

**WATFORD CITY PARK DISTRICT
WATFORD CITY, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Park District Board
Watford City Park District
Watford City, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Watford City Park District, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Park District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

Management has not capitalized property or recorded depreciation expense on capital assets. Instead, they have expensed the purchase of capital assets in the year of purchase. Accounting principles generally accepted in the United States of America require that property be capitalized and depreciated over its useful life and presented in the statement of net position at its net book value. The amount by which this departure would affect the assets and net position presented on the Statements of Net Position has not been determined.

Qualified Opinion

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Watford City Park District, as of December 31, 2014 and 2013, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United State of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2017 on our consideration of the Watford City Park 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Watford City Park District's internal control over financial reporting and compliance.



BRADY, MARTZ & ASSOCIATES, P.C.

Minot, North Dakota

February 10, 2017

WATFORD CITY PARK DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 1,393,189
State aid receivable	16,456
Due from county	40,548
Taxes receivable	5,550
Total current assets	1,455,743
Total Assets	1,455,743
LIABILITIES	
CURRENT LIABILITIES	
Accrued payroll taxes and other withholding	590
Total current liabilities	590
NET POSITION	
Restricted for:	
Park Facilities	941,552
Social Security & Pension	5,445
Unrestricted	508,156
Total Net Position	\$ 1,455,153

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 549,403
Due from county	1,337
Taxes receivable	5,165
Total current assets	555,905
Total Assets	555,905
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	8,050
Accrued payroll taxes and other withholding	539
Total current liabilities	8,589
NET POSITION	
Restricted for:	
Park Facilities	220,276
Social Security & Pension	2,849
Unrestricted	324,191
Total Net Position	\$ 547,316

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Program Revenues</u>			<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Assets</u>
			<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Park operations	\$ 894,769	\$ 158,606	\$ 962,853	\$ 273,152
Total governmental activities	<u>\$ 894,769</u>	<u>\$ 158,606</u>	<u>\$ 962,853</u>	<u>273,152</u>

General Revenues:

Oil lease income	157,408
Property taxes	390,118
State revenue not restricted for a specific purpose	56,866
Interest income	1,416
Miscellaneous	28,877
Total general revenues and special items	<u>634,685</u>
Change in net position	907,837
Net position - beginning of year	<u>547,316</u>
Net position - end of year	<u>\$ 1,455,153</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental Activities					
Park operations	\$ 731,893	\$ 151,004	\$ 34,625	\$ 216,955	\$ (329,309)
Total governmental activities	\$ 731,893	\$ 151,004	\$ 34,625	\$ 216,955	(329,309)
General Revenues:					
Property taxes					169,262
State revenue not restricted for a specific purpose					53,538
Interest income					1,157
Miscellaneous					76,131
Total general revenues and special items					300,088
Change in net position					(29,221)
Net position - beginning of year					576,537
Net position - end of year					\$ 547,316

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
BALANCE SHEET
DECEMBER 31, 2014

	<u>General Fund</u>	<u>Park & Recreation Facilities Fund</u>	<u>Social Security & Pension Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 455,027	\$ 936,263	\$ 1,899	\$ 1,393,189
State aid receivable	16,456	-	-	16,456
Due from county	32,841	4,657	3,050	40,548
Taxes receivable	4,422	632	496	5,550
Total current assets	<u>\$ 508,746</u>	<u>\$ 941,552</u>	<u>\$ 5,445</u>	<u>\$ 1,455,743</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities				
Accrued payroll taxes and other withholding	\$ 590	\$ -	\$ -	\$ 590
Total current liabilities	<u>590</u>	<u>-</u>	<u>-</u>	<u>590</u>
 Deferred Inflows of Resources				
Deferred inflows - taxes	4,422	632	496	5,550
Total deferred inflows of resources	<u>4,422</u>	<u>632</u>	<u>496</u>	<u>5,550</u>
 FUND BALANCES				
Restricted	-	940,920	4,949	945,869
Assigned for Equipment Purchase	60,238	-	-	60,238
Assigned for Facility Maintenance	288,885	-	-	288,885
Unassigned	154,611	-	-	154,611
Total fund balances	<u>503,734</u>	<u>940,920</u>	<u>4,949</u>	<u>1,449,603</u>
 Total liabilities, deferred inflows of resources and fund balances	<u>\$ 508,746</u>	<u>\$ 941,552</u>	<u>\$ 5,445</u>	<u>\$ 1,455,743</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
BALANCE SHEET
DECEMBER 31, 2013

	General Fund	Park & Recreation Facilities Fund	Social Security & Pension Fund	Total Governmental Funds
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 319,709	\$ 227,592	\$ 2,102	\$ 549,403
Due from county	1,039	149	149	1,337
Taxes receivable	3,982	585	598	5,165
Total current assets	\$ 324,730	\$ 228,326	\$ 2,849	\$ 555,905
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Current Liabilities				
Accounts payable	\$ -	\$ 8,050	\$ -	\$ 8,050
Accrued payroll taxes and other withholding	539	-	-	539
Total current liabilities	539	8,050	-	8,589
 Deferred Inflows of Resources				
Deferred inflows - taxes	3,982	585	598	5,165
Total deferred inflows of resources	3,982	585	598	5,165
 Fund Balances:				
Restricted	-	219,691	2,251	221,942
Assigned for Equipment Purchase	17,021	-	-	17,021
Assigned for Facility Maintenance	33,885	-	-	33,885
Unassigned	269,303	-	-	269,303
Total fund balances	320,209	219,691	2,251	542,151
 Total liabilities, deferred inflows of resources and fund balances	\$ 324,730	\$ 228,326	\$ 2,849	\$ 555,905

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2014

Total Governmental Funds Balance	\$ 1,449,603
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the fund:	
Property taxes	<u>5,550</u>
Net Position of Governmental Activities	<u><u>\$ 1,455,153</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Total Governmental Funds Balance	\$ 542,151
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the fund:	
Property taxes	<u>5,165</u>
Net Position of Governmental Activities	<u><u>\$ 547,316</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2014

	General Fund	Park & Recreation Facilities Fund	Social Security & Pension Fund	Total Governmental Funds
REVENUES				
Local property taxes	\$ 318,780	\$ 41,399	\$ 29,554	\$ 389,733
State revenue	56,866	-	-	56,866
Service revenue	158,606	-	-	158,606
Interest/dividend income	1,416	-	-	1,416
Grants and contributions	46,462	962,853	-	1,009,315
Oil lease income	157,408	-	-	157,408
Other income	28,877	-	-	28,877
Total revenues	<u>768,415</u>	<u>1,004,252</u>	<u>29,554</u>	<u>1,802,221</u>
EXPENDITURES				
Current:				
Park operations	439,356	-	-	439,356
Capital outlay	455,413	-	-	455,413
Total Expenditures	<u>894,769</u>	<u>-</u>	<u>-</u>	<u>894,769</u>
EXCESS REVENUE OVER (UNDER)				
EXPENDITURES	<u>(126,354)</u>	<u>1,004,252</u>	<u>29,554</u>	<u>907,452</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	494,879	185,000	-	679,879
Operating transfers out	(185,000)	(468,023)	(26,856)	(679,879)
Total other financing sources (uses)	<u>309,879</u>	<u>(283,023)</u>	<u>(26,856)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	183,525	721,229	2,698	907,452
FUND BALANCES - BEGINNING OF YEAR	<u>320,209</u>	<u>219,691</u>	<u>2,251</u>	<u>542,151</u>
FUND BALANCES - END OF YEAR	<u>\$ 503,734</u>	<u>\$ 940,920</u>	<u>\$ 4,949</u>	<u>\$ 1,449,603</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Park & Recreation Facilities Fund	Social Security & Pension Fund	Total Governmental Funds
REVENUES				
Local property taxes	\$ 132,399	\$ 15,798	\$ 15,900	\$ 164,097
State revenue	53,538	-	-	53,538
Service revenue	151,004	-	-	151,004
Interest/dividend income	1,157	-	-	1,157
Grants and contributions	34,625	216,955	-	251,580
Other income	69,631	6,500	-	76,131
Total revenues	<u>442,354</u>	<u>239,253</u>	<u>15,900</u>	<u>697,507</u>
EXPENDITURES				
Current:				
Park operations	354,802	-	-	354,802
Capital outlay	377,091	-	-	377,091
Total Expenditures	<u>731,893</u>	<u>-</u>	<u>-</u>	<u>731,893</u>
EXCESS REVENUE OVER (UNDER)				
EXPENDITURES	<u>(289,539)</u>	<u>239,253</u>	<u>15,900</u>	<u>(34,386)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	357,383	90,000	772	448,155
Operating transfers out	(90,772)	(334,286)	(23,097)	(448,155)
Total other financing sources (uses)	<u>266,611</u>	<u>(244,286)</u>	<u>(22,325)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(22,928)	(5,033)	(6,425)	(34,386)
FUND BALANCES - BEGINNING OF YEAR	<u>343,137</u>	<u>224,724</u>	<u>8,676</u>	<u>576,537</u>
FUND BALANCES - END OF YEAR	<u>\$ 320,209</u>	<u>\$ 219,691</u>	<u>\$ 2,251</u>	<u>\$ 542,151</u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

Net Change in Fund Balance - Total Governmental Funds	\$ 907,452
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Amounts reported for governmental activities in the Statement of Activities are different because:

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These consist of:

Net change in deferred property taxes	<u>385</u>
Change in net position of governmental activities	<u><u>\$ 907,837</u></u>

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Net Change in Fund Balance - Total Governmental Funds \$ (34,386)

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These consist of:

Net change in deferred property taxes	5,165
Change in net position of governmental activities	\$ (29,221)

SEE NOTES TO THE FINANCIAL STATEMENTS

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of the Watford City Park District is presented to assist in understanding the Park District's financial statements.

The financial statements of the Watford City Park 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

Component units are legally separate organizations for which the Park District is financially accountable. The Government 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 District to provide specific financial benefits to, or impose specific financial burdens on the District. Component units may also include organizations that are fiscally dependent on the District.

Based on the above criteria, the Park District has no component units included in its report.

Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the reporting entity, except for fiduciary activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

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 charges to recipients for goods or services offered by the program, grants and contributions that are restricted to meet the operational or capital requirements of a particular program. Taxes and other items not properly included amount program revenues are presented as general revenues of the Park District.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

Fund Financial Statements

During the year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The focus of the governmental fund financial statements is on major funds. The following are the major governmental funds of the Park District:

The general fund is the general operating fund of the Park District. It accounts for all financial resources except those required to be accounted for in another fund.

The park and recreation facilities fund accounts for financial resources used in the upkeep of the Park District buildings and facilities.

The social security and pension fund is not required to be presented as a major fund, but the Park District has elected to show it as one. This fund accounts for the financial resources used to pay for social security and pension plan expenditures of the Park District.

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes are recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Budgets and Budgetary Accounting

On or before September 10 of each year, a budget is prepared for the subsequent year. 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 year. All annual appropriations lapse at fiscal year end.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

Before October 7th, the proposed budget is presented to the Park District's commissioners for review. The Park District holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the commissioners. The final budget is adopted by October 7th, and a copy is submitted to the county auditor by October 10th.

Expenditures may not legally exceed budgeted appropriations at the fund level.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits.

Accrued Liabilities

All payables and accrued liabilities are reported in the Park District's government-wide financial statements. The Park District's governmental fund financials report only those obligations that will be paid from current financial resources.

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) imposed 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 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 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 - is the residual classification for the general fund and also reflects negative residual amounts in other funds.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

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

When committed, assigned or unassigned resources are available for use, it is the District's policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

Net Position

Net position represents the difference between (a) assets and (b) liabilities and deferred inflows of resources in the District's financial statements. Restricted net position consists of restricted assets reduced by liabilities. Unrestricted net position is the net amount of assets, liabilities, and deferred inflows of resources that are not included in the restricted component of net position.

Net Position Flow Assumption

Sometimes, the government will fund capital outlays for particular purposes for both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accordingly, deferred inflows – taxes is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

Revenue Recognition - Property Taxes

Taxes receivable consists of current uncollected taxes at December 31, 2014 and 2013.

Property taxes attach as an enforceable lien on property January 1. A five percent reduction is allowed if paid by February 15. Penalty and interest are added March 1 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 Park District.

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 Park District tax levies are in compliance with state laws.

NOTE 2 BUDGETARY BASIS OF ACCOUNTING

To provide a meaningful comparison of the District's actual results compared to the budgeted results, the Statements of Revenues, Expenditures, and Changes in Fund Balances-Budget to Actual are prepared on the District's budgetary basis. Under the District's budgetary basis of accounting, revenues and expenses are budgeted on the cash basis of accounting.

The General Fund, Park and Recreation Facilities Fund, and Social Security and Pension Fund all adopt budgets before the start of each calendar year.

Budgeted Inflows and Outflows

Listed below are reconciliations between the revenues as presented in the District's Statements of Revenues, Expenditures, and Changes in Fund Balance and the budgetary inflows presented in the District's General Fund, Park and Recreation Facilities Fund, and Social Security and Pension Fund budgets.

2014 Reconciliation			
Sources/Inflows of Resources	General Fund	Park & Recreation Facilities Fund	Social Security & Pension Fund
Actual revenues (budgetary basis) presented on the Budgetary Comparison Schedule.	\$ 720,157	\$ 999,744	\$ 26,653
Differences - budget to GAAP:			
Net effect of December 31, 2013 and 2014 revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the budget statement until collected.	48,258	4,508	2,901
Total revenues as reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental Funds.	\$ 768,415	\$ 1,004,252	\$ 29,554

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

2013 Reconciliation

Sources/Inflows of Resources	<u>General Fund</u>	<u>Park & Recreation Facilities Fund</u>	<u>Social Security & Pension Fund</u>
Actual revenues (budgetary basis) presented on the Budgetary Comparison Schedule.	\$ 490,951	\$ 246,199	\$ 22,865
Differences - budget to GAAP:			
Net effect of December 31, 2012 and 2013 revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the budget statement until collected.	<u>(48,597)</u>	<u>(6,946)</u>	<u>(6,965)</u>
Total revenues as reported on the Statement of Revenues,			
Expenditures, and Changes in Fund Balances - Governmental Funds.	<u>\$ 442,354</u>	<u>\$ 239,253</u>	<u>\$ 15,900</u>

NOTE 3 CUSTODIAL CREDIT RISK

Custodial credit risk is the risk associated with the failure of a depository institution. In the event of a depository financial institution's failure, the District would not be able to recover the deposits or collateralized securities that are in the possession of 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 on bonds.

The District maintains interest bearing cash on deposit at various financial institutions. The amount on deposit was insured by the FDIC up to \$250,000 at each institution. The amount on deposit in excess of FDIC insurance as of December 31, 2014 and 2013 was covered by pledged securities.

NOTE 4 DUE FROM COUNTY TREASURER

Property taxes collected by the county treasurer, but not remitted to the Park District on December 31, 2014 and 2013 are shown as a receivable on the combined balance sheets.

NOTE 5 TAXES RECEIVABLE

Taxes receivable consist of delinquent uncollected taxes at December 31 and are recorded as deferred inflows of resources in the governmental funds and recognized as revenue in the government-wide financial statements.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

NOTE 6 INTERFUND TRANSFERS

Interfund transfers at December 31, 2014 were as follows:

	<u>General Fund</u>	<u>Park & Recreation Facilities Fund</u>	<u>Social Security & Pension Fund</u>	<u>Total</u>
Transfer In	\$ 494,879	\$ 185,000	\$ -	\$ 679,879
Transfer Out	(185,000)	(468,023)	(26,856)	(679,879)
	<u>\$ 309,879</u>	<u>\$ (283,023)</u>	<u>\$ (26,856)</u>	<u>\$ -</u>

Interfund transfers at December 31, 2013 were as follows:

	<u>General Fund</u>	<u>Park & Recreation Facilities Fund</u>	<u>Social Security & Pension Fund</u>	<u>Total</u>
Transfer In	\$ 357,383	\$ 90,000	\$ 772	\$ 448,155
Transfer Out	(90,772)	(334,286)	(23,097)	(448,155)
	<u>\$ 266,611</u>	<u>\$ (244,286)</u>	<u>\$ (22,325)</u>	<u>\$ -</u>

Tax revenues and capital contributions are transferred from the Park and Recreation Facilities and Social Security and Pension Funds to the General Fund to pay for the upkeep of Park District facilities and employer Social Security, Medicare, and pension plan expenses, respectively.

NOTE 7 PENSION PLAN

The District participates in the North Dakota Public Employees' Retirement System (NDPERS) administered by the State of North Dakota. Following is a brief description of the plan.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan covering substantially all classified employees of the District. The plan provides retirement, disability, and death benefits. If an active employee dies with less than three years of credited service, a death benefit equal to the value of the employee's accumulated contributions, plus interest, is paid to the employee's beneficiary.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

If the employee has earned more than three years of credited service, the surviving spouse will be entitled to a single payment refund, lifetime monthly payments in an amount equal to 50% of the employee's accrued normal retirement benefit, 60 monthly payments equal to the employee's accrued normal retirement benefit calculated as if the employee were age 65 the day before death occurred or monthly payments in an amount equal to the employees' accrued 100% joint and survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the employee's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible employees who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits that are equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the employee must meet the criteria established by the Retirement Board for being considered totally disabled.

Employees are entitled to unreduced monthly pension benefits equal to 2.0% of their final average salary for each year of service beginning when the sum of age and years of credited service equal or exceed 85, or at normal retirement age (65). The plan permits early retirement at ages 55-64, with three or more years of service.

Benefit and contribution provisions are administered in accordance with chapter 54-52 of the North Dakota Century Code. This state statute required that 7% and 6% of the participant's salary be contributed to the plan by either the employee or by the employer under a "salary reduction" agreement for the years ended December 31, 2014 and 2013, respectively.

The District was required to contribute 7.12% and 6.12% of each participant's salary as the employer's share for the years ended December 31, 2014 and 2013, respectively. The required contributions are determined using an entry age normal actuarial funding method. The North Dakota Retirement Board was created by the State Legislature and is the governing authority of NDPERS. The District's required and actual contributions to NDPERS for the years ended December 31, 2014, 2013 and 2012 were \$17,385, \$14,586, and \$8,631, respectively.

NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for NDPERS. That report may be obtained by writing to NDPERS, 400 E Broadway, Suite 505, PO Box 1214, Bismarck, North Dakota 58502-1214.

NOTE 8 RISK MANAGEMENT

The Watford City Park 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 Watford City Park District pays an annual premium to NDIRF for its general liability coverage, and auto coverage. The coverage by NDIRF is limited to losses of two million dollars per occurrence.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

The Watford City Park District also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The District pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party. The State Bonding Fund provided the District with blanket fidelity bond coverage in the amount of \$281,000 and \$260,000 for the years ended December 31, 2014 and 2013, respectively. The State Bonding Fund does not currently charge any premium for this coverage.

The Watford City Park District participates in the North Dakota Worker's Compensation Bureau and purchases commercial insurance for employee health and accident insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 9 NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. This Statement establishes a definition of a pension plan that reflect the primary activities associated with the pension arrangement - determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. GASB 68 is effective for periods beginning after June 15, 2014.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68.

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. The Statement provides guidance for determining fair value measurements for reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. The requirements of this Statement are effective for financial statement periods beginning after June 15, 2015. Earlier application is encouraged.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local government employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

WATFORD CITY PARK DISTRICT
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2014 AND 2013

The effect of these standards on the financial statements has not yet been determined.

NOTE 10 EXPENDITURES IN EXCESS OF APPROPRIATIONS

The District had expenditures in excess of appropriations in the social security and pension fund of \$456 and \$67 for the years ended December 31, 2014 and 2013, respectively.

NOTE 11 COMMITMENTS AND CONTINGENCIES

The District is involved from time to time in various litigation matters arising in the normal course of business. In the opinion of management, the ultimate resolution of such litigation will not have a material adverse impact on the financial statements of the District.

NOTE 12 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Park District's year end. Subsequent events have been evaluated through February 10, 2017, which is the date these financial statements were available to be issued.



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

**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 Park District Board
Watford City Park District
Watford City, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Watford City Park District, as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise Watford City Park District's basic financial statements, and have issued our report thereon dated February 10, 2017. A qualified opinion was issued on these financial statements, as management has not capitalized property or recorded depreciation expense on capital assets.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Watford City 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Watford City Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Watford City Park District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as #2 to be a material weakness.

A *significant deficiency* is a deficiency, or 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. We consider the deficiencies described in the accompanying schedule of findings and responses as items #1 and #3 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Watford City Park District's financial statements are free of 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 determination of financial statement amounts. 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*.

Watford City Park District's Response to Findings

Watford City Park District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Watford City Park District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
Minot, North Dakota

February 10, 2017

WATFORD CITY PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2014 AND 2013

I. Findings Relating to Financial Statements

#1 *Financial Statement Preparation – Significant Deficiency*

Criteria

An appropriate system of internal controls requires that the Watford City Park District must make a determination that financial statements are properly stated in compliance with accounting principles generally accepted in the United States of America. This requires the Watford City Park District's personnel to maintain knowledge of current accounting principles and required financial statement disclosures.

Condition

The Watford City Park District does not have controls necessary to assess whether all relevant disclosures have been included in the financial statements as required by accounting principles generally accepted in the United States of America. The lack of appropriate disclosures may affect the user's judgment related to financial condition and results of operations of the Watford City Park District.

Context

The Watford City Park District's auditors prepared the financial statements as of December 31, 2014 and 2013.

Cause

It is not cost effective for the Watford City Park District to maintain knowledge of current accounting principles and required financial statement disclosures.

Effect

An appropriate system of internal controls is not present to make a determination that financial statements are properly stated in compliance with accounting principles generally accepted in the United States of America.

Recommendation

Compensating controls over financial statement disclosure requirements could be provided by the use of current disclosure checklists or the outsourcing of the financial statement preparation or review function.

Views of Responsible Officials and Planned Responses

Due to the small size of the Watford City Park District, it is not cost effective for the Watford City Park District to properly address this significant control deficiency.

WATFORD CITY PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
DECEMBER 31, 2014 AND 2013

#2 *Adjusting Journal Entries – Material Weakness*

Criteria

The Watford City Park District is required to maintain internal controls at a level where underlying support for general ledger accounts can be developed and a determination can be made that the general ledger accounts are properly reflected on a GAAP basis.

Condition

The Watford City Park District is required to maintain internal controls at a level where a determination can be made that the general ledger accounts are properly reflected on a modified accrual and accrual basis of accounting.

Context

During our audit, adjusting entries to the financial statements were proposed in order to bring the financial statements into compliance with accounting principles generally accepted in the United States of America.

Cause

It is not cost effective for the Watford City Park District to determine the proper balance of each general ledger account prior to the start of the audit.

Effect

The Watford City Park District does not maintain internal controls at a level where a determination can be made that the general ledger accounts are properly reflected on a modified accrual and accrual basis.

Recommendation

In order to comply with this requirement, accounting personnel will need to determine the proper balance of each general ledger account prior to the start of the audit.

Views of Responsible Officials and Planned Corrective Action

Due to the small size of the Watford City Park District, it is not cost effective for the Watford City Park District to properly address this material weakness deficiency.

WATFORD CITY PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
DECEMBER 31, 2014 AND 2013

#3 *Segregation of Duties – Significant Deficiency*

Criteria

Generally, an appropriate system of internal control has the proper separation of duties between authorization, custody, record keeping, and reconciliation functions.

Condition/Context

The District has one person responsible for most accounting functions.

Cause

The District has a limited number of staff available due to the size of the organization.

Effect

Under the current system, one individual has the ability to collect monies, deposit monies, issue checks, receive and post payments, and reconcile the District's bank accounts.

Recommendation

While the District has some monitoring controls in place, we recommend that the District review its current process to determine if the monitoring controls can be expanded and if any segregation controls can be economically implemented. We recommend the District consider adding board oversight or for the Board President to review the bank reconciliations to help mitigate this.

Views of Responsible Officials and Planned Corrective Action

Due to the small size of the Watford City Park District, it is not cost effective for the Watford City Park District to properly address this significant control deficiency.

WATFORD CITY PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED
DECEMBER 31, 2014 AND 2013

	Budgeted Amounts		
	Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	\$ 284,500	\$ 286,978	\$ 2,478
State Revenue	38,000	40,410	2,410
Service Revenue	114,000	158,606	44,606
Interest/dividend income	750	1,416	666
Grants and contributions	28,400	46,462	18,062
Oil lease income	-	157,408	157,408
Other income	750	28,877	28,127
Total revenues	<u>466,400</u>	<u>720,157</u>	<u>253,757</u>
EXPENDITURES			
Current:			
Park Operations	399,657	439,305	(39,648)
Capital Outlay	520,015	455,413	64,602
Total Expenditures	<u>919,672</u>	<u>894,718</u>	<u>24,954</u>
Excess (deficiency) of revenues over expenditures	<u>(453,272)</u>	<u>(174,561)</u>	<u>278,711</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	534,415	494,879	(39,536)
Transfers out	<u>(185,000)</u>	<u>(185,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>349,415</u>	<u>309,879</u>	<u>(39,536)</u>
Net change in fund balances	(103,857)	135,318	239,175
Fund balances - beginning (budgetary basis)	<u>319,709</u>	<u>319,709</u>	<u>-</u>
Fund balances - ending (budgetary basis)	<u>\$ 215,852</u>	<u>\$ 455,027</u>	<u>\$ 239,175</u>

WATFORD CITY PARK DISTRICT
PARK AND RECREATION FACILITIES FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	37,180	36,891	(289)
Grants and contributions	100,000	962,853	862,853
Total revenues	<u>137,180</u>	<u>999,744</u>	<u>862,564</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	185,000	185,000	-
Transfers out	(508,015)	(476,073)	31,942
Total other financing sources (uses)	<u>(323,015)</u>	<u>(291,073)</u>	<u>31,942</u>
Net change in fund balances	(185,835)	708,671	894,506
Fund balances - beginning (budgetary basis)	227,592	227,592	-
Fund balances - ending (budgetary basis)	<u>\$ 41,757</u>	<u>\$ 936,263</u>	<u>\$ 894,506</u>

WATFORD CITY PARK DISTRICT
SOCIAL SECURITY AND PENSION FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2014

	Budgeted Amounts Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	26,681	26,653	(28)
Total revenues	<u>26,681</u>	<u>26,653</u>	<u>(28)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	(26,400)	(26,856)	(456)
Total other financing sources (uses)	<u>(26,400)</u>	<u>(26,856)</u>	<u>(456)</u>
Net change in fund balances	281	(203)	(484)
Fund balances - beginning (budgetary basis)	2,102	2,102	-
Fund balances - ending (budgetary basis)	<u>\$ 2,383</u>	<u>\$ 1,899</u>	<u>\$ (484)</u>

WATFORD CITY PARK DISTRICT
GENERAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	\$ 177,440	\$ 180,996	\$ 3,556
State Revenue	36,000	53,538	17,538
Service Revenue	105,000	151,004	46,004
Interest/dividend income	500	1,157	657
Grants and contributions	29,500	34,625	5,125
Other income	36,000	69,631	33,631
Total revenues	<u>384,440</u>	<u>490,951</u>	<u>106,511</u>
EXPENDITURES			
Current:			
Park Operations	373,246	354,263	18,983
Capital Outlay	401,852	377,091	24,761
Total Expenditures	<u>775,098</u>	<u>731,354</u>	<u>43,744</u>
Excess (deficiency) of revenues over expenditures	<u>(390,658)</u>	<u>(240,403)</u>	<u>150,255</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	385,110	357,383	(27,727)
Transfers out	(90,000)	(90,772)	(772)
Total other financing sources (uses)	<u>295,110</u>	<u>266,611</u>	<u>(28,499)</u>
Net change in fund balances	(95,548)	26,208	121,756
Fund balances - beginning (budgetary basis)	293,501	293,501	-
Fund balances - ending (budgetary basis)	<u>\$ 197,953</u>	<u>\$ 319,709</u>	<u>\$ 121,756</u>

WATFORD CITY PARK DISTRICT
PARK AND RECREATION FACILITIES FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	\$ 22,550	\$ 22,744	\$ 194
Grants and contributions	150,000	216,955	66,955
Other income	-	6,500	6,500
Total revenues	<u>172,550</u>	<u>246,199</u>	<u>73,649</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	90,000	90,000	-
Transfers out	<u>(362,852)</u>	<u>(326,236)</u>	<u>36,616</u>
Total other financing sources (uses)	<u>(272,852)</u>	<u>(236,236)</u>	<u>36,616</u>
Net change in fund balances	(100,302)	9,963	110,265
Fund balances - beginning (budgetary basis)	217,629	217,629	-
Fund balances - ending (budgetary basis)	<u>\$ 117,327</u>	<u>\$ 227,592</u>	<u>\$ 110,265</u>

WATFORD CITY PARK DISTRICT
SOCIAL SECURITY AND PENSION FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET TO ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts Original and Final	Actual Amounts Budgetary Basis	Budget to Actual Differences
REVENUES			
Local property taxes	\$ 22,625	\$ 22,865	\$ 240
Total revenues	<u>22,625</u>	<u>22,865</u>	<u>240</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	772	772
Transfers out	(22,258)	(23,097)	(839)
Total other financing sources (uses)	<u>(22,258)</u>	<u>(22,325)</u>	<u>(67)</u>
Net change in fund balances	367	540	173
Fund balances - beginning (budgetary basis)	1,562	1,562	-
Fund balances - ending (budgetary basis)	<u>\$ 1,929</u>	<u>\$ 2,102</u>	<u>\$ 173</u>