

**BISMARCK PARKS AND RECREATION DISTRICT
BISMARCK, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Park Commissioners
Bismarck Parks and Recreation District
Bismarck, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Bismarck Parks and Recreation District, as of and for the year ended December 31, 2023, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Bismarck Parks and Recreation District, as of December 31, 2023, and the respective changes in financial position 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bismarck Parks and Recreation 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bismarck Parks and Recreation 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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 schedules, schedule of employer's proportionate share of net pension liability, schedule of employer contributions, schedule of employer's share of net OPEB liability and notes to the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bismarck Parks and Recreation District's basic financial statements. The 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* and notes, 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024 on our consideration of the Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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 Bismarck Parks and Recreation District's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA**

May 8, 2024

BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023

This section of the Bismarck Parks and Recreation District's (the District) audited financial statements presents a discussion and analysis of the District's financial performance for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers are encouraged to review the District's basic financial statements, which follow this section, to enhance their understanding of the District's financial performance.

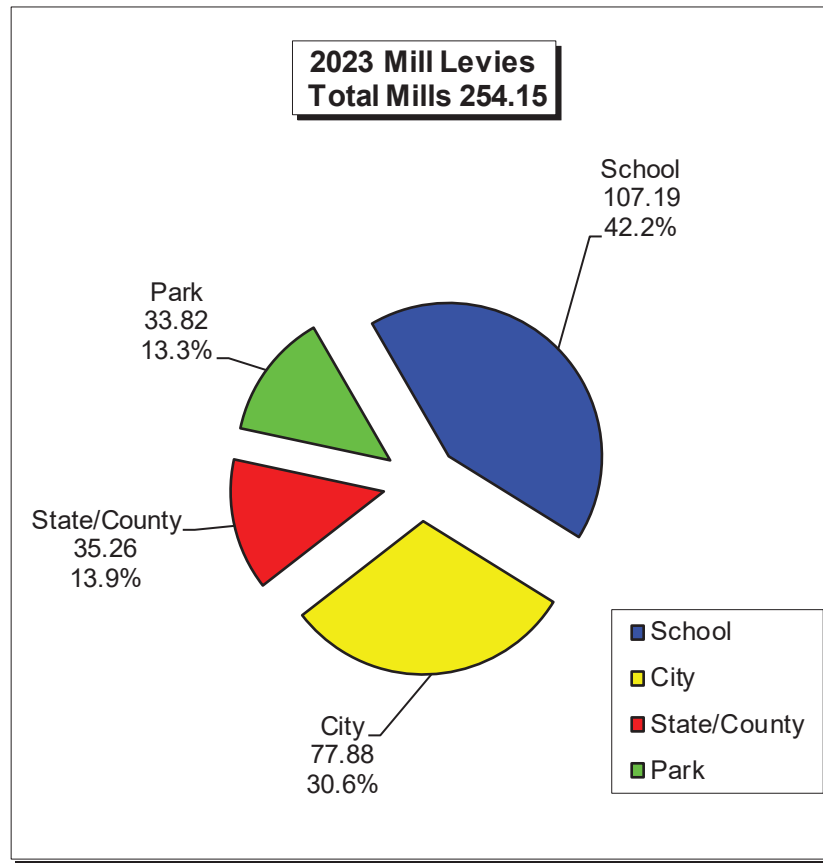
- ***The vision statement of the Bismarck Parks and Recreation District is "To be the leader and premier provider of public parks, programs, facilities and leisure services."***
- ***The mission statement of the Bismarck Parks and Recreation District is "To work with the community to provide residents and visitors the highest quality park, program, facility, and event experience."***

Financial Highlights

- The total assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at December 31, 2023 by \$73,717,649. Of this amount, \$7,764,140 is unrestricted in governmental activities and may be used to meet the District's ongoing obligations. Another \$2,245,100 is restricted by constraints imposed on resources either externally or imposed by law and \$63,708,409 is invested in capital assets.
- The District's total net position increased by \$7,684,890 during the year ended December 31, 2023.
- At December 31, 2023, the District's governmental funds reported combined ending fund balances of \$12,234,980, an increase of \$3,331,216 in comparison with the 2022 year. About \$1.6 million of this increase is due to the collection of more property taxes, investment earnings, and fees and charges in the general fund. Another \$1.7 million is due to the timing of the financing and completion of the VFW Sports Center expansion and improvement project.
- The District had \$20,328,364 in general fund revenue and \$537,026 in other financing sources. General fund expenditures were \$18,804,247 and there were \$437,466 in other financing uses. Local taxes contributed to 49% of the general fund revenue. Revenues and other sources exceeded expenditures and other uses by \$1,623,677.
- At December 31, 2023, the general fund unassigned fund balance was \$4,601,438 or 23.9% of total general fund expenditures and transfers out.
- The District's bonds and note payables increased by \$5,703,399 (21.7%) during the 2023 year. Special Assessment debt assessed by the City of Bismarck increased by \$254,606 and General Obligation debt increased by \$9,230,000 for the financing of the VFW Sports Center expansion and improvement project.

BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The District receives property tax revenue through the mill levy process. The District's mill levy for 2022 due January 2023 was 33.82 or 13.3% of the total mills levied. The general fund mill levy was 22.62 mills. The following chart indicates the allocation of property tax funds to the major governmental entities.

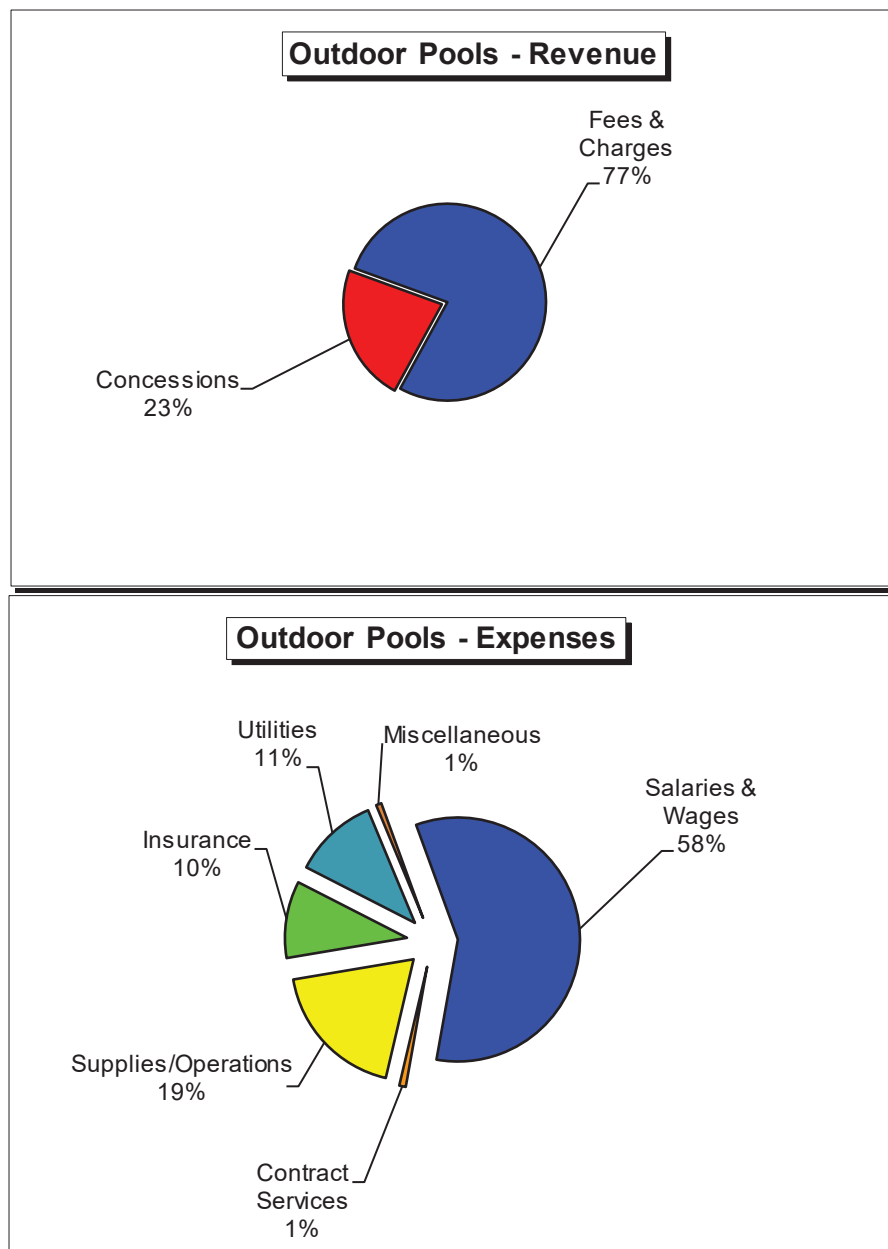


BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The following is a brief overview of each major operational area of the District with emphasis on financial information and statistics:

Facility Division - Outdoor Swimming Pools

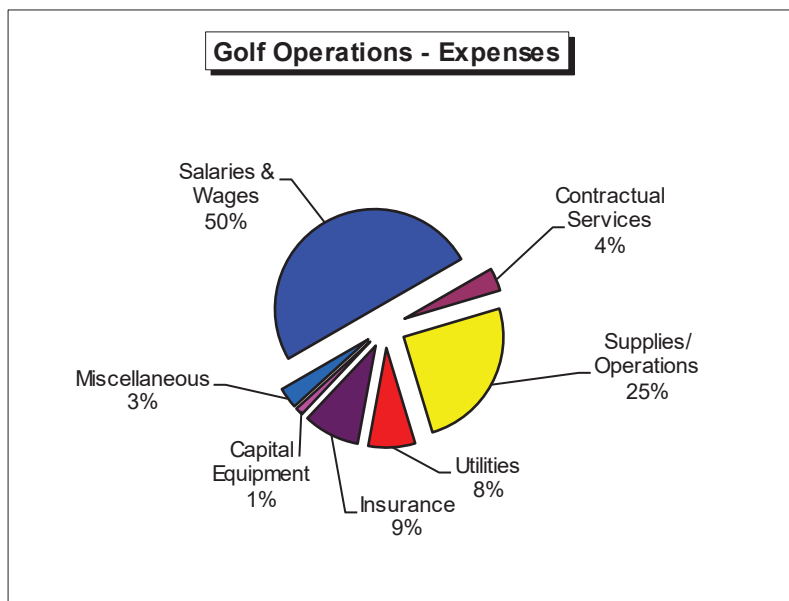
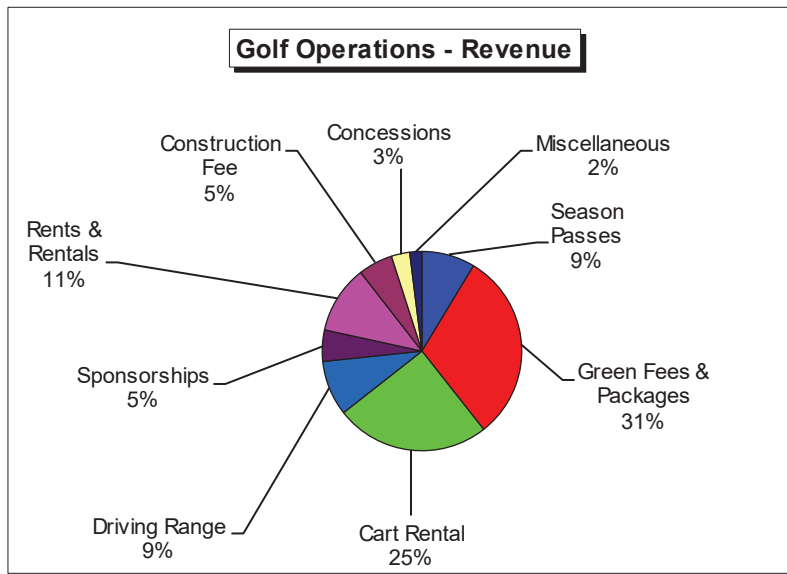
- The District operates three swimming pools – Elks Aquatic Center, Hillside Aquatic Complex and Wachter Aquatic Complex. Wachter Pool was closed during 2023 due to the lack of lifeguards. The daily attendance at the other two pools was 25,907 for the entire 2023 year, a decrease of 5,863 from 2022. Elks Pool was open 11 fewer days in 2023 than in 2022 due to staffing shortages. Attendance was also lower because not all sessions were open at each pool due to staffing shortages.
- 34% of operating costs of the pools were covered by non-tax revenue.



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Golf Operations Division

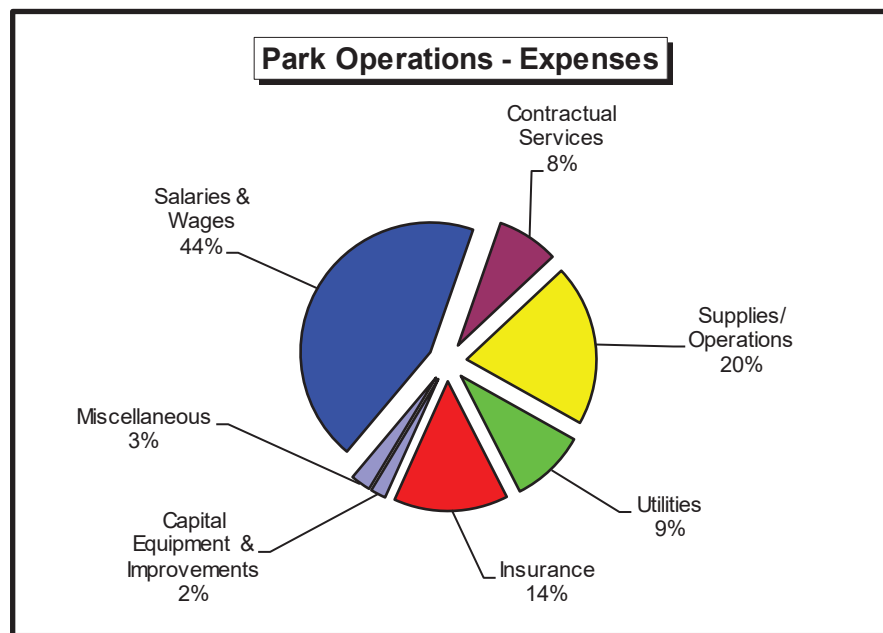
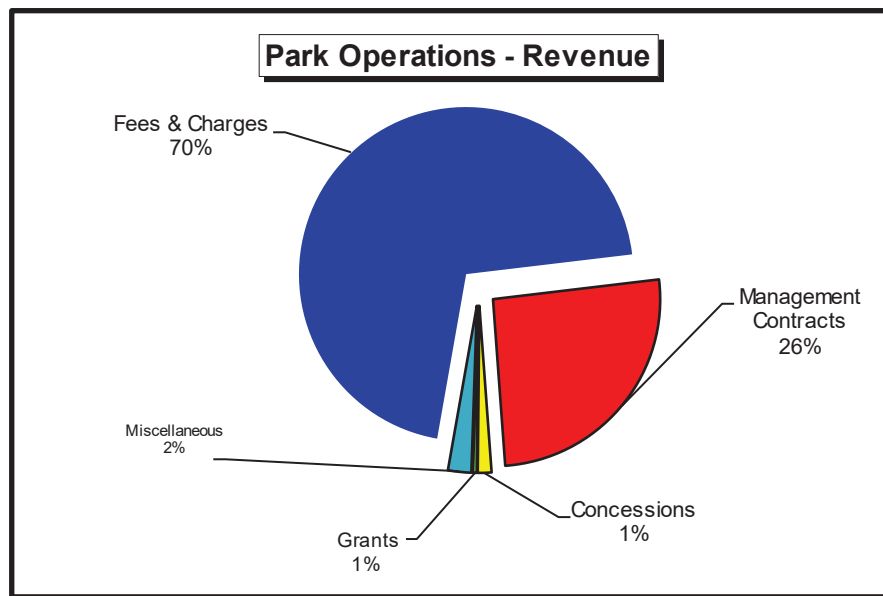
- The Golf Operations Division operates three golf courses – Riverwood, Tom O'Leary and the Pebble Creek/Fore Seasons Center.
- The golf courses had 76,089 rounds of golf during 2023. This was 8,903 rounds fewer than 2022. Weather delayed the opening of the courses by about one month in 2023 reducing the number of rounds played during the golfing season.
- 90% of operating costs were covered by non-tax revenue.
- *The following is a graphic presentation of revenue and expenses related to Golf Operations:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Park Operations Division

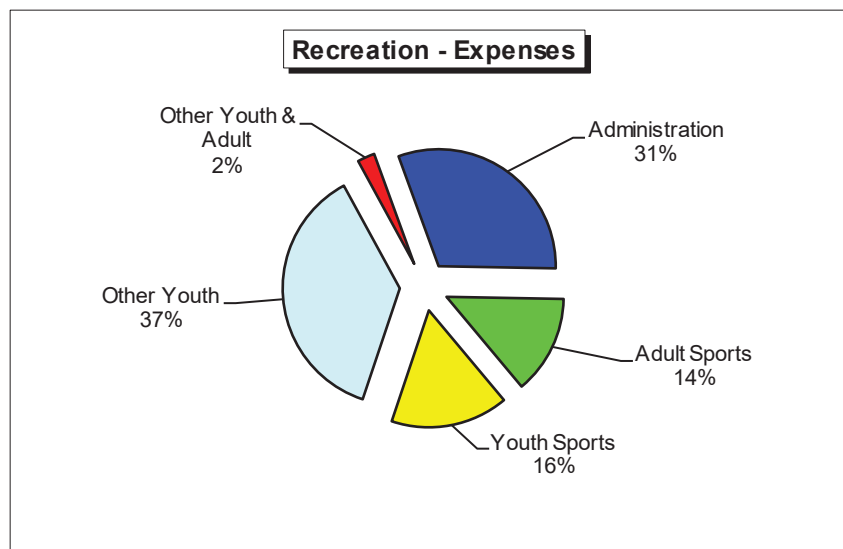
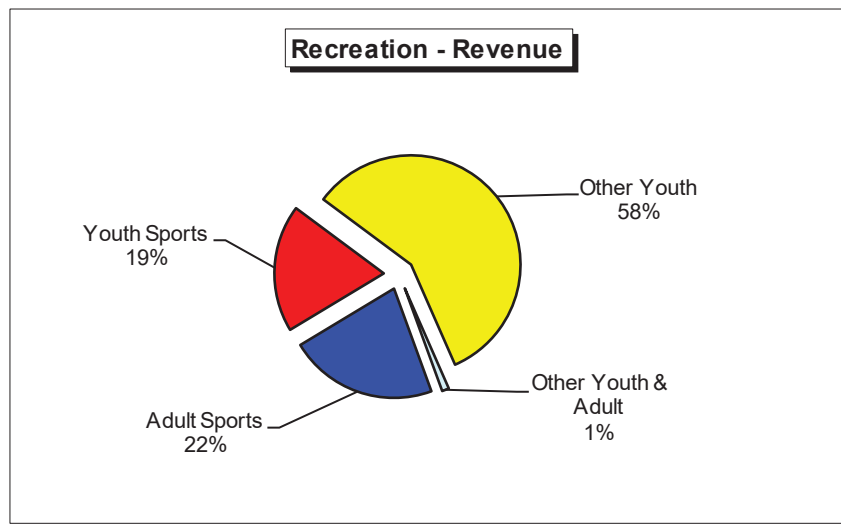
- Park Operations provides general maintenance and service to the District. In addition, Parks Operations manages Eagles Park, General Sibley Park, McDowell Dam, and Burleigh County Parks.
- Park Operations had 2,398 shelter reservations in 2023, a decrease of 50 from 2022.
- The Bismarck Forestry department continued to provide forestry services for the District under an agreement with the City of Bismarck.
- *The following is a graphic presentation of revenue and expenses related to Park Operations, Eagles Park, General Sibley Park, McDowell Dam and Burleigh County Parks:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Recreation Division

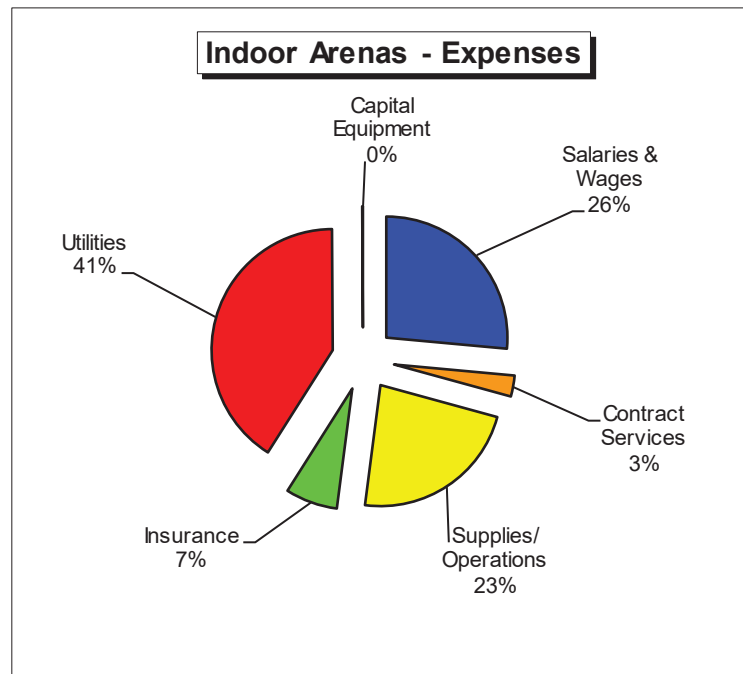
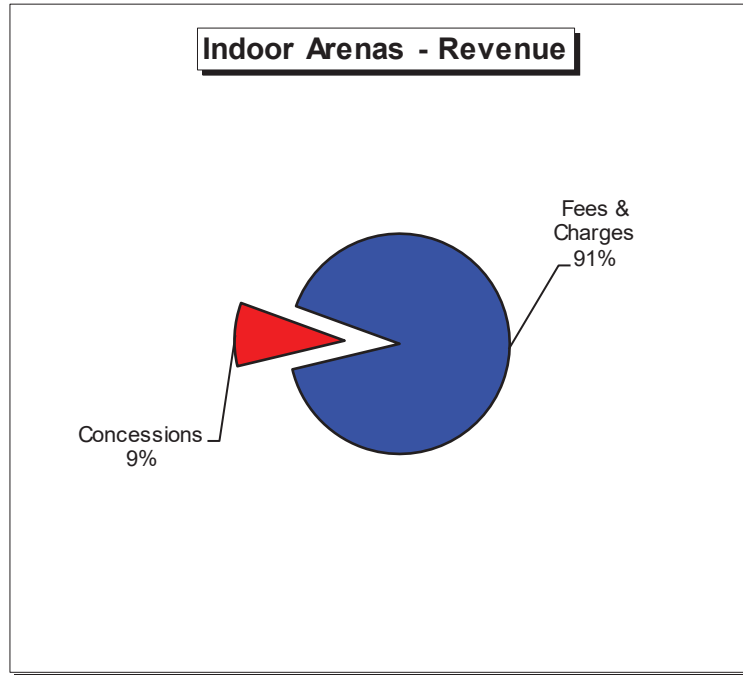
- The District manages a wide variety of youth and adult programs. Some of the programs include BLAST (663 participants), adult volleyball (6,079), activity centers (634), and open gym (7,776).
- 72% of operating costs were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to the various recreational activities:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Indoor Arenas - VFW Sports Center Rinks 1 & 2; Capital Ice Complex – Schaumburg & Wachter Arenas

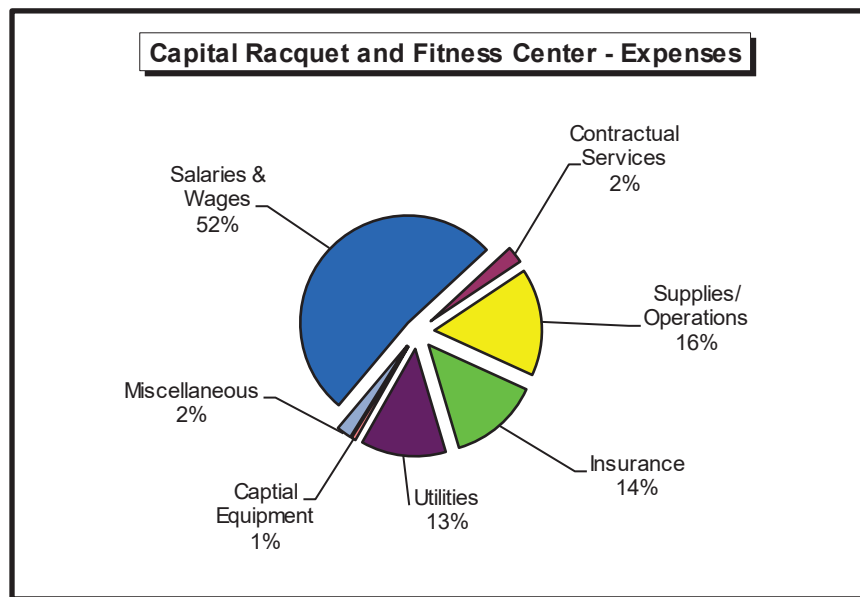
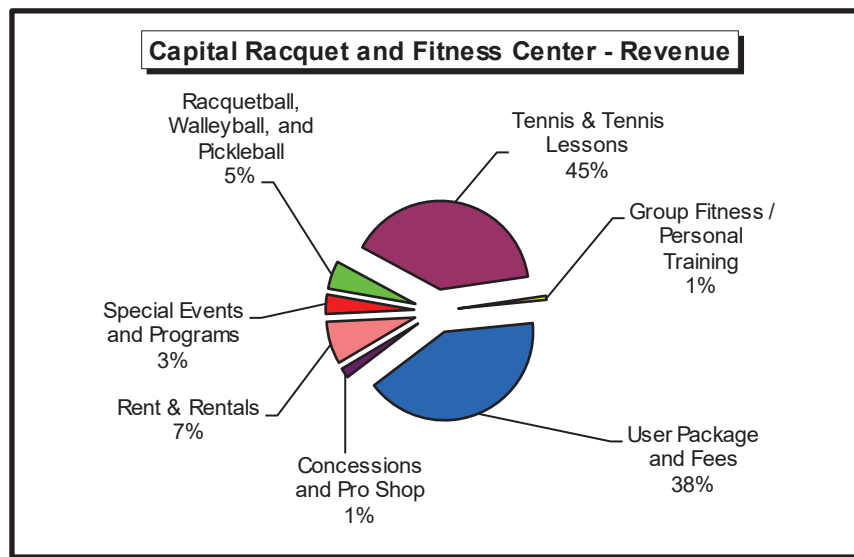
- 56% of operating costs were covered by non-tax revenue.
- Ice rental accounts for 86% of generated revenue in arena operations with most attributed to long-term agreements with youth and adult organizations, schools and Junior hockey.
- *The following is a graphic presentation of revenue and expenses related to the Indoor Arenas:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Capital Racquet and Fitness Center

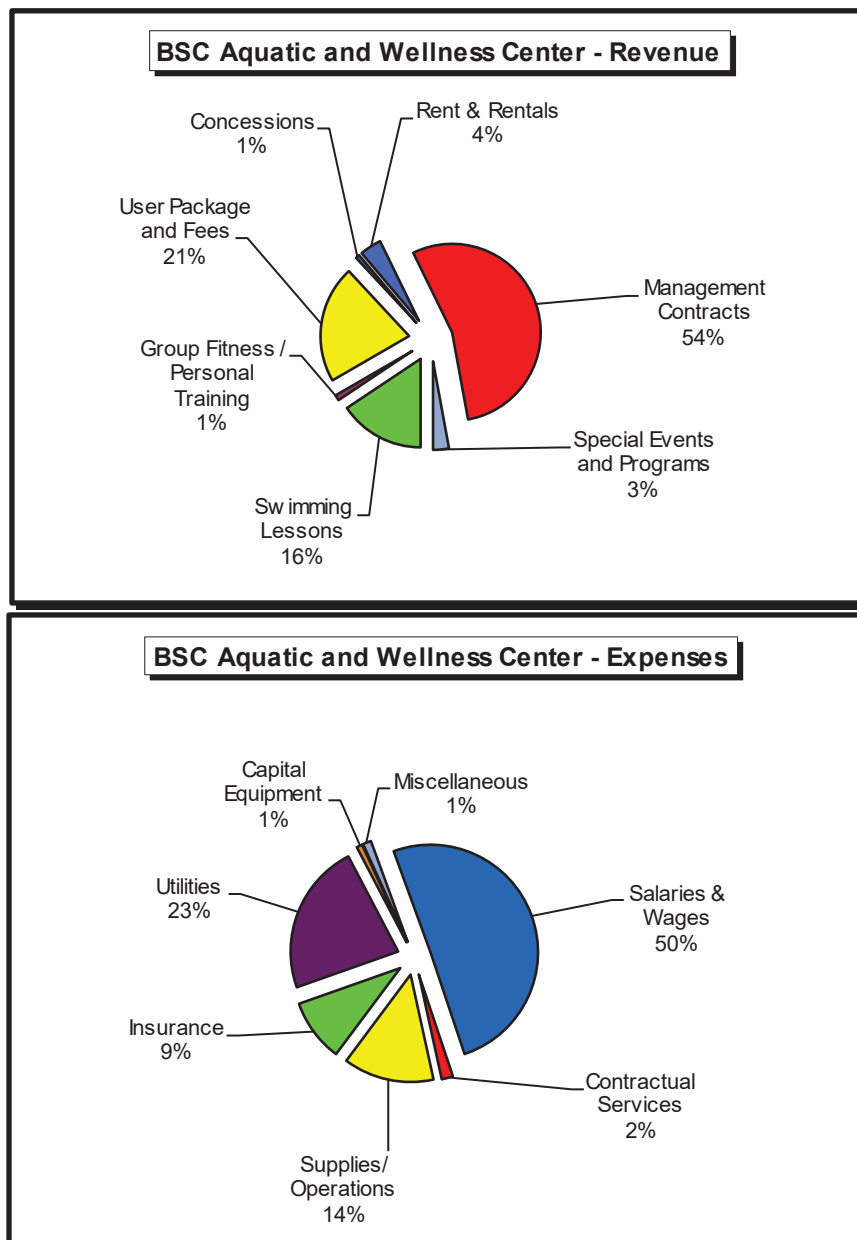
- Monthly membership's usage was 27,378 in 2023 compared to 27,862 in 2022.
- There were 8,969 tennis court hours in 2023 compared to 9,346 in 2022.
- 61% of operating costs of Capital Racquet and Fitness Center were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to Capital Racquet and Fitness Center:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

BSC Aquatic and Wellness Center

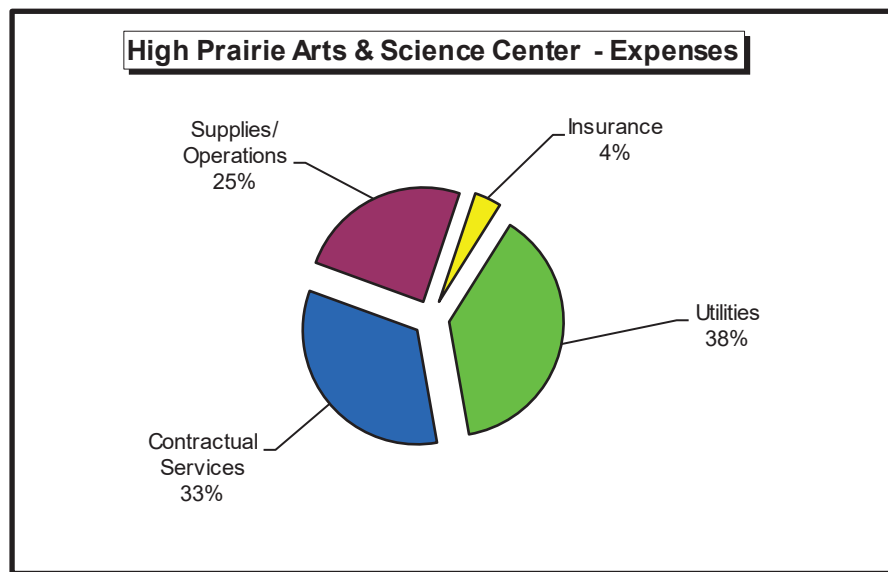
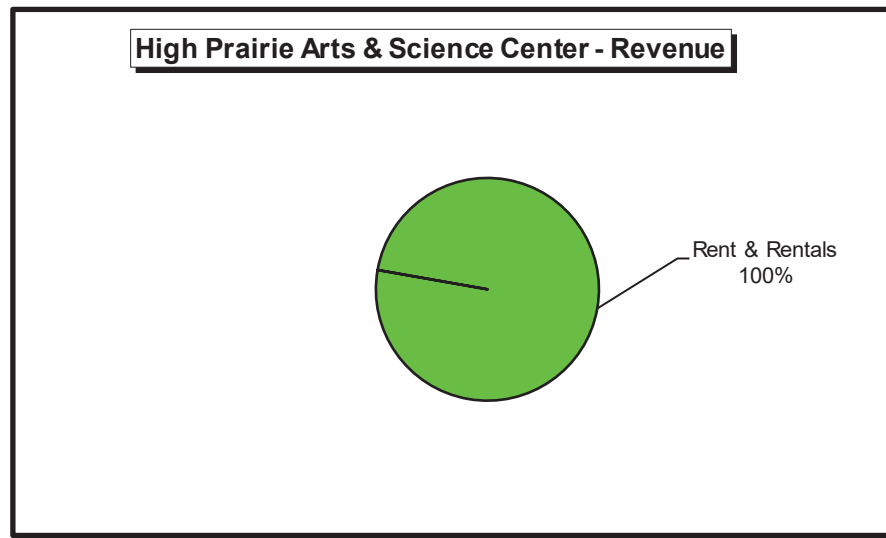
- The number of individuals taking swimming lessons decreased by 137 in 2023 with 2,198 compared to 2,335 in 2022.
- There were 10,042 participants in group exercise during 2023 compared to 8113 in 2022.
- 64% of operating costs of BSC Aquatic and Wellness Center were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to BSC Aquatic and Wellness Center:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Frances Leach High Prairie Arts & Science Complex

- 37% of operating costs of the Frances Leach High Prairie Arts & Science Complex were covered by non-tax revenue.
- The High Prairie Arts & Science Complex is home to four BPRD partners: Shade Tree Players/Dakota Stage, Tru North Theater, and Theo Art School.
- *The following is a graphic presentation of revenues and expenses related to the Frances Leach High Prairie Arts & Science Complex:*



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Bismarck Parks and Recreation District's basic financial statements. The District's basic financial statements comprise three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These financial statements are prepared on a full accrual basis of accounting. This basically means that the statements follow methods that are similar to those used in most businesses. The statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or paid. The government-wide financial statements include two statements:

The **statement of net position** presents information on all of the District's assets, deferred inflows, deferred outflows, and liabilities, 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 Bismarck Parks and Recreation District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Bismarck Parks and Recreation 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 (business-type activities). The governmental activities of the District include general and administration, park operations and maintenance, recreation programs, and principal and interest on long term debt. The District has no business-type activities.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bismarck Parks and Recreation District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only governmental 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 financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the District's near-term financing requirements.

BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The Bismarck Parks and Recreation District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, Park Improvement Fund, and the Construction Fund which are considered to be major funds. The Park District has elected to show the Special Assessment Fund, Government Construction Fund, and Debt Service Funds as these are the only non-major governmental funds.

The Bismarck Parks and Recreation District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement for the general fund and special assessment fund has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$73,717,649 at December 31, 2023.

The largest part of the District's net position (86 percent) reflects its investment in capital assets (land, construction in progress, building and building improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The following is a summary of net position as of December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
Current and Other Assets	\$ 16,665,419	\$ 10,920,687
Non-Current Assets	99,309,478	87,801,843
Total Assets	<u>115,974,897</u>	<u>98,722,530</u>
Deferred Outflows of Resources	<u>2,814,258</u>	<u>923,648</u>
Current Liabilities	6,763,322	5,732,018
Long-Term Liabilities	34,741,124	24,016,756
Total Liabilities	<u>41,504,446</u>	<u>29,748,774</u>
Deferred Inflows of Resources	<u>3,567,060</u>	<u>3,864,645</u>
Net Position:		
Net Investment in Capital Assets	63,708,409	58,984,511
Restricted	1,901,881	2,219,795
Unrestricted	8,107,359	4,828,453
Total Net Position	<u>\$ 73,717,649</u>	<u>\$ 66,032,759</u>

The restricted net position classification is required by GASB Statement No. 54. It includes amounts that can be spent only for the specific purposes stipulated by external resource providers or through enabling legislation.

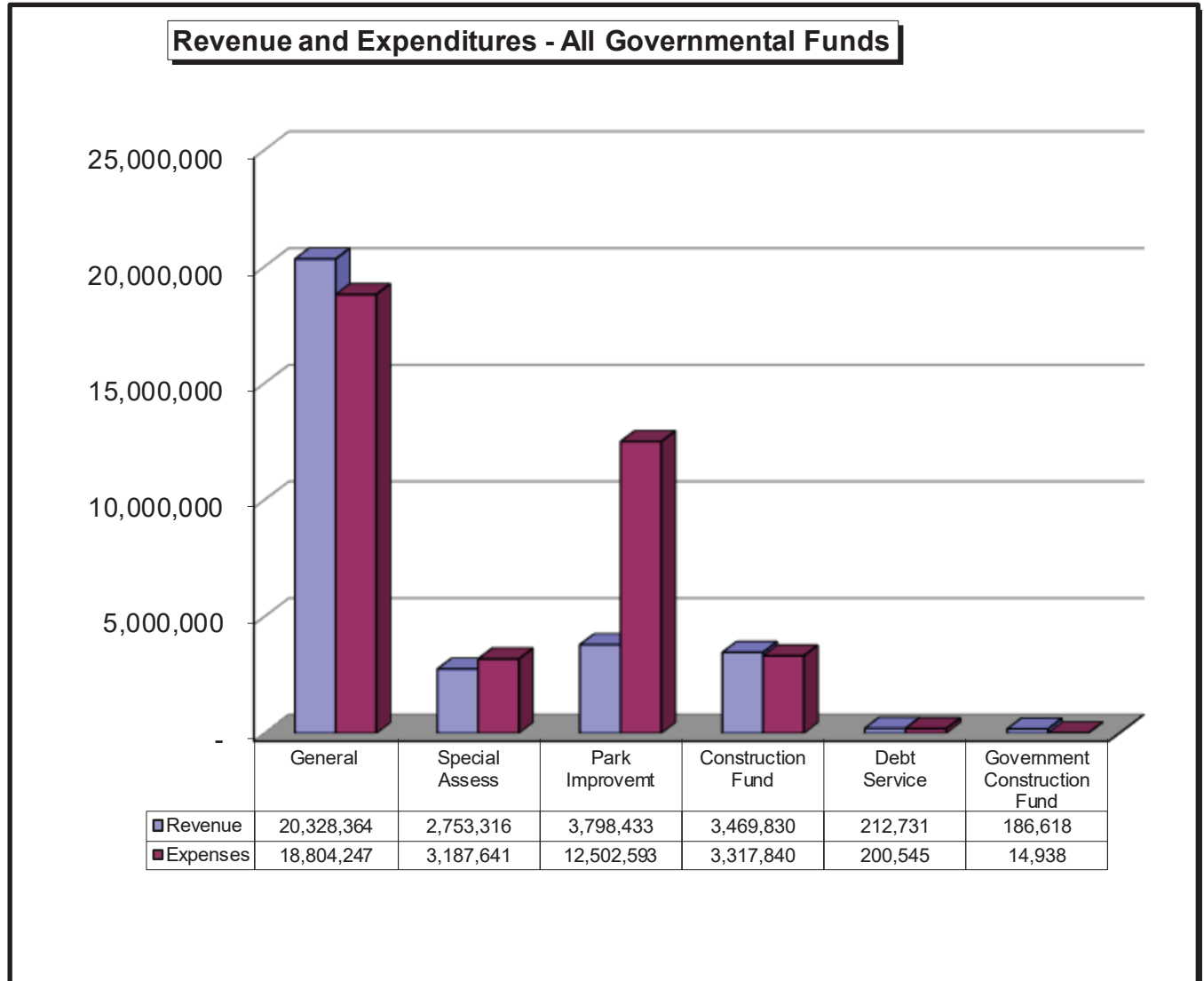
BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The following is a summary of changes in net position for the years ended December 31, 2023 and 2022:

	Governmental Activities	
	2023	2022
<u>Revenues:</u>		
<u>Program Revenues:</u>		
Charges for Services	\$ 7,159,695	\$ 7,017,493
Operating Grants and Contributions	42,384	58,132
Capital Grants and Contributions	4,079,979	5,897,427
Total Program Revenues	11,282,058.00	12,973,052.00
<u>General Revenues:</u>		
Property Tax	15,175,178	13,811,119
Grants and Entitlements not restricted	1,911,937	1,717,925
Investment Earnings	1,058,405	167,385
Lease	1,018,639	699,690
Gain on sale or disposal of capital assets	-	79,728
Miscellaneous	406,800	454,093
Total General Revenues	19,570,959	16,929,940
Total Revenues	30,853,017	29,902,992
<u>Expenses:</u>		
Park District Operations	9,503,907	8,981,048
Facilities / Recreation	12,631,851	11,952,444
Interest on Long-Term Debt	893,132	621,612
Issuance Costs on Long-Term Debt	135,394	-
Loss on disosal of assets	3,843	-
Total Expenses	23,168,127	21,555,104
Increase in Net Position	7,684,890	8,347,888
Net Position - January 1	66,032,759	57,684,871
Net Position - December 31	\$ 73,717,649	\$ 66,032,759

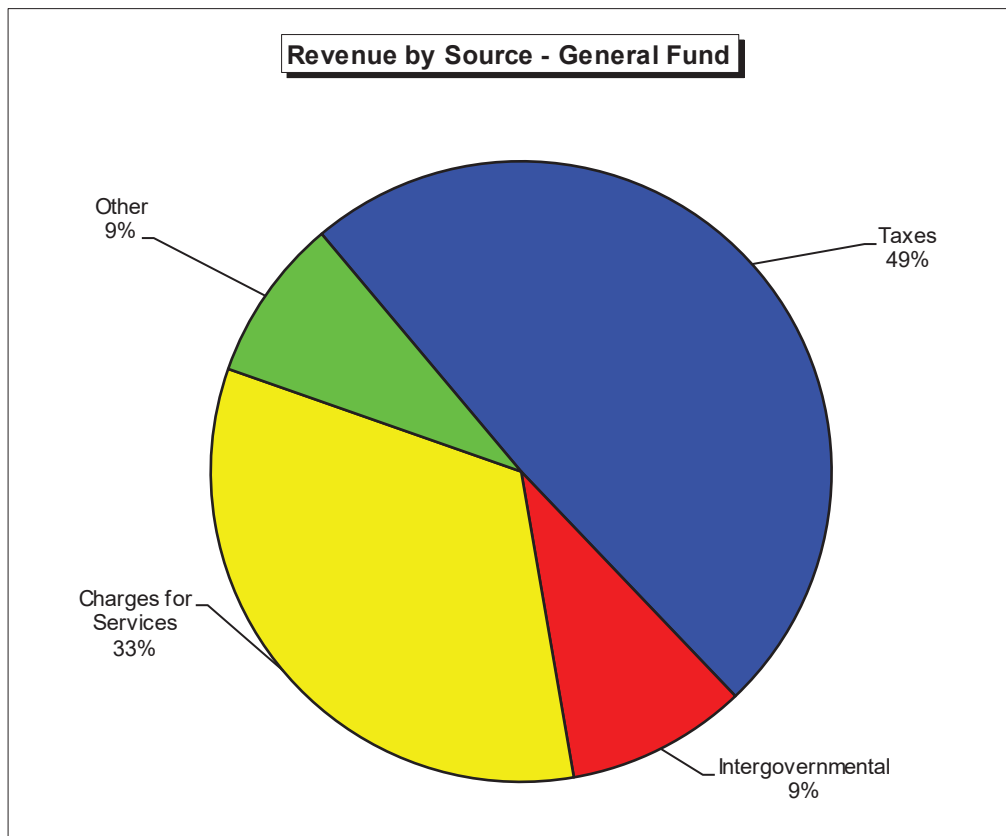
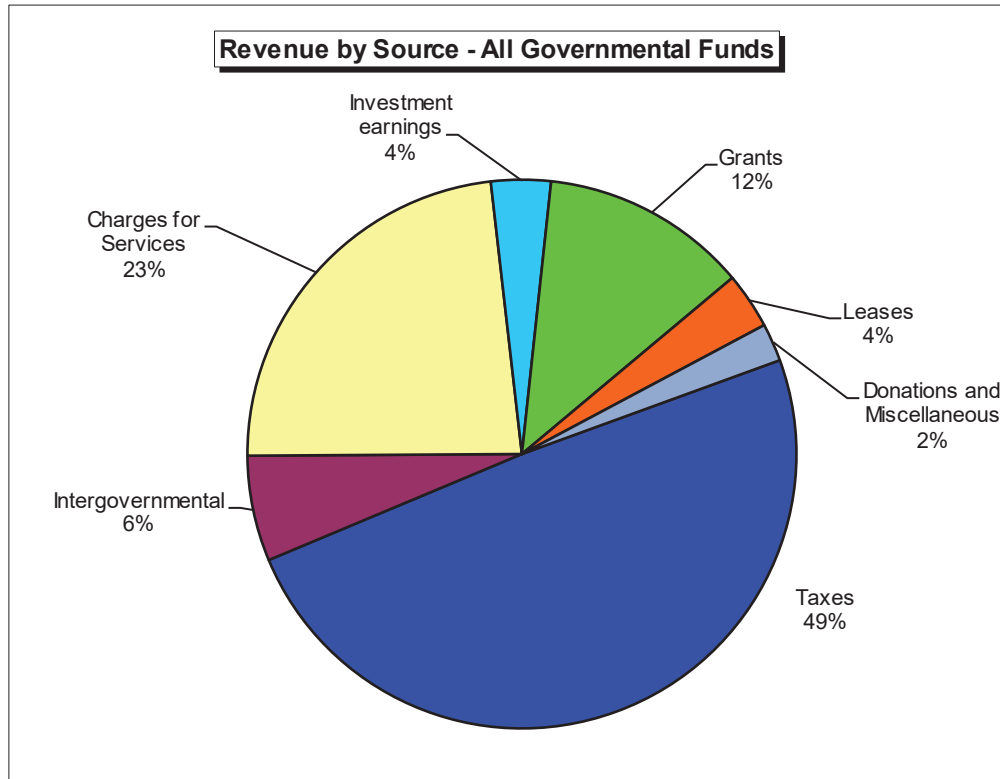
BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The following chart depicts functions/programs revenue and expenses for all governmental funds. Other financing sources (uses) are not included which consist of proceeds from long-term debt and interfund transfers.



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

The following charts depict revenue by source for all the governmental funds and the general fund.



BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

Financial Analysis of the Government's Funds

Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Bismarck Parks and Recreation District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's governmental funds reported combined ending fund balances of \$12,234,980 – an increase of \$3,311,216 from 2022. This increase is mainly due to the higher collections of property taxes, investment earnings, and fees and charges over the prior year in the general fund and the timing of the financing and completion of the VFW Sports Center expansion and improvement project in the park improvement fund.

The general fund is the primary operating fund of the Bismarck Parks and Recreation District and reported an ending fund balance of \$4,801,438. During the year, revenues and other sources exceeded expenditures and other uses by \$1,623,677.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's Board of Park Commissioners approved the 2023 annual budget at the September 15, 2022, board meeting. The annual budget addresses funding from other sources as well as detailing how each fund should be expended. The 2023 general fund budget appropriation was \$19,631,600.

During 2023, actual revenues were more than the budgetary estimates by \$929,264, approximately 4.8%. The final budget exceeded the actual expenditures by \$827,353 or 4.2%. Revenues were more than budgeted amounts due to the higher than anticipated state aid collections and investment earnings. Expenses were less than budgeted amounts primarily due to supply issues with capital projects that were not able to be completed in 2023. These budgeted amounts were transferred to the capital project funds in anticipation of project completion during 2024.

Capital Assets

The District's investment in capital assets includes land, construction in progress, building and building improvements, machinery and equipment, and infrastructure. See Note 6 Capital Assets in the notes to the financial statements for more information.

Major capital asset additions during the year were:

- Municipal Country Club improvements for \$224,330
- Construct Hay Creek Park playground, restroom and shelter for \$886,854
- Construct Walt Stack umpire headquarters building for \$184,623
- Purchase two ice resurfacers for \$162,555 each
- Construct Hidden Star Park for \$580,252
- Install new video/scoreboard at Municipal Ballpark for \$758,390

BISMARCK PARKS AND RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

A schedule of capital assets, net of depreciation, for the years ended December 31, 2023 and 2022 is as follows:

Asset Type	Governmental Activities	
	2023	2022
Land	\$ 10,401,147	\$ 10,401,147
Construction in progress	14,928,313	2,801,874
Buildings and improvements	62,504,748	64,214,146
Machinery and equipment	2,791,525	1,899,049
Infrastructure	6,216,058	6,337,009
Leased assets	114,872	266,544
Subscription Based IT Arrangements	294,628	39,454
Total	<u>\$ 97,251,291</u>	<u>\$ 85,959,223</u>

Long Term Debt

Major long-term debt events during the year were:

- Special Assessments added by the City of Bismarck in the amount of \$254,606.
- General Obligation bonds issued to finance the VFW Sports Center expansion and improvement project in the amount of \$9,230,000.

See Note 8 Long-Term Debt in the notes to the financial statements for more information.

A schedule of long-term liabilities for the years ended December 31, 2023 and 2022 is as follows:

Long-Term Liabilities	Governmental Activities	
	2023	2022
Compensated Absences	\$ 802,884	\$ 815,501
Unamortized Bond Premium	1,097,577	406,946
Lease Liability	146,124	214,918
SBITA Liability	282,389	39,454
Revenue Bonds Payable	10,110,000	11,095,000
General Obligation Bond Payable	10,755,000	1,700,000
Special Assessments Debt	11,151,792	13,518,393
Total	<u>\$ 34,345,766</u>	<u>\$ 27,790,212</u>

Requests for Information

This financial report is designed to provide a general overview of the Bismarck Parks and Recreation District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Kevin Klipfel, Executive Director of Parks and Recreation, Bismarck Parks and Recreation District, 400 East Front Avenue, Bismarck, ND 58504.

BISMARCK PARKS AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS:

Current assets:	
Cash and cash equivalents	\$ 602,161
Cash and cash equivalents - board designated	200,000
Investments	9,815,907
Investments - board designated	1,566,758
Taxes receivable	182,776
Accounts receivable	825,848
Lease receivable	1,398,223
Interest receivable	10,080
Restricted assets:	
Cash and cash equivalents	1,299,380
Investments	764,286
Total current assets	<u>16,665,419</u>
Non-current assets:	
Lease receivable, net of current portion	2,058,187
Capital assets (net of accumulated depreciation):	
Land	10,401,147
Construction in progress	14,928,313
Building and improvements	62,504,748
Machinery and equipment	2,791,525
Infrastructure	6,216,058
Lease asset, net of accumulated amortization	114,872
SBITA asset, net of accumulated amortization	294,628
Total non-current assets:	<u>99,309,478</u>
Total assets	<u>115,974,897</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred outflow - pension	<u>2,814,258</u>
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LIABILITIES:

Current liabilities	
Accounts payable	2,800,556
Accrued expenses	97,581
Unearned revenue	21,000
Interest payable	334,926
Lease liability, current portion	70,781
SBITA liability, current portion	66,433
Compensated absences, current portion	268,501
Post-retirement benefit obligations, current portion	23,544
Long term debt, current portion	3,080,000
Total current liabilities:	<u>6,763,322</u>
Non-current liabilities:	
Compensated absences, non-current portion	534,382
Post-retirement benefit obligations, non-current portion	320,003
Lease liability, net of current portion	75,343
SBITA liability, net of current portion	215,956
Long term debt, non-current portion	28,936,792
Unamortized bond premium	1,097,577
Net pension liability	3,561,071
Total non-current liabilities:	<u>34,741,124</u>
Total liabilities	<u>41,504,446</u>

DEFERRED INFLOWS OF RESOURCES:

Deferred inflow - pension	151,245
Deferred inflow - leases	<u>3,415,815</u>
Total deferred inflows of resources	<u>3,567,060</u>

NET POSITION:

Net investment in capital assets	63,708,409
Restricted:	
Debt Service	1,307,220
Construction	452,800
Special Assessments	485,080
Unrestricted	<u>7,764,140</u>
Total net position	<u>\$ 73,717,649</u>

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental Activities:					
District operations	\$ 9,507,750	\$ -	\$ 42,384	\$ -	\$ (9,465,366)
Facilities / recreation	12,631,851	7,159,695	1,018,639	4,079,979	(373,538)
Interest on long-term debt	893,132	-	-	-	(893,132)
Issuance costs on long-term debt	135,394	-	-	-	(135,394)
Total Governmental Activities	\$ 23,168,127	\$ 7,159,695	\$ 1,061,023	\$ 4,079,979	(10,867,430)
General Revenues					
Property taxes					15,175,178
Intergovernmental					1,911,937
Investment earnings					1,058,405
Miscellaneous					406,800
Total general revenues					18,552,320
Change in net position					7,684,890
Total net position, beginning of year					66,032,759
Net position - end of year					\$ 73,717,649

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Governmental Construction Fund	Total
Assets:							
Cash and cash equivalents	\$ 199,782	\$ -	\$ 340,535	\$ 11,318	\$ -	\$ 50,526	\$ 602,161
Cash and cash equivalents - board designated	200,000	-	-	-	-	-	200,000
Cash and cash equivalents - restricted	-	22,830	-	-	1,276,550	-	1,299,380
Investments	4,551,291	-	3,862,200	1,125,711	-	276,705	9,815,907
Investments - board designated	-	-	1,566,758	-	-	-	1,566,758
Investments - restricted	-	598,219	-	-	166,067	-	764,286
Taxes receivable	121,936	31,198	-	27,022	2,620	-	182,776
Accounts receivable	368,363	3,533	22,605	431,347	-	-	825,848
Lease receivable	3,101,414	-	354,996	-	-	-	3,456,410
Interest receivable	9,617	-	463	-	-	-	10,080
Total assets	\$ 8,552,403	\$ 655,780	\$ 6,147,557	\$ 1,595,398	\$ 1,445,237	\$ 327,231	\$ 18,723,606
Liabilities:							
Accounts payable	\$ 465,324	\$ -	\$ 2,329,663	\$ 5,569	\$ -	\$ -	\$ 2,800,556
Accrued expenses	97,581	-	-	-	-	-	97,581
Unearned revenue	21,000	-	-	-	-	-	21,000
Total liabilities	583,905	-	2,329,663	5,569	-	-	2,919,137
Deferred inflows of resources:							
Leases	3,064,544	-	351,271	-	-	-	3,415,815
Delinquent property taxes	102,516	26,209	-	22,722	2,227	-	153,674
Total deferred inflows of resources	3,167,060	26,209	351,271	22,722	2,227	-	3,569,489
Fund balances:							
Restricted	-	629,571	-	430,078	1,443,010	-	2,502,659
Committed	200,000	-	1,566,758	-	-	-	1,766,758
Assigned	-	-	1,899,865	1,137,029	-	327,231	3,364,125
Unassigned	4,601,438	-	-	-	-	-	4,601,438
Total fund balances	4,801,438	629,571	3,466,623	1,567,107	1,443,010	327,231	12,234,980
Total liabilities, deferred inflows of resources, and fund balances	\$ 8,552,403	\$ 655,780	\$ 6,147,557	\$ 1,595,398	\$ 1,445,237	\$ 327,231	\$ 18,723,606

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total Governmental Funds Balance		\$ 12,234,980
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		97,251,291
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources or are not recognized in the funds.		
Delinquent property taxes		153,674
Deferred outflows relating to the cost sharing defined benefit plans in the governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.		2,814,258
Long-term liabilities not due and payable in the current period and therefore are not included in the funds:		
Compensated absences	(802,883)	
Lease liability	(146,124)	
SBITA liability	(282,389)	
Post-retirement benefit obligations	(343,547)	
Accrued interest on long-term liabilities	(334,926)	
Long term debt	(32,016,792)	
Unamortized bond premium	(1,097,577)	
Net pension liability	<u>(3,561,071)</u>	
Total		(38,585,309)
Deferred inflows relating to the cost sharing defined benefit plans in the governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.		<u>(151,245)</u>
Net position of governmental activities		<u><u>\$ 73,717,649</u></u>

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Government Construction Fund	Total
Revenues:							
Taxes	\$ 9,958,855	\$ 2,578,316	\$ -	\$ 2,222,254	\$ 212,731	\$ 168,846	\$ 15,141,002
Intergovernmental	1,911,937	-	-	-	-	-	1,911,937
Charges for services	6,725,369	-	434,326	-	-	-	7,159,695
Investment earnings	533,037	-	427,687	102,494	-	17,772	1,080,990
Grants	14,509	-	2,683,833	1,053,243	-	-	3,751,585
Leases	980,171	-	38,468	-	-	-	1,018,639
Donations	27,875	-	214,119	91,839	-	-	333,833
Miscellaneous	176,611	175,000	-	-	-	-	351,611
Total revenues	<u>20,328,364</u>	<u>2,753,316</u>	<u>3,798,433</u>	<u>3,469,830</u>	<u>212,731</u>	<u>186,618</u>	<u>30,749,292</u>
Expenditures:							
Current:							
General government	2,626,916	-	-	-	-	-	2,626,916
General maintenance	3,301,474	-	19,573	-	-	13,000	3,334,047
Golf	2,334,585	-	-	-	-	-	2,334,585
Capital Racquet Fitness Center	597,024	-	-	-	-	-	597,024
Aquatic Wellness Center	1,417,295	-	-	-	-	-	1,417,295
Pools	465,976	-	-	-	-	-	465,976
Ice arenas	1,350,490	-	-	-	-	-	1,350,490
Forestry	272,429	-	-	-	-	-	272,429
Memorial Building	229,074	-	-	-	-	-	229,074
Sibley Park	338,963	-	-	-	-	-	338,963
County parks	96,676	-	-	-	-	-	96,676
McDowell Dam	221,696	-	-	-	-	-	221,696
High Prairie Arts and Science Complex	105,243	-	-	-	-	-	105,243
Other recreational activities	2,947,468	-	-	-	-	-	2,947,468
Capital outlay	1,225,157	254,606	12,060,926	3,020,390	-	1,938	16,563,017
Capital outlay less than \$5,000	209,726	10,483	-	-	-	-	220,209
Debt service:							
Principal retirement	829,882	2,621,207	-	263,794	175,000	-	3,889,883
Interest and fiscal charges	234,173	301,345	286,700	33,656	25,545	-	881,419
Issuance costs	-	-	135,394	-	-	-	135,394
Total expenditures	<u>18,804,247</u>	<u>3,187,641</u>	<u>12,502,593</u>	<u>3,317,840</u>	<u>200,545</u>	<u>14,938</u>	<u>38,027,804</u>
Excess of revenues over (under) expenditures	<u>1,524,117</u>	<u>(434,325)</u>	<u>(8,704,160)</u>	<u>151,990</u>	<u>12,186</u>	<u>171,680</u>	<u>(7,278,512)</u>
Other financing sources (uses):							
Proceeds from long-term debt	-	-	9,230,000	-	-	-	9,230,000
Proceeds from special assessments debt	-	254,606	-	-	-	-	254,606
Issuance of SBITAs	282,817	-	-	-	-	-	282,817
Debt issuance bond premium	-	-	767,118	-	-	-	767,118
Proceeds from insurance	34,209	-	20,978	-	-	-	55,187
Transfers in	220,000	-	437,466	-	-	-	657,466
Transfers out	(437,466)	(125,000)	-	(50,000)	-	(45,000)	(657,466)
Total other financing sources (uses)	<u>99,560</u>	<u>129,606</u>	<u>10,455,562</u>	<u>(50,000)</u>	<u>-</u>	<u>(45,000)</u>	<u>10,589,728</u>
Net change in fund balances	1,623,677	(304,719)	1,751,402	101,990	12,186	126,680	3,311,216
Fund balance - January 1	<u>3,177,761</u>	<u>934,290</u>	<u>1,715,221</u>	<u>1,465,117</u>	<u>1,430,824</u>	<u>200,551</u>	<u>8,923,764</u>
Fund balance - December 31	<u>\$ 4,801,438</u>	<u>\$ 629,571</u>	<u>\$ 3,466,623</u>	<u>\$ 1,567,107</u>	<u>\$ 1,443,010</u>	<u>\$ 327,231</u>	<u>\$ 12,234,980</u>

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balance - Total Governmental Funds \$ 3,311,216

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	16,563,017
Current year depreciation	(5,121,648)
Current year amortization	<u>(182,403)</u>

Total	11,258,966
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Governmental funds do not report donated capital assets as expenditures or revenue. However, in the statement of activities, donations of capital assets are recorded as donation revenue.

36,945

Based on receipt dates, some revenues are not considered available revenue and are unavailable in the governmental funds.

Net change in taxes receivable	34,176
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Amortization of premium/discount on bond issues	76,487
Net change in post-retirement obligations	57,640
Net change in compensated absences	12,618
Net change in interest payable	(88,199)
Net change in net pension liability	<u>(3,743,880)</u>

Total	(3,685,334)
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Changes in deferred inflows and outflows relating to net pension liability

3,400,007

Special assessment proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

(254,606)

Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Proceeds from issuance of leases	(282,817)
Proceeds from bonds payable	(9,230,000)
Bond premium	<u>(767,118)</u>

Total	(10,279,935)
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Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus the change in net position differs from the change in fund balance by the net book value of the asset disposed.

(26,428)

Repayment of principal on long-term debt consumes the current financial resources of the governmental funds. However, there is no effect on net position. The following are principal payments on long-term debt during the year ended December 31, 2023

Principal payment on bonds payable, special assessments and lease liability	<u>3,889,883</u>
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Change in net position

\$ 7,684,890

See Notes to the Financial Statements

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Bismarck Parks and Recreation District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

In accordance with the Governmental Accounting Standards Board, reporting entity's financial statements should include all component units over which that component unit (oversight unit) exercises oversight responsibility. Criteria used to determine a potential component unit include: is it legally separate, does it have separate corporate powers, who appoints the governing board, is there fiscal dependency, can the oversight unit impose its will, and is there a financial benefit/burden relationship.

Based upon the criteria set by the Governmental Accounting Standards Board, the Bismarck Park District Building Authority is a component unit. All board members of the Building Authority are board members or management of the District. These financial statements include the financial information of the District and its component unit, the Bismarck Park District Building Authority, which is shown as a blended component unit. The activity of this component unit is recorded within the construction fund.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detail level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Measurement Focus/Basis of Accounting

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

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The government reports the following major governmental funds:

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special assessment fund is used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for District wide improvements.

The park improvement fund is used to account for the District's expenditures for major capital acquisitions and improvements.

The construction fund is used to account for major capital acquisitions and construction projects.

The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The government construction fund is used to account for capital projects.

The special assessments, government construction, and debt service funds are not required to be shown as major funds, but the Park District has elected to show as such due to the minimal number of funds in total.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Governmental Fund Types

The general fund accounts for all governmental financial resources, except for those required to be accounted for in other funds.

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

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition and construction of district facilities and other capital assets.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term certificates of deposit with a maturity date within three months of the date acquired by the government.

Investments

Investments consist of money market accounts carried at cost. North Dakota state statute authorizes government entities to invest their surplus funds in: a) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress, b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c) Certificates of Deposit fully insured by the Federal Deposit Insurance Corporation, d) Obligations of the state, and e) Commercial paper issued by a United States corporation rated in the highest quality category by at least two annually recognized rating agencies and matures in two hundred seventy days or less.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable is outstanding for more than 30 days. There is no allowance for doubtful accounts receivable as of December 31, 2023, as management considers all receivables collectible.

Taxes Receivable

The taxes receivables consist of uncollected and collected but not remitted, property taxes as of December 31, 2023 for both current and prior years.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7-25
Machinery and equipment	5-10
Infrastructure	25

Leases

Lessee

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. In absence of an incremental borrowing rate, the District has made an accounting policy election to use a risk free rate based on US Treasury Tbill rate as of the lease commencement. The District accounts for lease agreements with lease and nonlease components together as a single lease component for all underlying classes of assets.

The District continues to record rent expense for short term leases on a straight-line basis over the lease term. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District are reasonably certain to exercise.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The District's lease agreements do not include any material residual value guarantees or restrictive covenants.

Lessor

The District is a lessor for the use of various buildings. The District recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- In absence of an incremental borrowing rate, the District uses its estimated incremental borrowing rate as the discount rate for leases. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the lease commencement.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscription-Based Information Technology Arrangements (SBITA)

Subscription-Based Information Technology Arrangements (SBITA) are contracts that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The determination of whether a SBITA asset and liability are to be recorded in the financial statements is made at inception by evaluating the maximum possible term of the SBITA.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

A SBITA contract with an initial term of more than 12 months, or that contain an option to extend the contract more than 12 months that is reasonably expected to be exercised by the District, are recognized based on the present value of subscription payments over the contract term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the SBITA contract commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the SBITA contract commencement.

The District continues to recognize short-term SBITA subscription payments as outflows of resources (expenditure) based on the payment provision of the SBITA contract. Short-term SBITA contracts have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

The amortizable life of SBITA assets are limited to the shorter of the expected agreement term or the useful life of the underlying asset.

Compensated Absences

All full-time employees of the District are covered by a compensated absences policy including annual leave and sick leave. Unused annual leave can be accumulated and carried over to a maximum of 360 hours to the next calendar year. Unused sick leave may be accumulated to a maximum of 960 hours. Upon termination of employment, employees receive 100 percent of their unused annual leave pay at their rate of pay on the date of termination. If termination of employment occurs after five years of employment, employees receive 25 percent of their unused sick pay at their rate of pay on the date of termination.

Post-Retirement Benefit Obligations

The District operates a single-employer other post-employment benefit plan that provides supplemental pay and health insurance benefits to employees of the District who have met certain criteria. This liability is shown as post-retirement benefit obligations on the government-wide financial statements. See Note 14 for more details.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position. Bond issuance costs are expensed in the year of occurrence. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discount on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Net Position

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net investment in capital assets, consists of the remaining un-depreciated cost of the asset less the outstanding debt associated with the purchase or construction of the related asset.

Net position is reported as restricted when external creditors, grantors, or other governmental organizations imposed specific restrictions on the District. External restrictions may be imposed through state or local laws, and grant or contract provisions.

Fund Balance Classifications

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the park board-the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the park board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The park board and executive director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District's preference is to first use restricted resources, then unrestricted resources—committed, assigned, and unassigned—in order as needed.

The District has set a General fund minimum fund balance target at not less than 15% of the current year General fund expenditures and transfers out.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item reported as a deferred outflow of resources on the statement of net position, deferred outflow - pension, which represents the actuarial differences within the Bismarck City Employee Pension Plan (BCEPP). See Note 14 for further details.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has two types of this item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, these items, delinquent property taxes, and lease inflows (unavailable revenue), are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues, from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District also has two items reported on the statement of net position as cost sharing defined benefit pension plan, which represents actuarial differences within the BCEPP, and lease inflows (unavailable revenue).

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Pension

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

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on the assessed property on January 1. A five percent reduction is allowed if paid by February 15. Penalty and interest are added March 15 if the first half of the taxes has not been paid. Additional penalties are added October 15, if not paid. Taxes are collected by the county and usually remitted monthly to the District.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Property tax revenue in the governmental funds is recognized in compliance with National Council of Government Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes". This interpretation states that property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Property tax revenue is recorded as revenue in the year the tax is levied in the government – wide financial statements. Property taxes are limited by state laws. All district tax levies are in compliance with state laws.

Grant Revenue Recognition

The governmental grants received by the District are recognized as revenue at the time eligible expenditures are incurred on the government wide statements. Governmental grants must be received within 60 days after year-end to be considered available and recognized as revenue within the funds. The grants are accounted for as exchange transactions due to the government's solicitation of proposals, approval of allowable expenditures and eligibility requirements. Grant funds received prior to expenditure are recorded as refundable advances on the statement of net position. These funds are to be repaid to the grantor if they are not used on eligible expenditures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

The District implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* in the year ended December 31, 2023. The adoption of GASB 96 resulted in the recognition of a SBITA asset and SBITA liability of \$39,454, as of January 1, 2023. Results for periods prior to December 31, 2022 continue to be reported in accordance with the District's historical accounting treatment. See Notes 6 & 8 for expanded disclosures regarding the District's SBITA's.

NOTE 2 DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure the District would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The District does not have a formal policy regarding deposits. The fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

The District maintains cash on deposit at various financial institutions. The amounts on deposit are insured by the FDIC up to \$250,000 per financial institution. At December 31, 2023, none of the District's deposits were exposed to custodial credit risk, as all deposits were covered by FDIC coverage.

NOTE 3 BOARD DESIGNATIONS OF CASH, CASH EQUIVALENTS AND INVESTMENTS

General Fund

A reserve of \$200,000 was approved by the board for golf dome replacement.

Park Improvement Fund

The park improvement fund is used to account for the District's expenditures for major capital acquisitions and park improvements. The outstanding balance at December 31, 2023 was \$1,566,758.

NOTE 4 RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS

Special Assessment Fund

The special assessment fund is used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for District wide improvements. The outstanding balance at December 31, 2023 was \$621,049.

Debt Service Fund

The October 1, 2020 Park District Revenue Bonds require a Reserve Fund Deposit. Withdrawals from the Reserve Fund Deposit may be only for the payment of the principal and interest of the bonds. The outstanding balance at December 31, 2023 was \$1,442,617.

NOTE 5 INVESTMENTS

The District maintains investments at those institutions, in accordance with state statutes, authorized by the Commission.

As of December 31, 2023, investments consist of money market mutual funds.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 6 CAPITAL ASSETS

The following schedule is a summary of the capital asset activity for the year ended December 31, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 10,401,147	\$ -	\$ -	\$ 10,401,147
Construction in progress	2,801,874	12,256,918	(130,479)	14,928,313
Total capital assets not being depreciated	<u>13,203,021</u>	<u>12,256,918</u>	<u>(130,479)</u>	<u>25,329,460</u>
Capital assets, being depreciated:				
Buildings and improvements	111,800,239	2,432,001	(3,843)	114,228,397
Machinery and equipment	9,054,552	1,501,012	(257,553)	10,298,011
Infrastructure	9,455,071	254,606	-	9,709,677
Leased assets	287,180	-	-	287,180
Subscription Based IT Arrangements	39,454	285,905	-	325,359
Total capital assets being depreciated	<u>130,636,496</u>	<u>4,473,524</u>	<u>(261,396)</u>	<u>134,848,624</u>
Less accumulated depreciation for:				
Buildings and improvements	47,586,093	4,137,556	-	51,723,649
Machinery and equipment	7,155,503	608,535	(257,552)	7,506,486
Infrastructure	3,118,062	375,557	-	3,493,619
Leased assets	20,636	151,672	-	172,308
Subscription Based IT Arrangements	-	30,731	-	30,731
Total accumulated depreciation	<u>57,880,294</u>	<u>5,304,051</u>	<u>(257,552)</u>	<u>62,926,793</u>
Total capital assets being depreciated, net	<u>72,756,202</u>	<u>(830,527)</u>	<u>(3,844)</u>	<u>71,921,831</u>
Governmental capital assets, net	<u>\$ 85,959,223</u>	<u>\$ 11,426,391</u>	<u>\$ (134,323)</u>	<u>\$ 97,251,291</u>

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

Governmental Activities:	
Park Operations	\$ 3,093,553
Facilities / Recreation	2,028,095
Total depreciation expense - Governmental Activities	<u>\$ 5,121,648</u>

The District leases one building which is expected to continue through November 2025. The annual rent payment is \$75,000 through 2024. Final annual rent payment is \$77,518.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Following is the total lease expense for the year ended December 31, 2023:

Amortization expense by class of underlying asset	
Building	\$ 86,154
Total amortization expense	<u>86,154</u>
Interest on lease liabilities	<u>4,888</u>
Total	<u><u>\$ 91,042</u></u>

The District entered into multiple subscription-based information technology arrangements (SBITA) for the usage of equipment and software programs from multiple different entities.

Following is the total SBITA expenses for the year ended December 31, 2023:

Amortization expense by class of underlying asset	
SBITA	\$ 30,731
Total amortization expense	<u>30,731</u>
Interest on lease liabilities	<u>4,002</u>
Total	<u><u>\$ 34,733</u></u>

NOTE 7 LEASES

As a lessor, the District leases multiple buildings and an office space to multiple different entities.

Following is the total lease-related revenue for the year ended December 31, 2023:

Lease Revenue	
Office Space	\$ 31,719
Building	<u>986,921</u>
Total Lease Revenue	<u>1,018,640</u>
Interest Revenue	<u>52,232</u>
Total	<u><u>\$ 1,070,872</u></u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Following is a schedule by years of the future minimum rental receipts required under the leases:

For the Year Ending December 31,	Principal	Interest	Total Receipts
2024	\$ 1,398,223	\$ 62,883	\$ 1,461,106
2025	749,504	22,131	771,635
2026	122,813	14,306	137,119
2027	125,593	12,892	138,485
2028	129,545	11,439	140,984
2029 - 2033	658,691	34,265	692,956
2034 - 2038	266,735	4,442	271,177
2039 - 2043	5,306	94	5,400
Total	<u>\$ 3,456,410</u>	<u>\$ 162,452</u>	<u>\$ 3,618,862</u>

NOTE 8 LONG-TERM DEBT

Debt Outstanding

The obligations under notes payable, bonds payable, revenue bonds payable, special assessments debt and capital leases are scheduled as follows:

Revenue Bonds Payable:

\$8,355,000 bonds dated October 1, 2019 to refund bonds that were previously taken out to acquire and improve the BSC Aquatic & Wellness Center. The bonds are payable in variable annual principal and semi-annual interest payments at 2.25% to 3.00% through April 1, 2033. Payments are to be made from the Debt Service Fund.	Outstanding 12/31/23 \$ 5,895,000
\$5,915,000 bonds dated October 1, 2020 to refund bonds that were taken out to finance the Schaumburg Ice Arena Project. The bonds are payable in variable annual principal and semi-annual interest payments at 0.30% to 2.00% through April 1, 2030. Payments are to be made from the Debt Service Fund.	<u>4,215,000</u> <u>\$10,110,000</u>

General Obligation Bonds Payable

\$1,875,000 bonds dated July 1, 2021 to finance the cost of constructing park improvements. The bonds are payable in variable annual principal and interest payments at 1.00% to 2.00% through May 1, 2031. Payments are to be made from the Capital Projects Fund.	\$ 1,525,000
\$9,230,000 bonds dated March 1, 2023 to finance the cost of constructing park improvements. The bonds are payable in variable annual principal and interest payments at 4.00% to 5.00% through May 1, 2038. Payments are to be made from the Capital Projects Fund.	<u>9,230,000</u> <u>\$10,755,000</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Special Assessments Debt:

The special assessments are dated from 2002 through 2023. The maturity varies per issue but extends through 2036. The interest rates are from 2.17% to 4.99%. Payments are to be made from the Special Assessment Fund.	\$ 5,181,792
\$1,400,000 bonds dated August 1, 2010 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.4% to 3.6% through May 1, 2025. The bonds are callable on May 1, 2016 and any date thereafter, in inverse order at par plus accrued interest. Payments are to be made from the Special Assessment Fund.	235,000
\$750,000 bonds dated September 15, 2011 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.15% to 3.25% through May 1, 2026. The bonds are callable on May 1, 2017 and any date thereafter, in inverse order at par plus accrued interest. Payments are to be made from the Special Assessment Fund.	190,000
\$2,700,000 bonds dated October 1, 2012 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.55% to 2.75% through May 1, 2027. Payments are to be made from the Special Assessment Fund.	790,000
\$3,500,000 bonds dated October 1, 2014 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.40% to 2.50% through May 1, 2026. Payments are to be made from the Special Assessment Fund.	990,000
\$2,120,000 bonds dated April 1, 2015 to refund 2009 improvement bonds. The bonds are payable in variable annual principal and semi-annual interest payments at 0.60% to 2.20% through May 1, 2024. Payments are to be made from the Special Assessment Fund.	260,000
\$1,600,000 bonds dated February 1, 2017 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.90% to 2.25% through May 1, 2026. Payments are to be made from the Special Assessment Fund.	525,000
\$1,690,000 bonds dated June 15, 2018 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.85% to 2.70% through May 1, 2028. Payments are to be made from the Special Assessment Fund.	900,000
\$3,015,000 bonds dated July 1, 2019 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 2.00% to 4.00% through May 1, 2031. Payments are to be made from the Special Assessment Fund.	<u>2,080,000</u>
	<u>\$11,151,792</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in liabilities reported in the Statement of Net Position:

	Balance - January 1	Additions	Reductions	Balance - December 31	Due Within One Year
Compensated Absences	\$ 815,501	\$ 271,448	\$ 284,065	\$ 802,884	\$ 268,501
Unamortized Bond Premium	406,946	767,118	76,487	1,097,577	-
Lease Liability	214,918	-	68,794	146,124	70,781
SBITA Liability	39,454	282,817	39,882	282,389	66,433
Bonds and notes payable					
Revenue Bonds Payable	11,095,000	-	985,000	10,110,000	1,010,000
General Obligation Bond Payable	1,700,000	9,230,000	175,000	10,755,000	545,000
Special Assessments Debt	13,518,393	254,606	2,621,207	11,151,792	2,174,220
Total bonds and notes payable	<u>26,313,393</u>	<u>9,484,606</u>	<u>3,781,207</u>	<u>32,016,792</u>	<u>3,729,220</u>
Total long-term liabilities	<u>\$ 27,790,212</u>	<u>\$ 10,805,989</u>	<u>\$ 4,250,435</u>	<u>\$ 34,345,766</u>	<u>\$ 4,134,935</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Debt Service Requirements

Annual requirements to amortize outstanding debt at December 31, 2023 are as follows:

	Revenue Bonds Payable		General Obligation Bonds Payable	
	Principal	Interest	Principal	Interest
2024	\$ 1,010,000	\$ 231,788	\$ 545,000	\$ 442,920
2025	1,040,000	206,763	635,000	418,820
2026	1,065,000	181,038	665,000	391,795
2027	1,085,000	154,738	690,000	363,545
2028	1,110,000	127,888	720,000	335,045
2029 - 2033	4,800,000	279,781	3,650,000	1,212,798
2034 - 2038	-	-	3,850,000	401,325
Totals	<u>\$ 10,110,000</u>	<u>\$ 1,181,996</u>	<u>\$ 10,755,000</u>	<u>\$ 3,566,248</u>

	Special Assessments		Lease Liability	
	Principal	Interest	Principal	Interest
2024	\$ 2,174,220	\$ 299,308	\$ 70,781	\$ 4,219
2025	1,940,978	254,167	75,343	2,176
2026	1,791,889	200,100	-	-
2027	1,195,648	156,877	-	-
2028	962,370	124,201	-	-
2029 - 2033	2,527,389	297,503	-	-
2034 - 2038	559,298	46,376	-	-
Totals	<u>\$ 11,151,792</u>	<u>\$ 1,378,532</u>	<u>\$ 146,124</u>	<u>\$ 6,395</u>

	SBITA Liability		Total	
	Principal	Interest	Principal	Interest
2024	\$ 66,433	\$ 9,839	\$ 3,866,434	\$ 988,074
2025	68,912	7,360	3,760,233	889,286
2026	41,484	4,788	3,563,373	777,721
2027	39,956	3,244	3,010,604	678,404
2028	35,237	1,819	2,827,607	588,953
2029 - 2033	30,367	513	11,007,756	1,790,595
2034 - 2038	-	-	4,409,298	447,701
	<u>\$ 282,389</u>	<u>\$ 27,563</u>	<u>\$ 32,445,305</u>	<u>\$ 6,160,734</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 9 CHARGES FOR SERVICES

The District collects fees for the various programs and services it provides to the community. Charges for services revenue consists of the following programs:

Golf	\$ 2,144,378
BLAST and Activity Centers	1,133,330
Aquatic Center	721,758
Adult Programs	548,494
Ice Arenas	175,832
Capital Racquet Fitness Center	366,249
Youth Programs	354,897
Sibley Park	416,870
County Parks	96,676
Pools	155,712
McDowell Dam	235,122
Other Recreational Activities	335,479
High Prairie Arts and Science Complex	39,110
World War Memorial Building	1,462
Park Improvement Fees	434,326
Total charges for services	<u><u>\$ 7,159,695</u></u>

NOTE 10 PUBLIC RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District participates in the North Dakota Insurance Reserve Fund (NDIRF), which provides liability coverage to the District.

The current policy has various deductibles. The NDIRF was established during 1986 to assist state agencies and political subdivisions within the State of North Dakota in obtaining liability insurance at reasonable rates. Each participating entity is entitled to one vote per \$1,000 of annual fund contribution, provided that each entity receives at least one vote and all fractions are rounded to the nearest whole vote. The NDIRF is governed by a 9-member board of directors that is elected by the participants in such a manner to ensure a cross-section from the various types of participating entities. Currently there are approximately 2,000 participating entities. To establish the fund, each entity was required to purchase a surplus note. The note matured during 1991. The District receives conferment of benefits towards its insurance premiums as payment on the surplus note.

Also, when accumulated reserves exceed the actuarial estimated reserves, the excess may be distributed to the entities.

The District continues to carry commercial insurance for all other risks of loss, including workers compensation, auto insurance, employee health and accident insurance.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

The amount of any settlement did not exceed insurance coverage for any of the prior three fiscal years.

NOTE 11 TRANSFERS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

The following is a list of transfers for the year ended December 31, 2023:

	Transfer To:		
	General Fund	Park Improvement Fund	Total Transfer From
Transfer from:			
General Fund	\$ -	\$ 437,466	\$ 437,466
Special Assessment Fund	125,000	-	125,000
Construction Fund	50,000	-	50,000
Government Construction Fund	45,000	-	45,000
Total Transfer To	<u>\$ 220,000</u>	<u>\$ 437,466</u>	<u>\$ 657,466</u>

The above transfers into the general fund were made to cover administrative fees of bond issues, dome replacement, and Riverfront maintenance and repairs. The above transfers into the Park Improvement Fund were to fund the Capital Ice Complex level ice system, Sibley Drain Field, Pebble Creek golf cars, Capital Raquet and Fitness Center strength equipment, and to fund the purchase of two pickups, one utility vehicle, one mower, and one utility tractor for park operations.

NOTE 12 FUND BALANCES

At December 31, 2023, a summary of the governmental fund balance classifications are as follows:

	General Fund	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Government Construction Fund	Total
Restricted for:							
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 1,443,010	\$ -	\$ 1,443,010
Capital Projects	-	-	-	430,078	-	-	430,078
Special Assessments	-	629,571	-	-	-	-	629,571
Committed to:							
Capital Projects	-	-	1,566,758	-	-	-	1,566,758
Golf Dome Roof Replacement	200,000	-	-	-	-	-	200,000
Assigned to:							
Capital Projects	-	-	1,899,865	1,137,029	-	327,231	3,364,125
Unassigned	4,601,438	-	-	-	-	-	4,601,438
	<u>\$ 4,801,438</u>	<u>\$ 629,571</u>	<u>\$ 3,466,623</u>	<u>\$ 1,567,107</u>	<u>\$ 1,443,010</u>	<u>\$ 327,231</u>	<u>\$ 12,234,980</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 13 BISMARCK CITY EMPLOYEE PENSION PLAN (BCEPP)

Plan Description

The District participates in the Bismarck City Employee Pension Plan (BCEPP). The BCEPP is a cost sharing, multiple employer public employee retirement system between the City of Bismarck and the Bismarck Parks and Recreation District. The BCEPP document provides for all full-time City and District employees with the exclusion of sworn police officers, non-sworn members of the police department who began employment before December 31, 2006 and members of the firefighter's relief fund.

Plan Membership

Employees begin participation at the first day of employment with a vesting period of five years. As of December 31, 2023, the City Employees' Pension Plan membership was as follows:

Retirees and beneficiaries receiving benefits	286
Terminated employees – vested	82
Active employees:	
Vested	291
Non-vested	<u>184</u>
Total members	<u>843</u>

Plan Administration

North Dakota Century Code (NDCC) 40-46 and in accordance with Chapter 9-07 of the Bismarck Code of Ordinance grants the authority to establish and amend the benefit terms to the City Commission. Management of the BCEPP plan is vested in the Board of Trustees which consists of the City Administrator and all department heads with the exception of the Chief of Police.

Benefits Provided

Benefit provisions, amendments, and all requirements are established under the authority of the City Commission. Employees may be eligible for early or normal retirement, as well as death benefits. Normal retirement age for full benefits is age 62. Employees who retire at or after age 62 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1.75% of the average of the member's highest 36 months base salary for each full and fractional year of contributing service before January 2005 and 2.25% for contributing service on or after January 2005. Married participants receive a joint and two-thirds to survivor annuity while single participants receive a life only annuity. There are no provisions with respect to automatic and post-retirement benefit increases. Employees with 5 years of credited service may retire at an earlier age and receive an actuarially reduced retirement benefit. Benefit terms may be amended in accordance with North Dakota Century Code 40-46. Chapter 9-07 of the Bismarck Code of Ordinance grants the authority to the Board of City Commissioners to establish and amend the benefit terms.

Prior to January 2005, employees directed the investment of their contribution utilizing a contracted City investment manager. These employees were eligible to receive a distribution of the interest earned on the contributions in excess of 5% upon retirement. Effective January 1,

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

2005, all employee contributions are invested with the City pension funds and individual self-directed accounts were discontinued. As of December 31, 2004, interest earned in excess of 5% for the individual employee accounts has been transferred to an Employee Excess Retirement Fund as a Custodial Fiduciary Fund. Employee excess retirement accounts continue to be self-directed by the employees but administered by the City in custodial capacity.

Employees or designated beneficiary that separate from the District before attaining the five-year service credit are refunded the employee's accumulated contribution plus interest earnings at 5% per annum.

Contributions

Employee Contributions - Participating active employees contribute to the plan at a rate of 5% of covered payroll. Employees or designated beneficiary that separate from the District before attaining the five-year service credit are refunded the accumulated contributions plus interest earnings at 5% per annum. Member contributions are made by payroll deductions applied to regular bi-weekly payroll.

Employer Contributions - Employer contributions are based on an actuarial formula identified as entry age normal cost method. This method produces an employer contribution rate consisting of an amount for normal cost and an amount for amortization of the net pension liability over a closed period of 30 years. The annual contribution is approved in the annual adopted budget.

Investments

Investment Policy - The BCEPP investment policy and asset class allocations are established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the BCEPP to pursue an investment strategy to improve the Plan's funding status to protect and sustain current and future benefits, minimize the employee and employer contributions, avoid substantial volatility in required contribution rates and fluctuations in the Plan's funding status and to accumulate a funding surplus to provide increases in retiree payments to preserve the purchasing power of their retirement benefits.

BCEPP Board has entered into a contract with the North Dakota State Investment Board (SIB) for investment services as allowed under NDCC 21-10-06 and to implement these policies by investing the assets of the Fund in the manner provided in NDCC 21-10-07, the prudent investor rule. Management's responsibility that is not assigned to the SIB in Chapter 21-10 of the NDCC is delegated to the SIB who must establish written policies for the operation of the investment program consistent with this investment policy.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

The BCEPP Board of Trustee's adopted a long-term investment horizon and asset allocation policy for the management of the fund assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plans asset allocation as of January 1, 2023:

Asset Class	Target Allocation
Large domestic equity	21%
Small domestic equity	4%
Developed international equity	14%
Emerging international equity	3%
Private equity	5%
Domestic fixed income	33%
Real estate	12%
Infrastructure	7%
Timber	1%
	100%

Long-term Expected Return on Plan Assets

The long-term expected rate of return of 7.25% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return were 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 to return by the target asset allocation percentage.

The projected 10-year geometric real rates of return by asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Large domestic equity	7.60%
Small domestic equity	7.90%
Developed international equity	7.60%
Emerging international equity	8.00%
Private equity	8.80%
Domestic fixed income	3.25%
Real estate	6.40%
Infrastructure	7.50%
Timber	7.10%

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Actuarial Assumptions

Valuation date	January 1, 2023
Actuarial cost method	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	16
Mortality rate	Based on Pub-2010 Mortality Tables Projected with Scale MP-2020 Fair Value
Asset valuation method	Fair Value
Valuation method	
Inflation rate	3.25%
Investment rate of return	7.25%
Projected salary increases:	
All active participants	3.25%
Post retirement cost of living adjustments	None

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The net pension liability of the BCEPP is calculated at a discount rate of 7.5 percent, as well as what the BCEPP net pension liability would be if it were calculated using a discount rate that is 1 percent lower (6.5 percent) or 1 percent higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share share of the net pension liability (asset)	<u>\$ 1,413,294</u>	<u>\$ 3,561,071</u>	<u>\$ 6,141,738</u>

Proportionate Share of the Net Pension Liability

The District's portion of the net pension liability (asset) for the BCEPP was recorded at \$3,561,071 as of December 31, 2023. The calculation was determined by an actuarial valuation based on the present value of future payroll. The District's proportionate share was 14.51%, which is a decrease of 0.56% from the District's proportionate share as of December 31, 2022.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Deferred Inflows and Outflows of Resources

The District recognized pension expense of \$837,302 during the year ended December 31, 2023. Deferred inflows and outflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 184,532	\$ (70,893)
Changes in assumptions	652,136	(10,173)
Net difference between projected and actual earnings on pension plan investments	1,519,419	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35,789	(70,179)
Employer contributions subsequent to measurement date	<u>422,382</u>	<u>-</u>
Total	<u>\$ 2,814,258</u>	<u>\$ (151,245)</u>

\$422,382 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(asset) in the year ending December 31, 2024.

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

Year ending December 31:

2024	\$ 300,460
2025	466,906
2026	522,557
2027	775,770
2028	102,764
Thereafter	72,174

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the City of Bismarck's separately issued financial report. The financial report is available on the City of Bismarck's website at www.bismarcknd.gov.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 14 OTHER POST-EMPLOYMENT BENEFIT PLAN

The District offers and administers a single-employer other post-employment benefit plan. A separately issued plan report is not issued, as there are no assets set aside for the plan. There are no required employer or employee contributions to the plan. Benefits may be changed by revision of the Board of Commissioners. The plan is only available for those employees who were hired by the District prior to November 16, 2017.

Full-time employees with a hire date prior to November 16, 2017 who have worked for the District for fifteen years or more are eligible for an early retirement option within six months of the employee's 59th birthday. Under this early retirement option, the District will continue to pay for the employee's health insurance until the employee reaches age 62 with the amount paid not to exceed the full rate paid for current employees.

From age 62 to 65 of the employee, the District will pay a portion of the health insurance, ranging from 50% to 100% of the health insurance premium, dependent upon the number of years of service by the employee.

Supplemental pay is available to employees who choose early retirement. Employees are eligible for supplemental pay from age 59 to age 62. The payment will be half of the employee's monthly gross salary less pension payments. A minimum payment of \$250 per month will be paid if the employee's pension payment is greater than one half the employee's monthly salary. The supplemental payment is capped at \$500 per month.

Membership in the plan for early retirement as of December 31, 2023 is as follows:

Retirees and beneficiaries receiving benefits	-
Active employees:	
Vested	-
Non-vested	31

Membership in the plan for health insurance as of December 31, 2023 is as follows:

Retirees and beneficiaries receiving benefits	1
Active employees:	
Vested	-
Non-vested	35

As there are fewer than 100 plan members, the District has elected to use the alternative measurement method. The District has made assumptions on expected beginning date of benefits, turnover (46.90%), and healthcare cost (4.5%) based on historical results the District has experienced. Marital status is assumed to be the same as the employee's current status when projecting the liability. The District has used a discount rate of 2% for early retirement benefits and 2.5% for health insurance benefits to arrive at a present value of the other post-employment benefit liability, which is \$343,547 as of December 31, 2023.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

Schedules of the change in the OPEB liability is as follows:

OPEB Liability	
Service cost	\$ (11,437)
Benefit paid	<u>-</u>
Net Change in Total OPEB Liability	<u>(11,437)</u>
 OPEB Liability - Beginning	 <u>119,088</u>
OPEB Liability - Ending	<u><u>\$ 107,651</u></u>
 Health Insurance Benefits	
OPEB Liability	
Service cost	\$ (23,498)
Benefit paid	<u>(22,705)</u>
Net Change in Total OPEB Liability	<u>(46,203)</u>
 OPEB Liability - Beginning	 <u>282,099</u>
OPEB Liability - Ending	<u><u>\$ 235,896</u></u>

The OPEB liability for early retirement benefits is calculated at a discount rate of 2.0 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.0 percent) or 1 percent higher (3.0 percent) than the current rate:

	1% Decrease 1.00%	Current Discount Rate 2.00%	1% Increase 3.00%
Net OPEB liability for early retirement benefits	<u>\$ 121,723</u>	<u>\$ 107,651</u>	<u>\$ 96,003</u>

The net OPEB liability for health insurance benefits is calculated at a discount rate of 2.5 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percent lower (1.5 percent) or 1 percent higher (3.5 percent) than the current rate:

	1% Decrease 1.50%	Current Discount Rate 2.50%	1% Increase 3.50%
Net OPEB liability for health insurance benefits	<u>\$ 243,242</u>	<u>\$ 235,896</u>	<u>\$ 229,911</u>

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

The net OPEB liability for early retirement benefits is calculated using a 4.5 percent increase in health care costs, as well as what the net OPEB liability would be if it were calculated using a healthcare rate that is 1 percent lower (3.5 percent) or 1 percent higher (5.5 percent) than the current rate:

	1% Decrease 3.50%	Current Health Insurance Rate 4.50%	1% Increase 5.50%
Net OPEB liability for health insurance benefits	<u>\$ 208,716</u>	<u>\$ 235,896</u>	<u>\$ 268,268</u>

The net OPEB liability for health insurance benefits is calculated using a 4.5 percent increase in health care costs, as well as what the net OPEB liability would be if it were calculated using a healthcare rate that is 1 percent lower (3.5 percent) or 1 percent higher (5.5 percent) than the current rate:

	1% Decrease 3.50%	Current Health Insurance Rate 4.50%	1% Increase 5.50%
Net OPEB liability for early retirement benefits	<u>\$ 96,974</u>	<u>\$ 107,651</u>	<u>\$ 120,172</u>

NOTE 15 COMMITMENTS

As of December 31, 2023, the District has the following outstanding commitments for on-going capital projects.

VFW Sports Center Expansion & Improvements	\$ 4,424,462
Hay Creek Trail Retaining Wall Replacement	656,739
Tyler Parkway Trail	175,714
Joann Hetzel Memorial 4-H Building Roof Replacement	235,040
Sheila Schaefer Junior Links Relocation	469,270
General Sibley Drain Field	117,342
Municipal Ballpark Artificial Turf, Batter's Eye and Ticket Booth Expansion	144,020
Snow Groomers (2) for Cross Country Skiing	203,000
Other miscellaneous capital projects	<u>1,064,974</u>
Total commitments	<u>\$ 7,490,561</u>

Subsequent to year end, the District entered into additional contracts for capital projects of \$2,755,702.

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

NOTE 16 TAX ABATEMENTS

The City of Bismarck provides five tax abatement programs which includes a Commercial and Residential Renaissance Zone Program, New or Expanding Business Exemptions, and a Commercial and Residential Remodeling Exemption.

As of December 31, 2023, the Renaissance Zone Property Tax Exemptions under North Dakota Century Code 40-63, is for Commercial and Residential buildings located within the renaissance zone that allow for the property to be excluded for up to five years, provided the City approves the exemption. A renaissance zone is a geographical area that the City applies to the State Department of Commerce to designate a portion of the City into a renaissance zone.

The Renaissance Zone Program for commercial and residential properties was established in March 2001 and now encompasses a 39 block area in the downtown area. The purpose of the zone is to encourage reinvestment in downtown properties by providing property tax incentives to commercial and residential owners. There are four different type of Renaissance Zone projects that qualify for property tax exemptions: rehabilitation, purchase with major improvements, purchase only, and historical preservation and renovation. A Renaissance Zone project must be approved by both the City of Bismarck and the North Dakota Department of Commerce before qualifying activity occurs.

New or Expanding Business Exemption under North Dakota Century Code 40-57.1 provides property tax abatements by assisting in establishing industrial plants, expanding and retaining existing businesses. A property tax exemption allows for the property to be excluded for up to five years. The property must have prior certification as a primary sector business by the North Dakota Department of Commerce. A partial or complete exemption from ad valorem taxation under this section for retail sector projects may receive a partial or complete exemption from the City Commission.

The Commercial and Residential Remodeling Exemption under North Dakota Century Code 40-57.02.2 provides property tax abatements by assisting in incentives for remodeling properties that are 30 years or older. This exemption will be for commercial and residential remodeling projects and will only include additions for residential structures. The exemption will be for a maximum of three years. The City Commission must approve the application prior to the exemption.

The amount of taxes abated for the year ended December 31, 2023 for the District was as follows:

Renaissance Zone Exemption - Commercial	\$ 3,283
Renaissance Zone Exemption - Residential	32,725
Remodeling Exemption - Residential	<u>83</u>
	<u>\$ 36,091</u>

NOTE 17 NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended,

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023

and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The standard is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

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

NOTE 18 CONTINGENCIES

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with items and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. The District's management believes it has complied with all applicable grant provisions. In the opinion of management, any possible disallowed claim would not have a material adverse effect on the overall financial position of the District as of December 31, 2023.

NOTE 19 SUBSEQUENT EVENTS

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through May 8, 2024, which is the date these financial statements were available to be issued.

BISMARCK PARKS AND RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original / Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 10,022,000	\$ 9,958,855	\$ (63,145)
Intergovernmental	1,242,100	1,911,937	669,837
Charges for services	7,636,300	6,725,369	(910,931)
Investment earnings (loss)	10,000	533,037	523,037
Grants	61,000	14,509	(46,491)
Leases	-	980,171	980,171
Donations	32,200	27,875	(4,325)
Miscellaneous	395,500	176,611	(218,889)
Total revenues	<u>19,399,100</u>	<u>20,328,364</u>	<u>929,264</u>
Expenditures:			
Current:			
General government	3,414,350	2,626,916	787,434
General maintenance	3,765,600	3,301,474	464,126
Golf	2,254,700	2,334,585	(79,885)
Capital Racquet Fitness Center	557,950	597,024	(39,074)
Aquatic Wellness Center	1,340,700	1,417,295	(76,595)
Pools	916,500	465,976	450,524
Ice arenas	859,150	1,350,490	(491,340)
Forestry	271,700	272,429	(729)
Memorial Building	205,500	229,074	(23,574)
Sibley Park	364,600	338,963	25,637
County parks	189,100	96,676	92,424
McDowell Dam	251,400	221,696	29,704
High Prairie Arts and Science Complex	114,150	105,243	8,907
Other recreational activities	2,975,550	2,947,468	28,082
Capital outlay	90,000	1,225,157	(1,135,157)
Capital outlay less than \$5,000	1,034,450	209,726	824,724
Debt service:			
Principal retirement	792,500	829,882	(37,382)
Interest and fiscal charges	233,700	234,173	(473)
Total expenditures	<u>19,631,600</u>	<u>18,804,247</u>	<u>827,353</u>
Excess of revenues under expenditures	(232,500)	1,524,117	1,756,617
Other financing sources (uses):			
Issuance of SBITAs	-	282,817	282,817
Proceeds from insurance	12,500	34,209	21,709
Transfers in/out	220,000	(217,466)	437,466
Total other financing sources (uses)	<u>232,500</u>	<u>99,560</u>	<u>741,992</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	1,623,677	<u>\$ 2,498,609</u>
Fund balance - January 1		<u>3,177,761</u>	
Fund balance - December 31		<u>\$ 4,801,438</u>	

See Note to the Required Supplementary Information

BISMARCK PARKS AND RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE- SPECIAL ASSESSMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original / Final Budget	Actual	Variance
Revenues:			
Taxes	\$ 2,516,000	\$ 2,578,316	\$ 62,316
Miscellaneous	175,000	175,000	-
Total revenues	<u>2,691,000</u>	<u>2,753,316</u>	<u>62,316</u>
Expenditures:			
Capital outlay	-	254,606	(254,606)
Capital outlay <\$5,000	8,800	10,483	(1,683)
Debt service:			
Principal retirement	2,655,850	2,621,207	34,643
Interest and fiscal charges	301,350	301,345	5
Total expenditures	<u>2,966,000</u>	<u>3,187,641</u>	<u>(221,641)</u>
Excess of revenues over (under) expenditures	(275,000)	(434,325)	(159,325)
Other financing sources (uses):			
Proceeds from special assessments debt	-	254,606	254,606
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(125,000)</u>	<u>129,606</u>	<u>254,606</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (400,000)</u>	(304,719)	<u>\$ 95,281</u>
Fund balance - January 1		<u>934,290</u>	
Fund balance - December 31		<u>\$ 629,571</u>	

See Note to the Required Supplementary Information

BISMARCK PARKS AND RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST 10 FISCAL YEARS *

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	14.51%	15.07%	15.50%	14.94%	14.47%	14.52%	13.43%	12.71%	12.36%
Employer's proportionate share of the net pension liability (asset)	\$ 3,561,071	\$ (182,809)	\$ 996,479	\$ 1,485,481	\$ 2,721,922	\$ 1,283,226	\$ 1,315,443	\$ 1,167,823	\$ 119,548
Employer's covered-employee payroll	\$ 3,876,516	\$ 3,990,385	\$ 3,756,434	\$ 3,518,193	\$ 3,490,169	\$ 3,223,952	\$ 2,953,755	\$ 2,512,248	\$ 768,136
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	91.86%	-4.58%	26.53%	42.22%	77.99%	39.80%	44.53%	46.49%	15.56%
Plan fiduciary net position as a percentage of the total pension liability	82.55%	100.93%	94.84%	91.64%	83.50%	91.78%	89.86%	89.88%	98.82%

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

See Note to the Required Supplementary Information

BISMARCK PARKS AND RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST 10 FISCAL YEARS *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 360,128	\$ 179,876	\$ 207,117	\$ 322,595	\$ 320,293	\$ 262,486	\$ 266,849	\$ 209,905	\$ 122,820
Contributions in relation to the actuarially determined contribution	\$ (422,382)	\$ (391,223)	\$ (391,223)	\$ (381,662)	\$ (373,732)	\$ (345,354)	\$ (322,654)	\$ (269,065)	\$ (243,218)
Contribution deficiency (excess)	\$ (62,254)	\$ (211,347)	\$ (184,106)	\$ (59,067)	\$ (53,439)	\$ (82,868)	\$ (55,805)	\$ (59,160)	\$ (120,398)
Employer's covered-employee payroll	\$ 4,042,688	\$ 3,876,516	\$ 3,990,385	\$ 3,756,434	\$ 3,518,193	\$ 3,490,169	\$ 3,223,952	\$ 2,953,755	\$ 2,512,248
Contributions as a percentage of covered-employee payroll	10.45%	10.09%	9.80%	10.16%	10.62%	9.90%	10.01%	9.11%	9.68%

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

See Note to the Required Supplementary Information

BISMARCK PARKS AND RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
LAST 10 FISCAL YEARS *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Early Retirement Benefits						
OPEB Liability						
Service cost	\$ (11,437)	\$ (9,494)	\$ (42,559)	\$ (44,074)	\$ 84,581	\$ 115,413
Benefit paid	<u>-</u>	<u>-</u>	<u>22,861</u>	<u>21,500</u>	<u>(11,348)</u>	<u>(17,792)</u>
Net Change in Total OPEB Liability	(11,437)	(9,494)	(19,698)	(22,574)	73,233	97,621
OPEB Liability - Beginning	<u>119,088</u>	<u>128,582</u>	<u>148,280</u>	<u>170,854</u>	<u>97,621</u>	<u>-</u>
OPEB Liability - Ending	<u>\$ 107,651</u>	<u>\$ 119,088</u>	<u>\$ 128,582</u>	<u>\$ 148,280</u>	<u>\$ 170,854</u>	<u>\$ 97,621</u>
Covered Payroll	\$ 2,199,219	\$ 2,313,715	\$ 2,531,362	\$ 2,510,639	\$ 2,511,467	\$ 2,530,464
District's Total OPEB Liability as a % of Covered Payroll	4.89%	5.15%	5.08%	5.91%	6.80%	3.86%
Health Insurance Benefits						
OPEB Liability						
Service cost	\$ (23,498)	\$ 30,824	\$ 35,153	\$ (27,865)	\$ 141,728	\$ 112,786
Benefit paid	<u>(22,705)</u>	<u>(21,330)</u>	<u>(15,455)</u>	<u>(20,946)</u>	<u>(34,440)</u>	<u>(16,348)</u>
Net Change in Total OPEB Liability	(46,203)	9,494	19,698	(48,811)	107,288	96,438
OPEB Liability - Beginning	<u>282,099</u>	<u>272,605</u>	<u>309,649</u>	<u>338,015</u>	<u>230,727</u>	<u>134,289</u>
OPEB Liability - Ending	<u>\$ 235,896</u>	<u>\$ 282,099</u>	<u>\$ 329,347</u>	<u>\$ 289,204</u>	<u>\$ 338,015</u>	<u>\$ 230,727</u>
Covered Payroll	\$ 2,459,679	\$ 2,559,228	\$ 2,601,956	\$ 2,765,641	\$ 2,765,641	\$ 2,832,811
District's Total OPEB Liability as a % of Covered Payroll	9.59%	11.02%	12.66%	10.46%	12.22%	8.14%

* Complete data for this schedule is not available prior to 2018.

See Note to the Required Supplementary Information

BISMARCK PARKS AND RECREATION DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

The District's board adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States for the general and special assessment funds.

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

- All divisions of the District submit requests for appropriation to the Executive Director of Parks and Recreation so that a budget may be prepared.
- The requests are reviewed in detail with the divisions.
- The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.
- By August 10th of each year, the preliminary budget is presented to the District's board for review and approval.
- The District's board holds public hearings and may modify the preliminary budget.
- The final budget must be adopted before October 7th and submitted to the County Auditor by October 10th of each year.
- Project-length financial plans are adopted for all capital projects funds.
- The current budget, except property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.
- All appropriations lapse at year-end.

BISMARCK PARKS AND RECREATION DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Federal Grantor/Program or Cluster Title	Federal AL Number	Pass-Through Grant Number	Expenditures
U.S. Department of Interior			
Fish and Wildlife Cluster:			
Passed through ND Game and Fish Department:			
Sport Fish Restoration Program: Fox Island Fish Cleaning Station	15.605	See Note 4	\$ 3,238
Passed through ND Parks and Recreation:			
Outdoor Recreation Acquisition, Development and Planning:			
McQuade Playground Replacement	15.916	P22AP02345-00	97,075
Hay Creek Improvements	15.916	P22AP02095-00	431,347
Total AL #15.916			<u>528,422</u>
Total U.S. Department of Interior			<u>531,660</u>
U.S. Department of Housing and Urban Development			
CDBG Entitlement Grants Cluster			
Passed through City of Bismarck			
Community Development Block Grants / Entitlement Grants	14.218	See Note 4	<u>39,584</u>
Total U.S. Department of Housing and Urban Development			<u>39,584</u>
U.S. Department of Agriculture			
Passed through ND Forest Service - ATB:			
Cooperative Forestry Assistance	10.664	2022S-ATB-TP003	<u>6,682</u>
Total U.S. Department of Agriculture			<u>6,682</u>
U.S. Department of Treasury			
Passed through Burleigh County:			
COVID-19 / Coronavirus State and Local Fiscal Recovery Funds:			
Parking Lot Lights - Municipal Ballpark	21.027	BGR220002	24,463
Score/Videoboard - Municipal Ballpark	21.027	BGR220001	<u>379,195</u>
Total U.S. Department of Treasury			<u>403,658</u>
U.S. Department of Education			
Passed through ND Department of Commerce			
State Energy Program	81.041	5063-SEP22-B	<u>50,000</u>
Total U.S. Department of Education			<u>50,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,031,584</u>

See Notes to the Schedule of Expenditures of Federal Awards

BISMARCK PARKS AND RECREATION DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards (the "schedule") are reported on the accrual basis of accounting. Such expenditures are recognized following the applicable cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or limited as to reimbursement.

NOTE 2 INDIRECT COST RATE

Bismarck Parks and Recreation District has not elected to use the 10-percent de minimis cost rate as allowed under the Uniform Guidance.

NOTE 3 BASIS OF PRESENTATION

The accompanying schedule includes the federal award activity of Bismarck Parks and Recreation District under programs of the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Bismarck Parks and Recreation District, it is not intended to and does not present the financial position or changes in net position, of the District. The amounts reported on the schedule have been reconciled to and are in agreement with amounts recorded in the accounting records from which the financial statements have been reported.

NOTE 4 AGENCY OR PASS-THROUGH NUMBER

Bismarck Parks and Recreation District received money passed through from multiple grantor agencies. There were no pass-through numbers identified with these grants identified above.

**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**

To the Board of Park Commissioners
Bismarck Parks and Recreation District
Bismarck, North Dakota

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the Bismarck Parks and Recreation District, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated May 8, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bismarck Parks and Recreation 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 Bismarck Parks and Recreation District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bismarck Parks and Recreation 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 entity'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bismarck Parks and Recreation 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 entity'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 Bismarck Parks and Recreation District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

May 8, 2024

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Park Commissioners
Bismarck Parks and Recreation District
Bismarck, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bismarck Parks and Recreation District's 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 each of Bismarck Parks and Recreation District's major federal programs for the year ended December 31, 2023. Bismarck Parks and Recreation District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Bismarck Parks and Recreation District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Bismarck Parks and Recreation 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 each major federal program. Our audit does not provide a legal determination of Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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 generally accepted auditing standards, *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 Bismarck Parks and Recreation District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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 Bismarck Parks and Recreation 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.



BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

May 8, 2024

BISMARCK PARKS AND RECREATION DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Noncompliance material to financial
statements noted?

_____ yes x no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ yes x no

Significant deficiency(ies) identified?

_____ yes x none reported

Type of auditor's report issued on compliance
for major programs:

Unmodified

Any audit findings disclosed that are

Required to be reported in accordance with
2 CFR 200.516(a)?

_____ yes x no

AL Number(s)

Name of Federal Program or Cluster

15.916

Outdoor Recreation Acquisition, Development and Planning

Dollar threshold used to distinguish
between Type A and Type B programs:

\$750,000

Auditee qualified as a low-risk auditee?

_____ yes x no

Section II - Financial Statement Findings

No findings to be reported under this section.

Section III – Federal Award Findings and Questioned Costs

No findings to be reported under this section.