

ELLENDALE PARK DISTRICT
ELLENDALE, NORTH DAKOTA

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

ELLENDALE PARK DISTRICT
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ELLENDALE PARK DISTRICT
LIST OF OFFICIALS
DECEMBER 31, 2016

Jeff Ulner
Jeff Thorpe
Sarah Fischer
Colette Middlestead
Kerry Waldo

Della Pomplun

Clerk

Harold J. Rotunda

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

Governing Board
Ellendale Park District
Ellendale, North Dakota

I have audited the accompanying cash basis financial statements of the governmental activities, each major fund and aggregate remaining fund information of Ellendale Park District as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with U.S. generally accepted auditing standards and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ellendale Park District as of December 31, 2016 and 2015, and the changes in cash basis financial position and cash flows, where applicable, thereof for the years then ended, in accordance with the basis of accounting described in Note 1.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than U.S. generally accepted accounting principles. My opinion is not modified with respect to that matter.

Other Matters

Management has omitted the management discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

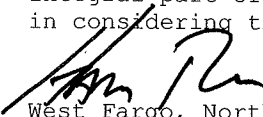
Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Ellendale Park District's basic financial statements. The Schedule of Activity is presented for purposes of additional analysis and is not a required part of the basis financial statements.

The Schedule of Activity is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Activity is fairly stated, in all material respects, in relation to the basis financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, I have also issued reports dated October 1, 2017, on my considerations of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



West Fargo, North Dakota
October 1, 2017

405 West Main Avenue Box 816 West Fargo, ND 58078 Phone (701)281-0483 Cell 212-3908

ELLENDALE PARK DISTRICT
STATEMENT OF NET POSITION- CASH BASIS
DECEMBER 31, 2016

ASSETS

Cash and investments	206,616.81
----------------------	------------

Total Assets	206,616.81
--------------	------------

LIABILITIES

Accounts Payable

-

Total liabilities	-
-------------------	---

NET POSITION

Unrestricted	206,616.81
--------------	------------

Total Net Position	206,616.81
--------------------	------------

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
STATEMENT OF ACTIVITIES- CASH BASIS
YEAR ENDED DECEMBER 31, 2016

		Program Revenues		Net (expense) Revenue & Change: in Net Position
	Expenses	Charges for Services	Operating grants and Contributions	Governmental Activities
Governmental Activities:				
Program				
Grounds	21,970.58			(21,970.58)
Recreation	1,930.00		-	(1,930.00)
Pool	144,853.87		15,451.19	(129,402.68)
Support Services				
Administrative	16,692.64			(16,692.64)
Capital outlays	9,875.68			(9,875.68)
	-			-
				-
Total Governmental Activities	195,322.77	-	15,451.19	(179,871.58)
	General Revenues			
	Taxes:			
				95,654.25
				21,660.15
				243.96
				18,462.35
				2,016.18
	Total General Revenues			138,036.89
	Change in Net Position			(41,834.69)
	Net Position- Beginning			248,451.50
	Net Position- Ending			206,616.81

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
BALANCE SHEET- CASH BASIS- GOVERNMENTAL FUNDS
DECEMBER 31, 2016

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	134,758.61	71,858.20	206,616.81
Accounts receivable			-
Taxes receivable			-
Intergovernmental receivable			-
Due from County Treasurer			-
Total Assets	134,758.61	71,858.20	206,616.81
LIABILITIES			
Accounts Payable			-
Salaries and benefits payable			-
Deferred revenue			-
Total liabilities	-	-	-
NET POSITION			
Restricted for Capital Projects			-
Restricted for other purposes		71,858.20	71,858.20
Unassigned	134,758.61		134,758.61
Total Net Position	134,758.61	71,858.20	206,616.81

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES- CASH BASIS- GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2016

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Property taxes	71,017.03	24,637.22	95,654.25
Intergovernmental	21,660.15		21,660.15
Interest	243.96		243.96
Charges for services	15,451.19		15,451.19
Contributions	18,462.35		18,462.35
Miscellaneous	2,016.18		2,016.18
Total Revenues	128,850.86	24,637.22	153,488.08
Current:			
Program			
Grounds	21,970.58		21,970.58
Recreation	1,930.00		1,930.00
Pool	144,853.87		144,853.87
Support Services			
Administrative	16,692.64	-	16,692.64
Other capital outlays		9,875.68	9,875.68
Debt Service			
Interest expense			-
Depreciation- Unallocated			-
Total Expenditures	185,447.09	9,875.68	195,322.77
Excess revenues (expenditures)	(56,596.23)	14,761.54	(41,834.69)
Other Financing Sources (Uses):			
Transfers in			-
Transfers out			-
Total other financing sources and uses	-	-	-
Net change in fund balances	(56,596.23)	14,761.54	(41,834.69)
Net Position- Beginning	191,354.84	57,096.66	248,451.50
Net Position- Ending	134,758.61	71,858.20	206,616.81

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
STATEMENT OF NET POSITION- CASH BASIS
DECEMBER 31, 2015

ASSETS

Cash and investments 248,451.50

Total Assets 248,451.50

LIABILITIES

Accounts Payable

-

Total liabilities

-

NET POSITION

Invested in capital assets, net of related debt

Restricted for:

Capital projects

Debt service

Unrestricted 248,451.50

Total Net Position 248,451.50

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
 STATEMENT OF ACTIVITIES- CASH BASIS
 YEAR ENDED DECEMBER 31, 2015

		Program Revenues		Net (expense) Revenue & Change in Net Position
	Expenses	Charges for Services	Operating grants and Contributions	Governmental Activities
Governmental Activities:				
Program				
Grounds	34,730.88			(34,730.88)
Recreation	4,886.03		-	(4,886.03)
Pool	62,597.43		16,784.28	(45,813.15)
Support Services				
Administrative	14,718.11			(14,718.11)
Capital outlays	10,252.29			(10,252.29)
				-
Total Governmental Activities	127,184.74	-	16,784.28	(110,400.46)
General Revenues				
Taxes:				
Property taxes				80,670.47
Other tax revenue				
State aid				32,980.28
Interest income				232.30
Contributions				5,300.00
Other revenue				1,095.18
				Total General Revenues
				120,278.23
				Change in Net Position
				9,877.77
				Net Position- Beginning
				238,573.73
				Net Position- Ending
				248,451.50

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
 BALANCE SHEET- CASH BASIS- GOVERNMENTAL FUNDS
 DECEMBER 31, 2015

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and investments	191,354.84	57,096.66	248,451.50
			-
			-
			-
			-
Total Assets	191,354.84	57,096.66	248,451.50
LIABILITIES			
Accounts Payable			-
			-
			-
Total liabilities	-	-	-
NET POSITION			
			-
Restricted for other purposes		57,096.66	57,096.66
Unassigned	191,354.84		191,354.84
Total Net Position	191,354.84	57,096.66	248,451.50

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES- CASH BASIS- GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2015

	GENERAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Property taxes	58,228.47	22,442.00	80,670.47
Intergovernmental	32,980.28		32,980.28
Interest	232.30		232.30
Charges for services	16,784.28		16,784.28
Contributions	5,300.00		5,300.00
Miscellaneous	1,095.18		1,095.18
Total Revenues	114,620.51	22,442.00	137,062.51
Current:			
Program			
Grounds	34,730.88		34,730.88
Recreation	4,886.03		4,886.03
Pool	62,597.43		62,597.43
Support Services			
Administrative	5,989.41	8,728.70	14,718.11
Capital outlays		10,252.29	10,252.29
Total Expenditures	108,203.75	18,980.99	127,184.74
Excess revenues (expenditures)	6,416.76	3,461.01	9,877.77
Other Financing Sources (Uses):			
Transfers in			-
Transfers out			-
Total other financing sources and uses	-	-	-
Net change in fund balances	6,416.76	3,461.01	9,877.77
Net Position- Beginning	184,938.08	53,635.65	238,573.73
Net Position- Ending	191,354.84	57,096.66	248,451.50

The accompanying notes are an integral part of these financial statements.

ELLENDALE PARK DISTRICT
ELLENDALE, NORTH DAKOTA

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ellendale Park District (District) have been prepared on a cash basis of accounting. The cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). 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 District's accounting policies are described below.

A. Reporting Entity

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

Based on these criteria, there are no component units.

B. BASIS OF PRESENTATION, BASIS OF ACCOUNTING

Government-wide statements: The statement of net assets and the statement of activities display information about the primary government, the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

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

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenses/expenditures. Funds are organized into two major categories: governmental and proprietary. The City currently has no fiduciary funds.

The District reports the following major governmental funds:

General Fund. The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements. In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using the economic resources measurement focus, within the limitations of the cash basis of accounting as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus, as applied to the cash basis of accounting, is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements presents sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

In the government-wide Statement of Net Assets and the Statement of Activities, activities are presented using a cash basis of accounting. This basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues and expenditures when they result from cash transactions in the government-wide statements. This basis is a comprehensive of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

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

D. Budgets

Based upon available financial information and requests by the board, the clerk prepares the district budget. The budget is prepared for the general fund on the cash basis of accounting. The budget includes the proposed expenditures and the means of financing them. All annual appropriations lapse at year-end.

City taxes must be levied by the governing board on or before the first day of October. The taxes levied must be certified to the County auditor by October 10. The governing body of the City may amend its tax levy and budget for the current fiscal year on or before the tenth day of October of each year, but the certification must be filed with the County auditor by October 10. The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

E. Cash and Investments

Cash includes amounts in demand deposits and money market accounts.

F. Capital Assets

The District records capital assets as disbursements at the time of purchase.

G. Long-Term Obligations

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums, discounts and issuance costs are recognized in the current period since the amounts are not material.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

H. Fund Balance/ Net Position

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.

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

Committed - These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the District council-the District's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the council 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 council has 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 council has not set a General Fund minimum fund balance.

I. Interfund Transactions

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

All other interfund transactions, except 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.

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

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

J. Use of estimates

The preparation of financial statements in conformity with the Other comprehensive basis of accounting (OCBOA) used by the District requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

NOTE 2: LEGAL COMPLIANCE - BUDGETS

BUDGET AMENDMENTS

The board did not amend the General fund budget for 2016 or 2015

EXPENDITURES OVER APPROPRIATIONS

The district did not overspend the budget for any individual funds. No remedial action is required by the district.

NOTE 3 DEPOSITS AND INVESTMENTS

In accordance with North Dakota Statutes, the District maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

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

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

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

At December 31, 2016, the District's carrying amount of deposits was \$554,625. Of the bank balances, \$250,000 was covered by Federal Depository Insurance. The remaining balance of \$304,625 was collateralized with securities held by the pledging financial institution's agent in the government's name.

Credit Risk

State statutes authorize the District to invest in:(1) 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, instrumentalities, or organizations created by an act of Congress.(2) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.(3) Certificates of Deposit fully insured by the federal deposit insurance corporation or the state.(4) Obligations of the state.

Concentration of Credit Risk

The District does not have a limit on the amount it may invest in any one issuer.

NOTE 4: PROPERTY TAXES

Taxes receivable represents the past five years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes receivable. The county treasurer acts as and agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed.

Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

ELLENDALE PARK DISTRICT
Notes to Financial Statements- Continued

NOTE 5: RISK MANAGEMENT

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

In 1986 state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The district pays an annual premium to NDIRF for its general liability and automobile insurance coverage. The coverage by NDIRF is limited to losses of one million dollars per occurrence.

The State Bonding Fund currently provides the District with blanket fidelity bond coverage in the amount of \$350,000 for its employees. The State Bonding fund does not currently charge any premium for this coverage.

The district has workers compensation with the Workforce, Safety and Insurance and purchases commercial insurance for personal property, building, inland marine, and boiler and machinery.

ELLENDALE PARK DISTRICT
 FUND BALANCE
 DECEMBER 31, 2016

	BEGINNING BALANCE	REVENUES	EXPENSES	TRANSFERS IN (OUT)	END BALANCE
	-----	-----	-----	-----	-----
GENERAL FUND	191,354.84	128,850.86	185,447.09		134,758.61
	-----	-----	-----	-----	-----
SPECIAL REVENUE FUND:					
SOCIAL SECURITY	(3,752.21)	3,752.21			(0.00)
SHARE COST IMPROVEMENT	6,207.81	11,457.80	9,875.68		7,789.93
INSURANCE RESERVE	-				-
FORESTRY	-				-
OSTER PARK	0.00				0.00
CHANGE	30.00				30.00
	-----	-----	-----	-----	-----
TOTAL SPECIAL REVENUE	2,485.60	15,210.01	9,875.68	-	7,819.93
	-----	-----	-----	-----	-----
CAPITAL PROJECTS FUNDS:					
CAPITAL IMP	54,611.06	9,427.21			64,038.27
	-----	-----	-----	-----	-----
	248,451.50	153,488.08	195,322.77	-	206,616.81

ELLENDALE PARK DISTRICT
 FUND BALANCE
 DECEMBER 31, 2015

	BEGINNING BALANCE	REVENUES	EXPENSES	TRANSFERS IN (OUT)	END BALANCE
	-----	-----	-----	-----	-----
GENERAL FUND	184,938.08	114,620.51	108,203.75		191,354.84
	-----	-----	-----	-----	-----
SPECIAL REVENUE FUND:					
SOCIAL SECURITY	1,957.70	3,018.79	8,728.70		(3,752.21)
SHARE COST IMPROVEMENT	5,346.50	11,113.60	10,252.29		6,207.81
INSURANCE RESERVE	-				-
FORESTRY	-				-
OSTER PARK	0.00				0.00
CHANGE	30.00				30.00
	-----	-----	-----	-----	-----
TOTAL SPECIAL REVENUE	7,334.20	14,132.39	18,980.99	-	2,485.60
	-----	-----	-----	-----	-----
CAPITAL PROJECTS FUNDS:					
CAPITAL IMP	46,301.45	8,309.61			54,611.06
	-----	-----	-----	-----	-----
	238,573.73	137,062.51	127,184.74	-	248,451.50

ELLENDALE PARK DISTRICT

REPORTS IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

DECEMBER 31, 2016 AND 2015

Ellendale Park District
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Harold J. Rotunda

Certified Public Accountant

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*

Independent Auditor's Report

Governing Board
Ellendale Park District
Ellendale, North Dakota

I 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, business-type activities, each major fund, and the aggregate remaining fund information of Ellendale Park District as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise basic financial statements, and have issued my report thereon dated October 1, 2017.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Ellendale Park District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, I do not express an opinion on the effectiveness of 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.

My 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify one deficiency in internal control, described in the accompanying schedule of findings that I consider to be a significant deficiency (2016-1).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ellendale Park District's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

City's Response to Findings

Ellendale Park District's response to the finding identified in my audit is described in the accompanying schedule of findings. Ellendale Park District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Harold Rotunda, CPA
October 1, 2017

ELLENDALE PARK DISTRICT
 SCHEDULE OF FINDINGS AND RESPONSES
 FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued?

Governmental Activities	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal Control over financial reporting:

Material weaknesses identified?	_____	Yes	___X___	No
Significant deficiencies identified not Considered to be material weaknesses?	___X___	Yes	_____	No
Noncompliance material to financial statements Noted?	_____	Yes	___X___	No

Section II- Financial Statement Findings

Finding No. 2016-1

Condition

The limited number of staff prevents a proper segregation of duties.

Criteria

A good system of internal accounting control contemplates an adequate segregation of duties so that no one individual handles a transaction from its inception to its completion.

Effect

Inadequate segregation of duties could adversely affect the City's ability to detect misstatements in amounts that would be material in relation to the financial statements in a timely period by employees in the normal course of performing their assigned functions.

ELLENDALE PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015

Recommendation

While I recognize that the City office staff may not be large enough to permit complete segregation of duties in all respects for an effective system of internal accounting control, all accounting functions should be reviewed to determine if additional segregation is feasible and to improve the efficiency and effectiveness of the City.

Client Response

At the present time, the City has segregated the duties of all key accounting personnel in the most efficient manner possible, given its limited staff. Due to cost constraints, there will be no further administrative employees added.