290 in lease revenue and \$13 in interest revenue for the right to use the basketball gym space. The District used a discount rate of 3.55% based on the baseline rate provided by the United States State and Local Government Securities table.

TNT Kids Fitness & Gymnastics

Fargo Public School District entered into an agreement to lease building space for 56 months, beginning November 1, 2021. The lease terminates June 30, 2026. Under the terms of the lease, the District pays a monthly base fee of \$4,500 with a \$200/month increase at the beginning of each year.

As of June 30, 2025, Fargo Public School District recognized a lease receivable of \$61,420 and deferred inflow of resources of \$53,534 related to this agreement. During the fiscal year, the District recorded \$53,534 in lease revenue and \$4,204 in interest revenue for the right to use the building space. The District used a discount rate of 3.55% based on the baseline rate provided by the United States State and Local Government Securities table.

YMCA Gators Swim Team

Fargo Public School District entered into an agreement to lease pool space for 60 months, beginning October 1, 2019. The lease terminates October 1, 2023, with the option to renew it through October 1, 2024. Under the terms of the lease, the District pays an annual base fee of \$8,000 with a \$500/year increase at the beginning of each lease term.

As of June 30, 2025, Fargo Public School District recognized a lease receivable of \$0 and deferred inflow of resources of \$0 related to this agreement. During the fiscal year, the District recorded \$2,115 in lease revenue and \$93 in interest revenue for the right to use the pool space. The District used a discount rate of 3.59% based on the baseline rate provided by the United States State and Local Government Securities table.

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2026	\$ 84,747	\$ 7,481
2027	24,829	4,478
2028	26,403	3,603
2029	28,053	2,673
2030	29,784	1,684
2031-2034	17,671	1,327
Total	\$ 211,487	\$ 21,246

NOTE 10: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA'S)

Ameresco

Fargo Public School District entered into an agreement for the use of Ameresco software for 36 months, beginning July 1, 2023. The subscription terminates June 30, 2026. Under the terms of the subscription, the District pays an annual base fee of \$38,716 where the lease rate is adjusted upward on July 1st of each year.

As of June 30, 2025, Fargo Public School District recognized a SBITA asset of \$68,809, net of accumulated amortization of \$137,618, and SBITA liability of \$64,197 related to this agreement. During the fiscal year, the District recorded \$68,809 in amortization expenses and \$5,578 in interest expense for the right to use these products. The District used a discount rate of 4.53% based on the baseline rate provided by the United States State and Local Government Securities table.

Cisco Voice

Fargo Public School District entered into an agreement for the use of Cisco Voice software for 36 months, beginning January 1, 2023. The subscription terminates January 1, 2026. Under the terms of the subscription, the District pays an annual base fee of \$66,202.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

As of June 30, 2025, Fargo Public School District recognized a SBITA asset of \$30,691, net of accumulated amortization of \$153,456, and SBITA liability of \$32,446 related to this agreement. During the fiscal year, the District recorded \$61,383 in amortization expenses and \$3,831 in interest expense for the right to use these products. The District used a discount rate of 4.04% based on the baseline rate provided by the United States State and Local Government Securities table.

Cisco Wireless

Fargo Public School District entered into an agreement for the use of Cisco Wireless software for 36 months, beginning January 1, 2023. The subscription terminates January 1, 2026. Under the terms of the subscription, the District pays an annual base fee of \$96,029.

As of June 30, 2025, Fargo Public School District recognized a SBITA asset of \$44,511, net of accumulated amortization of \$222,555, and SBITA liability of \$47,062 related to this agreement. During the fiscal year, the District recorded \$89,021 in amortization expense and \$5,570 in interest expense for the right to use these products. The District used a discount rate of 4.05% based on the baseline rate provided by the United States State and Local Government Securities table.

DreamBox

Fargo Public School District entered into an agreement for the use of DreamBox software for 24 months, beginning July 1, 2024. The subscription terminates June 30, 2026. Under the terms of the subscription, the District pays an annual base fee of \$115,297 where the subscription rate is adjusted upward on July 1st of each year.

As of June 30, 2025, Fargo Public School District recognized a SBITA asset of \$121,417, net of accumulated amortization of \$121,417, and SBITA liability of \$139,267 related to this agreement. During the fiscal year, the District recorded \$121,417 in amortization expense and \$11,729 in interest expense for the right to use these products. The District used a discount rate of 4.83% based on the baseline rate provided by the United States State and Local Government Securities table.

Frontline Central

Fargo Public School District entered into an agreement for the use of Frontline Central software for 36 months, beginning July 1, 2023. The subscription terminates June 30, 2026. Under the terms of the subscription, the District pays an annual base fee of \$26,281 where the lease rate is adjusted upward on July 1st of each year.

As of June 30, 2025, Fargo Public School District recognized a SBITA asset of \$25,376, net of accumulated amortization of \$50,752, and SBITA liability of \$27,983 related to this agreement. During the fiscal year, the District recorded \$25,376 in amortization expense and \$2,414 in interest expense for the right to use these products. The District used a discount rate of 4.53% based on the baseline rate provided by the United States State and Local Government Securities table.

Remaining obligations associated with these subscriptions are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2026	\$ 310,955	\$ 1,608
Total	\$ 310,955	\$ 1,608

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

NOTE 11: LONG-TERM LIABILITIES

During the year ended June 30, 2025, the following changes occurred in liabilities reported in long-term liabilities:

	Balance July 1 (Restated)	Increases	Decreases	Balance June 30	Due Within One Year
Long-Term Bond Premium	\$ 3,625,246	\$ -	\$ 426,923	\$ 3,198,323	\$ 426,923
Long-Term Debt					
General Obligation Bonds Payable	\$ 94,442,153	\$ -	\$ 7,633,020	\$ 86,809,133	\$8,241,001
Special Assessments Payable	564,023	-	564,023	-	-
Total Long-Term Debt	\$ 95,006,176	\$ -	\$ 8,197,043	\$ 86,809,133	\$8,241,001
Long-Term Payroll Liabilities					
Compensated Absences*	\$ 28,734,849	\$ 283,064	\$ -	\$ 29,017,913	\$ -
Total Long-Term Payroll Liabilities	\$ 28,734,849	\$ 283,064	\$ -	\$ 29,017,913	\$ -
Long-Term Lease Liability	\$ 169,382	\$ -	\$ 97,628	\$ 71,754	\$ 47,175
Long-Term SBITA Liability	\$ 408,776	\$ 242,835	\$ 340,656	\$ 310,955	\$ 310,955
Net Pension and OPEB Liability	\$ 199,296,588	\$ 17,976,650	\$ 14,964,085	\$ 202,309,153	\$ -
Total Long-Term Liabilities	\$ 327,241,017	\$ 18,502,549	\$ 24,026,335	\$ 321,717,231	\$9,026,054

*The change in compensated absences is presented as the net change.

As of June 30, 2025, the District did not have any unspent bond proceeds.

Debt service requirements on long-term debt as of June 30, 2025, are as follows:

Year Ending June 30,	General Obligation Bonds Payable	
	Principal	Interest
2026	\$ 8,241,001	\$ 2,676,236
2027	8,649,011	2,440,326
2028	7,717,051	2,194,649
2029	6,705,121	1,956,816
2030	6,933,222	1,722,789
2031-2035	27,628,727	5,521,530
2036-2040	15,700,000	2,201,930
2041-2043	5,235,000	257,080
Total	\$ 86,809,133	\$ 18,971,356

NOTE 12: DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Deferred inflows of resources on the balance sheet represent uncollected taxes receivable and uncollected notes receivable in the fund financial statements for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Under the modified accrual basis of accounting, uncollected taxes receivable and uncollected notes receivable are measurable but not available. Deferred inflows of resources on the statement of net position represent the changes of assumptions, the net difference between projected and actual investment earnings on pension plan investments, and changes in proportion and differences between District contributions and the proportionate share of contributions. The deferred outflows of resources on the statement of net position represent the differences between expected and actual experience, changes of assumptions, changes in proportion, and differences between District contributions and proportionate share of contributions and the District contributions subsequent to the measurement date.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Deferred inflows of resources on the balance sheet and statement of net position also represent the initial amount of lease receivable, adjusted for lease payments received at or before the lease commencement date. These deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on a straight-line basis over the term of the lease. The District monitors changes in circumstances that would require the remeasurement of leases and its correlating remeasurement of deferred inflows of resources.

NOTE 13: PENSION PLANS

General Information about the TFFR Pension Plan

North Dakota Teachers' Fund for Retirement (TFFR)

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death, and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories: Tier 1 Grandfathered, Tier 1 Non-Grandfathered, and Tier 2. Tier 1 Grandfathered and Tier 1 Non-Grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered

A Tier 1 Grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% by the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option, or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-Grandfathered

A Tier 1 Non-Grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher, and the member has reached age 65 or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier age of 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.00% by the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option, or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher, and the member has reached age 65 or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8% per year from the earlier age of 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.00% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option, or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

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

As of June 30, 2025, the School District reported a liability of \$156,100,027 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of covered payroll in the pension plan relative to the covered payroll of all participating TFFR employers. As of June 30, 2024, the School District's proportion was 11.091298%, which was an increase of 0.220073% from its proportion measured as of June 30, 2023.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

For the year ended June 30, 2025, the District recognized pension expense of \$12,593,498. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 3,547,633	\$ 6,231,511
Changes of Assumptions	6,374,750	-
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	1,641,918	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	9,041,824	1,968,651
District Contributions Subsequent to the Measurement Date	11,797,684	-
Total Deferred Outflows and Deferred Inflows	\$ 32,403,809	\$ 8,200,162

\$11,797,684, reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

2026	\$ (756,193)
2027	10,679,706
2028	376,615
2029	390,716
2030	1,217,887
Thereafter	497,232

Actuarial Assumptions

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

Inflation	2.30%
Salary Increases	Composed of 3.80% wage inflations, plus step rate promotional increases for members with less than 30 years of service
Investment Rate of Return	7.25%, net of investment expenses, including inflation
Cost-of-Living Adjustments	None

For active and inactive members, mortality rates were based on the PubT-2010 Employee table, projected with generational improvement using Scale MP-2019. For healthy retirees, mortality rates were based on 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. For disability retirees, mortality rates were based on the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

The actuarial assumptions used were based on the results of an actuarial experience study dated March 19, 2020. They are the same as the assumptions used on the July 1, 2024, funding actuarial valuation for TFFR.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equities	55%	5.8%
Global Fixed Income	26%	2.9%
Global Real Assets	18%	6.3%
Cash Equivalents	1%	1.6%

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent as of June 30, 2024. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2024, Actuarial Valuation Report. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2024. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2024.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District’s proportionate share of the net pension liability calculated using the discount rate of 7.25 percent as of June 30, 2024, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
School District’s Proportionate Share of the Net Pension Liability	\$ 219,865,817	\$ 156,100,027	\$ 102,901,557

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in a separately issued TFFR financial report. TFFR’s Annual Comprehensive Financial Report (ACFR) is located at: <https://www.rio.nd.gov/sites/www/files/documents/PDFs/RIO/Reports/annualreport2024.pdf>.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

General Information about the NDPERS Pension Plan

North Dakota Public Employees Retirement System (NDPERS – Main System)

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

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

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

Pension Benefits

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

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

Death and Disability Benefits

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

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

Refunds of Member Account Balance

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

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percentage of salaries and wages. Member contribution rates are 7% and employer contribution rates are 8.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 7% and employer contribution rates are 9.26% of covered compensation.

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

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

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

As of June 30, 2025, the School District reported a liability of \$44,746,379 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District’s proportion of the net pension liability was based on the School District’s share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. As of June 30, 2024, the School District’s proportion was 2.392399%, which was an increase of 0.059395% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized pension expense of \$2,102,222. As of June 30, 2025, the following deferred outflows of resources and deferred inflows of resources were reported related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,124,538	\$ -
Changes of Assumptions	10,783,787	20,305,109
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	-	409,140
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	1,242,889	443,333
District Contributions Subsequent to the Measurement Date	2,838,609	-
Total Deferred Outflows and Deferred Inflows	\$ 16,989,823	\$ 21,157,582

\$2,838,609 was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

2026	\$ (5,221,245)
2027	912,027
2028	(2,497,144)
2029	(200,006)

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

Actuarial Assumptions

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

Inflation	2.25%
Salary increases	3.50% to 17.75% including inflation
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	32%	5.40%
International Equity	19%	7.00%
Private Equity	7%	8.50%
Domestic Fixed Income	23%	2.88%
International Fixed Income	0%	0.00%
Global Real Assets	19%	6.10%
Cash Equivalents	0%	0.00%

Discount Rate

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

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). For this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.97%; and the resulting Single Discount Rate is 6.50%.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

Sensitivity of the School District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents School District’s proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the School District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
School District’s Proportionate Share of the Net Pension Liability	\$ 63,237,218	\$ 44,746,379	\$ 29,410,672

Pension Plan Fiduciary Net Position

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

Aggregation of Pension Plans - Totals for TFFR and NDPERS

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

As of June 30, 2025, the School District reported a liability of \$200,846,406 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended June 30, 2025, the School District recognized pension expense of \$14,695,720. As of June 30, 2025, the following deferred outflows of resources and deferred inflows of resources were reported related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 5,672,171	\$ 6,231,511
Changes of Assumptions	17,158,537	20,305,109
Net Difference Between Projected and Actual Investment		
Earnings on Pension Plan Investments	1,641,918	409,140
Changes in Proportion and Differences Between Employer		
Contributions and Proportionate Share of Contributions	10,284,713	2,411,984
District Contributions Subsequent to the Measurement Date	14,636,293	-
Total Deferred Outflows and Deferred Inflows	\$ 49,393,632	\$ 29,357,744

\$14,636,293 was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

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

2026	\$	(5,977,438)
2027		11,591,733
2028		(2,120,529)
2029		190,710
2030		1,217,887
Thereafter		497,232

NOTE 14: OTHER POST EMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Pension Plan

North Dakota Public Employees Retirement System (NDPERS – OPEB)

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

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

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

OPEB Benefits

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

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive credit toward their monthly health insurance premium under the state health plan.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The benefits are equal to \$5.00 for each of the employees, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

As of June 30, 2025, the School District reported a liability of \$1,462,747 for its proportionate share of net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability was based on the School District's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. As of June 30, 2024, the School District's proportion was 1.692886%, which was a decrease of 0.080702% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of \$203,449. As of June 30, 2025, the following deferred outflows of resources and deferred inflows of resources were reported related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 18,051	\$ 11,243
Changes of Assumptions	222,517	100,144
Net Difference Between Projected and Actual Investment Earnings on OPEB Plan Investments	-	54,711
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	12,250	154,311
Employer Contributions Subsequent to the Measurement Date	195,414	-
Total Deferred Outflows and Deferred Inflows	\$ 448,232	\$ 320,409

\$195,414 was reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

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

2026	\$ 7,334
2027	72,745
2028	(107,628)
2029	(40,042)

Actuarial Assumptions

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

Inflation	2.25%
Salary Increases	Not applicable
Investment Rate of Return	5.75%, net of investment expenses
Cost-of-Living Adjustments	None

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

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

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC’s target asset allocation as of July 1, 2024, are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates are described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2024, calculated using the discount rate of 5.75%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Current Discount Rate (5.75%)	1% Increase (6.75%)
School District’s Proportionate Share of the Net OPEB Liability	\$ 1,999,217	\$ 1,462,747	\$ 1,010,912

The benefit provided by the North Dakota Retiree Health Insurance Credit fund is a fixed dollar subsidy and is not affected by a healthcare cost trend; therefore, a sensitivity analysis was not performed.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

NOTE 15: POST-RETIREMENT BENEFITS EARLY RETIREMENT AGREEMENT

Early Retirement Agreement

The Board of Education of the City of Fargo offers early retirement payments to employees under Administrative Policy 5452 “Longevity Recognition Payment”. Under this policy, all full-time or part-time benefit employees are eligible for a one-time payment based on the number of accumulated legacy sick leave days the employee has at the time of their termination of employment. The two criteria required for such payment are:

1. Employees will be eligible to participate in this plan after 15 years of continuous service to the Fargo Public School District in a benefited position.
2. Employees have been determined eligible for normal retirement benefits as defined by either NDPERS or TFFR. Normal retirement benefits are defined as being age 65 or older or having met the rule of 85 or 90.

The payment will be computed based on the employee’s number of accumulated legacy sick leave days at the time of termination of employment in the following manner:

1. With 15 years of service, assuming all eligibility criteria have been met, the employee will receive 80% of this payment.
2. For each subsequent year, the benefit payment will increase by 2% through the 25th year of service, at which time the employee will receive 100% of this payment.
3. All payments for those with 15 years of service or more will be made at a rate of \$50 per legacy sick day.
4. Grandfather Clause: Any benefited employee who is eligible for full retirement benefits through NDPERS or TFFR as of 7/1/2013 will have payments calculated at the 2013-14 level of \$200 per day upon retirement from the District.

For the year ended June 30, 2025, the District had eight employees who received this benefit at a cost to the District of \$38,695.

NOTE 16: RISK MANAGEMENT

The Board of Education of the City of Fargo is exposed to various risks of loss relating to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters.

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state with over 2,000 political subdivisions. The District pays an annual premium to NDRIF for its general liability, automobile insurance coverage, and inland marine coverage. The coverage by NDRIF is limited to losses of \$5 million per occurrence for general liability and \$5 million per occurrence for automobile coverage. The mobile contractor’s equipment coverage is limited to losses of \$1,844,038, while computerized business equipment is limited to losses of \$4,167,944. Buildings are limited to losses of \$606,259,122, personal property is limited to losses of \$41,666,458, and band equipment is limited to losses of \$3,053,238.

The State Bonding Fund currently provides the District with blanket fidelity bond coverage of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The District has workers’ compensation with Workforce Safety and Insurance (WSI) and purchases commercial insurance for personal property, buildings, inland marines, and boiler and machinery.

The District has retained risk for employee health and dental insurance up to a maximum of \$200,000 per year per individual. A stop-loss policy was purchased for amounts in excess of 120% of expected claims.

No reductions in insurance coverage in any major category of risk have occurred and there have been no settlements in excess of insurance coverage.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
 For the Year Ended June 30, 2025

Incurred But Not Reported (IBNR)

Claims, which have been incurred at year-end but not reported, have been recorded as a claim reserve payable in the amount of \$1,467,157. The District has two plan administrators that calculate this reserve requirement each year. Health Partners calculate the health insurance reserve requirement, and Delta Dental calculates the dental insurance reserve requirement. Changes in the claim reserve payable during the past two years are as follows:

	2025	2024
Unpaid Claims, July 1	\$ 1,395,179	\$ 1,285,869
Incurred Claims Including IBNR's	21,169,758	17,497,057
Less: Claims Paid	21,097,780	17,387,747
Unpaid Claims, June 30	\$ 1,467,157	\$ 1,395,179

NOTE 17: CONSTRUCTION COMMITMENTS

The District had five construction projects remaining as of June 30, 2025. At year-end, the District's commitments with contractors were as follows:

Project	Contract	Total Completed	Contracts Payable	Remaining Balance
8-9 Campus	\$ 4,571,680	\$ 1,139,118	\$ -	\$ 3,432,562
Long-Range Facility Plan	3,246,557	3,031,500	-	215,057
Multi-Facility Use Project	16,051,066	4,617,181	183,806	11,617,691
South Theatre Lighting	577,800	234,499	24,350	367,651
Trollwood Sound System	422,359	416,765	-	5,594
Total	\$ 24,869,462	\$ 9,439,063	\$ 208,156	\$ 15,638,555

NOTE 18: TRANSFERS

Transfers are used to move revenues from the fund with collection authorization to the Debt Service Fund as principal and interest payments become due to close out old Debt Service Funds, and to move unrestricted fund revenues to finance various programs the District must account for in other funds.

Transfers for the District as of June 30, 2025, are as follows:

Fund	Transfers In	Transfers Out	Transfers In (Out)
General	\$ 350,000	\$ 4,938,254	\$ (4,588,254)
Capital Projects	5,500,000	16,066,912	(10,566,912)
Debt Service	10,566,912	-	10,566,912
Nonmajor	4,938,254	350,000	4,588,254
Total	\$21,355,166	\$21,355,166	\$ -

NOTE 19: CONTINGENT LIABILITIES

The District is a defendant in various lawsuits incident to its operations. In the opinion of the District's General Counsel and management, such claims against the District not covered by insurance would not materially affect the financial condition of the District.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

NOTE 20: TAX ABATEMENTS

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to tax a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of June 30, 2025, the local governments within Cass County provided tax abatements to individuals and commercial entities in the form of property tax exemptions under the following criteria:

Charitable Organization

Under NDCC §57-02-08(8), buildings belonging to institutions of public charity, including public hospitals and nursing homes licensed pursuant to NDCC §23-16-01 under the control of religious or charitable institutions, used wholly or in part for public charity, together with the land occupied by such institutions not leased or otherwise used with a view to profit, is exempt.

Childhood Service Exemption

Under NDCC §57-02-08(36), the portion of fixtures, buildings, and improvements, used primarily to provide early childhood services or adult daycare may be exempt from taxation.

Commercial and Residential

Under NDCC §57-02.2-03, improvements to commercial and residential buildings and structures as defined may be exempt from assessment and taxation for up to five years from the date of commencement of making the improvements.

New and Expanding Business

Under NDCC §40-57.1-03, a municipality may grant a partial or complete exemption from ad valorem taxation on all buildings, structures, fixtures, and improvements used in or necessary to the operation of a project for a period not exceeding five years from the date of commencement of project operations. A municipality may also grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements used in or necessary to the operation of a project that produces or manufactures a product from agricultural commodities for all or part of the sixth year through the tenth year from the date of commencement of project operations.

Single Family Residence

Under NDCC §57-02-08(35), up to \$150,000 of the true and full value of all new single-family and condominium and townhouse residential property, exclusive of the land on which it is situated, is exempt from taxation for the first two taxable years after the taxable year in which construction is completed and the residence is owned and occupied for the first time.

The total reduction in property tax revenue due to tax abatements as of June 30, 2025, is as follows:

Charitable Organization	\$ 7,113,225
Childhood Service Exemption	215,814
Commercial and Residential	467,596
New and Expanding Business	276,535
Single Family Residence	378,040
Total	\$ 8,451,210

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Financial Statements – Continued
For the Year Ended June 30, 2025

NOTE 21: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Expenditures in Excess of Appropriations

Budget control for the District’s funds is established by its total appropriations. The Student Activities Funds had expenditures exceeding appropriations in the amount of \$1,408,441 for the year-ended June 30, 2025. These over-expenditures were funded by greater than expected revenues and existing fund balance.

NOTE 22: SUBSEQUENT EVENTS

On December 9, 2025, the School Board approved the issuance of general obligation building fund bonds in the aggregate principal amount of approximately \$9.2 million. The bonds bear interest at 5.00%, payable semiannually, and mature on August 1, 2045.

SECTION II - B

REQUIRED SUPPLEMENTARY INFORMATION



BOARD OF EDUCATION OF THE CITY OF FARGO

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget	2024
	Original	Final			
REVENUES					
Property Taxes	\$ 73,626,000	\$ 73,626,000	\$ 71,790,630	\$ (1,835,370)	\$ 67,529,540
Local Sources	7,830,049	7,833,161	7,520,084	(313,077)	7,403,267
State Sources	112,646,617	112,996,835	111,949,527	(1,047,308)	110,842,057
Federal Sources	15,055,998	15,228,701	13,094,755	(2,133,946)	27,200,817
Other Sources	-	-	32,200	32,200	24,826
Total Revenues	\$ 209,158,664	\$ 209,684,697	\$ 204,387,196	\$ (5,297,501)	\$ 213,000,507
EXPENDITURES					
Current					
Instruction					
Adult Education	\$ 1,596,848	\$ 1,603,330	\$ 1,383,188	\$ (220,142)	\$ 1,317,936
Regular Education	93,341,559	93,718,100	91,176,121	(2,541,979)	99,578,679
Special Education	43,123,270	43,297,880	44,796,012	1,498,132	42,556,197
Vocational Education	8,172,802	8,205,981	8,339,541	133,560	7,907,560
Support Services					
Business Services	2,362,519	2,372,027	2,509,066	137,039	2,562,926
Co-Curricular Activities	304,473	305,775	306,715	940	296,323
Community Services	199,376	200,168	199,754	(414)	317,531
General Administration Services	4,121,195	4,137,817	4,169,003	31,186	3,976,658
Instructional Staff Services	5,977,212	6,001,389	6,000,286	(1,103)	5,950,529
Operations and Maintenance	21,442,662	21,529,521	21,337,100	(192,421)	20,855,499
Pupil Services	7,399,785	7,429,802	7,354,746	(75,056)	7,092,325
Pupil Transportation Services	3,200,839	3,213,840	3,142,208	(71,632)	3,118,197
School Administration Services	13,024,976	13,077,707	13,238,827	161,120	12,066,672
Capital Outlay	139,788	140,000	719,934	579,934	2,767,221
Debt Service	-	-	-	-	306,219
Total Expenditures	\$ 204,407,304	\$ 205,233,337	\$ 204,672,501	\$ (560,836)	\$ 210,670,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 4,751,360	\$ 4,451,360	\$ (285,305)	\$ (5,858,337)	\$ 2,330,035
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	\$ 350,000
Transfers Out	(5,458,600)	(5,158,600)	(4,938,254)	220,346	(5,112,396)
Right-to-Use Asset Proceeds	54,685	54,685	-	(54,685)	54,685
Subscription-Based IT Asset Proceeds	282,555	282,555	242,835	(39,720)	282,555
Sale of Assets	20,000	20,000	136,966	116,966	77,623
Total Other Financing Sources and Uses	\$ (4,751,360)	\$ (4,451,360)	\$ (4,208,453)	\$ 242,907	\$ (4,347,533)
Net Changes in Fund Balances	\$ -	\$ -	\$ (4,493,758)	\$ (5,615,430)	\$ (2,017,498)
Fund Balance - July 1	\$ 39,060,554	\$ 39,060,554	\$ 39,060,554	\$ -	\$ 41,078,052
Fund Balance - June 30	\$ 39,060,554	\$ 39,060,554	\$ 34,566,796	\$ (5,615,430)	\$ 39,060,554

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Employer’s Share of Net Pension Liability and Employer Contributions – TFFR
 For the Year Ended June 30, 2025

**Schedule of Employer’s Share of Net Pension Liability
 ND Teachers’ Fund for Retirement (TFFR)
 Last 10 Fiscal Years**

Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	11.091298%	\$ 156,100,027	\$ 94,045,618	165.98%	70.42%
6/30/2023	10.871225%	152,536,645	87,232,089	174.86%	69.34%
6/30/2022	10.679734%	155,502,584	84,040,157	185.03%	67.50%
6/30/2021	10.187399%	107,340,073	78,514,245	136.71%	75.70%
6/30/2020	10.448723%	159,918,062	76,240,219	209.76%	63.39%
6/30/2019	10.362008%	142,711,077	72,692,434	196.32%	65.51%
6/30/2018	10.420065%	138,884,706	70,836,581	196.06%	65.50%
6/30/2017	10.410962%	142,997,249	70,271,012	203.49%	63.22%
6/30/2016	10.626670%	155,686,944	69,044,120	225.49%	59.18%
6/30/2015	10.638990%	139,142,582	65,440,942	212.62%	62.09%

**Schedule of Employer Contributions
 ND Teachers’ Fund for Retirement (TFFR)
 Last 10 Fiscal Years**

Fiscal Year Ending	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/2025	\$ 11,797,684	\$ 11,797,684	\$ -	\$ 92,204,540	12.80%
6/30/2024	11,988,347	11,988,347	-	94,045,618	12.75%
6/30/2023	11,122,118	11,122,118	-	87,232,089	12.75%
6/30/2022	10,715,121	10,715,121	-	84,040,157	12.75%
6/30/2021	10,010,567	10,010,567	-	78,514,245	12.75%
6/30/2020	9,720,703	9,720,703	-	76,240,219	12.75%
6/30/2019	9,268,286	9,268,286	-	72,692,434	12.75%
6/30/2018	9,031,664	9,031,664	-	70,836,581	12.75%
6/30/2017	8,959,554	8,959,554	-	70,271,012	12.75%
6/30/2016	8,803,126	8,803,126	-	69,044,120	12.75%

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Employer’s Share of Net Pension Liability and Employer Contributions – NDPERS
 For the Year Ended June 30, 2025

**Schedule of Employer’s Share of Net Pension Liability
 ND Public Employees Retirement System (NDPERS)
 Last 10 Fiscal Years**

Measurement Date	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2024	2.392399%	\$ 44,746,379	\$ 30,165,195	148.34%	68.02%
6/30/2023	2.333004%	44,986,204	28,529,622	157.68%	65.31%
6/30/2022	2.365699%	68,113,020	27,461,900	248.03%	54.47%
6/30/2021	2.345565%	24,447,837	26,560,966	92.04%	78.26%
6/30/2020	2.372609%	74,642,787	26,172,746	285.19%	48.91%
6/30/2019	2.381469%	27,912,540	24,771,329	112.68%	71.66%
6/30/2018	2.285422%	38,568,989	23,478,532	164.27%	62.80%
6/30/2017	2.192320%	35,237,777	22,380,148	157.45%	61.98%
6/30/2016	2.110282%	20,566,755	21,266,660	96.71%	70.46%
6/30/2015	2.148335%	14,608,311	19,139,057	76.33%	77.15%

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

Fiscal Year Ending	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/2025	\$ 2,838,609	\$ 2,838,609	\$ -	\$ 31,383,439	9.04%
6/30/2024	2,583,421	2,657,629	(74,208)	30,165,195	8.81%
6/30/2023	2,158,286	2,202,490	(44,204)	28,529,622	7.72%
6/30/2022	2,068,348	2,180,223	(111,875)	27,461,900	7.94%
6/30/2021	1,958,754	1,934,245	24,509	26,560,966	7.28%
6/30/2020	1,853,258	1,898,818	(45,560)	26,172,746	7.25%
6/30/2019	1,803,493	1,826,859	(23,366)	24,771,329	7.37%
6/30/2018	1,729,294	1,706,727	22,567	23,478,532	7.27%
6/30/2017	1,622,833	1,618,347	4,486	22,380,148	7.23%
6/30/2016	1,539,672	1,624,198	(84,526)	21,266,660	7.64%

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Employer’s Share of Net OPEB Liability and Employer Contributions – NDPERS
 For the Year Ended June 30, 2025

**Schedule of Employer’s Share of Net OPEB Liability
 ND Public Employees Retirement System (OPEB)
 Last 10 Fiscal Years***

Measurement Date	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered-Employee Payroll	Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
6/30/2024	1.692886%	\$ 1,462,747	\$ 17,366,165	8.42%	68.35%
6/30/2023	1.773588%	1,773,739	17,827,797	9.95%	62.74%
6/30/2022	1.923742%	2,309,678	19,860,807	11.63%	56.28%
6/30/2021	2.042830%	1,136,167	22,272,110	5.10%	76.63%
6/30/2020	2.208087%	1,857,437	25,171,541	7.38%	63.38%
6/30/2019	2.219936%	1,783,025	24,771,329	7.20%	63.13%
6/30/2018	2.145693%	1,689,879	23,478,532	7.20%	61.89%
6/30/2017	2.068710%	1,636,372	22,380,148	7.31%	59.78%

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

Fiscal Year Ending	Statutory Required Contribution	Contributions in Relation to the Statutory Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
6/30/2025	\$ 195,414	\$ 195,414	\$ -	\$ 17,550,273	1.11%
6/30/2024	208,701	218,865	(10,164)	17,366,165	1.26%
6/30/2023	215,269	216,684	(1,415)	17,827,797	1.22%
6/30/2022	241,729	250,469	(8,740)	19,860,807	1.26%
6/30/2021	267,828	270,942	(3,114)	22,272,110	1.11%
6/30/2020	295,713	299,567	(3,854)	25,171,541	1.19%
6/30/2019	288,091	292,503	(4,412)	24,771,329	1.18%
6/30/2018	275,390	273,268	2,122	23,478,532	1.16%

The accompanying required supplementary information notes are an integral part of this schedule.

*See Note 4 of the Notes to the Required Supplementary Information.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information
For the Year Ended June 30, 2025

NOTE 1: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District adopts an annual budget on a basis consistent with generally accepted accounting principles (GAAP) in the United States for the General Fund, Debt Service Funds, Capital Project Funds, and Special Revenue Funds.

The following procedures are followed by establishing the budgetary data reflected in the financial statements:

- The annual budget must be prepared, and District taxes must be levied on or before the tenth day of August each year.
- The governing body of the District may amend its tax levy and budget on or before the tenth day of October each year, but the certification must be filed final to the County Auditor within the time limitations as outlined in NDCC section 57-15-31.1.
- Taxes for District purposes must be based upon an itemized budget statement which must show the complete expenditure program of the District for the current fiscal year and the sources of the revenue from which it is to be financed.
- The operating budget includes proposed expenditures and the means of financing them.
- The School Board of the District, in levying taxes, is limited by the amount necessary to be raised for the purpose of meeting the appropriations included in the school budget of the current fiscal year, and the sum necessary to be provided as an interim fund, together with a tax sufficient in the amount to pay the interest on the bonded debt of the District and to provide a sinking fund to pay and discharge the principal thereof at maturity.
- No taxing District may certify any taxes or amend its current budget, and no County Auditor may accept a certification of taxes or amended budget after the tenth day of October each year if such certification or amendment results in a change in the amount of tax levied.
- The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.

NOTE 2: CHANGES OF BENEFIT TERMS

North Dakota Teachers Fund for Retirement (TFFR)

2024

No changes of benefit terms.

2023

No changes of benefit terms.

2022

No changes of benefit terms.

2021

No changes of benefit terms.

2020

No changes of benefit terms.

2019

No changes of benefit terms.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

2018

No changes of benefit terms.

2017

No changes of benefit terms.

2016

No changes of benefit terms.

2015

No changes of benefit terms.

North Dakota Public Employees Retirement System (NDPERS)

2024

No changes of benefit terms.

2023

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025, and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on an actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026, and ending June 30, 2056.

2022

The interest rate earned on member contributions decreased from 6.50 percent to 6.00 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

2021

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

2020

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

2019

The interest rate earned on member contributions will decrease from 7.25 percent to 7.00 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

2018

No changes of benefit terms.

2017

No changes of benefit terms.

2016

No changes of benefit terms.

2015

No changes of benefit terms.

Other Post-Employment Benefits (OPEB)

2024

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in the Retiree Health Insurance Credit (RHIC). Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2023.

2023

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in the Retiree Health Insurance Credit (RHIC). Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2022.

2022

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2021.

2021

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

2020

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2019.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

2019

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

2018

No changes of benefit terms.

NOTE 3: CHANGES OF ASSUMPTIONS

North Dakota Teachers Fund for Retirement (TFFR)

2024

No changes of assumptions.

2023

Amounts reported in 2021 and later reflect the following actuarial assumption changes based on the results of an actuarial experience study dated March 19, 2020.

- Investment return assumption lowered from 7.75% to 7.25%.
- Inflation assumption lowered from 2.75% to 2.30%.
- Individual salary increases were lowered.
- Rates of turnover, retirement and disability were changed to better reflect anticipated future experience.
- The post-retirement health mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019.
- The disabled mortality was updated to the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.
- The pre-retirement mortality table was updated to the PubT-2010 Employee table projected with generational improvement using Scale MP-2019.

Amounts reported in 2016-2020 reflect the following actuarial assumption changes based on the results of an actuarial experience study dated April 30, 2015.

- Investment return assumption lowered from 8% to 7.75%.
- Inflation assumption lowered from 3% to 2.75%.
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

2022

No changes of assumptions.

2021

No changes of assumptions.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

2020

Amounts reported in 2021 and later reflect the following actuarial assumption changes based on the results of an actuarial experience study dated March 19, 2020.

- Investment return assumption lowered from 7.75% to 7.25%;
- Inflation assumption lowered from 2.75% to 2.30%;
- Individual salary increases were lowered;
- Rates of turnover, retirement and disability were changed to better reflect anticipated future experience;
- The post-retirement healthy mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019;
- The disabled mortality was updated to the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019; and
- The pre-retirement mortality table was updated to the PubT-2010 Employee table projected with generational improvement using Scale MP-2019.

2019

No changes of assumptions.

2018

No changes of assumptions.

2017

No changes of assumptions.

2016

No changes of assumptions.

2015

Amounts reported in 2016 and later reflect the following actuarial assumption changes based on the results of an actuarial experience study dated April 30, 2015.

- Investment return assumption lowered from 8% to 7.75%.
- Inflation assumption lowered from 3% to 2.75%.
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changed to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

North Dakota Public Employees Retirement System (NDPERS)

2024

All actuarial assumptions used in the actuarial valuation as of July 1, 2024, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

2023

All actuarial assumptions used in the actuarial valuation as of July 1, 2022, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

2022

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2021.

2021

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

2020

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.5% to 7.0%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020, valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020, valuation
- Mortality table updates were made for the July 1, 2020, valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

2019

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.75% to 7.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

2018

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2018, based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2017

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2017, based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2016

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2016, based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

2015

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2015, based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

Other Post-Employment Benefits (OPEB)

2024

All actuarial assumptions used in the actuarial valuation as of July 1, 2024, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2023.

2023

All actuarial assumptions used in the actuarial valuation as of July 1, 2022, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

2022

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022, were based on an experience review for the period from July 1, 2014, to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2021.

2021

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

2020

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.5% to 7.0%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020, valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020, valuation
- Mortality table updates were made for the July 1, 2020, valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

2019

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.75% to 7.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

2018

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2018, based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

NOTE 4: SCHEDULE OF OPEB LIABILITY AND CONTRIBUTIONS

GASB Statement No. 75 requires ten years of information to be presented in these tables. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available. Complete data for the Other Post-Employment Benefits (OPEB) schedules are not available prior to 2017.

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Required Supplementary Information - Continued
For the Year Ended June 30, 2025

NOTE 5: LEGAL COMPLIANCE – BUDGETS

Budget Amendments

As of June 30, 2025, the School Board amended the District’s budget as follows:

REVENUES			
	Original Budget	Budget Amendment	Amended Budget
General Fund	\$209,158,664	\$ 526,033	\$209,684,697

EXPENDITURES			
	Original Budget	Budget Amendment	Amended Budget
General Fund	\$204,407,304	\$ 826,033	\$205,233,337

SECTION II - C

SUPPLEMENTARY INFORMATION



Other Major Governmental Funds

Debt Service Funds – The Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned for the payment of principal, interest, and fees on outstanding bonds.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned for the acquisition or construction of major capital facilities.

BOARD OF EDUCATION OF THE CITY OF FARGO

Budgetary Comparison Schedule - Debt Service Fund

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget	2024
	Original	Final			
EXPENDITURES					
Debt Service					
Principal	\$ 7,633,100	\$ 7,633,100	\$ 7,633,020	\$ 80	\$ 6,710,070
Interest	2,934,200	2,934,200	2,933,892	308	2,930,653
Fiscal Charges and Fees	-	-	-	-	4,445
Total Expenditures	<u>\$ 10,567,300</u>	<u>\$ 10,567,300</u>	<u>\$ 10,566,912</u>	<u>\$ 388</u>	<u>\$ 9,645,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$(10,567,300)</u>	<u>\$(10,567,300)</u>	<u>\$ (10,566,912)</u>	<u>\$ 388</u>	<u>\$ (9,645,168)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	<u>\$ 10,567,300</u>	<u>\$ 10,567,300</u>	<u>\$ 10,566,912</u>	<u>\$ (388)</u>	<u>\$ 9,479,741</u>
Total Other Financing Sources and Uses	<u>\$ 10,567,300</u>	<u>\$ 10,567,300</u>	<u>\$ 10,566,912</u>	<u>\$ (388)</u>	<u>\$ 9,479,741</u>
Net Changes in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (165,427)</u>
Fund Balance - July 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,427</u>
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Budgetary Comparison Schedule - Capital Projects Fund

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget	2024
	Original	Final			
REVENUES					
Local Sources	\$ 16,559,400	\$ 16,559,400	\$ 16,311,626	\$ (247,774)	\$ 15,251,041
EXPENDITURES					
Operations and Maintenance	\$ -	\$ 264,743	\$ 341,273	\$ (76,530)	\$ 26,766
Capital Outlay	6,512,400	22,692,480	8,839,210	13,853,270	2,039,890
Debt Service					
Principal	1,200,000	1,200,000	1,002,307	197,693	59,974
Interest	100,000	100,000	46,038	53,962	35,137
Bond Costs	5,500	5,500	7,275	(1,775)	45,695
Total Expenditures	\$ 7,817,900	\$ 24,262,723	\$ 10,236,103	\$ 14,026,620	\$ 2,207,462
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 8,741,500	\$ (7,703,323)	\$ 6,075,523	\$ 13,778,846	\$ 13,043,579
OTHER FINANCING SOURCES (USES)					
Sale of Land	\$ 3,600,000	\$ 3,600,000	\$ 3,600,000	\$ -	\$ -
Transfers In	5,500,000	5,500,000	5,500,000	-	6,000,000
Transfers Out	(16,067,300)	(16,067,300)	(16,066,912)	388	(15,174,387)
Total Other Financing Sources and Uses	\$ (6,967,300)	\$ (6,967,300)	\$ (6,966,912)	\$ 388	\$ (9,174,387)
Net Changes in Fund Balances	\$ 1,774,200	\$ (14,670,623)	\$ (891,389)	\$ 13,779,234	\$ 3,869,192
Fund Balance - July 1	\$ 20,133,019	\$ 20,133,019	\$ 20,133,019	\$ -	\$ 16,263,827
Fund Balance - June 30	\$ 21,907,219	\$ 5,462,396	\$ 19,241,630	\$ 13,779,234	\$ 20,133,019

The accompanying required supplementary information notes are an integral part of this schedule.

Nonmajor Governmental Funds

Special Revenue Funds

Nutrition Services Fund – The Nutrition Services Fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales to the students for lunch and daily milk programs, along with substantial subsidies from the State of North Dakota and the U.S. Government.

Student Activities Funds – The Student Activities Funds are used to account for revenues and expenditures from school-based operations. Revenues are comprised of student fees, gate receipts, and a variety of fundraisers, while expenditures support curricular and co-curricular activities.

BOARD OF EDUCATION OF THE CITY OF FARGO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Nutrition Services	Student Activities	Total	
			2025	2024
REVENUES				
Local Sources	\$ 3,465,258	\$ 3,011,000	\$ 6,476,258	\$ 6,708,115
State Sources	203,855	-	203,855	167,566
Federal Sources	4,843,438	-	4,843,438	4,717,633
Total Revenues	\$ 8,512,551	\$ 3,011,000	\$ 11,523,551	\$11,593,314
EXPENDITURES				
Current				
Food Services Outlay	\$ 8,790,027	\$ -	\$ 8,790,027	\$ 8,825,731
Co-Curricular Activities	-	7,742,541	7,742,541	7,630,138
Total Expenditures	\$ 8,790,027	\$ 7,742,541	\$ 16,532,568	\$16,455,869
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (277,476)	\$ (4,731,541)	\$ (5,009,017)	\$ (4,862,555)
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 176,090	\$ 4,762,164	\$ 4,938,254	\$ 4,807,042
Transfers Out	(350,000)	-	(350,000)	(350,000)
Total Other Financing Sources and Uses	\$ (173,910)	\$ 4,762,164	\$ 4,588,254	\$ 4,457,042
Net Change in Fund Balances	\$ (451,386)	\$ 30,623	\$ (420,763)	\$ (405,513)
Fund Balances - July 1	\$ 4,625,468	\$ 1,627,186	\$ 6,252,654	\$ 6,658,167
Fund Balances - June 30	\$ 4,174,082	\$ 1,657,809	\$ 5,831,891	\$ 6,252,654

BOARD OF EDUCATION OF THE CITY OF FARGO

Budgetary Comparison Schedule - Nutrition Services Fund

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget	2024
	Original	Final			
REVENUES					
Local Sources	\$ 3,663,700	\$ 3,593,700	\$ 3,465,258	\$ (128,442)	\$ 3,635,549
State Sources	180,000	180,000	203,855	23,855	167,566
Federal Sources	4,505,716	4,505,716	4,843,438	337,722	4,717,633
Total Revenues	\$ 8,349,416	\$ 8,279,416	\$ 8,512,551	\$ 233,135	\$ 8,520,748
EXPENDITURES					
Current					
Food Services Outlay	\$ 9,609,209	\$ 9,542,409	\$ 8,790,027	\$ 752,382	\$ 8,825,731
Total Expenditures	\$ 9,609,209	\$ 9,542,409	\$ 8,790,027	\$ 752,382	\$ 8,825,731
Excess (Deficiency) of Revenues Over (Under) Expenditures					
	\$ (1,259,793)	\$ (1,262,993)	\$ (277,476)	\$ 985,517	\$ (304,983)
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 225,000	\$ 225,000	\$ 176,090	\$ (48,910)	\$ 142,786
Transfers Out	(350,000)	(350,000)	(350,000)	-	(350,000)
Total Other Financing Sources and Uses	\$ (125,000)	\$ (125,000)	\$ (173,910)	\$ (48,910)	\$ (207,214)
Net Changes in Fund Balances	\$ (1,384,793)	\$ (1,387,993)	\$ (451,386)	\$ 936,607	\$ (512,197)
Fund Balance - July 1	\$ 4,625,468	\$ 4,625,468	\$ 4,625,468	\$ -	\$ 5,137,665
Fund Balance - June 30	\$ 3,240,675	\$ 3,237,475	\$ 4,174,082	\$ 936,607	\$ 4,625,468

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Budgetary Comparison Schedule - Student Activities Funds

For the Year Ended June 30, 2025 (Summarized Comparative Totals 2024)

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget	2024
	Original	Final			
REVENUES					
Local Sources	\$ 1,400,500	\$ 1,400,500	\$ 3,011,000	\$ 1,610,500	\$ 3,072,566
EXPENDITURES					
Current					
Co-Curricular Activities	\$ 6,334,100	\$ 6,334,100	\$ 7,742,541	\$ (1,408,441)	\$ 7,630,138
Total Expenditures	\$ 6,334,100	\$ 6,334,100	\$ 7,742,541	\$ (1,408,441)	\$ 7,630,138
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (4,933,600)	\$ (4,933,600)	\$ (4,731,541)	\$ 202,059	\$ (4,557,572)
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 4,933,600	\$ 4,933,600	\$ 4,762,164	\$ (171,436)	\$ 4,664,256
Total Other Financing Sources and Uses	\$ 4,933,600	\$ 4,933,600	\$ 4,762,164	\$ (171,436)	\$ 4,664,256
Net Changes in Fund Balances	\$ -	\$ -	\$ 30,623	\$ 30,623	\$ 106,684
Fund Balance - July 1	\$ 1,627,186	\$ 1,627,186	\$ 1,627,186	\$ -	\$ 1,520,502
Fund Balance - June 30	\$ 1,627,186	\$ 1,627,186	\$ 1,657,809	\$ 30,623	\$ 1,627,186

The accompanying required supplementary information notes are an integral part of this schedule.

BOARD OF EDUCATION OF THE CITY OF FARGO

Comparative Balance Sheets - General Fund
 June 30, 2025 (Summarized Comparative Totals 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 35,476,265	\$ 34,144,264
Accounts Receivable	220,103	88,766
Taxes Receivable	5,139,797	3,575,808
Intergovernmental Receivable	4,796,960	7,382,518
Lease Receivable	211,487	302,272
Due from County Treasurer	293,268	116,311
Prepaid Items	22,750	-
Inventories	668,110	678,799
	<u>668,110</u>	<u>678,799</u>
 Total Assets	 <u>\$ 46,828,740</u>	 <u>\$ 46,288,738</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 1,267,299	\$ 2,615,967
Salaries and Benefits Payable	5,574,220	733,174
Due to Other Agencies	111,587	57,138
	<u>111,587</u>	<u>57,138</u>
 Total Liabilities	 <u>\$ 6,953,106</u>	 <u>\$ 3,406,279</u>
 Deferred Inflows of Resources		
Uncollected Taxes Receivable	\$ 5,139,797	\$ 3,575,808
Leases	169,041	246,097
	<u>169,041</u>	<u>246,097</u>
 Total Deferred Inflows of Resources	 <u>\$ 5,308,838</u>	 <u>\$ 3,821,905</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>\$ 12,261,944</u>	 <u>\$ 7,228,184</u>
 Fund Balances		
Nonspendable		
Inventory	\$ 668,110	\$ 678,799
Prepaid Items	22,750	-
Unassigned	33,875,936	38,381,755
	<u>33,875,936</u>	<u>38,381,755</u>
 Total Fund Balances	 <u>\$ 34,566,796</u>	 <u>\$ 39,060,554</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 46,828,740</u>	 <u>\$ 46,288,738</u>

BOARD OF EDUCATION OF THE CITY OF FARGO

Comparative Balance Sheets – Debt Service Fund
June 30, 2025 (Summarized Comparative Totals 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	<u>\$ -</u>	<u>\$ -</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Fund Balance		
Debt Service	<u>\$ -</u>	<u>\$ -</u>

BOARD OF EDUCATION OF THE CITY OF FARGOComparative Balance Sheets - Capital Project Fund
June 30, 2025 (Summarized Comparative Totals 2024)

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 21,164,474	\$ 20,343,985
Accounts Receivable	26,257	750
Taxes Receivable	1,108,929	772,114
Intergovernmental Receivable	2,500	3,200
Due from County Treasurer	31,407	25,128
Notes Receivable	<u>1,500,000</u>	<u>1,565,000</u>
 Total Assets	 <u>\$ 23,833,567</u>	 <u>\$ 22,710,177</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities		
Accounts Payable	\$ 1,774,852	\$ 115,644
Contracts Payable	<u>208,156</u>	<u>124,400</u>
 Total Liabilities	 <u>\$ 1,983,008</u>	 <u>\$ 240,044</u>
 Deferred Inflows of Resources		
Uncollected Taxes Receivable	\$ 1,108,929	\$ 772,114
Uncollected Notes Receivable	<u>1,500,000</u>	<u>1,565,000</u>
 Total Deferred Inflows of Resources	 <u>\$ 2,608,929</u>	 <u>\$ 2,337,114</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>\$ 4,591,937</u>	 <u>\$ 2,577,158</u>
 Fund Balances		
Restricted		
Capital Projects	<u>\$ 19,241,630</u>	<u>\$ 20,133,019</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 23,833,567</u>	 <u>\$ 22,710,177</u>

BOARD OF EDUCATION OF THE CITY OF FARGO

Combining Balance Sheets - Nonmajor Special Revenue Funds
 June 30, 2025 (Summarized Comparative Totals 2024)

	Nutrition Services	Student Activities	Total	
			2025	2024
ASSETS				
Cash and Cash Equivalents	\$ 4,069,714	\$ 1,632,966	\$ 5,702,680	\$ 6,370,008
Accounts Receivable	1,941	80,860	82,801	48,099
Intergovernmental Receivable	55,880	-	55,880	51,652
Prepaid Items	-	847	847	19,098
Inventories	356,922	-	356,922	150,987
Total Assets	\$ 4,484,457	\$ 1,714,673	\$ 6,199,130	\$ 6,639,844
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 2,795	\$ 36,915	\$ 39,710	\$ 149,094
Salaries and Benefits Payable	8,673	19,949	28,622	23,275
Unearned Revenue - Food Service Commodity Inventory	114,362	-	114,362	50,583
Unearned Revenue - Food Service Lunch Credits	184,545	-	184,545	164,238
Total Liabilities	\$ 310,375	\$ 56,864	\$ 367,239	\$ 387,190
Fund Balances				
Nonspendable				
Inventories	\$ 356,922	\$ -	\$ 356,922	\$ 150,987
Prepaid Items	-	847	847	19,098
Committed				
Special Revenue	3,817,160	1,656,962	5,474,122	6,082,569
Total Fund Balances	\$ 4,174,082	\$ 1,657,809	\$ 5,831,891	\$ 6,252,654
Total Liabilities and Fund Balances	\$ 4,484,457	\$ 1,714,673	\$ 6,199,130	\$ 6,639,844

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Fund Activity

For the Year Ended June 30, 2025

	Balance 7/1/2024	Revenue	Transfers In	Other Financing Sources	Expenditures	Transfers Out	Other Financing Uses	Balance 6/30/2025
Major Funds								
General Fund - Fund 10	\$ 39,060,554	\$ 204,387,196	\$ 350,000	\$ 379,801	\$ 204,672,501	\$ 4,938,254	\$ -	\$ 34,566,796
<u>Capital Projects Funds</u>								
CP/SA/SL - Funds 30-39	\$ 20,133,019	\$ 16,311,626	\$ 5,500,000	\$ 3,600,000	\$ 10,236,103	\$ 16,066,912	\$ -	\$ 19,241,630
<u>Debt Service Fund</u>								
Debt Service - Fund 40	\$ -	\$ -	\$ 10,566,912	\$ -	\$ 10,566,912	\$ -	\$ -	\$ -
Total Major Funds	\$ 59,193,573	\$ 220,698,822	\$ 16,416,912	\$ 3,979,801	\$ 225,475,516	\$ 21,005,166	\$ -	\$ 53,808,426
Non-Major Funds								
<u>Special Revenue Funds</u>								
Nutrition Services - Fund 50	\$ 4,625,468	\$ 8,512,551	\$ 176,090	\$ -	\$ 8,790,027	\$ 350,000	\$ -	\$ 4,174,082
Student Activities - Funds 60-61	1,627,186	3,011,000	4,762,164	-	7,742,541	-	-	1,657,809
Total Non-Major Funds	\$ 6,252,654	\$ 11,523,551	\$ 4,938,254	\$ -	\$ 16,532,568	\$ 350,000	\$ -	\$ 5,831,891
Total Governmental Funds	\$ 65,446,227	\$ 232,222,373	\$ 21,355,166	\$ 3,979,801	\$ 242,008,084	\$ 21,355,166	\$ -	\$ 59,640,317
Fiduciary Funds								
Custodial - Fund 70	\$ 6,334	\$ -	\$ -	\$ -	\$ 6,334	\$ -	\$ -	\$ -
Total Fiduciary Funds	\$ 6,334	\$ -	\$ -	\$ -	\$ 6,334	\$ -	\$ -	\$ -
Proprietary Funds								
ISF Health Insurance - Fund 80	\$ 8,918,129	\$ 23,016,599	\$ -	\$ -	\$ 23,717,065	\$ -	\$ -	\$ 8,217,663
Total Proprietary Funds	\$ 8,918,129	\$ 23,016,599	\$ -	\$ -	\$ 23,717,065	\$ -	\$ -	\$ 8,217,663
Total All Funds	\$ 74,370,690	\$ 255,238,972	\$ 21,355,166	\$ 3,979,801	\$ 265,731,483	\$ 21,355,166	\$ -	\$ 67,857,980

SECTION III

STATISTICAL SECTION



STATISTICAL SECTION

This section of the Board of Education of the City of Fargo's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding of what the information in the financial statements, note disclosures, and required supplementary information shows about the District's overall financial health.

Contents

Financial Trends

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Source: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report (ACFR) for the relevant year.

FINANCIAL TRENDS



BOARD OF EDUCATION OF THE CITY OF FARGO
Summary of Net Position – Governmental Activities
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<i>Governmental Activities:</i>										
Net Investment in Capital Assets	\$ 164,093,949	\$ 155,344,384	\$ 150,765,060	\$ 138,299,778	\$ 138,687,072	\$ 131,073,353	\$ 112,719,539	\$ 113,894,583	\$ 108,609,580	\$ 99,532,931
Restricted For:										
Capital Projects	20,350,559	20,905,133	16,904,238	18,760,233	10,783,055	11,861,356	16,073,740	7,604,036	8,381,613	14,170,677
Debt Service	-	-	165,427	-	-	3	6,244,274	6,162,840	6,089,025	5,999,938
Unrestricted	<u>(157,439,817)</u>	<u>(154,230,455)</u>	<u>(129,769,542)</u>	<u>(130,640,938)</u>	<u>(137,085,534)</u>	<u>(124,230,429)</u>	<u>(114,920,127)</u>	<u>(105,983,839)</u>	<u>(98,526,840)</u>	<u>(93,917,717)</u>
Total Net Position	<u>\$ 27,004,691</u>	<u>\$ 22,019,062</u>	<u>\$ 38,065,183</u>	<u>\$ 26,419,073</u>	<u>\$ 12,384,593</u>	<u>\$ 18,704,283</u>	<u>\$ 20,117,426</u>	<u>\$ 21,677,620</u>	<u>\$ 24,553,378</u>	<u>\$ 25,785,829</u>

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO
Schedule of Changes in Net Position – Government-Wide
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues:										
Taxes										
Property Taxes - Levied for General Purposes	\$ 69,998,850	\$ 65,291,243	\$ 59,759,099	\$ 54,885,487	\$ 51,966,845	\$ 49,974,667	\$ 47,864,783	\$ 45,117,526	\$ 42,618,543	\$ 42,408,433
Property Taxes - Levied for Debt Purposes	15,150,098	14,084,943	13,009,553	12,198,836	11,517,401	11,067,970	10,173,665	9,733,081	9,148,119	8,329,676
Other Tax Revenue	3,888,450	3,350,402	2,192,187	1,819,457	1,767,015	2,039,627	2,312,399	1,940,645	2,050,727	1,985,473
State Aid Not Restricted to Specific Program										
Per Pupil Aid	106,621,047	105,668,443	102,139,533	99,386,242	101,237,015	99,467,809	98,557,816	98,991,852	99,530,131	95,587,318
Gain on Sale of Land	-	-	2,832,859	-	-	-	-	-	-	-
Interest Income and Other Revenue	4,392,877	4,533,826	925,831	1,809,281	2,293,467	2,092,352	1,537,030	1,301,310	199,755	398,845
Total General Revenues	\$ 200,051,322	\$ 192,928,857	\$ 180,859,062	\$ 170,099,303	\$ 168,781,743	\$ 164,642,425	\$ 160,445,693	\$ 157,084,414	\$ 153,547,275	\$ 148,709,745
Program Revenues:										
Charges for Services										
Instruction	\$ 2,366,893	\$ 2,185,054	\$ 1,570,928	\$ 1,510,608	\$ 1,261,190	\$ 1,417,673	\$ 1,154,582	\$ 1,302,438	\$ 2,103,962	\$ 3,356,355
Support Services	7,341,552	7,296,046	6,961,296	4,992,241	3,564,508	3,980,818	5,600,488	5,474,993	4,564,841	4,237,716
Operating Grants and Contributions										
Instruction	21,530,839	31,592,958	30,781,049	28,539,910	23,404,568	14,836,872	12,842,416	11,194,394	11,238,277	11,117,730
Support Services	6,569,532	6,340,367	7,073,649	11,918,081	8,447,394	4,863,015	4,657,448	4,298,828	4,138,278	3,874,713
Capital Grants and Contributions										
Instruction	-	-	-	-	-	22,000	-	-	-	-
Support Services	-	-	-	106,566	915,093	936,500	1,221,250	-	-	-
Total Program Revenues	\$ 37,808,816	\$ 47,414,425	\$ 46,386,922	\$ 47,067,406	\$ 37,592,753	\$ 26,056,878	\$ 25,476,184	\$ 22,270,653	\$ 22,045,358	\$ 22,586,514
Total Revenues	\$ 237,860,138	\$ 240,343,282	\$ 227,245,984	\$ 217,166,709	\$ 206,374,496	\$ 190,699,303	\$ 185,921,877	\$ 179,355,067	\$ 175,592,633	\$ 171,296,259
Expenses:										
Instruction										
Adult Education	\$ 1,430,813	\$ 1,375,897	\$ 1,205,609	\$ 1,086,164	\$ 1,140,981	\$ 1,087,476	\$ 959,543	\$ 912,605	\$ 935,718	\$ 869,417
Regular Education	95,425,085	105,280,575	97,598,899	94,760,612	96,292,559	82,480,926	80,437,383	76,422,915	78,831,323	69,680,694
Special Education	46,341,514	43,987,446	37,039,094	34,268,813	36,092,896	33,500,437	31,522,956	28,747,433	27,080,262	23,929,574
Vocational Education	8,627,193	8,188,850	7,713,706	7,232,123	7,276,690	6,686,938	6,291,560	5,922,346	6,488,074	5,266,246
Support Services										
Business Services	2,693,424	2,640,560	5,386,024	4,640,293	5,187,818	4,929,666	4,873,040	5,369,281	5,264,611	4,727,200
Co-Curricular Activities	8,111,657	8,277,171	7,267,313	7,069,152	6,633,570	5,827,392	7,209,485	5,750,730	4,378,169	4,185,324
Community Services	206,669	323,487	988,477	1,227,476	780,709	96,642	95,378	91,079	94,552	262,213
Food Services Outlay	8,973,796	9,025,540	8,357,590	8,224,383	7,331,939	7,447,411	7,237,490	6,921,487	6,556,433	5,560,030
General Administration Services	4,312,802	4,117,732	3,380,837	3,092,448	3,243,108	3,825,675	3,812,118	3,096,857	3,641,029	3,253,138
Instructional Staff Services	6,207,220	6,161,870	5,629,274	5,011,561	5,743,601	5,474,206	5,257,744	4,838,220	5,265,195	4,808,464
Operations and Maintenance	23,620,075	20,765,763	17,035,928	15,127,100	19,020,338	18,139,904	17,324,802	20,404,100	16,791,601	14,842,032
Pupil Services	7,608,562	7,325,083	6,720,296	6,181,608	5,914,521	5,791,352	5,361,161	4,965,987	4,631,619	4,463,743
Pupil Transportation Services	3,250,719	3,209,929	3,345,150	2,936,339	2,991,426	2,476,412	2,697,027	2,461,717	2,515,821	2,160,375
School Administration Services	13,703,100	12,513,439	11,655,098	11,503,836	12,810,030	11,532,962	11,042,831	11,661,313	11,009,330	9,917,016
Interest and Charges on Long-Term Debt	2,361,880	2,470,661	2,276,579	2,381,346	2,234,844	2,815,047	3,359,553	3,022,188	3,341,347	3,842,437
Total Expenses	\$ 232,874,509	\$ 235,664,003	\$ 215,599,874	\$ 204,743,254	\$ 212,695,030	\$ 192,112,446	\$ 187,482,071	\$ 180,588,258	\$ 176,825,084	\$ 157,767,903
Change in Net Position	\$ 4,985,629	\$ 4,679,279	\$ 11,646,110	\$ 12,423,455	\$ (6,320,534)	\$ (1,413,143)	\$ (1,560,194)	\$ (1,233,191)	\$ (1,232,451)	\$ 13,528,356
Net Position - July 1, as previously reported	\$ 22,019,062	\$ 38,065,183	\$ 26,419,073	\$ 12,384,593	\$ 18,704,283	\$ 20,117,426	\$ 21,677,620	\$ 24,553,378	\$ 25,785,829	\$ 12,257,473
Adjustment	\$ -	\$ (20,725,400)	\$ -	\$ 1,611,025	\$ 844	\$ -	\$ -	\$ (1,642,567)	\$ -	\$ -
Net Position - July 1, as restated	\$ 22,019,062	\$ 17,339,783	\$ 26,419,073	\$ 13,995,618	\$ 18,705,127	\$ 20,117,426	\$ 21,677,620	\$ 22,910,811	\$ 25,785,829	\$ 12,257,473
Net Position - June 30	\$ 27,004,691	\$ 22,019,062	\$ 38,065,183	\$ 26,419,073	\$ 12,384,593	\$ 18,704,283	\$ 20,117,426	\$ 21,677,620	\$ 24,553,378	\$ 25,785,829

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Summary of General Fund Revenue by Source
Last Ten Fiscal Years

Year Ended June 30,	Local Sources	State Sources	Federal Sources	Other Sources	Total
2016	\$ 48,523,931	\$ 99,398,412	\$ 7,793,909	\$ 185,428	\$155,901,680
2017	47,575,470	103,024,346	8,428,084	26,470	159,054,370
2018	49,494,266	102,407,881	8,647,044	123,074	160,672,265
2019	52,715,159	102,695,246	9,716,163	12,872	165,139,440
2020	55,665,836	103,628,183	11,744,065	2,800	171,040,884
2021	59,840,738	105,424,508	19,809,551	43,393	185,118,190
2022	60,500,759	104,388,040	24,551,201	63,993	189,503,993
2023	67,026,373	107,081,860	29,588,638	74,873	203,771,744
2024	74,932,807	110,842,057	27,200,817	24,826	213,000,507
2025	79,310,714	111,949,527	13,094,755	32,200	204,387,196

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Summary of General Fund Expenditures by Function

Last Ten Fiscal Years

Year Ended June 30,	Instruction				Support Services			
	Adult Education	Regular Education	Special Education	Vocational Education	Business Services	Co-Curricular Activities	Community Services	General Administration Services
2016	\$ 886,606	\$ 70,810,878	\$ 24,420,358	\$ 5,426,695	\$ 4,897,258	\$ 230,387	\$ 266,967	\$ 2,618,431
2017	849,895	73,095,302	25,215,023	5,966,993	4,926,683	240,863	88,124	2,786,378
2018	861,503	72,427,801	27,382,094	5,700,296	4,885,816	242,261	89,329	3,150,824
2019	895,352	75,053,916	29,646,194	5,866,650	4,582,477	251,452	89,801	3,010,838
2020	1,005,564	76,724,605	31,233,539	6,112,140	4,540,771	255,425	90,156	2,780,230
2021	1,019,470	85,998,712	32,239,016	6,499,733	4,792,419	261,580	697,159	2,897,225
2022	1,049,967	91,423,146	33,801,666	7,150,256	4,994,852	264,502	1,226,357	3,068,965
2023	1,193,463	97,204,009	35,636,742	7,394,188	5,136,770	275,537	978,519	3,225,874
2024	1,317,936	99,578,679	42,556,197	7,907,560	2,562,926	296,323	317,531	3,976,658
2025	1,383,188	91,176,121	44,796,012	8,339,541	2,509,066	306,715	199,754	4,169,003

Year Ended June 30,	Support Services						Capital Outlay	Debt Service	Total
	Instructional Staff Services	Operations and Maintenance	Pupil Services	Pupil Transportation Services	School Administration Services				
2016	\$ 4,975,739	\$ 16,226,326	\$ 4,410,997	\$ 2,209,448	\$ 10,078,238	\$ -	\$ -	\$ 147,458,328	
2017	4,895,252	15,249,635	4,377,276	2,344,675	10,214,991	-	-	150,251,090	
2018	4,615,325	17,024,384	4,742,513	2,407,839	10,134,016	-	-	153,664,001	
2019	4,942,728	16,238,223	5,094,390	2,539,251	10,282,923	-	-	158,494,195	
2020	5,091,269	15,897,575	5,377,440	2,310,011	10,918,187	-	-	162,336,912	
2021	5,130,713	17,257,790	5,283,342	2,671,883	11,390,159	-	-	176,139,201	
2022	4,924,121	16,904,484	6,094,962	2,878,270	11,304,089	1,696,913	-	186,782,550	
2023	5,391,207	16,867,166	6,471,239	3,190,547	11,176,324	1,629,637	-	195,771,222	
2024	5,950,529	20,855,499	7,092,325	3,118,197	12,066,672	2,767,221	306,219	210,670,472	
2025	6,000,286	21,337,100	7,354,746	3,142,208	13,238,827	719,934	-	204,672,501	

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of District Revenues by Source – Government-Wide

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Local Sources</u>										
Property Taxes	\$ 85,148,948	\$ 79,376,186	\$ 72,768,652	\$ 67,084,323	\$ 63,484,246	\$ 61,042,637	\$ 58,038,448	\$ 54,850,607	\$ 51,766,662	\$ 50,738,109
Charges for Services	9,708,445	9,481,100	8,532,224	6,502,849	4,825,698	5,398,491	6,755,070	6,777,431	6,668,803	7,594,071
Other Tax Revenue	3,888,450	3,350,402	2,192,187	1,819,457	1,767,015	2,039,627	2,312,399	1,940,645	2,050,727	1,985,473
Capital Grants and Contributions	-	-	-	106,566	915,093	958,500	1,221,250	-	-	-
Total Local Sources	\$ 98,745,843	\$ 92,207,688	\$ 83,493,063	\$ 75,513,195	\$ 70,992,052	\$ 69,439,255	\$ 68,327,167	\$ 63,568,683	\$ 60,486,192	\$ 60,317,653
<u>State Sources</u>										
Per Pupil Aid	\$ 106,621,047	\$ 105,668,443	\$ 102,139,533	\$ 99,386,242	\$ 101,237,015	\$ 99,467,809	\$ 98,557,816	\$ 98,991,852	\$ 99,530,131	\$ 95,587,318
<u>Federal Sources</u>										
Operating Grants and Contributions	\$ 28,100,371	\$ 37,933,325	\$ 37,854,698	\$ 40,457,991	\$ 31,851,962	\$ 19,699,887	\$ 17,499,864	\$ 15,493,222	\$ 15,376,555	\$ 14,992,443
Gain on Sale of Land	\$ -	\$ -	\$ 2,832,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Income and Other Revenue	\$ 4,392,877	\$ 4,533,826	\$ 925,831	\$ 1,809,281	\$ 2,293,467	\$ 2,092,352	\$ 1,537,030	\$ 1,301,310	\$ 199,755	\$ 398,845
Total Revenues	\$ 237,860,138	\$ 240,343,282	\$ 227,245,984	\$ 217,166,709	\$ 206,374,496	\$ 190,699,303	\$ 185,921,877	\$ 179,355,067	\$ 175,592,633	\$ 171,296,259

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of District Expenses by Function – Government-Wide

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Adult Education	\$ 1,430,813	\$ 1,375,897	\$ 1,205,609	\$ 1,086,164	\$ 1,140,981	\$ 1,087,476	\$ 959,543	\$ 912,605	\$ 935,718	\$ 869,417
Regular Education	95,425,085	105,280,575	97,598,899	94,760,612	96,292,559	82,480,926	80,437,383	76,422,915	78,831,323	69,680,694
Special Education	46,341,514	43,987,446	37,039,094	34,268,813	36,092,896	33,500,437	31,522,956	28,747,433	27,080,262	23,929,574
Vocational Education	8,627,193	8,188,850	7,713,706	7,232,123	7,276,690	6,686,938	6,291,560	5,922,346	6,488,074	5,266,246
Total Instruction	\$ 151,824,605	\$ 158,832,768	\$ 143,557,308	\$ 137,347,712	\$ 140,803,126	\$ 123,755,777	\$ 119,211,442	\$ 112,005,299	\$ 113,335,377	\$ 99,745,931
Supporting Services:										
Business Services	\$ 2,693,424	\$ 2,640,560	\$ 5,386,024	\$ 4,640,293	\$ 5,187,818	\$ 4,929,666	\$ 4,873,040	\$ 5,369,281	\$ 5,264,611	\$ 4,727,200
Co-Curricular Activities	8,111,657	8,277,171	7,267,313	7,069,152	6,633,570	5,827,392	7,209,485	5,750,730	4,378,169	4,185,324
Community Services	206,669	323,487	988,477	1,227,476	780,709	96,642	95,378	91,079	94,552	262,213
Food Service Outlay	8,973,796	9,025,540	8,357,590	8,224,383	7,331,939	7,447,411	7,237,490	6,921,487	6,556,433	5,560,030
General Administration Services	4,312,802	4,117,732	3,380,837	3,092,448	3,243,108	3,825,675	3,812,118	3,096,857	3,641,029	3,253,138
Instructional Staff Services	6,207,220	6,161,870	5,629,274	5,011,561	5,743,601	5,474,206	5,257,744	4,838,220	5,265,195	4,808,464
Operations and Maintenance	23,620,075	20,765,763	17,035,928	15,127,100	19,020,338	18,139,904	17,324,802	20,404,100	16,791,601	14,842,032
Pupil Services	7,608,562	7,325,083	6,720,296	6,181,608	5,914,521	5,791,352	5,361,161	4,965,987	4,631,619	4,463,743
Pupil Transportation Services	3,250,719	3,209,929	3,345,150	2,936,339	2,991,426	2,476,412	2,697,027	2,461,717	2,515,821	2,160,375
School Administration Services	13,703,100	12,513,439	11,655,098	11,503,836	12,810,030	11,532,962	11,042,831	11,661,313	11,009,330	9,917,016
Total Supporting Services	\$ 78,688,024	\$ 74,360,574	\$ 69,765,987	\$ 65,014,196	\$ 69,657,060	\$ 65,541,622	\$ 64,911,076	\$ 65,560,771	\$ 60,148,360	\$ 54,179,535
Interest and Fees on Long-Term Debt	\$ 2,361,880	\$ 2,470,661	\$ 2,276,579	\$ 2,381,346	\$ 2,234,844	\$ 2,815,047	\$ 3,359,553	\$ 3,022,188	\$ 3,341,347	\$ 3,842,437
Total Expenditures	\$ 232,874,509	\$ 235,664,003	\$ 215,599,874	\$ 204,743,254	\$ 212,695,030	\$ 192,112,446	\$ 187,482,071	\$ 180,588,258	\$ 176,825,084	\$ 157,767,903

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO
 Summary of Special Revenue Funds Revenues and Expenditures
 Last Ten Fiscal Years

REVENUE HISTORY

Fiscal Year	Nutrition Services Fund	Student Activities Funds	Total Revenues
2016	\$ 6,108,742	\$ 477,901	\$ 6,586,643
2017	6,439,904	478,782	6,918,686
2018	6,907,001	1,318,620	8,225,621
2019	7,149,482	2,421,022	9,570,504
2020	6,430,805	1,704,334	8,135,139
2021	7,585,832	2,709,245	10,295,077
2022	10,472,240	3,012,289	13,484,529
2023	8,371,006	2,742,882	11,113,888
2024	8,520,748	3,072,566	11,593,314
2025	8,512,551	3,011,000	11,523,551

EXPENDITURE HISTORY

Fiscal Year	Nutrition Services Fund	Student Activities Funds	Total Expenditures
2016	\$ 6,233,833	\$ 4,057,037	\$ 10,290,870
2017	6,300,358	4,008,970	10,309,328
2018	6,405,284	5,304,617	11,709,901
2019	6,814,682	6,533,061	13,347,743
2020	6,867,497	6,570,837	13,438,334
2021	6,525,028	6,524,900	13,049,928
2022	8,049,151	6,914,932	14,964,083
2023	8,156,036	7,003,609	15,159,645
2024	8,825,731	7,630,138	16,455,869
2025	8,790,027	7,742,541	16,532,568

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Fund Balances of Governmental Funds

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable										
Inventories	\$ 668,110	\$ 678,799	\$ 711,623	\$ 660,004	\$ 581,774	\$ 415,908	\$ 271,175	\$ 230,435	\$ 215,830	\$ 190,953
Prepaid Items	22,750	-	81,116	-	-	-	-	-	-	-
Unassigned	33,875,936	38,381,755	40,285,313	36,618,457	36,421,877	32,558,770	31,581,692	31,705,843	31,432,447	29,994,401
Total General Fund	<u>\$34,566,796</u>	<u>\$39,060,554</u>	<u>\$41,078,052</u>	<u>\$37,278,461</u>	<u>\$37,003,651</u>	<u>\$32,974,678</u>	<u>\$31,852,867</u>	<u>\$31,936,278</u>	<u>\$31,648,277</u>	<u>\$30,185,354</u>
Other Major and Governmental Funds										
Nonspendable										
Inventories	\$ 356,922	\$ 150,987	\$ 150,833	\$ 203,978	\$ 170,744	\$ 171,367	\$ 81,770	\$ 1	\$ 9,467	\$ 10,024
Prepaid Items	847	19,098	-	-	-	-	-	-	-	-
Restricted										
Debt Service	-	-	165,427	-	-	3	6,244,274	6,162,840	6,089,025	5,999,938
Capital Projects	19,241,630	20,133,019	16,263,827	18,155,915	10,283,942	11,861,356	16,073,740	8,766,016	9,816,091	15,333,337
Committed										
Special Revenue	5,474,122	6,082,569	6,507,334	6,507,929	4,161,905	2,249,320	3,083,991	3,123,038	2,561,886	2,350,853
Total Other Major and Governmental Funds	<u>\$25,073,521</u>	<u>\$26,385,673</u>	<u>\$23,087,421</u>	<u>\$24,867,822</u>	<u>\$14,616,591</u>	<u>\$14,282,046</u>	<u>\$25,483,775</u>	<u>\$18,051,895</u>	<u>\$18,476,469</u>	<u>\$23,694,152</u>
Total Governmental Funds	<u>\$59,640,317</u>	<u>\$65,446,227</u>	<u>\$64,165,473</u>	<u>\$62,146,283</u>	<u>\$51,620,242</u>	<u>\$47,256,724</u>	<u>\$57,336,642</u>	<u>\$49,988,173</u>	<u>\$50,124,746</u>	<u>\$53,879,506</u>

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO
 Schedule of Changes in Fund Balances – Total Governmental Funds
 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Local Sources	\$102,098,598	\$ 96,891,963	\$ 87,260,360	\$ 77,253,251	\$ 74,790,426	\$ 71,676,683	\$ 69,663,972	\$ 64,567,840	\$ 61,013,963	\$ 61,275,302
State Sources	112,153,382	111,009,623	107,150,543	104,435,579	105,474,701	103,682,372	102,747,804	102,455,020	103,076,434	99,459,748
Federal Sources	17,938,193	31,918,450	34,470,572	34,127,137	26,958,634	15,272,459	13,004,928	11,761,703	11,445,161	10,567,291
Other Sources	32,200	24,826	74,873	63,997	43,393	2,800	12,872	123,074	26,470	185,428
Total Revenues	\$232,222,373	\$ 239,844,862	\$ 228,956,348	\$ 215,879,964	\$ 207,267,154	\$ 190,634,314	\$ 185,429,576	\$ 178,907,637	\$ 175,562,028	\$ 171,487,769
Expenditures:										
Instruction:										
Adult Education	\$ 1,383,188	\$ 1,317,936	\$ 1,193,463	\$ 1,049,967	\$ 1,019,470	\$ 1,005,564	\$ 895,352	\$ 861,503	\$ 849,895	\$ 886,606
Regular Education	91,176,121	99,578,679	97,204,009	91,423,146	85,998,712	76,724,605	75,053,916	72,427,801	73,095,302	70,810,878
Special Education	44,796,012	42,556,197	35,636,742	33,801,666	32,239,016	31,233,539	29,646,194	27,382,094	25,215,023	24,420,358
Vocational Education	8,339,541	7,907,560	7,394,188	7,150,256	6,499,733	6,112,140	5,866,650	5,700,296	5,966,993	5,426,695
Support Services:										
Business Services	2,509,066	2,562,926	5,136,770	4,994,852	4,792,419	4,540,771	4,582,477	4,885,816	4,926,683	4,897,258
Co-Curricular Activities	8,049,256	7,926,461	6,971,561	6,864,686	6,786,480	6,826,262	6,784,513	5,546,878	4,249,833	4,287,424
Community Services	199,754	317,531	978,519	1,226,357	697,159	6,867,497	6,814,682	6,405,284	6,300,358	6,233,833
Food Service Outlay	8,790,027	8,825,731	8,156,036	8,030,217	6,525,028	6,310,644	10,859,799	1,194,345	7,118,991	12,825,437
General Administration Services	4,169,003	3,976,658	3,225,874	3,068,965	2,897,225	2,780,230	3,010,838	3,150,824	2,786,378	2,618,431
Instructional Staff Services	6,000,286	5,950,529	5,391,207	4,924,121	5,130,713	5,091,269	4,942,728	4,615,325	4,895,252	4,975,739
Operations and Maintenance	21,678,373	20,882,265	16,878,957	16,904,485	17,807,640	16,900,575	16,240,573	19,004,513	15,609,807	16,410,620
Pupil Services	7,354,746	7,092,325	6,471,239	6,094,962	5,283,342	5,377,440	5,094,390	4,742,513	4,377,276	4,410,997
Pupil Transportation Services	3,142,208	3,118,197	3,190,547	2,878,270	2,671,883	2,310,011	2,539,251	2,407,839	2,344,675	2,209,448
School Administration Services	13,238,827	12,066,672	11,176,324	11,304,089	11,390,159	10,918,187	10,282,923	10,134,016	10,214,991	10,078,238
Capital Outlay	9,559,144	4,807,111	39,110,450	6,023,075	16,765,000	90,156	89,801	89,329	88,124	266,967
Total Expenditures	\$230,385,552	\$ 228,886,778	\$ 248,115,886	\$ 205,739,114	\$ 206,503,979	\$ 183,088,890	\$ 182,704,087	\$ 168,548,376	\$ 168,039,581	\$ 170,758,929
Debt Service:										
Principal	\$ 8,635,327	\$ 7,076,263	\$ 4,871,727	\$ 6,374,420	\$ 5,780,877	\$ 8,333,566	\$ 7,811,989	\$ 7,385,570	\$ 7,093,448	\$ 8,495,676
Interest	2,979,930	2,965,790	2,652,873	2,676,738	2,651,663	3,045,777	3,156,784	3,171,605	3,229,083	3,661,121
Bond Costs	7,275	50,140	253,692	333,843	185,623	207,619	163,462	755	109,704	518,233
Total Debt Service Expenditures	\$ 11,622,532	\$ 10,092,193	\$ 7,778,292	\$ 9,385,001	\$ 8,618,163	\$ 11,586,962	\$ 11,132,235	\$ 10,557,930	\$ 10,432,235	\$ 12,675,030
Total Expenditures	\$242,008,084	\$ 238,978,971	\$ 255,894,178	\$ 215,124,115	\$ 215,122,142	\$ 194,675,852	\$ 193,836,322	\$ 179,106,306	\$ 178,471,816	\$ 183,433,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (9,785,711)	\$ 865,891	\$ (26,937,830)	\$ 755,849	\$ (7,854,988)	\$ (4,041,538)	\$ (8,406,746)	\$ (198,669)	\$ (2,909,788)	\$ (11,946,190)
Other Financing Sources (Uses):										
Transfers In	\$ 21,355,166	\$ 20,636,783	\$ 18,182,818	\$ 20,045,832	\$ 18,355,542	\$ 46,763,273	\$ 20,084,663	\$ 19,073,264	\$ 25,708,269	\$ 52,784,034
Transfers Out	(21,355,166)	(20,636,783)	(18,182,818)	(20,045,832)	(18,355,542)	(46,763,273)	(20,084,663)	(19,073,264)	(26,681,481)	(52,784,034)
Premium on the Sale of Bonds	-	-	542,073	130,211	986,497	743,036	1,719,394	-	672,342	3,002,555
Debt Issuance	-	-	17,155,000	7,920,000	11,205,000	18,475,000	14,000,000	-	8,795,000	29,470,000
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	(25,270,000)	-	-	(9,350,000)	(26,455,000)
Sale of Land	3,600,000	-	8,331,939	-	-	-	-	-	-	-
Gain on Sale of Land	-	-	2,832,859	-	-	-	-	-	-	-
Refund of Prior Year's Expense	-	-	-	-	-	10,297	10,781	9,900	-	-
Right-to-Use Asset Proceeds	-	54,685	-	-	-	-	-	-	-	-
Subscription-Based IT Asset Proceeds	242,835	282,555	-	-	-	-	-	-	-	-
Sale of Capital Assets	136,966	77,623	95,149	13,599	27,865	3,287	25,040	52,196	10,898	8,117,580
Total Other Financing Sources (Uses)	\$ 3,979,801	\$ 414,863	\$ 28,957,020	\$ 8,063,810	\$ 12,219,362	\$ (6,038,380)	\$ 15,755,215	\$ 62,096	\$ (844,972)	\$ 14,135,135
Net Change in Fund Balances	\$ (5,805,910)	\$ 1,280,754	\$ 2,019,190	\$ 8,819,659	\$ 4,364,374	\$ (10,079,918)	\$ 7,348,469	\$ (136,573)	\$ (3,754,760)	\$ 2,188,945
Fund Balance - July 1, as previously reported	\$ 65,446,227	\$ 64,165,473	\$ 62,146,283	\$ 51,620,242	\$ 47,256,724	\$ 57,336,642	\$ 49,988,173	\$ 50,124,746	\$ 53,879,506	\$ 51,690,561
Adjustment	\$ -	\$ -	\$ -	\$ 1,706,382	\$ (856)	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance - July 1, as restated	\$ 65,446,227	\$ 64,165,473	\$ 62,146,283	\$ 53,326,624	\$ 47,255,868	\$ 57,336,642	\$ 49,988,173	\$ 50,124,746	\$ 53,879,506	\$ 51,690,561
Fund Balance - June 30	\$ 59,640,317	\$ 65,446,227	\$ 64,165,473	\$ 62,146,283	\$ 51,620,242	\$ 47,256,724	\$ 57,336,642	\$ 49,988,173	\$ 50,124,746	\$ 53,879,506

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Summary of General Fund Balances

Last Ten Fiscal Years

Fiscal Year	Beginning Fund Balance		Adjustment	Revenues	Expenditures	Other Financing Sources (Uses)	Ending Fund Balance June 30
	July 1						
2016	\$ 28,975,841	\$ -		\$ 155,901,680	\$ 147,458,328	\$ (7,233,839)	\$ 30,185,354
2017	30,185,354	-		159,054,370	150,251,090	(7,340,357)	31,648,277
2018	31,648,277	-		160,672,265	153,664,001	(6,720,263)	31,936,278
2019	31,936,278	-		165,139,440	158,494,195	(6,728,656)	31,852,867
2020	31,852,867	-		171,040,884	162,336,912	(7,582,161)	32,974,678
2021	32,974,678	(1,193,831)		185,118,190	176,139,201	(3,756,185)	37,003,651
2022	37,003,651	1,689,630		189,503,993	186,782,550	(4,136,263)	37,278,461
2023	37,278,461	-		203,771,744	195,771,222	(4,200,931)	41,078,052
2024	41,078,052	-		213,000,507	210,670,472	(4,347,533)	39,060,554
2025	39,060,554	-		204,387,196	204,672,501	(4,208,453)	34,566,796

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Summary of Special Revenue Fund Balances
Last Ten Fiscal Years

Fiscal Year	Nutrition Services Fund	Student Activities Funds	Total
2016	\$ 2,360,877	\$ -	\$ 2,360,877
2017	2,571,353	-	2,571,353
2018	3,123,039	-	3,123,039
2019	3,165,761	-	3,165,761
2020	2,420,687	-	2,420,687
2021	3,186,213	1,163,188	4,349,401
2022	5,262,471	1,449,436	6,711,907
2023	5,137,665	1,520,502	6,658,167
2024	4,625,468	1,627,186	6,252,654
2025	4,174,082	1,657,809	5,831,891

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Unassigned General Fund Balance Compared to Annual Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Unassigned Fund Balance</u>	<u>Annual Expenditures</u>	<u>Unassigned Fund Balance as a Percentage of Annual Expenditures</u>
2016	\$ 29,994,401	\$ 147,458,328	20.34%
2017	31,432,447	150,251,090	20.92%
2018	31,705,843	153,664,001	20.63%
2019	31,581,692	158,494,195	19.93%
2020	32,558,770	162,336,912	20.06%
2021	36,421,877	176,139,201	20.68%
2022	36,618,457	186,782,550	19.60%
2023	40,285,313	195,771,222	20.58%
2024	38,381,755	210,670,472	18.22%
2025	33,875,936	204,672,501	16.55%

Source of Data: District Accounting Department

REVENUE CAPACITY



BOARD OF EDUCATION OF THE CITY OF FARGO

Assessed and Taxable Values of District Property

Last Ten Fiscal Years

Fiscal Year	Farm	Business Lots	Business Buildings	Residential Lots	Residential Buildings	Taxable Value	Homestead Credit	Veteran's Credit	Net Taxable Value	Assessed Value	Real Market Value	Net Taxable Value as a Percentage of Assessed Value
2016	\$ 794,940	\$ 25,894,594	\$ 102,498,175	\$ 25,580,894	\$ 166,701,799	\$ 321,470,402	\$ (1,995,674)	\$ (1,561,559)	\$ 317,913,169	\$ 3,384,184,844	\$ 6,768,369,688	9.39%
2017	811,465	27,254,663	115,160,350	37,498,399	173,494,295	354,219,172	(1,627,781)	(2,362,230)	350,229,161	3,725,331,416	7,450,662,831	9.40%
2018	786,225	33,612,128	115,271,750	37,791,809	190,171,681	377,633,593	(2,485,217)	(1,822,195)	373,326,181	3,982,856,465	7,965,712,930	9.37%
2019	786,530	38,057,220	121,339,465	38,073,495	200,848,825	399,105,535	(2,543,461)	(1,946,331)	394,615,743	4,206,162,216	8,412,324,431	9.38%
2020	806,215	43,036,017	127,889,348	38,300,472	207,559,889	417,591,941	(2,535,284)	(2,199,838)	412,856,819	4,388,180,532	8,776,361,064	9.41%
2021	854,570	45,665,366	133,178,120	62,786,777	192,971,876	435,456,709	(2,554,644)	(2,344,652)	430,557,413	4,576,146,994	9,152,293,988	9.41%
2022	850,030	45,721,707	147,226,725	63,485,631	202,396,669	459,680,762	(2,661,054)	(2,895,187)	454,124,521	4,835,417,510	9,670,835,019	9.39%
2023	808,200	46,652,076	161,246,844	64,253,056	226,169,543	499,129,719	(2,438,563)	(3,125,903)	493,565,253	5,251,344,805	10,502,689,609	9.40%
2024	835,965	50,940,825	181,406,370	64,580,861	257,219,640	554,983,661	(6,641,037)	(3,444,202)	544,898,422	5,833,855,049	11,667,710,097	9.34%
2025	826,070	51,747,166	190,136,512	65,049,037	276,296,170	584,054,955	(10,397,464)	(4,055,153)	569,602,338	6,142,583,686	12,285,167,371	9.27%

Source: Cass County Assessor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

Assessed and Real Market Values of Taxable Properties
Last Ten Fiscal Years

Fiscal Year	Net Taxable Value	Assessed Value	Real Market Value
2016	\$ 317,913,169	\$ 3,384,184,844	\$ 6,768,369,688
2017	350,229,161	3,725,331,416	7,450,662,831
2018	373,326,181	3,982,856,465	7,965,712,930
2019	394,615,743	4,206,162,216	8,412,324,431
2020	412,856,819	4,388,180,532	8,776,361,064
2021	430,557,413	4,576,146,994	9,152,293,988
2022	454,124,521	4,835,417,510	9,670,835,019
2023	493,565,253	5,251,344,805	10,502,689,609
2024	544,898,422	5,833,855,049	11,667,710,097
2025	569,602,338	6,142,583,686	12,285,167,371

Source of Data: District Accounting Department
Cass County Assessor's Office
Cass County Auditor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

History of Tax Rates
Last Ten Fiscal Years

Fiscal Year	General Fund	Building Fund	Special Assessment Fund	Total Mills
2016	139.00	26.35	1.00	166.35
2017	127.00	26.35	1.00	154.35
2018	126.78	26.35	1.00	154.13
2019	126.78	26.35	1.00	154.13
2020	126.78	26.35	1.25	154.38
2021	126.78	26.35	1.25	154.38
2022	126.78	26.35	1.25	154.38
2023	126.78	26.35	1.25	154.38
2024	126.78	26.35	1.00	154.13
2025	126.78	26.35	1.00	154.13

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Principal Taxpayers

Current Tax Year and Nine Tax Years Ago

Taxpayer	Tax Year 2024		Tax Year 2015	
	Net Taxable Value	Percentage of Total Net Taxable Value	Net Taxable Value	Percentage of Total Net Taxable Value
Northern States Power Company	\$ 6,981,944	1.28%	\$ 4,002,285	1.26%
Preylock Fargo LLC	5,364,225	0.98%		
Sanford Medical Center	2,587,815	0.47%	1,410,270	0.44%
Great Plains Software Inc	2,267,750	0.42%	1,168,825	0.37%
Case Equipment Corporation	1,602,045	0.29%	1,409,190	0.44%
1709 25th Ave S	1,592,965	0.29%		
PSJ Acquisition LLC	1,567,470	0.29%		
EWR Fargo U32 Apartments LLC	1,479,950	0.27%		
Rye at Tillstone LLC	1,479,850	0.27%		
Sanford North	1,425,630	0.26%		
Innovis Health LLC			2,282,885	0.72%
Inreit Properties LLLP			3,192,805	1.00%
Matrix Properties Corp.			1,918,400	0.60%
Meritcare Medical Group			1,199,895	0.38%
Wal-Mart Real Estate Business Trust			940,775	0.30%
The Waterford at Harwood Groves LLC			1,246,140	0.39%
Total Attributable to Ten Largest Taxpayers	\$ 26,349,644	4.82%	\$ 18,771,470	5.90%
Total Net Taxable Value	\$ 544,898,422	100.00%	\$ 317,913,169	100.00%

Source of Data: Cass County Auditor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year of the Original Levy		Taxes Levied for the Fiscal Year of the Adjusted Levy		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Original Levy	Adjustments	Adjusted Levy	Amount	Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2016	\$ 52,884,855	\$ 419,054	\$ 53,303,909	\$ 49,224,792	93.08%	\$ 1,746,698	\$ 50,971,490	95.62%	
2017	54,057,871	332,151	54,390,022	50,026,223	92.54%	1,798,229	51,824,452	95.28%	
2018	57,540,764	380,359	57,921,123	52,553,717	91.33%	2,826,048	55,379,765	95.61%	
2019	61,400,132	(161,860)	61,238,272	58,136,869	94.69%	500,491	58,637,360	95.75%	
2020	64,176,155	(146,978)	64,029,177	57,934,764	90.27%	3,290,451	61,225,215	95.62%	
2021	66,591,409	(112,688)	66,478,721	63,094,729	94.75%	341,897	63,436,626	95.42%	
2022	70,234,269	(52,973)	70,181,296	66,575,501	94.79%	326,098	66,901,599	95.33%	
2023	76,323,062	41,084	76,364,146	72,387,960	94.84%	521,629	72,909,589	95.48%	
2024	84,150,705	(785,229)	83,365,476	78,936,077	93.80%	320,706	79,256,783	95.07%	
2025	83,948,130	(592,529)	83,355,601	75,645,078 *	90.11%	-	75,645,078	90.75%	

*Collection is as of June 30, 2025

Source: Cass County Auditor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

Levies and Mill Conversion

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Taxable Valuation	\$ 569,602,338	\$ 544,898,422	\$ 493,565,253	\$ 454,124,521	\$ 430,557,413	\$ 412,856,819	\$ 394,615,743	\$ 373,326,181	\$ 350,229,161	\$ 317,913,169
One Millage of Tax	X 0.001									
Each Mill Return (Approximately)	\$ 569,602	\$ 544,898	\$ 493,565	\$ 454,125	\$ 430,557	\$ 412,857	\$ 394,616	\$ 373,326	\$ 350,229	\$ 317,913
Actual Dollars Levied										
General Fund	\$ 74,046,487	\$ 70,360,829	\$ 63,279,666	\$ 58,278,327	\$ 55,207,201	\$ 52,341,988	\$ 50,029,384	\$ 47,330,293	\$ 44,479,103	\$ 44,189,930
Building Fund	15,389,848	14,623,819	13,152,068	12,112,588	11,474,284	10,878,777	10,398,124	9,837,145	9,228,538	8,377,012
Special Assessments Fund	584,055	554,984	623,912	574,601	544,321	516,071	394,616	373,326	350,229	317,913
Total Required Levy	\$ 90,020,390	\$ 85,539,632	\$ 77,055,646	\$ 70,965,516	\$ 67,225,806	\$ 63,736,836	\$ 60,822,124	\$ 57,540,764	\$ 54,057,870	\$ 52,884,855
Mill Conversion										
General Fund	126.78	126.78	126.78	126.78	126.78	126.78	126.78	126.78	127.00	139.00
Building Fund	26.35	26.35	26.35	26.35	26.35	26.35	26.35	26.35	26.35	26.35
Special Assessments Fund	1.00	1.00	1.25	1.25	1.25	1.25	1.00	1.00	1.00	1.00
Total Mill Levy	154.13	154.13	154.38	154.38	154.38	154.38	154.13	154.13	154.35	166.35

Source of Data: District Accounting Department

DEBT CAPACITY



BOARD OF EDUCATION OF THE CITY OF FARGO

Ratio of General Obligation Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Total</u>	<u>Bond Premium</u>	<u>Net Taxable Value</u>	<u>Percentage of Bonded Debt to Net Taxable Value</u>	<u>Estimated Population*</u>	<u>Per Capita Debt</u>
2016	\$ 103,612,508	\$ 27	\$ 103,612,481	\$ 3,904,938	\$ 317,913,169	32.59%	118,523	874
2017	97,067,291	7,660	97,059,631	3,967,523	350,229,161	27.71%	120,762	804
2018	90,124,322	20	90,124,302	3,450,823	373,326,181	24.14%	122,359	737
2019	96,718,574	-	96,718,574	4,610,532	394,615,743	24.51%	124,844	775
2020	81,685,018	3	81,685,015	4,761,548	412,856,819	19.79%	124,662	655
2021	87,128,626	-	87,128,626	5,060,417	430,557,413	20.24%	125,990	692
2022	88,694,370	-	88,694,370	4,478,338	454,124,521	19.53%	126,748	700
2023	101,152,222	165,427	100,986,795	4,304,692	493,565,253	20.46%	131,444	768
2024	94,442,153	-	94,442,153	3,625,246	544,898,422	17.33%	133,188	709
2025	86,809,133	-	86,809,133	3,198,323	569,602,338	15.24%	136,285	637

*Estimated Population: United States Census Bureau Quickfacts

Source: District Accounting Department
Cass County Auditor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

Direct and Overlapping Debt
 For the Year Ended June 30, 2025

<u>Taxing Authority</u>	<u>Outstanding Bonded Debt</u>	<u>Percentage of Debt Allocable to the District¹</u>	<u>Amount Applicable to the District</u>
Board of Education of the City of Fargo	\$ 86,809,133	100.00%	\$ 86,809,133
Total Direct Debt			<u>\$ 86,809,133</u>
Cass County	\$ 115,000	43.47%	\$ 49,991
City of Fargo	\$ 536,860,000	66.98%	359,588,828
Fargo Park District	\$ 74,730,000	66.98%	50,054,154
Other Entities ²			<u>-</u>
Total Overlapping Debt			<u>\$ 409,692,973</u>
Total Direct and Overlapping Bonded Debt			<u><u>\$ 496,502,106</u></u>

¹All direct and overlapping bonded debt is sourced within the District's Debt Service Fund.

²The cities of Briarwood, Frontier, North River and Prairie Rose and the townships of Barnes, Fargo, Pleasant, Reed and Stanley have no general obligation debt.

The percentage of overlapping debt applicable to the District is calculated using taxable property values. Applicable percentages are determined by the portion of another governmental unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable valuation.

Source of Data: Cass County Property Tax Summary
 Electronic Municipal Market Access
 District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Legal Debt Margin Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assessed Value of All Property	\$ 6,142,583,686	\$ 5,833,855,049	\$ 5,251,344,805	\$ 4,835,417,510	\$ 4,576,146,994	\$ 4,388,180,532	\$ 4,206,162,216	\$ 3,982,856,465	\$ 3,725,331,416	\$ 3,384,184,844
Debt Limit - 10% of Assessed Value	307,129,184	291,692,752	262,567,240	241,770,876	228,807,350	219,409,027	210,308,111	199,142,823	186,266,571	169,209,242
<u>Legal Debt Margin:</u>										
Debt Applicable to Limitation*	86,809,133	94,442,153	100,862,222	88,124,370	86,283,626	80,570,018	92,748,574	83,574,322	88,272,291	91,577,508
Legal Debt Margin	\$ 220,320,051	\$ 197,250,599	\$ 161,705,018	\$ 153,646,506	\$ 142,523,724	\$ 138,839,009	\$ 117,559,537	\$ 115,568,501	\$ 97,994,280	\$ 77,631,734
Total Debt Applicable to Limitation as a Percentage of Debt Limit	28.26%	32.38%	38.41%	36.45%	37.71%	36.72%	44.10%	41.97%	47.39%	54.12%

*The District's Building Authority Revenue Bonds are not included when calculating the legal debt margin.

Source: District Accounting Department
Cass County Auditor's Office

BOARD OF EDUCATION OF THE CITY OF FARGO

Ratios of Debt to Assessed Valuation, Debt to Total Personal Income, and Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year	Population*	Net Taxable Valuation	Assessed Value	Per Capita Personal Income	Total Personal Income	Outstanding Bonded Debt	Special Assessments	Bond Premium	Percentage of Debt to Assessed Value	Percentage of Debt to Total Personal Income
2016	118,523	\$ 317,913,169	\$ 3,384,184,844	\$ 48,914	\$5,797,434,022	\$ 103,612,508	\$ 447,412	\$ 3,904,938	3.07%	1.79%
2017	120,762	350,229,161	3,725,331,416	49,987	6,036,530,094	97,067,291	695,230	3,967,523	2.62%	1.62%
2018	122,359	373,326,181	3,982,856,465	50,364	6,162,488,676	90,124,322	683,292	3,450,823	2.28%	1.47%
2019	124,844	394,615,743	4,206,162,216	50,725	6,332,711,900	96,718,574	665,394	4,610,532	2.32%	1.54%
2020	124,662	412,856,819	4,388,180,532	52,712	6,571,183,344	81,685,018	646,719	4,761,548	1.88%	1.25%
2021	125,990	430,557,413	4,576,146,994	54,932	6,920,882,680	87,128,626	627,233	5,060,417	1.92%	1.27%
2022	126,748	454,124,521	4,835,417,510	58,158	7,371,410,184	88,694,370	607,068	4,478,338	1.85%	1.21%
2023	131,444	493,565,253	5,251,344,805	62,021	8,152,288,324	101,152,222	586,011	4,304,692	1.94%	1.25%
2024	133,188	544,898,422	5,833,855,049	64,468	8,586,363,984	94,442,153	564,023	3,625,246	1.63%	1.11%
2025	136,285	569,602,338	6,142,583,686	68,326	9,311,808,910	86,809,133	-	3,198,323	1.41%	0.93%

* Estimated Population: U.S. Census Bureau

Source: District Accounting Department
 Fargo Cass County Economic Development Corp
 Cass County Assessor's Office
 US Department of Commerce: Bureau of Economic Analysis

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Bonds Payable

For the Year Ended June 30, 2025

General Obligation Bonds	Issue Date*	Maturity Date*	Interest Rates	Amounts Issued	Amounts Retired	Balance Outstanding
2015 Limited Tax Bond Series	2015	2027	2.00% - 2.50%	\$ 9,835,000	\$ 1,000,000	\$ 8,835,000
2015B Limited Tax Refunding Bond Series	2015	2026	2.00%	9,750,000	2,255,000	7,495,000
2015C State School Construction Bond Series	2016	2035	1.00%	6,000,000	2,850,867	3,149,133
2016A Limited Tax Refunding Bond Series	2016	2036	2.00% - 4.00%	9,160,000	3,045,000	6,115,000
2016B Limited Tax Bond Series	2016	2024	5.00%	14,310,000	14,310,000	-
2018 Limited Tax Refunding Bond Series	2018	2038	4.00% - 5.00%	14,000,000	2,910,000	11,090,000
2019 Limited Tax Bond Series	2019	2032	2.40% - 3.00%	18,475,000	670,000	17,805,000
2020 Limited Tax Refunding Bond Series	2020	2040	2.00% - 5.00%	11,205,000	1,680,000	9,525,000
2022A Limited Tax Bond Series	2022	2042	3.00% - 4.00%	7,920,000	575,000	7,345,000
2023 Limited Tax Bond Series	2023	2043	4.00% - 5.00%	17,155,000	1,705,000	15,450,000
Total General Obligation Bonds				\$142,425,000	\$ 55,615,867	\$ 86,809,133

*Denotes calendar (not fiscal) year 'Issue Date' and 'Maturity Date'

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Bond Maturities

For the Year Ended June 30, 2025

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 8,241,001	\$ 2,676,236	\$ 10,917,237
2027	8,649,011	2,440,326	11,089,337
2028	7,717,051	2,194,649	9,911,700
2029	6,705,121	1,956,816	8,661,937
2030	6,933,223	1,722,789	8,656,012
2031	7,171,355	1,499,837	8,671,192
2032	7,384,518	1,273,129	8,657,647
2033	5,777,713	1,056,526	6,834,239
2034	3,590,940	903,491	4,494,431
2035	3,704,200	788,547	4,492,747
2036	3,490,000	669,224	4,159,224
2037	3,610,000	548,788	4,158,788
2038	3,115,000	433,080	3,548,080
2039	3,220,000	322,278	3,542,278
2040	2,265,000	228,560	2,493,560
2041	2,340,000	152,560	2,492,560
2042	1,705,000	80,720	1,785,720
2043	1,190,000	23,800	1,213,800
	<u>\$ 86,809,133</u>	<u>\$ 18,971,356</u>	<u>\$ 105,780,489</u>

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGORatio of Annual Debt Service for General Bonded Debt to Noncapital Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total Noncapital Expenditures</u>	<u>Percentage of Annual Debt Service to Noncapital Expenditures</u>
2016	\$ 7,362,492	\$ 3,447,800	\$ 10,810,292	\$ 170,608,522	6.34%
2017	5,990,217	3,262,455	9,252,672	171,352,825	5.40%
2018	6,942,969	3,139,442	10,082,411	177,911,961	5.67%
2019	7,405,749	3,127,129	10,532,878	182,976,523	5.76%
2020	8,038,556	3,016,899	11,055,455	188,365,208	5.87%
2021	5,761,392	2,623,595	8,384,987	198,357,142	4.23%
2022	6,354,256	2,649,516	9,003,772	209,101,040	4.31%
2023	4,697,148	2,623,472	7,320,620	216,783,728	3.38%
2024	6,710,070	2,930,653	9,640,723	234,171,860	4.12%
2025	7,633,020	2,933,892	10,566,912	232,448,940	4.55%

Source of Data: District Accounting Department

DEMOGRAPHIC AND ECONOMIC INFORMATION



BOARD OF EDUCATION OF THE CITY OF FARGO

Demographic Statistics

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population*</u>	<u>Unemployment Rate</u>
2016	118,523	2.5%
2017	120,762	2.2%
2018	122,359	2.6%
2019	124,844	2.4%
2020	124,662	6.4%
2021	125,990	5.2%
2022	126,748	2.1%
2023	131,444	2.2%
2024	133,188	2.5%
2025	136,285	2.8%

*Estimated Population: U.S. Census Bureau

Source: United Census Bureau
Job Service North Dakota
Bureau of Labor Statistics

BOARD OF EDUCATION OF THE CITY OF FARGO

Principal Employers in the Fargo-Metropolitan Area
 Current Fiscal Year and Nine Fiscal Years Ago

Employer	Fiscal Year 2025			Fiscal Year 2016		
	Full-Time Equivalent's ¹	Rank	Percentage of Total Employment	Full-Time Equivalent's ²	Rank	Percentage of Total Employment
Sanford Health	9,244	1	6.03%	6,664	1	4.96%
West Fargo Public Schools	2,265	2	1.48%	1,432	6	1.07%
Innovis Health/Essentia Health	2,251	3	1.47%	3,167	3	2.36%
Fargo Public School District	2,218	4	1.45%	1,846	4	1.37%
North Dakota State University	2,183	5	1.42%	4,232	2	3.15%
Marvin Windows and Doors	1,890	6	1.23%			
Fargo VA Health Care System	1,400	7	0.91%	1,022	7	0.76%
Coborn's, Inc.	1,100	8	0.72%			
City of Fargo	1,073	9	0.70%			
Scheels All Sports	696	10	0.45%			
Noridian Healthcare Solutions				1,666	5	1.24%
Blue Cross Blue Shield of ND				961	8	0.72%
US Bank Service Center				955	9	0.71%
Moorhead School District				925	10	0.69%
Employed Labor Force*	153,382			134,372		

*Employed Labor Force is as of June 2025 and 2016

Source: North Dakota Labor Market Information

¹Survey of Individual Employers

²Fargo-Moorhead Chamber of Commerce

OPERATING INFORMATION



BOARD OF EDUCATION OF THE CITY OF FARGO

Number of School District Employees by Function
Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<i>Function:</i>										
Administrators/Board Members	85	72	71	78	80	62	54	66	65	66
Nutrition Services	101	129	113	118	126	129	129	119	129	121
Maintenance	142	159	131	134	136	126	125	146	128	124
Professional Support Staff	699	827	695	739	621	633	673	601	580	541
OT/PT/Social Workers	26	28	56	15	19	26	17	30	17	17
Teachers	<u>1,089</u>	<u>1,123</u>	<u>1,119</u>	<u>1,120</u>	<u>1,055</u>	<u>1,052</u>	<u>1,018</u>	<u>999</u>	<u>1,004</u>	<u>977</u>
TOTAL	<u><u>2,142</u></u>	<u><u>2,338</u></u>	<u><u>2,185</u></u>	<u><u>2,204</u></u>	<u><u>2,037</u></u>	<u><u>2,028</u></u>	<u><u>2,016</u></u>	<u><u>1,961</u></u>	<u><u>1,923</u></u>	<u><u>1,846</u></u>

Source of Data: District Accounting Department

BOARD OF EDUCATION OF THE CITY OF FARGO

Capital Asset Statistics by Function

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FUNCTION										
Instruction:										
Adult Education	\$ 1,530,077	\$ 1,417,939	\$ 1,405,513	\$ 1,123,155	\$ 1,105,718	\$ 1,130,614	\$ 1,053,883	\$ 1,062,816	\$ 1,059,177	\$ 1,097,134
Regular Education	100,858,665	107,134,539	114,474,847	97,795,797	93,274,286	86,265,919	88,343,000	89,352,501	91,094,657	87,625,219
Special Education	49,553,172	45,785,289	41,968,543	36,157,811	34,966,468	35,117,678	34,895,365	33,780,655	31,424,097	30,219,075
Vocational Education	9,225,167	8,507,572	8,707,959	7,648,665	7,049,617	6,872,233	6,905,402	7,032,323	7,436,335	6,715,287
Total Instruction	\$ 161,167,081	\$ 162,845,339	\$ 166,556,862	\$ 142,725,428	\$ 136,396,089	\$ 129,386,444	\$ 131,197,650	\$ 131,228,295	\$ 131,014,266	\$ 125,656,715
Support Services:										
Business Services	\$ 2,775,519	\$ 2,757,396	\$ 6,049,452	\$ 5,343,018	\$ 5,197,862	\$ 5,105,452	\$ 5,393,853	\$ 6,027,518	\$ 6,139,854	\$ 6,060,133
Co-Curricular Activities	8,904,055	8,527,907	8,210,241	7,679,876	7,360,623	7,675,162	7,985,782	6,843,055	5,296,333	5,305,491
Community Services	220,967	341,625	1,152,379	-	-	-	-	-	-	-
Food Service Outlay	9,723,493	9,495,412	9,605,169	8,610,217	7,077,052	7,721,525	8,021,293	7,902,051	7,851,790	7,714,083
General Administration Services	4,611,735	4,278,400	3,799,035	3,282,887	3,142,333	3,125,974	3,543,938	3,887,099	3,472,510	3,240,188
Instructional Staff Services	6,637,493	6,402,045	6,349,096	5,267,357	5,564,776	5,724,409	5,817,890	5,693,820	6,100,684	6,157,249
Operations and Maintenance	23,980,531	22,466,776	19,877,946	19,898,009	19,515,510	19,002,296	19,116,137	23,445,428	19,453,645	20,307,390
Pupil Services	8,135,791	7,630,479	7,621,024	6,519,811	5,730,318	6,046,167	5,996,405	5,850,728	5,455,159	5,458,407
Pupil Transportation Services	3,475,898	3,354,800	3,757,431	3,078,900	2,897,927	2,597,279	2,988,852	2,970,495	2,922,040	2,734,091
School Administration Services	14,644,738	12,982,271	13,162,091	12,092,041	12,353,777	12,275,950	12,103,622	12,502,101	12,730,382	12,471,358
Total Support Services	\$ 83,110,220	\$ 78,237,111	\$ 79,583,864	\$ 71,772,116	\$ 68,840,178	\$ 69,274,214	\$ 70,967,772	\$ 75,122,295	\$ 69,422,397	\$ 69,448,390
Total Function	\$ 244,277,301	\$ 241,082,450	\$ 246,140,726	\$ 214,497,544	\$ 205,236,267	\$ 198,660,658	\$ 202,165,422	\$ 206,350,590	\$ 200,436,663	\$ 195,105,105
CLASSIFICATION										
Land	\$ 35,692,064	\$ 35,758,164	\$ 35,758,164	\$ 15,268,098	\$ 15,268,098	\$ 15,268,098	\$ 15,268,098	\$ 15,268,098	\$ 13,418,098	\$ 13,418,098
Buildings and Improvements (Net)	203,084,821	199,356,262	205,477,263	194,769,367	185,816,628	179,125,088	182,987,183	187,055,760	183,094,388	178,251,151
Equipment and Vehicles (Net)	5,500,416	5,968,024	4,905,299	4,460,079	4,151,541	4,267,472	3,910,141	4,026,732	3,924,177	3,435,856
Total Capital Assets	\$ 244,277,301	\$ 241,082,450	\$ 246,140,726	\$ 214,497,544	\$ 205,236,267	\$ 198,660,658	\$ 202,165,422	\$ 206,350,590	\$ 200,436,663	\$ 195,105,105

Source of Data: District Accounting Department

OTHER SUPPLEMENTAL DISTRICT DATA



BOARD OF EDUCATION OF THE CITY OF FARGO

Summary of Enrollment
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Preschool</u>	<u>Elementary School Grades K-5</u>	<u>Middle School Grades 6-8</u>	<u>High School Grades 9-12</u>	<u>Total</u>
2016	138	5,354	2,462	3,412	11,366
2017	143	5,421	2,515	3,311	11,390
2018	154	5,453	2,577	3,356	11,540
2019	169	5,386	2,644	3,390	11,589
2020	170	5,397	2,748	3,326	11,641
2021	189	5,374	2,668	3,215	11,446
2022	151	5,283	2,599	3,501	11,534
2023	158	5,286	2,512	3,591	11,547
2024	238	5,188	2,564	3,556	11,546
2025	230	5,187	2,624	3,534	11,575

Source of Data: District Accounting Department 2024-25 Operating Budget
District Enrollment Summary as of November

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Cost Per Average Daily Membership (ADM)

For the Year Ended June 30, 2025

Average Daily Membership (ADM) 11,379.65

Instruction:

Adult Education	\$ 122
Regular Education	8,012
Special Education	3,937
Vocational Education	733

Support Services:

Business Services	220
Co-Curricular Activities	27
Community Services	18
General Administration Services	366
Instructional Staff Services	527
Operations and Maintenance	1,875
Pupil Services	646
Pupil Transportation Services	276
School Administration Services	<u>1,163</u>

General Fund	\$ 17,922
Capital Projects Fund	900
Nutrition Services Fund	772
Student Activities Funds	680
Debt Service Fund	<u>929</u>
TOTAL	<u>\$ 21,203</u>

Source of Data: District Accounting Department
DPI - Stars District Pupil Membership Summary

SECTION IV

COMPLIANCE SECTION



BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Expenditures of Federal Awards (SEFA)

For the Year Ended June 30, 2025

Federal Financial Assistance Listing	Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass-Through Grantor's Identifying Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed through North Dakota Department of Public Instruction:</i>			
	Child Nutrition Cluster:		
10.553	School Breakfast Program	F10553	\$ 1,001,742
10.555	National School Lunch Program - Cash	F10555	2,948,956
10.555	National School Lunch Program - Commodities**	F10555	490,322
	Total 10.555 Expenditures		<u>3,439,278</u>
10.559	Summer Food Service Program for Children - Cash	F10559	34,687
10.559	Summer Food Service Program for Children - Commodities**	F10559	305
	Total 10.559 Expenditures		<u>34,992</u>
10.582	Fresh Fruit and Vegetable Program	F10582	344,781
	Total Child Nutrition Cluster		<u>4,820,793</u>
10.558	Child and Adult Care Food Program	F10558 & F10558A	8,531
10.560	State Administrative Expenses for Child Nutrition	F10560	14,115
<i>Passed through North Dakota State University:</i>			
10.527	New Beginning for Tribal Students Programs	F10527	9,809
Total U.S Department of Agriculture			\$ 4,853,248
U.S. DEPARTMENT OF JUSTICE			
<i>Passed through North Dakota Department of Corrections and Rehabilitation - Division of Juvenile Services</i>			
16.540	Office of Juvenile Justice and Delinquency Prevention Formula Grants Program	Unknown	\$ 114,911
Total U.S Department of Justice			\$ 114,911
NATIONAL ENDOWMENT FOR THE ARTS			
<i>Passed through the North Dakota Council on the Arts</i>			
45.025	Promotion of the Arts Partnership Agreements	Unknown	\$ 5,000
Total National Endowment for the Arts			\$ 5,000
U.S. DEPARTMENT OF EDUCATION			
<i>Direct Assistance:</i>			
84.060	Indian Education Grants to Local Education Agencies	Unknown	\$ 164,174
<i>Passed through North Dakota Department of Public Instruction:</i>			
84.002	Adult Education - Basic Grants for States	F84002A	230,125
84.010	Title I - Grants to LEA's	F84010	5,109,208
	Special Education Cluster:		
84.027	Special Education - Grants to States	F84027A	3,650,302
84.173	Special Education - Preschool Grants	F84173	74,502
	Total Special Education Cluster		<u>3,724,804</u>
84.196	Education for Homeless Children and Youth	F84196A	70,000
84.365A	English Language Acquisition Grants	F84365A	91,571
84.367A	Supporting Effective Instruction State Grants	F84367	1,159,241
84.371	Striving Readers/Comprehensive Literacy State Development (CLSD)	F84371C2	932,313
84.424A	Student Support and Academic Enrichment Program	F84424A	722,374
84.425U	COVID-19 - ARP - Elementary and Secondary School Emergency Relief (ESSER III) Fund	F84425U	349,256
<i>Passed through the North Dakota RISE:</i>			
84.425V	COVID-19 - ARP - Governor's Emergency Education Relief (GEER) Fund	Unknown	6,944
	Total 84.425 COVID-19 - ARP Expenditures		<u>356,200</u>
<i>Passed through North Dakota Department of Career and Technical Education:</i>			
84.048A	Career and Technical Education - Basic Grants to States	Unknown	335,503
Total U.S Department of Education			\$ 12,895,513
U.S. DEPARTMENT OF HUMAN SERVICES			
<i>Passed through North Dakota Department of Human Services:</i>			
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	Unknown	\$ 33,430
93.576	Refugee and Entrant Assistance Discretionary Grants	Unknown	75
Total U.S Department of Human Services			\$ 33,505
Total Federal Financial Assistance			\$ 17,902,177

**Noncash Assistance

See Notes to the Schedule of Expenditures of Federal Awards

BOARD OF EDUCATION OF THE CITY OF FARGO

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

NOTE 1: BASIS OF ACCOUNTING AND PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of the Board of Education of the City of Fargo under programs of the federal government for the year ended June 30, 2025. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Board of Education of the City of Fargo, it is not intended to and does not present the financial position, changes in fund balance or net position, or cash flows of the Board of Education of the City of Fargo.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No amounts were passed through to subrecipients.

NOTE 3: NON-CASH AWARDS

The commodities reported on the schedule are the value of the supplemental food program distributed by the District during the year as priced by the North Dakota Department of Public Instruction (ND DPI). As of June 30, 2025, the District had food service commodity inventory totaling \$114,362.

NOTE 4: PASS-THROUGH GRANT NUMBER

For federal programs marked "Unknown", the Board of Education of the City of Fargo was unable to obtain a pass-through grant number.

NOTE 5: INDIRECT COST RATE

The Board of Education of the City of Fargo has not elected to use the 10-percent de minimis cost rate as allowed under Uniform Guidance.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

The School Board of
Fargo Public Schools
Fargo, North Dakota

We have audited, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fargo Public Schools (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota
December 15, 2025



Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control over Compliance Required by the Uniform Guidance

The School Board of
Fargo Public Schools
Fargo, North Dakota

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Fargo Public Schools' (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2025. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Fargo, North Dakota
December 15, 2025

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2025

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weakness	None reported
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weakness identified	No
Significant deficiencies identified not considered to be material weakness	None reported
Type of auditor’s report issued on compliance of major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516	No

Identification of Major Programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Special Education Cluster (IDEA)	84.027 and 84.173
Dollar threshold used to distinguish between Type A And Type B programs	\$750,000
Auditee qualified as low-risk auditee	Yes

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Findings and Questioned Costs – Continued

For the Year Ended June 30, 2025

Section II – Financial Statement Findings

None reported

BOARD OF EDUCATION OF THE CITY OF FARGO

Schedule of Findings and Questioned Costs – Continued
For the Year Ended June 30, 2025

Section III – Federal Award Findings and Questioned Costs

None reported