


June 11, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman and President Jeske

FROM: Randy Bina, Executive Director 

SUBJECT: June 17, 2021 Park Board Meeting Packet and Overview

Commissioners:

Enclosed you will find the packet of information and overview for the Park Board meeting on June 17, 2021 at 5:15 pm at the Tom Baker Meeting room.

- Item 1.** Call Meeting to Order and Roll Call
- Item 2.** Approve Agenda
- Item 3.** Featured Partners and Programs
- Sam McQuade Sr./Budweiser Charity Softball Tournament– Mike Wolf, Tournament Co-Director
  - July Celebration – Recreation Supervisor Spencer Aune
- Item 4.** Consider Resolution Authorizing the Issuance and Sale of General Obligation Park Facilities Bonds, Series 2021  
Mike Manstrom from Colliers International will appear before the Board to present the results of the bond sale. Finance Director Kathy Feist has provided information in your packet.
- Item 5.** 2020 Audit Presentation  
Mindy Piatz will present the audited 2021 financial statements. Information is provided in your packet.
- Item 6.** Consideration of Elk Ridge Third Addition Land Donation  
Jason Petryszyn from Swenson Hagen will appear before the Board to review the information found in your packet. The Board could act on whether or not to accept the land donation.
- Item 7.** Consideration of 2021 Matching Grant Applications, Round 2  
Commissioner Gilbertson will review the information provided in your packet regarding the grant applications and proposed funding.

*A nationally accredited park and recreation agency.*

**Item 8.**

Silver Ranch Neighborhood Park Name Consideration

In your packet you will find an email from Karen Danley, representing the Silbernagel family, regarding their request to name the neighborhood park in the Silver Ranch development “A. James Silbernagel Memorial Park.” The park development agreement with the Silbernagel family includes the following statement: “Naming Rights. The Property Owner shall have the right to name the Park Area, subject to the approval of the Park Board.” Staff requests Board approval of the request to name the park.

**Item 9.**

Disposition of Bids

Enclosed in your packet you will find summaries of the bids received for the following projects:

- Sertoma Park Playground Near Shelter #11
- Cottonwood Fence Project
- Fox Island Improvements
- McDowell Dam Improvements

**Item 10.**

Consent Agenda

A variety of items have been placed in a consent agenda. A consent agenda can be approved with one motion, or an item or items can be removed for additional discussion and separate action. Staff recommends approval of the following items:

- Review and Approval of May 20, 2021, May 27, 2021 and June 2, 2021 Board Meeting Minutes – The minutes are included for your consideration.
- Request Board Approval of Corrected April 15, 2021 Board Meeting Minutes – The April 15, 2021 Board meeting minutes failed to include Commissioner Jordan’s voting on two motions on page two of the minutes. Staff recommends Board approval of the corrected minutes.
- Request Board Approval of the following Agreements – Facilities and Programs Director Kevin Klipfel has provided information on the following agreements:
  - USA Softball – 2021 Slow Pitch Men’s D National Tournament
  - VFW Sports Center Advertising Agreement
  - Capital Ice Complex Advertising Agreement

**Item 11.**

Approval of Bills

Individuals or organizations who wish to appear before the Board on an existing agenda item will also make the request in writing or emailed, delivered to the Bismarck Parks and Recreation District office by 12:00 noon, 2 days prior to the regular monthly meeting of the Board of Park Commissioners.

Next Regular Board Meeting: July 15, 2021 at 5:15 pm in the Tom Baker Meeting Room

# Memo

To: Board of Park Commissioners and Randy Bina, Executive Director  
From: Kathy Feist, Finance Director *KF*  
Date: June 10, 2021  
Re: General Obligation Park Facilities Bonds, Series 2021 Bond Sale

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In December 2020, the Park Board authorized the sale of General Obligation Bonds, Series 2021 for the purpose of funding the construction of park improvements including, Sertoma Park parking lot, Sleepy Hollow trail, Gateway Pond trail, Capitol Outfall trail, Igoe Park parking lot, Bismarck Municipal Ballpark lighting system, Tom O'Leary restrooms, and related work and improvements. The initial resolution was published in December 2020 and no protests were received within 60 days of the publication as allowed by NDCC.

Mike Manstrom with Colliers International (formerly Dougherty & Company LLC) will present the results of the General Obligation Park Facilities Bonds, Series 2021, bond sale to the Board. If acceptable, the Board should adopt the resolution authorizing issuance of the general obligation bonds.

Attached is a copy of the Resolution Authorizing the Issuance and sale of General Obligation Park Facilities Bonds, Series 2021 that will be updated with the actual bond sale results prior to the Park Board meeting. Mr. Manstrom will provide additional information about the resolution and address any questions regarding the resolution or bond sale.

Requested Board action is to approve the Resolution Authorizing the Issuance and Sale of General Obligation Park Facilities Bonds, Series 2021.

PARK DISTRICT OF THE CITY OF BISMARCK, NORTH DAKOTA

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF  
\$ \_\_\_\_\_  
GENERAL OBLIGATION PARK FACILITIES BONDS, SERIES 2021

ARTICLE I  
RECITALS

The Park District of the City of Bismarck, North Dakota (the "**District**"), a political subdivision of the State of North Dakota duly formed and organized under the provisions of Chapter 40-49 of the North Dakota Century Code (the "**N.D.C.C.**"), by this Resolution Authorizing the Issuance and Sale of General Obligation Park Facilities Bonds, Series 2021 (the "**Resolution**") authorizes the issuance of its General Obligation Park Facilities Bonds, Series 2021 (the "**Bonds**") in the aggregate principal amount of \$ \_\_\_\_\_ for the purpose of constructing several park improvements, including, but not limited to, Sertoma Park parking lot, Sleepy Hollow trail, Gateway Pond trail, Capitol Outfall trail, Igoe Park parking lot, Bismarck Municipal Ballpark lighting system, Tom O'Leary restrooms, and related work and improvements and to pay costs incidental to such work and bond issuance (the "**Project**"), all as detailed herein.

The District hereby makes the following recitals regarding the Bonds:

Section 1.01. Initial Resolution, Amount, and Purpose. On December 17, 2020, the governing body of the District adopted an Initial Resolution (the "**Initial Resolution**") for the purpose of instituting proceedings for the issuance of up to \$2,500,000 in general obligation bonds under the authority of N.D.C.C. Chapter 21-03.

Section 1.02. Initial Resolution Adoption and Filing. Upon adoption of the Initial Resolution by the District's governing body, the governing body ordered the Initial Resolution be published in the *Bismarck Tribune*, the District's official newspaper, on December 24, 2020.

Section 1.03. Protests Insufficient. The Clerk has certified that, within 60 days after the aforementioned publication, there were not received written protests against adoption of the Initial Resolution signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the District.

Section 1.04. Debt Limit. The issuance of the Bonds will not exceed any statutory or constitutional limit on indebtedness of the District.

Section 1.05. Project Purpose and Authority. Authorized the issuance of bonds, pursuant to the Initial Resolution, to be issued for the purpose of providing funds for the cost of the Project, which is a valid and authorized purpose for which the District may incur general obligation indebtedness pursuant to the terms and provisions of N.D.C.C. Section 21-03-06(4).

Section 1.06. Estimated Cost of Project. The cost of the Project is estimated at not less than the principal amount of the Bonds.



Section 1.07. Statutory and Procedural Compliance. The District has performed all statutorily required procedures preliminary to the issuance of the Bonds and asserts that as a condition of issuance all required acts, conditions and things prerequisite to the issue of the Bonds have been performed and do exist and have been performed by the governing body which is legally constituted and empowered to bind the District.

Section 1.08. Contract Letting. The District has let or will let contracts for any construction and equipment acquisition according to law.

NOW, THEREFORE, be it resolved by the governing body of the District as follows:

## **ARTICLE II CONDITIONS AND AGREEMENTS**

Section 2.01. Appropriation. All monies required to be deposited in any funds and accounts established by this Resolution are hereby dedicated and appropriated to the payment of outstanding obligations properly chargeable against such funds and accounts when due and payable without further authorization from the governing body of the District.

Section 2.02. Expenditure and Accounting. Expenditure of monies from any funds and accounts established pursuant to this Resolution shall be made and accounted for by the officer or officers of the District empowered to expend and required to account for the expenditure of the District's funds.

Section 2.03. Official Certifications. The officers of the District are hereby authorized and directed to take all actions, and execute and carry out or cause to be carried out the obligations which are necessary or advisable in connection with this Resolution and the issuance, sale and delivery of the Bonds. Such actions include, but shall not be limited to preparation and authorization of the use of a Preliminary Official Statement and preparation, authorization of the use and execution of an Official Statement relating to the Bonds, and amendments and supplements thereto. The officers of the District are further authorized and directed to prepare, execute and furnish to the attorneys passing on the legality of the Bonds, certified copies of all proceedings, ordinances, resolutions and records and all such certificates and affidavits and other instruments as may be required to evidence the legality and marketability of the Bonds, and all certified copies, certificates, affidavits and other instruments so furnished shall constitute representations of the District as to the correctness of all facts stated or recited therein. The officers of the District are further authorized to execute a continuing disclosure certificate. Delivery of the Bonds is subject to the approving opinion of bond counsel and customary closing certificates, including a certificate as to absence of material litigation and an arbitrage certificate.

Section 2.04. Arbitrage Compliance. The District covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the District's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Internal Revenue Code, as amended (the "**Code**") and regulations prescribed under such Section, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross

income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 2.05. Qualified Tax-Exempt Obligations. The District hereby designates the Bonds as "qualified tax-exempt obligations" under Section 265 of the Code relating to the deduction allowed financial institutions for interest expense allocable to tax-exempt interest. The District represents that: (i) the Bonds are not private activity bonds under the private activity bond definition in the Code; (ii) the reasonably anticipated amount of qualified tax-exempt obligations (other than private activity bonds except for "qualified 501(c)(3) bonds" as defined in the Code) which will be issued during 2021 will not exceed \$10,000,000; and (iii) not more than \$10,000,000 of qualified tax-exempt obligations will be designated by the District (including any subordinate entities) for the calendar year 2021.

Section 2.06. Filing With County Auditor. The Clerk is directed to file with the Burleigh County Auditor a certified copy of this Resolution and to obtain from the County Auditor a certificate stating that this Resolution has been so filed and that the Bonds have been recorded substantially in the manner provided in Section 21-03-23, N.D.C.C.

Section 2.07. Debt Limit Certification. The Bonds will be endorsed by the manual or facsimile signature of the Clerk certifying that the Bonds are issued in accordance with law and are within the debt limit of the District.

Section 2.08. Custodian of Funds and Accounts. The Clerk of the District is hereby designated as the custodian of any funds and accounts established by this Resolution and is hereby authorized to take any action necessary to the levy and collection of taxes certified for collection by this Resolution.

Section 2.09. Tax Levies. The full faith and credit and taxing powers of the District are irrevocably pledged for the prompt and full payment of the principal of and interest on the Bonds. A general tax direct, annual and irrevocable is hereby levied pursuant to the terms of N.D.C.C. Section 21-03-15 in sufficient amount, and in amounts of not less than nor for fewer years than shown on Attachment 1 hereto, when taken together with any other monies provided from sources committed by the District for the express purpose of paying the interest on such Bonds as it falls due, and also to pay and discharge the principal thereof at maturity.

The District shall be without power and shall continue without power to repeal such levy or levies or to obstruct a collection of any such tax until payments have been made or provided for, except that if the governing body in any year makes an irrevocable appropriation to the Sinking Fund Account of monies actually on hand, or if there is on hand in the Sinking Fund Account an excess amount, the governing body may cause its Clerk to certify the fact and amount to the Burleigh County Auditor with the direction that the County Auditor should reduce by the amount so certified the amount otherwise to be included in the tax rolls next thereafter prepared.

Section 2.10. Rebate Compliance. The District covenants to pay directly to the government of the United States of America all amounts due with respect to "arbitrage rebate" under Section 148(f) of the Code in connection with the Bonds.

Section 2.11. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section.

Section 2.12. Official Statement. The Official Statement relating to the Bonds, prepared and distributed on behalf of the District by Colliers Securities LLC, is hereby approved, and the officers of the District are hereby authorized and directed to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency thereof.

Section 2.13. Certificates. The President and Clerk, in consultation with bond counsel, are hereby authorized to deliver a certificate which cures ambiguities, defects or omissions herein, corrects, amends or supplements any provision herein, all in furtherance of the financing contemplated herein.

### **ARTICLE III FUND AND ACCOUNTS**

Section 3.01. Establishment of Fund. There is hereby established the Park District of the City of Bismarck, North Dakota, General Obligation Park Facilities Bonds, Series 2021 Fund (the "**Fund**") which shall be held separate and distinct from all other funds to be used for the purposes for which it was borrowed and for no other purpose, except temporary investment, and as otherwise permitted by law and shall be held by the Clerk of the District on deposit with a qualified depository of public funds as provided by law.

Section 3.02. Establishment of Accounts. There are hereby established within the Fund the following accounts:

- A. Construction Account. The net proceeds (gross proceeds less the underwriter's discount) from the Bonds shall be deposited into the Construction Account, less any accrued or funded interest thereon which shall be deposited in the Sinking Fund Account, any additional monies pledged to defraying the construction cost and all administrative costs and fees incident to the construction and issuance, and any investment earnings on the Construction Account. Payable from the Construction Account shall be the costs incidental to the construction and equipping of the Project and costs incidental to the issuance of the Bonds.
- B. Sinking Fund Account. Into the Sinking Fund Account shall be deposited (i) any accrued interest and any funded interest on the Bonds when sold, (ii) any balances remaining in the Construction Account when it is determined unlikely that any additional cost properly payable from the Construction Account will arise, and (iii) all collections from the levy of the general taxes required by Section 2.09 of this Resolution and funds from any other source so appropriated by the governing body. The District shall deposit with the Paying Agent five days prior to the date on which any payment is due on the Bonds, an amount sufficient to make that payment.

## ARTICLE IV SALE OF BONDS

Section 4.01. Sale. As directed by the District, notice of sale of the Bonds has been published in the *Bismarck Tribune* on \_\_\_\_\_, 2021. The written bids received for the purchase of the Bonds have been submitted to this governing body. All written bids received for the purchase of the Bonds, excepting the bid herein stated, are hereby rejected, and the Bonds are sold to \_\_\_\_\_ (the "**Underwriter**") as the best responsible and most favorable bidder therefore, at a price of \$ \_\_\_\_\_ and a true interest rate of \_\_\_\_%, the sale to be subject to all of the terms and conditions set forth herein, in the notice of sale of the Bonds and in the accepted bid presented to this governing body.

Section 4.02. Principal Amount. The total principal amount of the Bonds shall be \_\_\_\_\_ Dollars (\$ \_\_\_\_\_).

Section 4.03. Denominations and Book Entry Registration. The Bonds shall be issued as book entry bonds as required by the Depository Trust Company ("**DTC**"), New York, New York, in the aggregate principal amount equal to the principal amount of the Bonds. The Bonds shall be registered in the name of Cede & Co., as nominee of the DTC and the Paying Agent shall treat the record owner as the absolute owner of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, references herein to the Bondholder, owner, etc. shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds. Sales by the purchaser of beneficial interest participations in the Bonds to beneficial owners will be limited to minimum denominations of five thousand dollars (\$5,000) or any integral multiple in excess thereof.

With respect to the Bonds registered in the registration books kept by the Paying Agent in the name of Cede & Co., as nominee of DTC, the District, and the Paying Agent shall have no responsibility or obligation to any Participant (as defined in the Blanket Issuer Letter of Representations entered into between the District and DTC) or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Paying Agent, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Participant or any other person, other than a Bondholder, as shown in the registration books kept by the Paying Agent, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Bond for the purpose of registering transfers with respect to such Bond. The Paying Agent shall pay all principal of, premium, if any, and the interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the registration books kept by the Paying Agent, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the registration books kept by the Paying Agent, shall receive a certificated Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant hereto. Upon delivery by DTC to the Paying Agent of written notice to the effect



that DTC has determined to substitute a new nominee in place of Cede Co., and subject to the provisions herein with respect to record dates, the word "Cede & Co." shall refer to such new nominee of DTC.

The Blanket Issuer Letter of Representations has been executed by the District and has been filed with DTC. The District will secure the Paying Agent's representation that it will comply with the requirements of the DTC Operational Arrangements Memorandum dated December 12, 1994, as it may be amended from time to time.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and the Paying Agent. The District may terminate the services of DTC with respect to the Bonds if the District determines that: (i) DTC is unable to discharge its responsibilities with respect to the Bonds, or (ii) a continuance of the requirement that all of the outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

Upon the termination of the services of DTC with respect to the Bonds, or upon the discontinuance or termination of the services of DTC with respect to any portion of the Bonds pursuant to this section after which no substitute bond depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the District, is willing and able to undertake such functions upon reasonable and customary terms, the District is obligated to deliver Bond certificates to the Bondholders and the Bonds shall no longer be restricted to being registered in the registration books kept by the Paying Agent in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names the Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision hereof to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations.

Section 4.04. Maturity. The Bonds shall mature serially.

Section 4.05. Numbering. The Bonds shall be numbered in consecutive numerical order from R-1 upwards as issued.

Section 4.06. Dates. The Bonds shall be dated July 1, 2021.

Section 4.07. Principal Maturities. The Bonds shall mature or be subject to mandatory redemption on May 1 in the years and in the amounts set forth in the Schedule of Maturities and Interest Rates attached as Attachment 2.

Section 4.08. Redemption. Bonds maturing in the years 2022 through 2027 are payable on their respective stated maturity dates without option of prior payment. Bonds maturing in the years 2028 and thereafter shall be subject to redemption and prepayment at the option of District, in any order of maturities and by lot, assigned in proportion to their principal amount, within any maturity, on May 1, 2027, and on any date thereafter, at a price equal to the principal amount thereof plus accrued interest. Not less than 30 days prior to the date specified for prepayment and redemption of any Bonds the District will cause notice of the call thereof to be mailed to the registered owner and to the Paying Agent at which principal and interest are then payable. Upon partial redemption of any

Bond, a new Bond or Bonds will be delivered to the owner without charge, representing the remaining principal amount outstanding.

Section 4.09. Registrar, Authenticating and Paying Agent, and Place of Payment. Starion Bond Services, Bismarck, North Dakota is hereby appointed the sole Paying Agent for the Bonds. The place of payment of the principal or Redemption Price of and interest on the Bonds shall be the office of the Paying Agent. Interest on the Bonds and, upon presentation and surrender thereof, the principal thereof shall be payable in lawful money of the United States of America by wire transfer to DTC by Starion Bond Services, Bismarck, North Dakota, as Bond Registrar, Authenticating and Paying Agent (the "**Bond Registrar**" or "**Paying Agent**"), or its successor.

Section 4.10. Preparation, Execution and Delivery. The Bonds shall be prepared under the supervision and at the direction of the Clerk of the District, sealed with the original or a facsimile seal of the District, executed by the manual or facsimile signature of the President of the Board of Park Commissioners of the District and attested to by the manual or facsimile signature of the Clerk and delivered to the Underwriter at closing upon receipt of the purchase price plus any accrued interest. The Bonds shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under this Resolution until the Certificate of Authentication thereon shall have been executed by the Bond Registrar by manual signature of one of its authorized representatives. The Bonds shall be reproduced in substantially the form on file with the Clerk.

Section 4.11. Interest. The Bonds shall bear interest at the rates set forth in the Schedule of Maturities and Interest Rates attached hereto as Attachment 2. Interest shall be payable on May 1 and November 1 in each year, commencing May 1, 2022, to the person in whose name each Bond is registered at the close of business on the 15<sup>th</sup> day (whether or not a business day) of the immediately preceding month. Interest on the Bonds shall cease at maturity or on a date prior thereto on which they have been duly called for redemption unless the holder thereof shall present the same for payment and payment is refused.

Section 4.12. Source of Payment/Security. The Bonds are payable as to principal and interest from the Sinking Fund Account created by this Resolution, which Sinking Fund Account shall derive its revenues from the levy of a general obligation ad valorem tax against all the taxable property located within the boundaries of the District.

Section 4.13. Assignment. The Bonds are transferable upon the books of the District at the principal office of the Bond Registrar, by the registered owner thereof in person or by the owner's attorney duly authorized in writing upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner's attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange, the District will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange. No transfer of Bonds shall be required to be made during the fifteen days next preceding an interest payment date, nor during the forty-five (45) days next preceding the date fixed for redemption of Bonds.

Section 4.14. Discharge. When all of the Bonds, and the interest thereon, have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this Resolution shall cease. The District may discharge all Bonds and interest due on any date by

depositing with the Paying Agent on or before that date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon should not be paid when due, the same may nevertheless be discharged by depositing with the Paying Agent a sum sufficient for the payment thereof in full with interest accrued from the due date to the date of such deposit. The District may also discharge all prepayable Bonds, if any, called for redemption on any date when they are prepayable according to their terms, by depositing with the Paying Agent on or before that date a sum sufficient for the payment thereof in full, provided that notice of the redemption thereof has been duly given as provided herein. The District may also discharge all Bonds at any time, by irrevocably depositing in escrow with an escrow agent, for the purpose of paying all principal and interest due on such Bonds prior to a date upon which all of the same will be prepayable according to their terms, and paying all remaining Bonds on that date, a sum of cash and securities of the same types described in N.D.C.C. Section 21-03-06(7)(c) or deposits in the Bank of North Dakota which, as provided by N.D.C.C. Section 6-09-10, are guaranteed by the State in such aggregate amount, bearing interest at such rates and maturing or callable at the holder's option on such dates as shall be required to provide funds sufficient for this purpose; provided that notice of the redemption of all prepayable Bonds on or before such date has been duly given as required herein.

Dated: June 17, 2021.

**PARK DISTRICT OF THE  
CITY OF BISMARCK, NORTH DAKOTA**

**Attest:**

\_\_\_\_\_  
President, Board of Park Commissioners

\_\_\_\_\_  
Clerk

The governing body of the District acted on the foregoing resolution at a properly noticed meeting held in Bismarck, North Dakota, on June 17, 2021, with the motion for adoption made by \_\_\_\_\_ and seconded by \_\_\_\_\_, and the roll call vote on the motion was as follows:

"Aye" \_\_\_\_\_

"Nay" \_\_\_\_\_

"Absent" \_\_\_\_\_

ATTACHMENT 1

\$ \_\_\_\_\_  
 PARK DISTRICT OF THE CITY OF BISMARCK, NORTH DAKOTA  
 GENERAL OBLIGATION PARK FACILITIES BONDS, SERIES 2021

**TAX LEVY**

<u>Year of Levy</u>	<u>Year of Collection</u>	<u>Levy*</u>
2021	2022	\$
2022	2023	\$
2023	2024	\$
2024	2025	\$
2025	2026	\$
2026	2027	\$
2027	2028	\$
2028	2029	\$
2029	2030	\$
2030	2031	\$

\* Levy is approximately ten percent greater than the amount of principal and interest due to accommodate the five percent discount for taxes paid prior to February 15<sup>th</sup> of each tax year and late payments.



\$ \_\_\_\_\_  
 PARK DISTRICT OF THE CITY OF BISMARCK, NORTH DAKOTA  
 GENERAL OBLIGATION PARK FACILITIES BONDS, SERIES 2021

**SCHEDULE OF MATURITIES AND INTEREST RATES**

**Serial Bonds**

<u>Date</u>	<u>Amount</u>	<u>Rate</u>
May 1, 2022	\$	%

**Term Bonds**

<b>\$ @ % Term Bond Maturing May 1, 20</b>	
<u>Date</u>	<u>Principal Amount</u>

# Memo

TO: Board of Park Commissioners and Randy Bina, Executive Director  
FROM: Kathy Feist, Finance Director *KF*  
DATE: June 10 2020  
RE: 2020 Audit Report

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The audited financial statements for the year ended December 31, 2020, and the management letter are included in your agenda packets. Mindy Piatz from Brady, Martz and Associates will present the audited financial statements.

Requested Board action is to either approve the Bismarck Parks and Recreation District's audited financial statements for the year ended December 31, 2020 at the June 17, 2021 board meeting or postpone board action until the July 15<sup>th</sup> meeting if more time to review is needed.

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Bismarck Parks and Recreation District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Bismarck Parks and Recreation District, as of December 31, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Correction of Error**

As described in Note 18 to the financial statements, the 2019 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bismarck Parks and Recreation District's basic financial statements. The schedule of expenditures of federal awards and related notes are presented for purposes of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and are also not required part of the basic financial statements.

The schedule of expenditures of federal awards, and notes to the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, and notes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2021 on our consideration of the Bismarck Parks and Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bismarck Parks and Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bismarck Parks and Recreation District's internal control over financial reporting and compliance.



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

June 9, 2021

**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

This section of the Bismarck Parks and Recreation District's (the District) annual financial report presents a discussion and analysis of the District's financial performance for the year ended December 31, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers are encouraged to review the District's basic financial statements, which follow this section, to enhance their understanding of the District's financial performance.

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

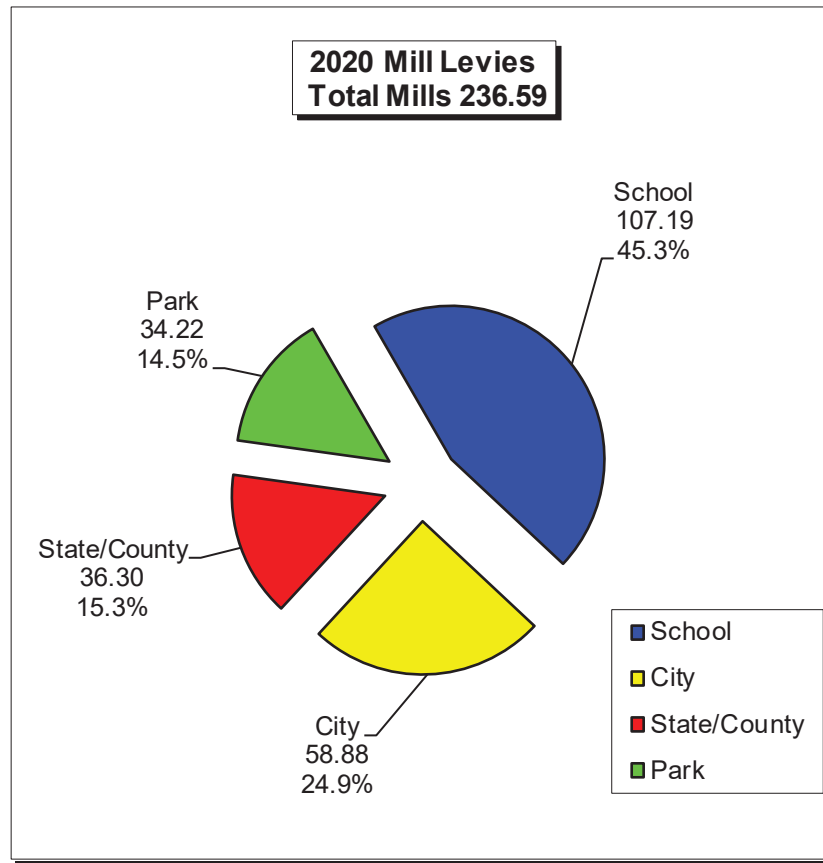
***Financial Highlights***

- The total assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at December 31, 2020 by \$52,697,271. Of this amount, \$4,896,851 is unrestricted in governmental activities and may be used to meet the District's ongoing obligations. Another \$2,896,357 is restricted by constraints imposed on resources either externally or imposed by law and \$44,904,063 is invested in capital assets.
- The District's total net position increased by \$4,868,623 during the year ended December 31, 2020.
- At December 31, 2020, the District's governmental funds reported combined ending fund balances of \$10,038,275, an increase of \$2,426,171 in comparison with the 2019 year. About \$1.5 million of this increase is due to the receipt of bond proceeds to fund the construction of the park shop maintenance facility that will be completed in 2021. The balance of this increase is not attributable to any specific transaction but rather a combination of a net increase in the collection of revenue plus a net decrease in expenditures.
- The District had \$16,937,410 in general fund revenue and \$357,332 in other financing sources. General fund expenditures were \$16,543,909 and there were no other financing uses. Local taxes contributed to 51% of the general fund revenue. Revenues and other sources exceeded expenditures and other uses by \$750,833.
- At December 31, 2020, the general fund unassigned fund balance was \$3,735,435 or 22.6% of total general fund expenditures and transfers out.
- The District's long-term financing debt decreased by \$78,132 (.3 percent) during the 2020 year. Revenue bond proceeds in the amount of \$5,915,000 were obtained to finance the park shop maintenance facility and to refinance the capital lease for the Capital Ice Complex expansion.



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

The District receives property tax revenue through the mill levy process. The District's mill levy for 2020 due January 2021 was 34.22 or 14.5% of the total mills levied. The general fund mill levy was 22.62 mills. The following chart indicates the allocation of property tax funds to the major governmental entities.

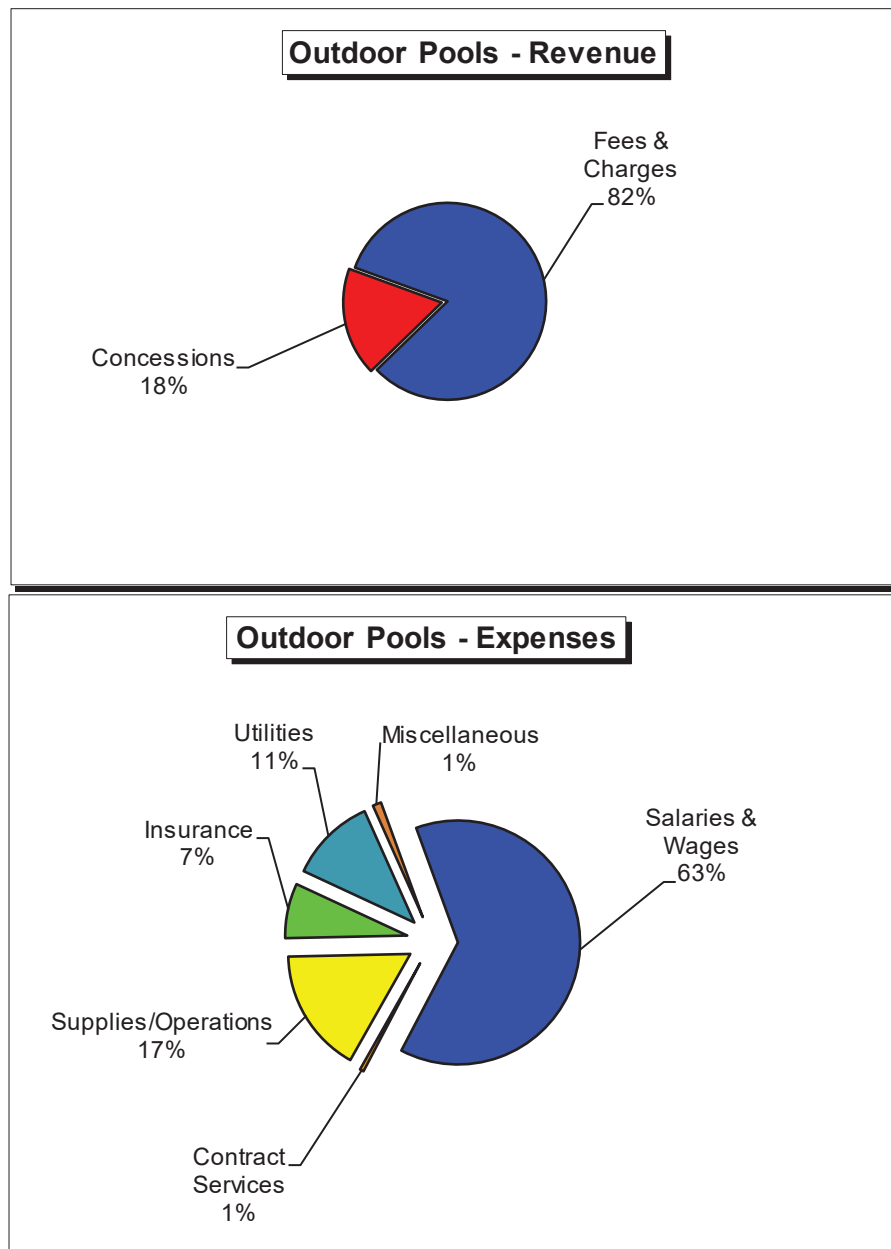


**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

**Facility Division - Outdoor Swimming Pools**

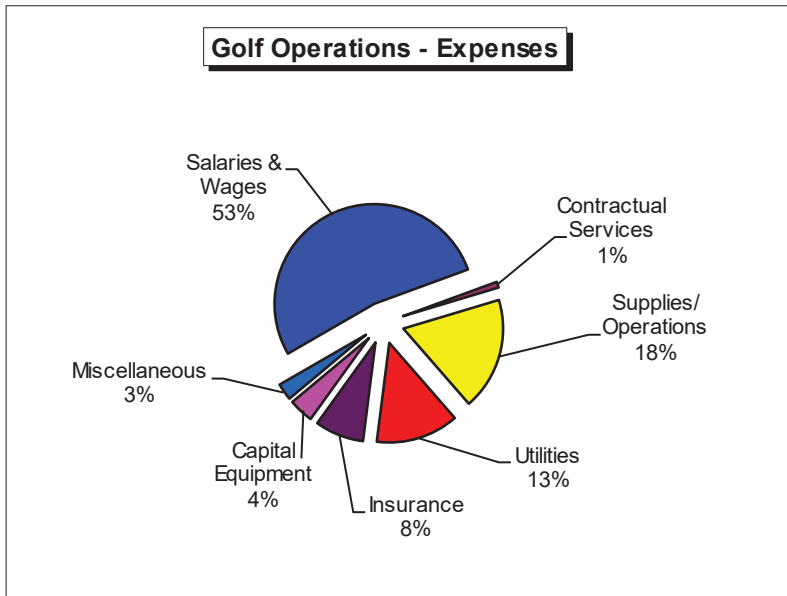
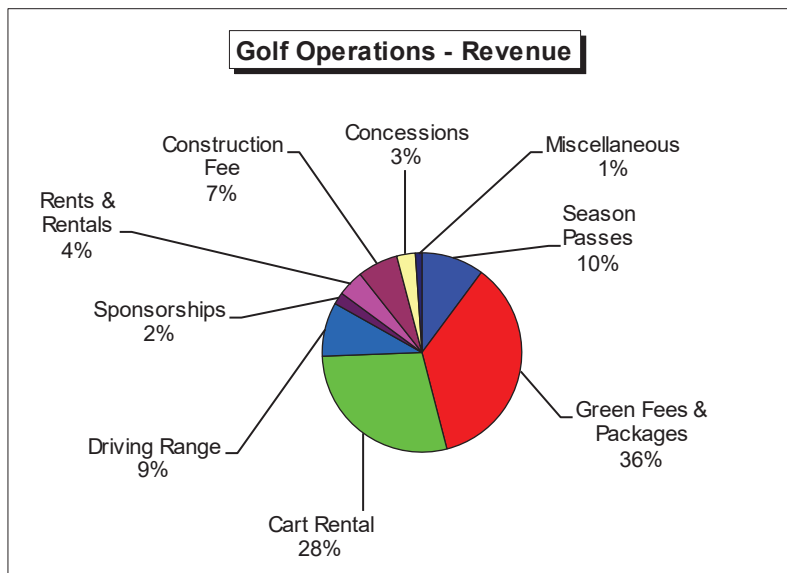
- The District operates three swimming pools – Elks Aquatic Center, Hillside Aquatic Complex and Wachter Aquatic Complex. The daily attendance at the three pools was 40,923, for the entire 2020 year, a decrease of 3,329 from 2019.
- 40% of operating costs of the pools were covered by non-tax revenue.



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Golf Operations Division**

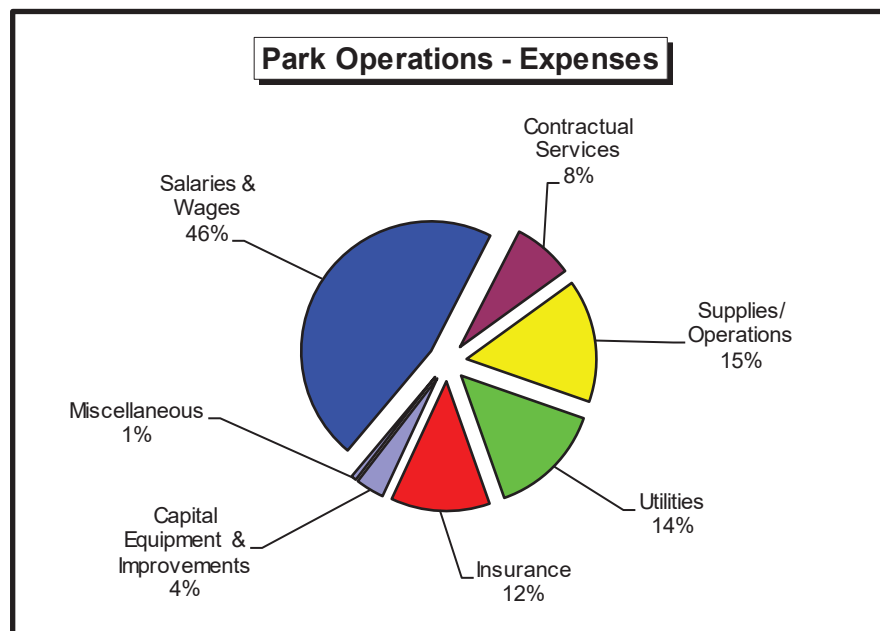
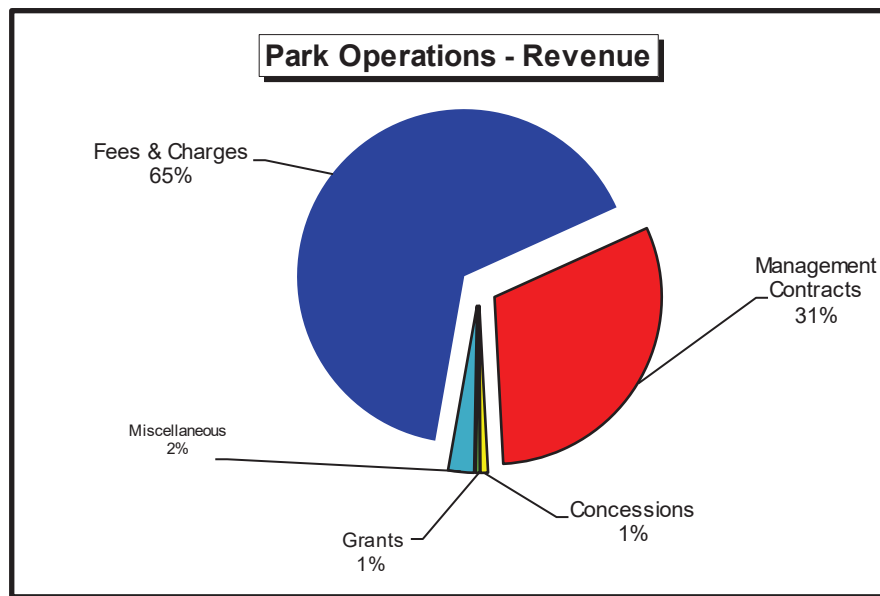
- The Golf Operations Division operates three golf courses – Riverwood, Tom O'Leary and the Pebble Creek/Fore Seasons Center.
- The golf courses had 84,374 rounds of golf during 2020. This was 20,015 rounds more than 2019.
- 80% of operating costs were covered by non-tax revenue.
- *The following is a graphic presentation of revenue and expenses related to Golf Operations:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Park Operations Division**

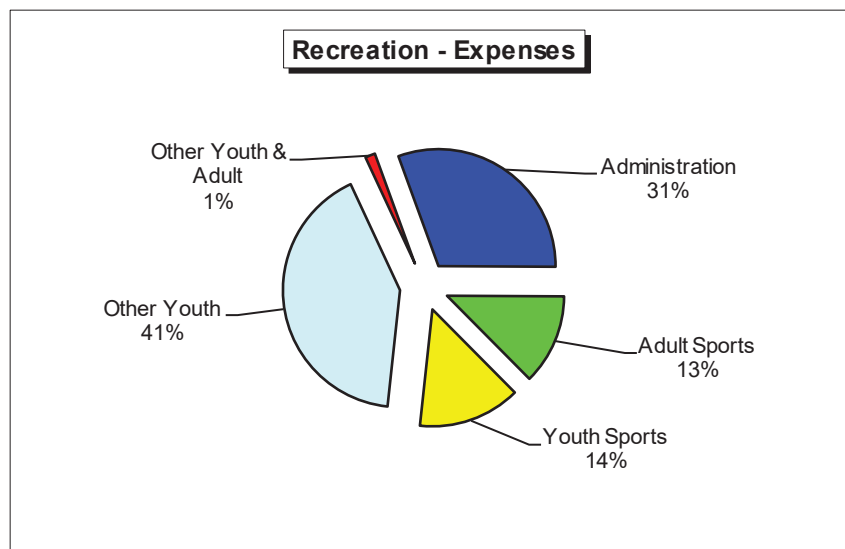
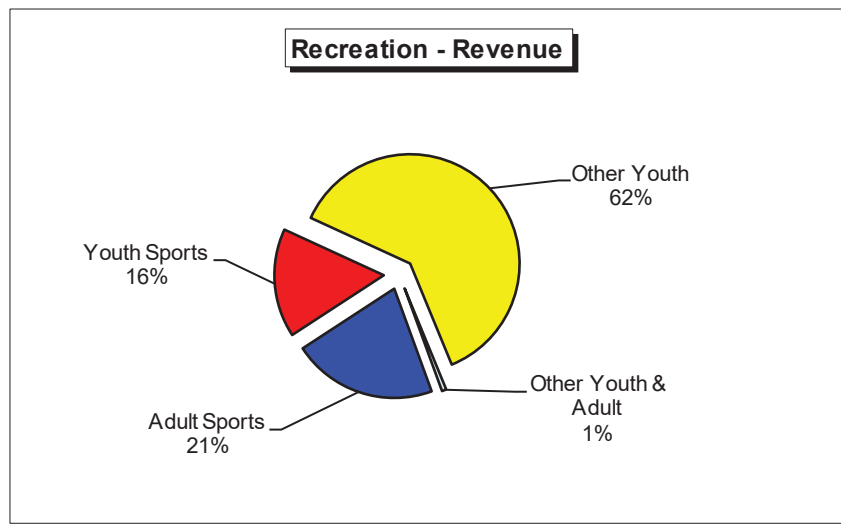
- Park Operations provides general maintenance and service to the District. In addition, Parks Operations manages Eagles Park, General Sibley Park, McDowell Dam, and Burleigh County Parks.
- Park Operations had 1,719 shelter reservations in 2020, a decrease of 766 from 2019.
- The Bismarck Forestry department continued to provide forestry services for the District under an agreement with the City of Bismarck.
- *The following is a graphic presentation of revenue and expenses related to Park Operations, Eagles Park, General Sibley Park, McDowell Dam and Burleigh County Parks:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Recreation Division**

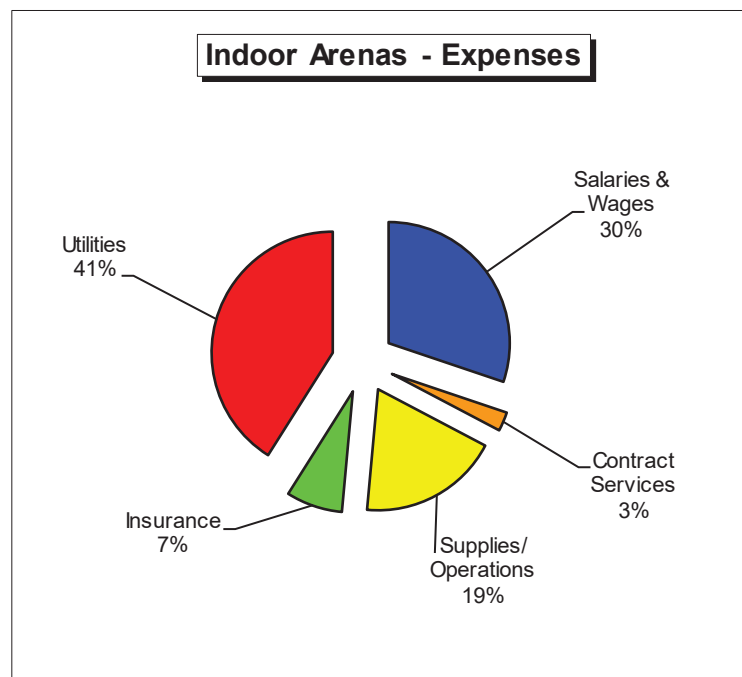
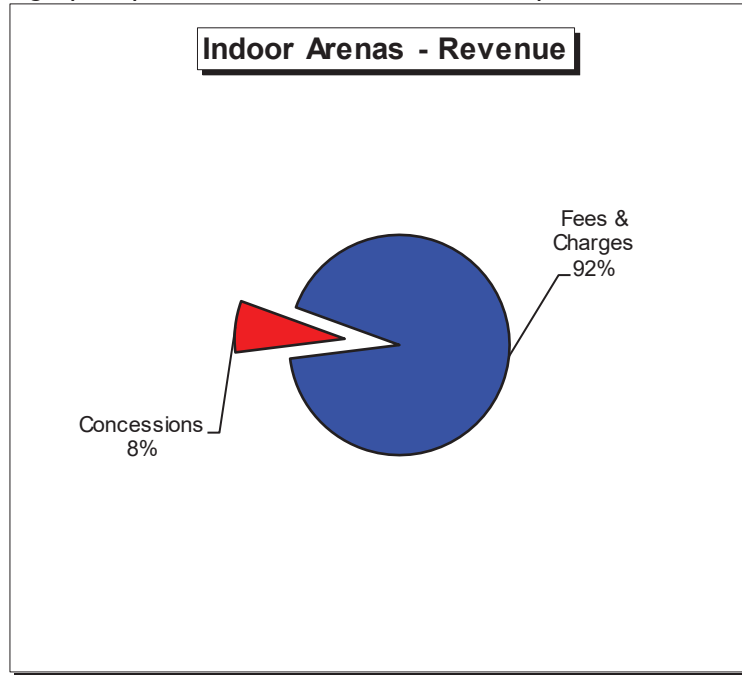
- The District manages a wide variety of youth and adult programs. Some of the programs include BLAST (542 participants), adult volleyball (6,164), activity centers (440), and open gym (5,577).
- 65% of operating costs were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to the various recreational activities:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

- 48% of operating costs were covered by non-tax revenue.
- Ice rental accounts for 89% of generated revenue in arena operations with most attributed to long-term agreements with youth and adult organizations, schools and Junior hockey.
- *The following is a graphic presentation of revenue and expenses related to the Indoor Arenas:*

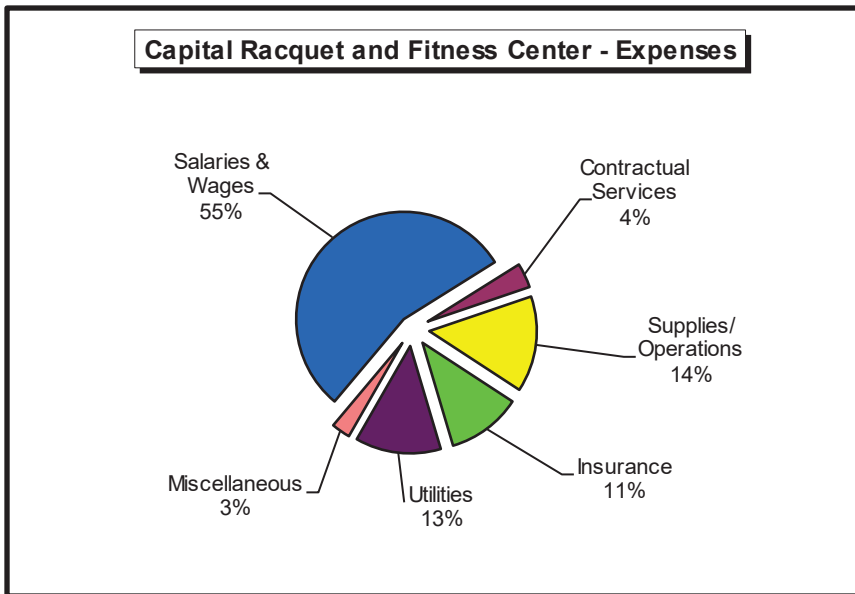
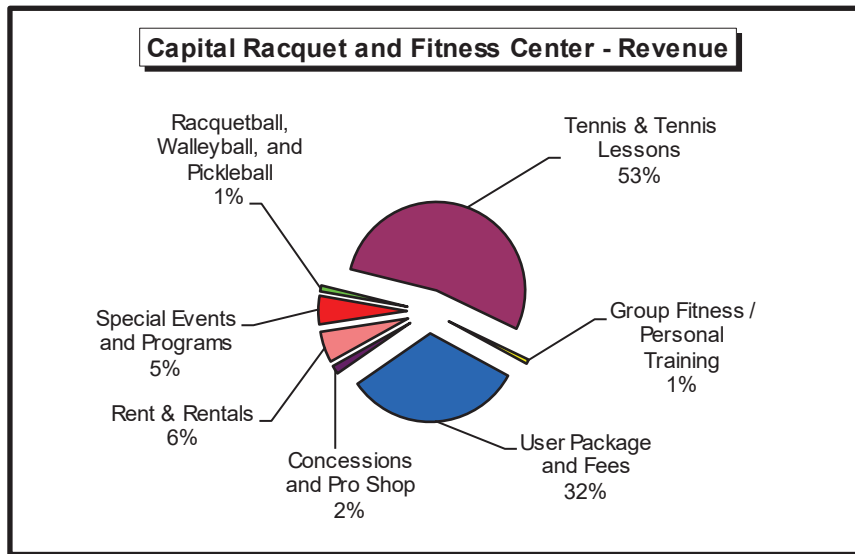




**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Capital Racquet and Fitness Center**

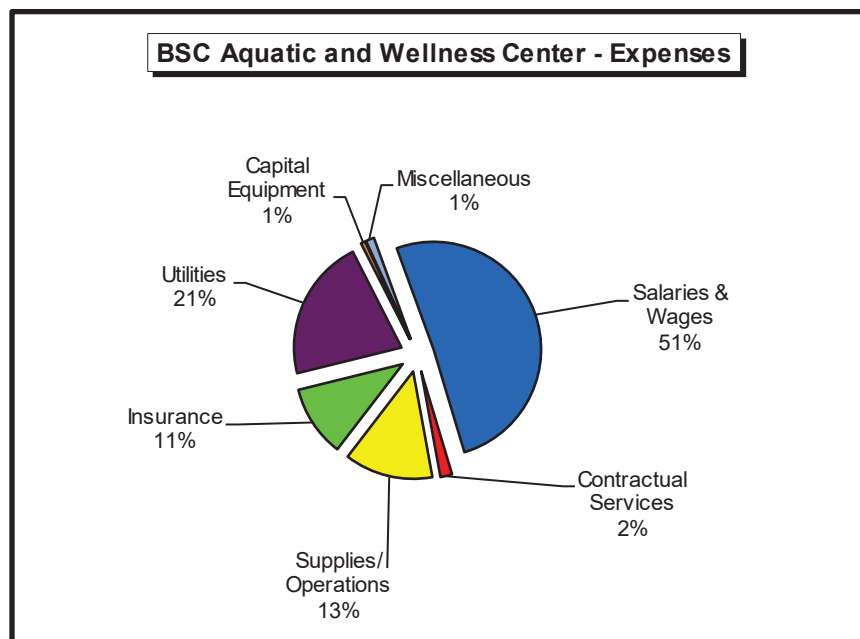
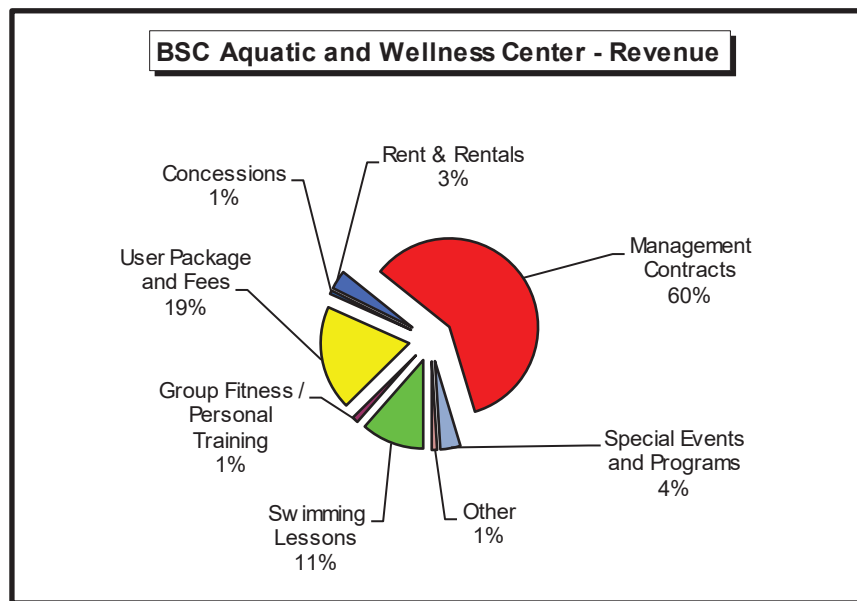
- Monthly membership's usage was 21,059 in 2020 compared to 30,571 in 2019.
- There were 7,685 tennis court hours in 2020 compared to 9,483 in 2019.
- 60% of operating costs of Capital Racquet and Fitness Center were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to Capital Racquet and Fitness Center:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**BSC Aquatic and Wellness Center**

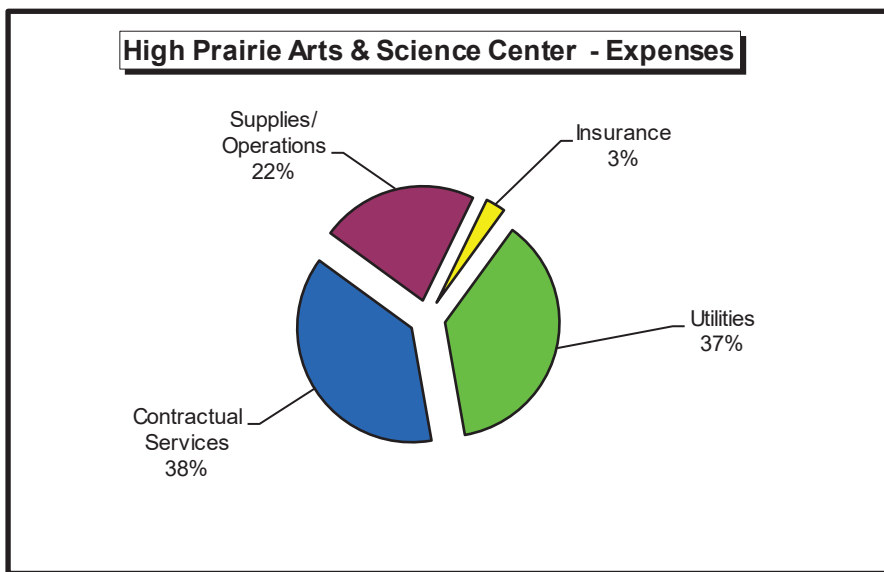
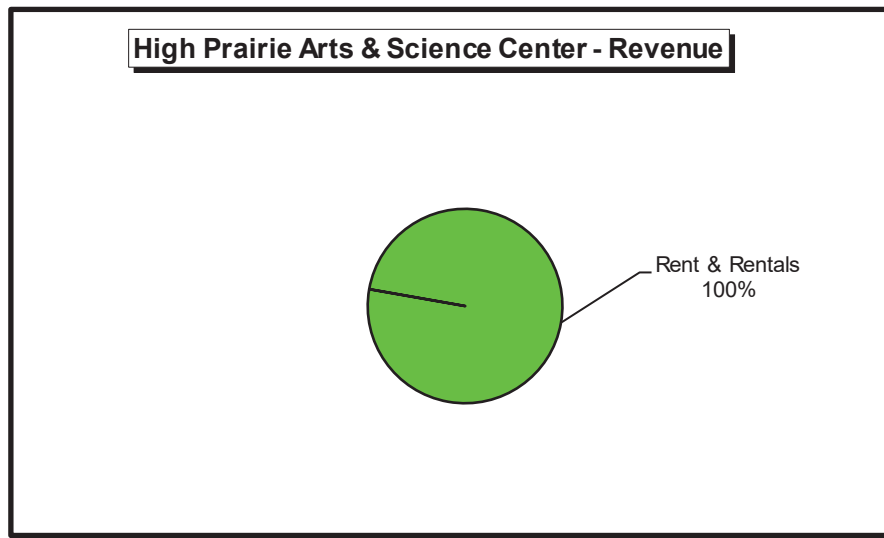
- The number of individuals taking swimming lessons decreased by 1,140 in 2020 with 1,788 compared to 2,928 in 2019.
- There were 6,684 participants in group exercise during 2020 compared to 6,211 in 2019.
- 68% of operating costs of BSC Aquatic and Wellness Center were covered by non-tax revenue.
- *The following is a graphic presentation of revenue & expenses related to BSC Aquatic and Wellness Center:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Frances Leach High Prairie Arts & Science Complex**

- 45% of operating costs of the Frances Leach High Prairie Arts & Science Complex were covered by non-tax revenue.
- The High Prairie Arts & Science Complex is home to three BPRD partners: Gateway to Science, Shade Tree Players/Dakota Stage and Theo Art School.
- *The following is a graphic presentation of revenues and expenses related to the Frances Leach High Prairie Arts & Science Complex:*



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Overview of the Financial Statements**

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

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

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

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

The **statement of net position** presents information on all of the District's assets, deferred inflows, deferred outflows, and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Bismarck Parks and Recreation District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Bismarck Parks and Recreation District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include general and administration, park operations and maintenance, recreation programs, and principal and interest on long term debt. The District has no business-type activities.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Bismarck Parks and Recreation District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has only governmental funds.

**Governmental funds:** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be useful in evaluating the District's near-term financing requirements.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

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

**Notes to the Financial Statements**

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

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$52,697,271 at December 31, 2020.

The largest part of the District's net position (85 percent) reflects its investment in capital assets (land, construction in progress, building and building improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

The following is a summary of net position as of December 31, 2020 and 2019:

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 11,282,897	\$ 9,195,139
Capital Assets	75,988,940	72,532,984
Total Assets	<u>\$ 87,271,837</u>	<u>\$ 81,728,123</u>
Deferred Outflows of Resources	<u>\$ 1,267,960</u>	<u>\$ 1,830,810</u>
Current Liabilities	5,329,267	5,732,133
Long-Term Liabilities	29,850,250	29,079,171
Total Liabilities	<u>\$ 35,179,517</u>	<u>\$ 34,811,304</u>
Deferred Inflows of Resources	<u>\$ 663,009</u>	<u>\$ 56,270</u>
Net Position:		
Net Investment in Capital Assets	44,904,063	41,576,970
Restricted	2,896,357	2,698,593
Unrestricted	4,896,851	3,553,085
Total Net Position	<u><u>\$ 52,697,271</u></u>	<u><u>\$ 47,828,648</u></u>

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



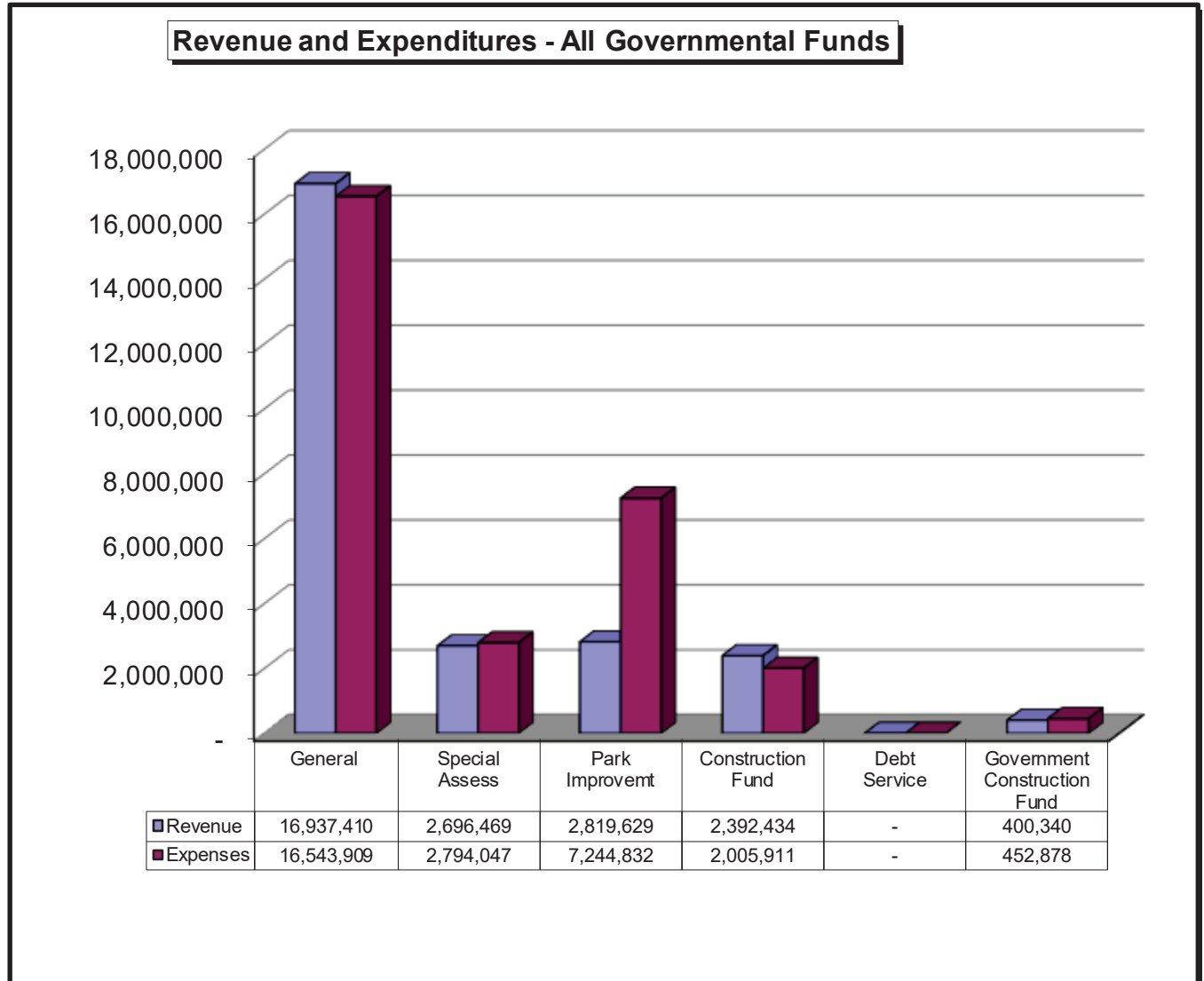
**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

The following is a summary of changes in net position for the years ended December 31, 2020 and 2019:

	Governmental Activities	
	2020	2019
<u>Revenues:</u>		
<u>Program Revenues:</u>		
Charges for Services	\$ 6,183,408	\$ 6,402,176
Operating Grants and Contributions	422,972	34,341
Capital Grants and Contributions	2,431,805	2,502,917
Total Program Revenues	<u>\$ 9,038,185</u>	<u>\$ 8,939,434</u>
<u>General Revenues:</u>		
Property Tax	13,319,585	13,048,069
Grants and Entitlements not restricted	1,394,140	1,636,032
Investment Earnings	124,401	335,095
Lease	492,690	434,374
Miscellaneous	237,858	84,778
Total General Revenues	<u>\$ 15,568,674</u>	<u>\$ 15,538,348</u>
Total Revenues	<u>\$ 24,606,859</u>	<u>\$ 24,477,782</u>
<u>Expenses:</u>		
Park District Operations	7,915,220	7,352,829
Facilities / Recreation	10,967,048	10,847,139
Interest on Long-Term Debt	617,117	880,818
Issuance Costs on Long-Term Debt	238,851	163,581
Total Expenses	<u>\$ 19,738,236</u>	<u>\$ 19,244,367</u>
Increase in Net Position	<u>\$ 4,868,623</u>	<u>\$ 5,233,415</u>
Net Position - January 1	<u>\$ 47,828,648</u>	<u>\$ 42,595,233</u>
Net Position - December 31	<u><u>\$ 52,697,271</u></u>	<u><u>\$ 47,828,648</u></u>

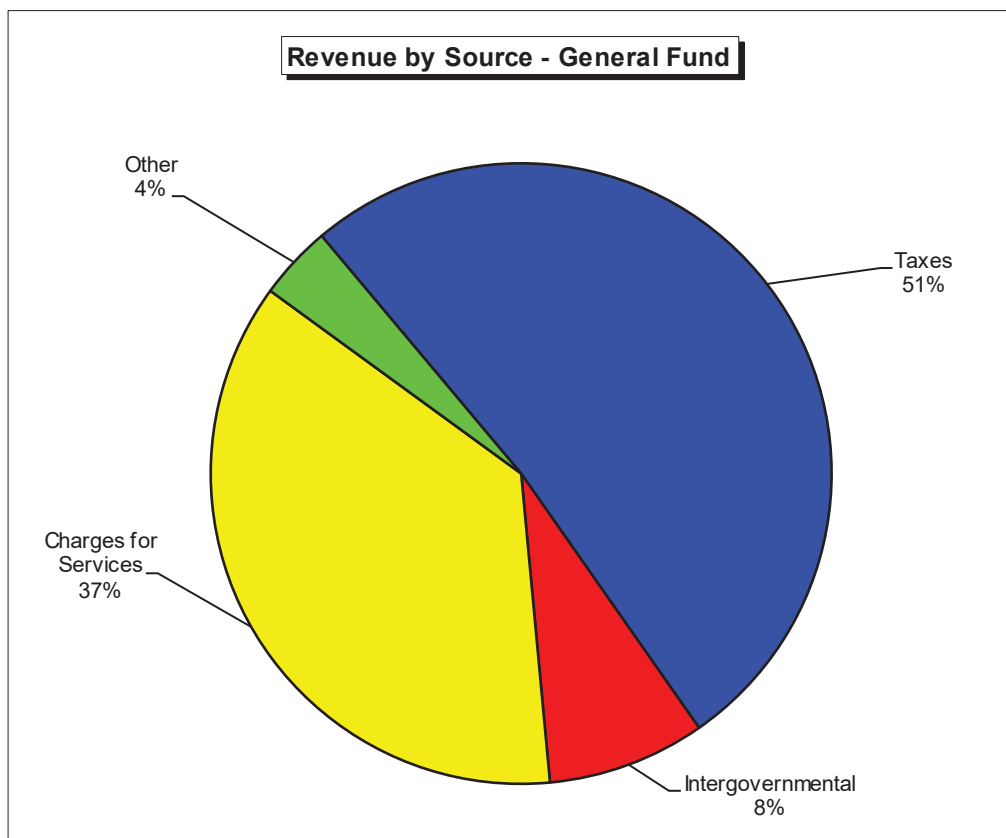
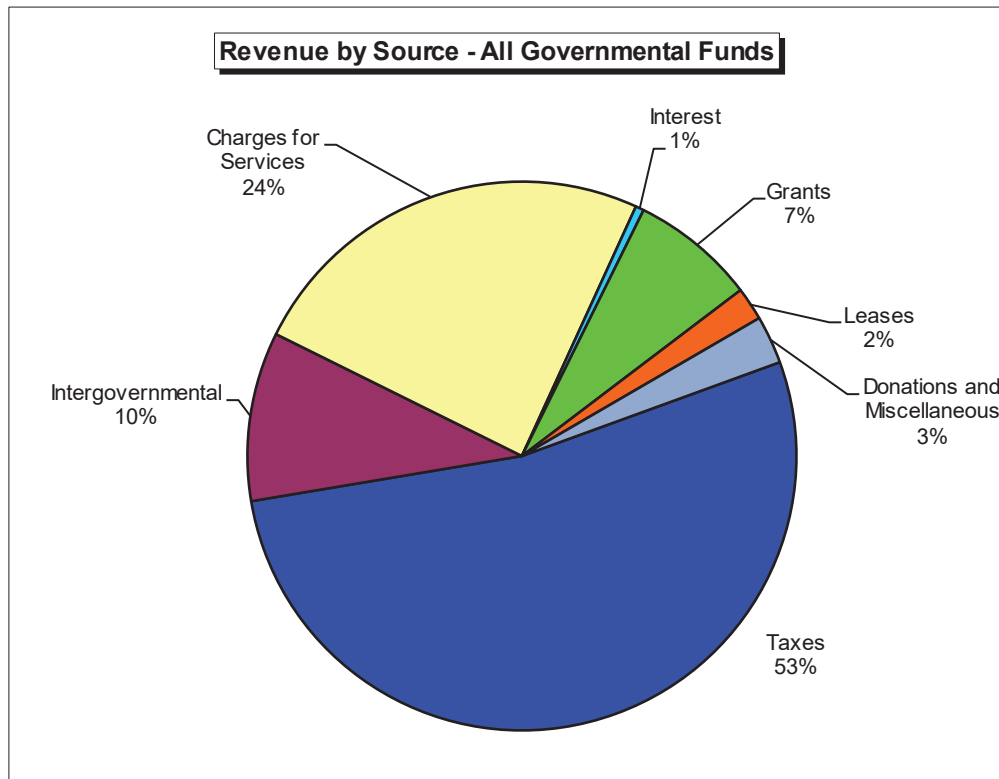
**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

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



**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Financial Analysis of the Government's Funds**

***Governmental Funds***

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Bismarck Parks and Recreation District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing financing requirements. Unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The District's governmental funds reported combined ending fund balances of \$10,038,275 an increase of \$2,426,171 from 2019. About \$1.5 million of this increase is due to the receipt of bond proceeds to fund the construction of the park shop maintenance facility that will be completed in 2021. The balance of this increase is not attributable to any specific transaction but rather a combination of a net increase in the collection of revenue plus a net decrease in expenditures.

The general fund is the primary operating fund of the Bismarck Parks and Recreation District and reported an ending fund balance of \$3,785,435. During the year, revenues and other sources exceeded expenditures and other uses \$750,833.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's Board of Park Commissioners approved the 2020 annual budget at the September 19, 2019 board meeting. The annual budget addresses funding from other sources as well as detailing how each fund should be expended. The 2020 general fund budget appropriation was \$17,503,650.

During 2020, actual revenues were lower than the budgetary estimates by \$243,740, approximately 1.4%. The final budget exceeded the actual expenditures by \$951,741 or 5.4%. Revenues were lower than budgeted amounts due to the impact of the COVID-19 global pandemic. Facilities were closed for a portion of the year and programs were either ended early or cancelled. The District reduced expenditures to minimize the impact of the pandemic on the financial standing of the District.

***Capital Assets***

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

Major capital asset additions during the year were:

- VFW Lower Lobby Improvements for \$328,323
- Overlay Riverwood Golf Car Paths – Phase I for \$302,288
- Reconstruct/Expand Fore Seasons Center/Pebble Creek Golf Course Parking Lot for \$378,460
- Construct Elk Ridge Neighborhood Park for \$1,500,567
- Expand New Generations Park Parking Lot for \$188,137
- Construct Sovereign Land Access Improvements for \$413,178
- Replace Sertoma Park Shelter #4 Playground for \$196,233
- Reconstruct Chief Lookings Village Road for \$337,544

**BISMARCK PARKS AND RECREATION DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

A schedule of capital assets, net of depreciation, for the years ended December 31, 2020 and 2019 is as follows:

<b>Asset Type</b>	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 7,807,137	\$ 6,970,387
Construction in progress	993,380	4,330,088
Buildings and improvements	60,691,816	54,794,954
Machinery and equipment	1,429,885	1,565,396
Infrastructure	5,066,722	4,872,159
Total	<u>\$ 75,988,940</u>	<u>\$ 72,532,984</u>

***Long Term Debt***

Major long-term debt events during the year were:

- Issuance of \$5,915,000 in revenue bonds to finance the construction of the park shop maintenance facility.
- Issuance of \$352,311 capital lease to refinance the construction of the Bio-Mass Heating Building
- Special Assessments added by the City of Bismarck in the amount of \$1,603,299 which includes a \$1,130,420 assessment for the construction of the Elk Ridge Neighborhood Park.

See Note 7 Long-Term Debt in the notes to the financial statements for more information.

A schedule of long-term liabilities for the years ended December 31, 2020 and 2019 is as follows:

<b>Long-Term Liabilities</b>	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Compensated Leave Balances	\$ 786,477	\$ 695,907
Post Retirement Benefit Obligations	437,484	508,869
Net Pension Liability	1,485,481	1,485,481
Unamortized Bond Premium	419,673	211,678
Revenue Bonds Payable	13,420,000	8,355,000
Capital Leases	1,205,374	5,615,412
Special Assessments Debt	16,039,830	16,772,924
Total	<u>\$ 33,794,319</u>	<u>\$ 33,645,271</u>

***Requests for Information***

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

**BISMARCK PARKS AND RECREATION DISTRICT**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

**ASSETS:**

Current assets:	
Cash and cash equivalents	\$ 3,778,085
Cash and cash equivalents - board designated	50,000
Investments	862,236
Investments - board designated	600,000
Taxes receivable	169,742
Accounts receivable	1,375,324
Restricted assets:	
Cash and cash equivalents	2,848,028
Investments	1,599,482
Total current assets	<u>11,282,897</u>
Non-current assets:	
Capital assets (net of accumulated depreciation):	
Land	7,807,137
Construction in progress	993,380
Building and improvements	60,691,816
Machinery and equipment	1,429,885
Infrastructure	5,066,722
Total non-current assets:	<u>75,988,940</u>
Total assets	<u>87,271,837</u>

**DEFERRED OUTFLOWS OF RESOURCES:**

Deferred outflow - pension	<u>1,267,960</u>
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**LIABILITIES:**

Current liabilities	
Accounts payable	1,074,215
Accrued expenses	47,656
Interest payable	263,327
Compensated absences, current portion	241,560
Post-retirement benefit obligations, current portion	42,915
Long term debt, current portion	4,334,546
Total current liabilities:	<u>6,004,219</u>
Non-current liabilities:	
Compensated absences, non-current portion	544,917
Post-retirement benefit obligations, non-current portion	394,569
Long term debt, non-current portion	26,330,658
Unamortized bond premium	419,673
Net pension liability	1,485,481
Total non-current liabilities:	<u>29,175,298</u>
Total liabilities	<u>35,179,517</u>

**DEFERRED INFLOWS OF RESOURCES:**

Deferred inflow - pension	<u>663,009</u>
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**NET POSITION:**

Net investment in capital assets	44,904,063
Restricted:	
Debt Service	1,431,578
Special Assessments	1,464,779
Unrestricted	<u>4,896,851</u>
Total net position	<u>\$ 52,697,271</u>

See Notes to the Financial Statements



**BISMARCK PARKS AND RECREATION DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
<b>Governmental Activities:</b>					
District operations	\$ 7,915,220	\$ -	\$ 422,972	\$ -	\$ (7,492,248)
Facilities / recreation	10,967,048	6,183,408	-	2,431,805	(2,351,835)
Interest on long-term debt	751,154	-	-	-	(751,154)
Issuance costs on long-term debt	104,814	-	-	-	(104,814)
Total Governmental Activities	<u>\$ 19,738,236</u>	<u>\$ 6,183,408</u>	<u>\$ 422,972</u>	<u>\$ 2,431,805</u>	<u>(10,700,051)</u>
<b>General Revenues</b>					
Property taxes					13,319,585
Intergovernmental					1,394,140
Investment earnings					124,401
Lease					492,690
Miscellaneous					<u>237,858</u>
Total general revenues					<u>15,568,674</u>
Change in net position					4,868,623
Total net position, beginning of year, as originally stated					47,140,108
Prior period adjustment - see note 18					<u>688,540</u>
Total net position, as restated					<u>47,828,648</u>
Net position - end of year					<u>\$ 52,697,271</u>

See Notes to the Financial Statements

**BISMARCK PARKS AND RECREATION DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2020**

	General	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Governmental Construction Fund	Total
<b>Assets:</b>							
Cash and cash equivalents	\$ 3,460,011	\$ -	\$ 123,734	\$ 115,249	\$ -	\$ 79,091	\$ 3,778,085
Cash and cash equivalents - board designated	50,000	-	-	-	-	-	50,000
Cash and cash equivalents - restricted	-	1,416,450	-	-	1,431,578	-	2,848,028
Investments	-	-	221,192	410,843	-	230,201	862,236
Investments - board designated	-	-	600,000	-	-	-	600,000
Investments - restricted	-	67,396	1,532,086	-	-	-	1,599,482
Taxes receivable	111,701	33,241	-	24,800	-	-	169,742
Accounts receivable	577,506	130,000	403,775	264,043	-	-	1,375,324
Total assets	<u>\$ 4,199,218</u>	<u>\$ 1,647,087</u>	<u>\$ 2,880,787</u>	<u>\$ 814,935</u>	<u>\$ 1,431,578</u>	<u>\$ 309,292</u>	<u>\$ 11,282,897</u>
<b>Liabilities:</b>							
Accounts payable	\$ 285,431	\$ -	\$ 588,320	\$ 130,526	\$ -	\$ 69,938	\$ 1,074,215
Accrued expenses	47,656	-	-	-	-	-	47,656
Total liabilities	<u>333,087</u>	<u>-</u>	<u>588,320</u>	<u>130,526</u>	<u>-</u>	<u>69,938</u>	<u>1,121,871</u>
<b>Deferred inflows of resources:</b>							
Delinquent property taxes	<u>80,696</u>	<u>24,121</u>	<u>-</u>	<u>17,934</u>	<u>-</u>	<u>-</u>	<u>122,751</u>
<b>Fund balances:</b>							
Restricted	-	1,622,966	1,532,086	-	1,431,578	-	4,586,630
Committed	50,000	-	600,000	-	-	-	650,000
Assigned	-	-	160,381	666,475	-	239,354	1,066,210
Unassigned	<u>3,735,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,735,435</u>
Total fund balances	<u>3,785,435</u>	<u>1,622,966</u>	<u>2,292,467</u>	<u>666,475</u>	<u>1,431,578</u>	<u>239,354</u>	<u>10,038,275</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,199,218</u>	<u>\$ 1,647,087</u>	<u>\$ 2,880,787</u>	<u>\$ 814,935</u>	<u>\$ 1,431,578</u>	<u>\$ 309,292</u>	<u>\$ 11,282,897</u>

See Notes to the Financial Statements

**BISMARCK PARKS AND RECREATION DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2020**

Total Governmental Funds Balance		\$ 10,038,275
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		75,988,940
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Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources or are not recognized in the funds. Delinquent property taxes		122,751
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Deferred outflows relating to the cost sharing defined benefit plans in the governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.		1,267,960
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Long-term liabilities not due and payable in the current period and therefore are not included in the funds:

Compensated absences	(786,477)	
Post-retirement benefit obligations	(437,484)	
Accrued interest on long-term liabilities	(263,327)	
Long term debt	(30,665,204)	
Unamortized bond premium	(419,673)	
Net pension liability	<u>(1,485,481)</u>	

Total		(34,057,646)
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Deferred inflows relating to the cost sharing defined benefit plans in the governmental activities are not financial resources, and, therefore, are not reported in the governmental funds.		<u>(663,009)</u>
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Net position of governmental activities		<u><u>\$ 52,697,271</u></u>
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See Notes to the Financial Statements

**BISMARCK PARKS AND RECREATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Government Construction Fund	Total
<b>Revenues:</b>							
Taxes	\$ 8,705,544	\$ 2,566,469	\$ -	\$ 1,941,903	\$ -	\$ 146,327	\$ 13,360,243
Intergovernmental	1,394,140	-	1,120,994	-	-	-	2,515,134
Charges for services	6,183,408	-	-	-	-	-	6,183,408
Investment earnings	92,722	-	12,697	14,969	-	4,013	124,401
Grants	395,896	-	904,538	306,572	-	250,000	1,857,006
Leases	82,771	-	409,919	-	-	-	492,690
Donations	27,076	-	371,481	128,990	-	-	527,547
Miscellaneous	55,853	130,000	-	-	-	-	185,853
Total revenues	16,937,410	2,696,469	2,819,629	2,392,434	-	400,340	25,246,282
<b>Expenditures:</b>							
Current:							
General government	2,199,439	-	-	68,784	-	-	2,268,223
General maintenance	3,078,081	-	330	-	-	-	3,078,411
Golf	1,990,965	-	-	-	-	-	1,990,965
Capital Racquet Fitness Center	527,824	-	-	-	-	-	527,824
Aquatic Wellness Center	1,193,707	-	-	-	-	-	1,193,707
Pools	561,930	-	-	-	-	-	561,930
Ice arenas	1,087,775	-	-	-	-	-	1,087,775
Forestry	191,742	-	-	-	-	-	191,742
Memorial Building	157,839	-	-	-	-	-	157,839
Sibley Park	382,862	-	-	-	-	-	382,862
County parks	131,458	-	-	-	-	-	131,458
McDowell Dam	233,961	-	-	-	-	-	233,961
High Prairie Arts and Science Complex	101,182	-	-	-	-	-	101,182
Other recreational activities	2,538,174	-	-	-	-	-	2,538,174
Capital outlay	679,389	-	3,022,351	1,887,127	-	452,878	6,041,745
Capital outlay less than \$5,000	55,624	10,483	-	-	-	-	66,107
Debt service:							
Principal retirement	1,129,364	2,336,393	4,092,702	38,300	-	-	7,596,759
Interest and fiscal charges	302,593	447,171	24,635	11,700	-	-	786,099
Issuance costs	-	-	104,814	-	-	-	104,814
Total expenditures	16,543,909	2,794,047	7,244,832	2,005,911	-	452,878	29,041,577
Excess of revenues over (under) expenditures	393,501	(97,578)	(4,425,203)	386,523	-	(52,538)	(3,795,295)
<b>Other financing sources (uses):</b>							
Proceeds from long-term debt	-	-	5,915,000	-	-	-	5,915,000
Debt issuance bond premium	-	-	254,134	-	-	-	254,134
Proceeds from insurance	52,332	-	-	-	-	-	52,332
Transfers in	305,000	-	100,000	-	421,500	-	826,500
Transfers out	-	(125,000)	(421,500)	(240,000)	-	(40,000)	(826,500)
Total other financing sources (uses)	357,332	(125,000)	5,847,634	(240,000)	421,500	(40,000)	6,221,466
Net change in fund balances	750,833	(222,578)	1,422,431	146,523	421,500	(92,538)	2,426,171
Fund balance - January 1	3,034,602	1,845,544	870,036	519,952	1,010,078	331,892	7,612,104
Fund balance - December 31 (Note 12)	\$ 3,785,435	\$ 1,622,966	\$ 2,292,467	\$ 666,475	\$ 1,431,578	\$ 239,354	\$ 10,038,275

See Notes to the Financial Statements

**BISMARCK PARKS AND RECREATION DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balance - Total Governmental Funds		\$ 2,426,171
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital asset additions	6,041,745	
Current year depreciation	<u>(4,039,524)</u>	
Total		2,002,221
Governmental funds do not report donated capital assets as expenditures or revenue. However, in the statement of activities, donations of capital assets are recorded as donation revenue.		975,950
Based on receipt dates, some revenues are not considered available revenue and are unavailable in the governmental funds.		
Delinquent property taxes	(40,985)	
Capital grants and contributions	<u>(505,726)</u>	
Total		(546,711)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of premium/discount on bond issues	46,139	
Net decrease in post-retirement obligations	71,385	
Net increase in compensated absences	(90,570)	
Net increase in interest payable	(11,194)	
Net decrease in net pension liability	<u>1,236,442</u>	
Total		1,252,202
Changes in deferred inflows and outflows relating to net pension liability		(1,543,321)
Special assessment proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		(1,120,994)
Proceeds from long-term debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.		
Proceeds from bonds payable		(5,915,000)
Bond premium		(254,134)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain or loss on the sale of the assets. Thus the change in net position differs from the change in fund balance by the net book value of the asset disposed.		(4,520)
Repayment of principal on long-term debt consumes the current financial resources of the governmental funds. However, there is no effect on net position. The following are principal payments on long-term debt during the year ended December 31, 2019:		
Principal payment on bonds payable	<u>7,596,759</u>	
Total		<u>7,596,759</u>
Change in net position		<u><u>\$ 4,868,623</u></u>

See Notes to the Financial Statements

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

**Basis of Presentation**

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

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

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

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



**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Measurement Focus/Basis of Accounting**

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

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

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

The government reports the following major governmental funds:

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

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

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

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

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

The government construction fund is used to account for capital projects. This fund is not required to be shown as a major fund, but the Park District has elected to show as such as it is the only non-major governmental fund.

**Governmental Fund Types**

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

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

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

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

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

### **Cash and Cash Equivalents**

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

### **Investments**

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

### **Accounts Receivable**

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable is outstanding for more than 30 days. There is no allowance for doubtful accounts receivable as of December 31, 2020, as management considers all receivables collectible.

### **Taxes Receivable**

The taxes receivables consist of uncollected and collected but not remitted, property taxes as of December 31, 2020 for both current and prior years.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Capital Assets**

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

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

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

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

**Compensated Absences**

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

**Post-Retirement Benefit Obligations**

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

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position. Bond issuance costs are expensed in the year of occurrence. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

discount on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position**

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

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

**Fund Balance Classifications**

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

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

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

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

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

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

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

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

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item reported as a deferred outflow of resources on the statement of net position, deferred outflow - pension, which represents the actuarial differences within the Bismarck City Employee Pension Plan (BCEPP). See Note 13 for further details.

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

**Interfund Transactions**

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

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

**Pension**

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

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Revenue Recognition - Property Taxes**

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

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

**Grant Revenue Recognition**

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

**Use of Estimates**

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

**NOTE 2 DEPOSITS**

**Custodial Credit Risk**

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

The District maintains cash on deposit at various financial institutions. The amounts on deposit are insured by the FDIC up to \$250,000 per financial institution. At December 31, 2020, none of the District's deposits were exposed to custodial credit risk, as all deposits were covered by FDIC coverage.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**NOTE 3 BOARD DESIGNATIONS OF CASH, CASH EQUIVALENTS AND INVESTMENTS**

**General Fund**

A reserve of \$50,000 was approved by the board for golf dome replacement.

**Park Improvement Fund**

The park improvement fund is used to account for the District's expenditures for major capital acquisitions and improvements that are legally restricted to expenditures for park improvements. The outstanding balance at December 31, 2020 was \$600,000.

**NOTE 4 RESTRICTED CASH AND CASH EQUIVALENTS AND INVESTMENTS**

**Special Assessment Fund**

The special assessment fund is used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for District wide improvements. The outstanding balance at December 31, 2020 was \$1,483,846.

**Park Improvement Fund**

The park improvement fund is used to account for the District's expenditures for major capital acquisitions and improvements that are legally restricted to expenditures for park improvements. The outstanding balance at December 31, 2020 was \$1,532,086.

**Debt Service Fund**

The October 1, 2020 Park District Revenue Bonds require a Reserve Fund Deposit. Withdrawals from the Reserve Fund Deposit may be only for the payment of the principal and interest of the bonds. The outstanding balance at December 31, 2020 was \$1,431,578.

**NOTE 5 INVESTMENTS**

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

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.



**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

At December 31, 2020, the District's investments were as follows:

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 6 Years</u>	<u>6 - 10 Years</u>	<u>More Than 10 Years</u>
Government agencies	\$ 429,673	\$ 429,673	\$ -	\$ -	\$ -
Government bonds	2,407,045	2,407,045	-	-	-
	2,836,718	<u>\$2,836,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not subject to categorization:					
Certificates of deposit	<u>225,000</u>				
Total investments	<u>\$3,061,718</u>				

### Credit Risk

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The District does not have an investment policy that specifically addresses credit risk.

At December 31, 2020, the credit ratings of the District's investments were as follows:

<u>S&amp;P Credit Rating</u>	<u>Government Agencies</u>	<u>Government Bonds</u>	<u>Total Fair Value</u>
A-1+	\$ -	\$ -	\$ -
AA+	429,673	-	429,673
NR	-	2,407,045	2,407,045
Total debt securities	<u>\$ 429,673</u>	<u>\$2,407,045</u>	<u>\$2,836,718</u>

### Fair Value Measurements

In accordance with GASB Statement No. 72, investments are grouped at fair value in three levels, based on the markets in which the investments are traded and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1: Valuation is based upon quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.
- Level 2: Valuation is based upon quote prices for similar assets in active markets, quote prices for identical or similar assets in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

The table below presents the balances of investments measured at fair value on a recurring basis as of December 31, 2020.

	Total	Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Government agencies	\$ 429,673	\$ -	\$ 429,673	\$ -
Government bonds	2,407,045	-	2,407,045	-
	<u>\$ 2,836,718</u>	<u>\$ -</u>	<u>\$ 2,836,718</u>	<u>\$ -</u>

**NOTE 6 CAPITAL ASSETS**

The following schedule is a summary of the capital asset activity for the year ended December 31, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 6,970,387	\$ 836,750	\$ -	\$ 7,807,137
Construction in progress	4,330,088	948,968	(4,285,676)	993,380
Total capital assets not being depreciated	<u>11,300,475</u>	<u>1,785,718</u>	<u>(4,285,676)</u>	<u>8,800,517</u>
Capital assets, being depreciated:				
Buildings and improvements	91,814,623	9,225,822	(37,460)	101,002,985
Machinery and equipment	7,396,020	301,257	(22,455)	7,674,822
Infrastructure	7,068,128	472,879	-	7,541,007
Total capital assets being depreciated	<u>106,278,771</u>	<u>9,999,958</u>	<u>(59,915)</u>	<u>116,218,814</u>
Less accumulated depreciation for:				
Buildings and improvements	37,019,669	3,324,441	(32,940)	40,311,170
Machinery and equipment	5,830,624	436,768	(22,455)	6,244,937
Infrastructure	2,195,969	278,315	-	2,474,284
Total accumulated depreciation	<u>45,046,262</u>	<u>4,039,524</u>	<u>(55,395)</u>	<u>49,030,391</u>
Total capital assets being depreciated, net	<u>61,232,509</u>	<u>5,960,434</u>	<u>(4,520)</u>	<u>67,188,423</u>
Governmental capital assets, net	<u>\$ 72,532,984</u>	<u>\$ 7,746,152</u>	<u>\$ (4,290,196)</u>	<u>\$ 75,988,940</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

The District leases a bio-mass boiler building and the Capital Ice Complex under capital leases. The cost and accumulated amortization of the leased assets are as follows:

Capitalized leased buildings and improvements	\$ 3,150,000
Less: accumulated amortization	<u>(579,269)</u>
	<u><u>\$ 2,570,731</u></u>

Amortization expense for the year ended December 31, 2020 was \$184,921, and is included in depreciation expense.

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

Governmental Activities:	
Park Operations	\$ 2,200,848
Facilities / Recreation	<u>1,838,676</u>
Total depreciation expense - Governmental Activities	<u><u>\$ 4,039,524</u></u>

**NOTE 7 LONG-TERM DEBT**

**Debt Outstanding**

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

	Outstanding <u>12/31/20</u>
Revenue Bonds Payable:	
\$8,355,000 bonds dated October 1, 2019 to refund bonds that were previously taken out to acquire and improve the BSC Aquatic & Wellness Center. The bonds are payable in variable annual principal and semi-annual interest payments at 2.25% to 3.00% through April 1, 2033. Payments are to be made from the Debt Service Fund.	\$ 7,505,000
\$5,915,000 bonds dated October 1, 2020 to refund bonds that were taken out to finance the Schaumburg Ice Arena Project. The bonds are payable in variable annual principal and semi-annual interest payments at 0.30% to 2.00% through April 1, 2030. Payments are to be made from the Debt Service Fund.	<u>5,915,000</u>
	<u><u>\$13,420,000</u></u>
Special Assessments Debt:	
The special assessments are dated from 2002 through 2020. The maturity varies per issue but extends through 2032. The interest rates are from 2.56% to 5.71%. Payments are to be made from the Special Assessment Fund.	\$ 4,539,830
\$1,400,000 bonds dated August 1, 2010 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.4% to 3.6% through May 1, 2025. The bonds are callable on May 1, 2016 and any date thereafter, in inverse order at par plus accrued interest. Payments are to be made from the Special Assessment Fund.	550,000

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

\$750,000 bonds dated September 15, 2011 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.15% to 3.25% through May 1, 2026. The bonds are callable on May 1, 2017 and any date thereafter, in inverse order at par plus accrued interest. Payments are to be made from the Special Assessment Fund.	\$ 350,000
\$2,700,000 bonds dated October 1, 2012 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.55% to 2.75% through May 1, 2027. Payments are to be made from the Special Assessment Fund.	1,335,000
\$3,730,000 bonds dated April 18, 2013 to refund 2008 improvement bonds. The bonds are payable in variable annual principal and semi-annual interest payments at 0.30% to 1.90% through May 1, 2023. Payments are to be made from the Special Assessment Fund.	1,190,000
\$3,500,000 bonds dated October 1, 2014 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.40% to 2.50% through May 1, 2026. Payments are to be made from the Special Assessment Fund.	1,910,000
\$2,120,000 bonds dated April 1, 2015 to refund 2009 improvement bonds. The bonds are payable in variable annual principal and semi-annual interest payments at 0.60% to 2.20% through May 1, 2024. Payments are to be made from the Special Assessment Fund.	995,000
\$1,600,000 bonds dated February 1, 2017 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 0.90% to 2.25% through May 1, 2025. Payments are to be made from the Special Assessment Fund.	1,010,000
\$1,690,000 bonds dated June 15, 2018 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 1.85% to 2.70% through May 1, 2028. Payments are to be made from the Special Assessment Fund.	1,380,000
\$3,015,000 bonds dated July 1, 2019 to finance park improvements. The bonds are payable in variable annual principal and semi-annual interest payments at 2.00% to 4.00% through May 1, 2031. Payments are to be made from the Special Assessment Fund.	<u>2,780,000</u>
	<u>\$16,039,830</u>
Capital Leases:	
\$650,000 lease dated October 11, 2010 for the construction of a building to house the biomass heating unit at the Aquatic Wellness Center. Due in ten semi-annual principal and interest payments of \$23,553 at 3.898% interest until October 11, 2015, with one final payment of principal and interest for \$532,859 due November 11, 2015. This lease was refinanced on November 5, 2015. New lease terms require ten semi-annual principal and interest payments of \$25,000 at 3.070% until November 5, 2020, with one final payment of principal and interest for \$352,311 due December 5, 2020. Payments are to be made from the Construction Fund.	\$ 352,311
\$2,500,000 lease dated December 1, 2016 for the Schaumburg Ice Arena. Due in six annual principal and interest payments of \$434,000 and semi-annual interest payments until June 30, 2022. Payments are to be made from the Park Improvement Fund.	<u>853,063</u>
	<u>\$1,205,374</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Changes in Long-Term Liabilities**

During the year ended December 31, 2020, the following changes occurred in liabilities reported in the Statement of Net Position:

	Balance - January 1 (Restated)	Additions	Reductions	Balance - December 31	Due Within One Year
Compensated Absences	\$ 695,907	\$ 326,693	\$ 236,123	\$ 786,477	\$ 241,560
Post-Retirement Benefit Obligations	508,869	-	71,385	437,484	42,915
Net Pension Liability	2,721,922	-	1,236,441	1,485,481	-
Unamortized Bond Premium	211,678	254,134	46,139	419,673	-
Bonds and notes payable					
Revenue Bonds Payable	8,355,000	5,915,000	850,000	13,420,000	1,360,000
Special Assessments Debt	16,772,924	1,603,299	2,336,393	16,039,830	2,479,952
Capital Leases	5,615,412	352,311	4,762,349	1,205,374	494,594
Total bonds and notes payable	<u>30,743,336</u>	<u>7,870,610</u>	<u>7,948,742</u>	<u>30,665,204</u>	<u>4,334,546</u>
Total long-term liabilities	<u>\$ 34,881,712</u>	<u>\$ 8,451,437</u>	<u>\$ 9,538,830</u>	<u>\$ 33,794,319</u>	<u>\$ 4,619,021</u>

Assets of the General Fund are used to pay compensated absences. See Note 13 for more information on the net pension liability and Note 14 for more information on the post-retirement benefit obligation.

**Debt Service Requirements**

Annual requirements to amortize outstanding debt at December 31, 2020 are as follows:

	Revenue Bonds Payable		Special Assessments	
	Principal	Interest	Principal	Interest
2021	\$ 1,360,000	\$ 303,913	\$ 2,479,952	\$ 367,545
2022	965,000	279,863	2,392,802	337,373
2023	985,000	218,173	2,394,001	274,322
2024	1,010,000	231,788	1,919,571	214,991
2025	1,040,000	206,763	1,681,694	167,121
2026 - 2030	4,400,000	564,000	5,171,810	418,792
2031 - 2035	3,660,000	179,444	-	-
Totals	<u>\$ 13,420,000</u>	<u>\$ 1,983,941</u>	<u>\$ 16,039,830</u>	<u>\$ 1,780,143</u>
	Capital Leases		Total	
	Principal	Interest	Principal	Interest
2021	\$ 494,594	\$ 19,368	\$ 4,334,546	\$ 690,825
2022	496,005	12,995	3,853,807	630,230
2023	68,876	6,124	3,447,877	498,618
2024	70,839	4,161	3,000,410	450,940
2025	75,060	2,142	2,796,754	376,026
2026 - 2030	-	-	9,571,810	982,792
2031 - 2035	-	-	3,660,000	179,444
Totals	<u>\$ 1,205,374</u>	<u>\$ 44,790</u>	<u>\$ 30,665,204</u>	<u>\$ 3,808,874</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**NOTE 8 CHARGES FOR SERVICES**

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

Golf	\$ 1,670,858
BLAST and Activity Centers	824,792
Aquatic Center	815,370
Adult Programs	422,714
Ice Arenas	522,103
Capital Racquet Fitness Center	305,453
Youth Programs	242,715
Sibley Park	388,428
County Parks	136,124
Pools	226,697
McDowell Dam	300,503
Other Recreational Activities	274,223
High Prairie Arts and Science Complex	45,108
World War Memorial Building	<u>8,320</u>
Total charges for services	<u><u>\$ 6,183,408</u></u>

**NOTE 9 FACILITY AGREEMENTS**

The District has many agreements with various organizations for use of the District's facilities. Revenue terms differ by organization depending upon the organization's needs. Revenue is charged differently to the organizations as follows: fees paid are dependent upon the number of participants or the number of games, seasonal rental, monthly rental or rental based upon the organization's sales. The agreements terminate between January 2021 and December 2036. The estimated rental income to be received in future periods under those agreements that are fixed fees are as follows:

2021	\$ 370,276
2022	147,588
2023	25,820
2024	25,820
2025	24,700
Thereafter	<u>56,600</u>
Total	<u><u>\$ 650,804</u></u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**NOTE 10 PUBLIC RISK POOL**

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

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

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

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

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

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

**NOTE 11 TRANSFERS**

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

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

The following is a list of transfers for the year ended December 31, 2020:

	Transfer To:			Total Transfer From
	General Fund	Park Improvement Fund	Debt Service	
Transfer from:				
Special Assessment Fund	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction Fund	140,000	100,000	-	240,000
Government Construction Fund	40,000	-	-	40,000
Park Improvement Fund	-	-	421,500	421,500
Total Transfer To	<u>\$ 305,000</u>	<u>\$ 100,000</u>	<u>\$ 421,500</u>	<u>\$ 826,500</u>



**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

The above transfers into the general fund were made to cover administrative fees of bond issues and Riverfront maintenance, create a dome replacement emergency reserve and to fund the bond payment for the Schaumburg Arena and Pebble Creek Golf Course improvements. The above transfers into the Park Improvement Fund were to fund the Capital Ice Complex pledge financing lease payment. The above transfer into the debt service fund was to fund the issuance of 2020 Revenue bonds.

**NOTE 12 FUND BALANCES**

At December 31, 2020, a summary of the governmental fund balance classifications are as follows:

	General Fund	Special Assessment Fund	Park Improvement Fund	Construction Fund	Debt Service Fund	Government Construction Fund	Total
Restricted for:							
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 1,431,578	\$ -	\$ 1,431,578
Capital Projects	-	-	1,532,086	-	-	-	1,532,086
Special Assessments	-	1,622,966	-	-	-	-	1,622,966
Committed to:							
Capital Projects	-	-	600,000	-	-	-	600,000
Golf Dome Roof Replacement	50,000	-	-	-	-	-	50,000
Assigned to:							
Capital Projects	-	-	160,381	666,475	-	239,354	1,066,210
Unassigned	3,735,435	-	-	-	-	-	3,735,435
	<u>\$ 3,785,435</u>	<u>\$ 1,622,966</u>	<u>\$ 2,292,467</u>	<u>\$ 666,475</u>	<u>\$ 1,431,578</u>	<u>\$ 239,354</u>	<u>\$ 10,038,275</u>

**NOTE 13 BISMARCK CITY EMPLOYEE PENSION PLAN (BCEPP)**

**Plan Description**

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

**Plan Membership**

Memberships begin with their hire date before January 1, 2020 and are vested after five years of service. Membership in the BCEPP on January 1, 2020 is as follows:

Retirees and beneficiaries receiving benefits	241
Terminated employees – vested	67
Active employees:	
Vested	303
Non-vested	<u>168</u>
Total members	<u>779</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Plan Administration**

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

**Benefits Provided**

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

Prior to January 2005, employees directed the investment of their contribution utilizing a contracted City investment manager. These employees were eligible to receive a distribution of the interest earned on the contributions in excess of 5% upon retirement. Effective January 1, 2005, all employee contributions are invested with the City pension funds and individual self-directed accounts were discontinued. As of December 31, 2004, interest earned in excess of 5% for the individual employee accounts has been transferred to an Employee Excess Retirement Fund and the excess funds in the individual employee accounts continue to be self-directed.

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

**Contributions**

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

*Employer Contributions* - Employer contributions are based on an actuarial formula identified as entry age normal cost method. This method produces an employer contribution rate consisting of an amount for normal cost and an amount for amortization of the net pension liability over a closed period of 30 years. The annual contribution is recommended to the City Commission and considered for approval and adoption.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Investments**

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

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

The BCEPP Board of Trustees adopted a long-term investment horizon and asset allocation policy for the management of the fund assets. Asset allocation targets are established using an asset-liability analysis designed to determine an acceptable volatility target for the plan and an optimal asset allocation policy mix. The asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk. The following was the plans asset allocation as of December 31, 2020:

Asset Class	Target Allocation
Large domestic equity	15%
Small domestic equity	10%
Developed international equity	12%
Emerging international equity	5%
Private equity	4%
Domestic fixed income	30%
International fixed income	4%
Real estate	10%
Infrastructure	5%
Timber	5%
	100%

**Long-term Expected Return on Plan Assets**

The long-term expected rate of return of 7.5% on plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates to return by the target asset allocation percentage. The projected 10-year geometric real rates of return by asset class are summarized in the following table:

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

Asset Class	Long-Term Expected Real Rate of Return
Large domestic equity	7.60%
Small domestic equity	7.90%
Developed international equity	7.60%
Emerging international equity	8.00%
Private equity	8.80%
Domestic fixed income	3.25%
International fixed income	2.85%
Real estate	6.40%
Infrastructure	7.50%
Timber	7.10%

**Actuarial Assumptions**

Valuation date	1/1/2020
Actuarial cost method	Entry Age Normal
Amortization method	Level % of payroll over remaining amortization period-closed
Remaining amortization period	19
Mortality rate	Based on RP-2014 generational mortality projected with Scale MP-2019
Asset valuation method	Market
Valuation method	
Inflation rate	3.00%
Investment rate of return	7.50%
Projected salary increases:	
0-9 years of service	5.00%
10+ years of service	4.00%
Post retirement cost of living adjustments	None

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share share of the net pension liability	<u>\$ 3,706,184</u>	<u>\$ 1,485,481</u>	<u>\$ (377,642)</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**Proportionate Share of the Net Pension Liability**

The District's portion of the net pension liability for the BCEPP was recorded at \$1,485,481 as of December 31, 2020. The calculation was determined by an actuarial valuation based on the present value of future payroll. The District's proportionate share was 14.94%, which is an increase of 0.47% from the District's proportionate share as of December 31, 2019.

**Deferred Inflows and Outflows of Resources**

The District recognized pension expense of \$306,879 during the year ended December 31, 2020. Deferred inflows and outflows of resources related to pensions are from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 280,322	\$ (160,106)
Changes in assumptions	526,777	-
Net difference between projected and actual earnings on pension plan investments	-	(501,318)
Changes in proportion and differences between employer contributions and proportionate share of contributions	79,199	(1,585)
Employer contributions subsequent to measurement date	<u>381,662</u>	<u>-</u>
Total	<u>\$ 1,267,960</u>	<u>\$ (663,009)</u>

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

Year ending December 31:

2021	\$ 81,176
2022	68,527
2023	193,688
2024	(136,813)
2025	34,843
Thereafter	(18,132)

**Pension Plan Fiduciary Net Position**

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

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**NOTE 14 OTHER POST-EMPLOYMENT BENEFIT PLAN**

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

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

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

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

Membership in the plan for early retirement as of December 31, 2020 is as follows:

Retirees and beneficiaries receiving benefits	1
Active employees:	
Vested	-
Non-vested	43

Membership in the plan for health insurance as of December 31, 2020 is as follows:

Retirees and beneficiaries receiving benefits	2
Active employees:	
Vested	1
Non-vested	46

As there are fewer than 100 plan members, the District has elected to use the alternative measurement method. The District has made assumptions on expected beginning date of benefits, turnover (38.05%), and healthcare cost (4.5%) based on historical results the District has experienced. Marital status is assumed to be the same as the employee's current status when projecting the liability. The District has used a discount rate of 2% for early retirement benefits and 2.5% for health insurance benefits to arrive at a present value of the other post-employment benefit liability, which is \$437,484 as of December 31, 2020.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

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

Early Retirement Benefits

OPEB Liability	
Service cost	\$ (44,074)
Benefit paid	21,500
Net Change in Total OPEB Liability	<u>(22,574)</u>
 OPEB Liability - Beginning	 170,854
OPEB Liability - Ending	<u><u>\$ 148,280</u></u>

Health Insurance Benefits

OPEB Liability	
Service cost	\$ (27,865)
Benefit paid	(20,946)
Net Change in Total OPEB Liability	<u>(48,811)</u>
 OPEB Liability - Beginning	 338,015
OPEB Liability - Ending	<u><u>\$ 289,204</u></u>

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

	<u>1.00%</u>	<u>2.00%</u>	<u>3.00%</u>
Net OPEB liability for early retirement benefits	<u>\$ 168,360</u>	<u>\$ 148,280</u>	<u>\$ 129,422</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>1.50%</u>	<u>Discount Rate</u>	<u>3.50%</u>
	<u>1.50%</u>	<u>2.50%</u>	<u>3.50%</u>
Net OPEB liability for health insurance benefits	<u>\$ 330,390</u>	<u>\$ 289,204</u>	<u>\$ 256,493</u>

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

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

	1% Decrease 3.50%	Current Health Insurance Rate 4.50%	1% Increase 5.50%
Net OPEB liability for early retirement benefits	<u>\$ 133,152</u>	<u>\$ 148,279</u>	<u>\$ 166,406</u>

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

	1% Decrease 3.50%	Current Health Insurance Rate 4.50%	1% Increase 5.50%
Net OPEB liability for health insurance benefits	<u>\$ 170,981</u>	<u>\$ 289,204</u>	<u>\$ 209,622</u>

**NOTE 15 COMMITMENTS**

As of December 31, 2020, the District has the following outstanding commitments for on-going capital projects.

Park shop maintenance facility	\$ 1,684,351
Other miscellaneous capital projects	<u>381,535</u>
	<u>\$ 2,065,886</u>

**NOTE 16 TAX ABATEMENTS**

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

As of December 31, 2020, the Renaissance Zone Property Tax Exemptions under North Dakota Century Code 40-63, is for Commercial and Residential buildings located within the renaissance zone that allow for the property to be excluded for up to five years, provided the City approves the exemption. A renaissance zone is a geographical area that the City applies to the State Department of Commerce to designate a portion of the City into a renaissance zone.

The Renaissance Zone Program for commercial and residential properties was established in March 2001 and now encompasses a 39 block area in the downtown area. The purpose of the



**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

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

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

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

The amount of taxes abated for the year ended December 31, 2020 for the District was as follows:

Renaissance Zone Exemption - Commercial	\$35,330
Renaissance Zone Exemption - Residential	5,840
Remodeling Exemption - Residential	111
	<u>\$41,281</u>

**NOTE 17 NEW ACCOUNTING PRONOUNCEMENTS**

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

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

**NOTE 18 PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was recorded to decrease the net pension liability and increase government-wide net position by \$668,540. The prior period adjustment was a result of changing the calculation date of the prior year BCEPP pension liability from January 1, 2020 to January 1, 2019.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**  
**DECEMBER 31, 2020**

**NOTE 19 CONTINGENCIES**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with items and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. The District's management believes it has complied with all applicable grant provisions. In the opinion of management, any possible disallowed claim would not have a material adverse effect on the overall financial position of the District as of December 31, 2020.

**NOTE 20 SUBSEQUENT EVENTS**

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through June 9, 2021, which is the date these financial statements were available to be issued.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 8,622,000	\$ 8,622,000	\$ 8,705,544	\$ 83,544
Intergovernmental	1,222,100	1,222,100	1,394,140	172,040
Charges for services	6,826,350	6,826,350	6,183,408	(642,942)
Investment earnings (loss)	100,000	100,000	92,722	(7,278)
Grants	53,500	53,500	395,896	342,396
Leases	108,000	108,000	82,771	(25,229)
Donations	22,700	22,700	27,076	4,376
Miscellaneous	226,500	226,500	55,853	(170,647)
Total revenues	<u>17,181,150</u>	<u>17,181,150</u>	<u>16,937,410</u>	<u>(243,740)</u>
Expenditures:				
Current:				
General government	2,514,725	2,514,725	2,199,439	315,286
General maintenance	3,309,550	3,309,550	3,078,081	231,469
Golf	1,939,100	1,939,100	1,990,965	(51,865)
Capital Racquet Fitness Center	524,300	524,300	527,824	(3,524)
Aquatic Wellness Center	1,278,225	1,278,225	1,193,707	84,518
Pools	845,600	845,600	561,930	283,670
Ice arenas	792,750	792,750	1,087,775	(295,025)
Forestry	210,500	210,500	191,742	18,758
Memorial Building	173,575	173,575	157,839	15,736
Sibley Park	454,475	454,475	382,862	71,613
County parks	246,600	246,600	131,458	115,142
McDowell Dam	238,500	238,500	233,961	4,539
High Prairie Arts and Science Complex	109,300	109,300	101,182	8,118
Other recreational activities	2,555,600	2,555,600	2,538,174	17,426
Capital outlay	700,000	700,000	679,389	20,611
Capital outlay less than \$5,000	176,250	176,250	55,624	120,626
Debt service:				
Principal retirement	1,011,900	1,011,900	1,129,364	(117,464)
Interest and fiscal charges	422,700	422,700	302,593	120,107
Total expenditures	<u>17,503,650</u>	<u>17,503,650</u>	<u>16,543,909</u>	<u>959,741</u>
Excess of revenues under expenditures	(322,500)	(322,500)	393,501	716,001
Other financing sources (uses):				
Proceeds from insurance	12,500	12,500	52,332	39,832
Transfers in/out	310,000	310,000	305,000	(5,000)
Total other financing sources (uses)	<u>322,500</u>	<u>322,500</u>	<u>357,332</u>	<u>34,832</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	750,833	<u>\$ 750,833</u>
Fund balance - January 1			3,034,602	
Fund balance - December 31			<u>\$ 3,785,435</u>	

See Notes to the Required Supplementary Information

**BISMARCK PARKS AND RECREATION DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE- SPECIAL ASSESSMENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	Original Budget	Final Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:				
Taxes	\$ 2,491,000	\$ 2,491,000	\$ 2,566,469	\$ 75,469
Miscellaneous	130,000	130,000	130,000	-
Total revenues	<u>2,621,000</u>	<u>2,621,000</u>	<u>2,696,469</u>	<u>75,469</u>
Expenditures:				
Capital outlay <\$5,000	36,300	36,300	10,483	25,817
Debt service:				
Principal retirement	2,350,000	2,350,000	2,336,393	13,607
Interest and fiscal charges	439,700	439,700	447,171	(7,471)
Issuance costs	20,000	20,000	-	20,000
Total expenditures	<u>2,846,000</u>	<u>2,846,000</u>	<u>2,794,047</u>	<u>51,953</u>
Excess of revenues over (under) expenditures	(225,000)	(225,000)	(97,578)	127,422
Other financing sources (uses):				
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures	<u>\$ (350,000)</u>	<u>\$ (350,000)</u>	<u>(222,578)</u>	<u>\$ 127,422</u>
Fund balance - January 1			<u>1,845,544</u>	
Fund balance - December 31			<u>\$ 1,622,966</u>	

See Notes to the Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset)	14.94%	14.47%	14.52%	13.43%	12.71%	12.36%
Employer's proportionate share of the net pension liability (asset)	\$ 1,485,481	\$ 2,721,922	\$ 1,283,226	\$ 1,315,443	\$ 1,167,823	\$ 119,548
Employer's covered-employee payroll	\$ 3,518,193	\$ 3,490,169	\$ 3,223,952	\$ 2,953,755	\$ 2,512,248	\$ 768,136
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	42.22%	77.99%	39.80%	44.53%	46.49%	0.155633898
Plan fiduciary net position as a percentage of the total pension liability	91.64%	83.50%	91.78%	89.86%	89.88%	98.82%

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

See Notes to the Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 322,595	\$ 320,293	\$ 262,486	\$ 266,849	\$ 209,905	\$ 122,820
Contributions in relation to the actuarially determined contribution	\$ 381,662	\$ (373,732)	\$ (345,354)	\$ (322,654)	\$ (269,065)	\$ (243,218)
Contribution deficiency (excess)	\$ 704,257	\$ (53,439)	\$ (82,868)	\$ (55,805)	\$ (59,160)	\$ (120,398)
Employer's covered-employee payroll	\$ 3,756,434	\$ 3,518,193	\$ 3,490,169	\$ 3,223,952	\$ 2,953,755	\$ 2,512,248
Contributions as a percentage of covered-employee payroll	10.16%	10.62%	9.90%	10.01%	9.11%	9.68%

See Notes to the Required Supplementary Information



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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Early Retirement Benefits			
OPEB Liability			
Service cost	\$ (44,074)	\$ 84,581	\$ 115,413
Benefit paid	<u>21,500</u>	<u>(11,348)</u>	<u>(17,792)</u>
Net Change in Total OPEB Liability	(22,574)	73,233	97,621
OPEB Liability - Beginning	170,854	97,621	-
OPEB Liability - Ending	<u>\$ 148,280</u>	<u>\$ 170,854</u>	<u>\$ 97,621</u>
Covered Payroll	\$2,510,639	\$2,511,467	\$2,530,464
District's Total OPEB Liability as a % of Covered Payroll	5.91%	6.80%	3.86%
Health Insurance Benefits			
OPEB Liability			
Service cost	\$ (27,865)	\$ 141,728	\$ 112,786
Benefit paid	<u>(20,946)</u>	<u>(34,440)</u>	<u>(16,348)</u>
Net Change in Total OPEB Liability	(48,811)	107,288	96,438
OPEB Liability - Beginning	338,015	230,727	134,289
OPEB Liability - Ending	<u>\$ 289,204</u>	<u>\$ 338,015</u>	<u>\$ 230,727</u>
Covered Payroll	\$2,773,709	\$2,765,641	\$2,832,811
District's Total OPEB Liability as a % of Covered Payroll	10.43%	12.22%	8.14%

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

See Notes to the Required Supplementary Information

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2020**

**NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING**

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

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

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

**NOTE 2 PENSION – CHANGE OF ASSUMPTIONS**

Amounts reported in 2020 reflect actuarial assumption changes effective January 1, 2020 based on the results of an actuarial experience study completed in 2019.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Pass-Through Entity Identifying Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Agriculture			
Passed through the ND Forest Service			
Cooperative Forestry Assistance	2018-EABATBTP-0011	10.664	\$ 10,000
U.S. Department of Interior			
Passed through ND Game and Fish Department			
Sport Fish Restoration	F19AF00029	15.605	2,625
Passed through the ND Department of Parks and Recreation			
Outdoor Recreation Acquisition, Development and Planning	P19AP00393 / 38-01327	15.916	357,107
U.S. Department of Labor			
Passed through Job Service of North Dakota			
Unemployment Insurance		17.225	29,035
U.S. Department of Transportation			
Passed through the ND Department of Parks and Recreation			
Recreational Trails Program	FY202004	20.219	35,871
U.S. Department of Treasury			
Passed through ND Office of Management and Budget			
Coronavirus Relief Fund - COVID-19		21.019	239,594
Passed through ND Department of Commerce			
Coronavirus Relief Fund - COVID-19		21.019	75,000
Passed through ND Job Service			
Coronavirus Relief Fund - COVID-19		21.019	29,117
Total for CFDA #21.019			<u>379,582</u>
U.S. Department of Homeland Security			
Passed through the Department of Emergency Services			
Disaster Grants - Public Assistance (Presidentially Declared Disasters, FEMA-4509-DR		97.036	9,650
Total Federal Financial Assistance			<u>\$ 787,999</u>

See Notes to the Schedule of Expenditures of Federal Awards

**BISMARCK PARKS AND RECREATION DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 2 INDIRECT COST RATE**

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

**NOTE 3 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal award activity of the Bismarck Parks and Recreation District under programs of the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Bismarck Parks and Recreation District, it is not intended to and does not present the financial position, change in net position, or cash flows of the Bismarck Parks and Recreation District.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Bismarck Parks and Recreation District, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 9, 2021.

## **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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



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

June 9, 2021

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

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

### Report on Compliance for Each Major Federal Program

We have audited Bismarck Parks and Recreation District's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended December 31, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

## Opinion on Each Major Federal Program

In our opinion, Bismarck Parks and Recreation District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



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



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

June 9, 2021

**BISMARCK PARKS AND RECREATION DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

       yes        x   no

Significant deficiency(ies) identified?

       yes        x   none reported

Noncompliance material to financial  
statements noted?

       yes        x   no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

       yes        x   no

Significant deficiency(ies) identified?

  x   yes             none reported

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

Unmodified

Any audit findings disclosed that are  
Required to be reported in accordance with  
2 CFR 200.516(a)?

       yes        x   no

CFDA Number(s)

Name of Federal Program or Cluster

21.019

Coronavirus Relief Fund

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

\$750,000

Auditee qualified as a low-risk auditee?

       yes        x   no

**BISMARCK PARKS AND RECREATION DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**Section II - Financial Statement Findings**

No findings to be reported under this section.

**Section III – Federal Award Findings and Questioned Costs**

**2020-001: Activities Allowed or Unallowed/Allowable Costs/Cost Principles - CFDA**  
**#21.019 (Coronavirus Relief Fund)**

Criteria

Payroll costs charged to a federal program should be charged at the employee's approved pay rate.

Condition

Of the 30 payroll transactions tested, we noted two instances where the pay rate used to summarize the amount of federal funds was not the approved pay rate. The employees were paid the correct amounts, however the amounts included in federal funds was incorrect. The mis-typed wage rates also impacted the amounts of benefits allocated.

Cause

The District did not correctly enter the pay rates for employees on the spreadsheet that were used to determine the amount of federal funds requested for reimbursement. Although the spreadsheet was reviewed, the accuracy of the data imputed was not all verified.

Effect

The District requested an incorrect amount of payroll and benefits of \$3,261. The District had additional expenses that qualified under the program to cover the amount of incorrect wages and benefits requested.

Recommendation

We recommend the District review their internal controls over manual spreadsheets and add additional controls to verify manually entered data.

Indication of Repeat Finding

This is a new finding.

Questioned Costs

None

Views of Responsible Officials

The District reviewed our internal controls over manual spreadsheets and added an additional control to ensure manually entered data is verified.



**BISMARCK PARKS AND  
RECREATION DISTRICT**  
Est. 1927

Let's Play!

**Corrective Action Plan – December 31, 2020**

**2020-001:**

**Contact Person**

Kathy Feist

**Corrective Action**

Update internal controls to require a second employee to review and verify manually entered data and formulas on spreadsheets submitted for grant reimbursement requests.

**Completion Date**

Year ending December 31, 2021

A nationally accredited park and recreation agency.

June 9, 2021

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

We have audited the financial statements of the governmental activities and each major fund of Bismarck Parks and Recreation District for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you on May 14, 2021. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bismarck Parks and Recreation District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Bismarck Parks and Recreation District's financial statements were:

*Net Pension Liability* - Management's estimate of its actuarially calculated pension liability is based on several factors including but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases, and form of annuity payment upon retirement.

*OPEB Liability* - Management's estimate of the post-retirement benefit obligations includes assumptions in order to determine the year-end liability. We evaluated the key factors regarding management's assumptions used to calculate the liability determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.



### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated June 9, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the management's discussion and analysis, budgetary comparison schedules, schedule of employer's proportionate share of net pension liability, schedule of employer contributions, schedule of employer's share of net OPEB liability and notes to the required supplementary information, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on schedule of expenditures of federal awards, which accompany the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Park Commissioners and management of Bismarck Parks and Recreation District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



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

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**Subject:** FW: Elk Ridge Third Park  
**Attachments:** ELK RIDGE 3 FINAL PLAT.pdf; ELK RIDGE 3rd exhibit

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**From:** Landon Niemiller <[lniemiller@swensonhagen.com](mailto:lniemiller@swensonhagen.com)>  
**Sent:** Thursday, June 03, 2021 2:49 PM  
**To:** Randy Bina <[RBina@bisparks.org](mailto:RBina@bisparks.org)>  
**Cc:** Jason Petryszyn <[jpetryszyn@swensonhagen.com](mailto:jpetryszyn@swensonhagen.com)>; Wendy Berg <[wberg@bisparks.org](mailto:wberg@bisparks.org)>; Dave Mayer <[dmayer@bisparks.org](mailto:dmayer@bisparks.org)>; Kim Lee <[klee@bismarcknd.gov](mailto:klee@bismarcknd.gov)>; Cam Knutson <[cam@knutsonteam.com](mailto:cam@knutsonteam.com)>  
**Subject:** Elk Ridge Third Park

Randy,

Attached is the final plat for the proposed Elk Ridge Third Addition. Per our earlier conversations, please add our request for the Park District to accept Lots 47 & 49 Block 3 for park lands to be used as part of the trail network & a parking area/trailhead, to the Park Board agenda.

We have adjusted Lot 14 Block 3 so that an additional trail head/access point is available on the east end of Cogburn Road right-of-way.

Please let us know if you have any questions.

Thanks,

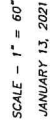
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**Landon Niemiller**  
Land Development Technician  
email: [lniemiller@swensonhagen.com](mailto:lniemiller@swensonhagen.com)





**BISMARCK, BURLEIGH COUNTY, NORTH DAKOTA**






**BISMARCK, BURLEIGH COUNTY, NORTH DAKOTA**



DATE: June 9, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman, and President Jeske  
Randy Bina, Executive Director

FROM: Kevin Klipfel, Facilities and Programs Director 

RE: 2021 Matching Grant Program Round Two Funding Recommendations

The Matching Grant review committee consisting of Commissioners Gilbertson, Executive Director Bina, and I met with the five grant applicants on June 8<sup>th</sup> to review their project applications. I would like to thank Commissioner Gilbertson along with Executive Director Bina for their participation in this process. We continue to have great interest in this program and appreciate the support, cooperation and passion from the different groups and organizations to partner together to improve the recreational opportunities in our community. We had requests from five groups totaling \$31,206.53 which falls within our budget for 2021.

The Matching Grant budget for 2021 is \$100,000. A summary of applications and committee recommendations is attached along with a copy of the Matching Grant Application.

Commissioner Gilbertson will be providing an overview of the committee recommendations for the Board's consideration.

Please contact me if you have any questions.

**BISMARCK PARKS AND RECREATION DISTRICT**  
**MATCHING GRANT APPLICATIONS**  
Round Two, June 2021

N o.	Applicant	Project Title	Project Description	Assistance Requested	Applicant's Contribution	Total Estimated Cost	Proposed Funding Recommended
1.	Bismarck Mandan Lacrosse Association (BMLA)	Lacrosse Shoulder Pads with Commotio Cordis Protection	BMLA shoulder pads need to be replaced because of a US Lacrosse rule change. These shoulder pads are part of an equipment package that is available to anyone to use for free thus lowering the barriers to entry for the sport.	\$960.00	\$960.00	\$1,920.00	\$960.00
2.	Bismarck Hockey Boosters	Ice Aids for VFW	Bumpers for on ice practices at VFW, Rink #2	\$1,304.00	\$1,304.00	\$2,608.00	\$1,304.00
3.	Shift Bike Share Team	Bike Share	A project built to develop a sustainable bike share system to provide residents, college students, and visitors with a healthy, affordable and environmentally -friendly option for exploring Bismarck/Mandan.	\$25,000.00	\$25,000.00	\$89,640.00	\$25,000.00
4.	Bismarck Gymnastics Academy	Women's Traditional Single Bar Trainer with E-rail	Replacing the existing women's traditional single bar trainer with E-rail located over the foam pit	\$1,442.53	\$1,442.53	\$2,885.06	\$1,442.53
5.	Bismarck Rotary Club	Bismarck Rotary Arboretum	Improve the Bismarck Rotary Arboretum located in the northwest corner of the Tom O'Leary Golf Course by maintaining the walking path/trail. Maintenance includes grading, adding aggregate surfacing, green-treated timber replacement and other minor items as needed.	\$2,500.00	\$2,500.00	\$5,000.00	\$2,500.00
	<b>TOTAL</b>			\$31,206.53	\$31,206.53	\$102,053.06	\$31,206.53





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**BISMARCK PARKS AND  
RECREATION DISTRICT**  
Est. 1927

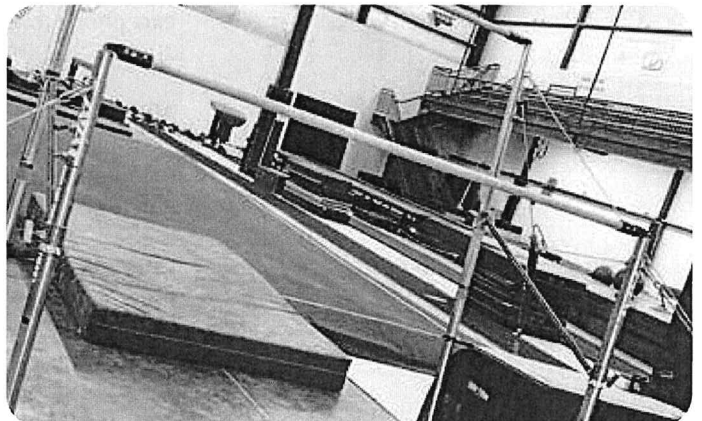
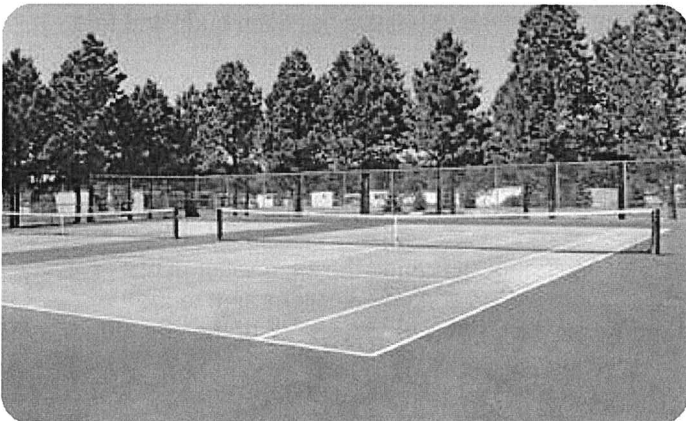
# 2021 Matching Grant Program



FACILITIES •

GROUNDS •

EQUIPMENT



[www.bisparks.org](http://www.bisparks.org)

## **PURPOSE**

The purpose of the **Matching Grant Program** is to encourage associations, organizations, clubs, or individuals to sponsor a project in a Bismarck Parks and Recreation District (BPRD) facility or park for the advancement of recreation opportunities in Bismarck.

**INITIAL PROJECT REVIEW:**

**Prior to submission and deadline, Kevin Klipfel, Facilities and Programs Director, must be contacted at 222-6455 to conduct an initial project review to make sure project meets minimum specifications.**

**RECOGNITION OF MATCHING GRANT:**

The approved projects shall have a recognition plaque, dedication, or some other recognition signifying the project is part of the BPRD Matching Grant Program.

**ADMINISTRATION AND ACCOUNTING:**

Administration and accounting procedures will be determined by agreement with approved parties. All approved projects on Park District property must follow Park District purchasing guidelines, local ordinances, and state laws. Upon completion of the projects on Park District property, BPRD will assume ownership of the improvement or equipment, unless other arrangements are agreed upon.

**WHO CAN APPLY:**

Associations, organizations, clubs, or individuals in the Bismarck Parks and Recreation District who are interested in applying for a grant to sponsor a project may apply. Projects must be facility improvements and may include the purchase of recreation equipment.

**SCHOOL DISTRICT PROPERTY:** Projects on School District property must have a letter of support from the School District's buildings and grounds supervisor and school principal. Projects on School District property must have a three-way dollar for dollar match, with Bismarck Public Schools, School PTO and BPRD.

**APPLICATION OBTAINED AT:**

BPRD Office, 400 East Front Avenue Bismarck, ND 58504. Applications will be available after January 1 of each year.

**APPLICATION DEADLINES:**

Application deadlines for 2021 are 5:00 pm on February 1 (Round 1) and June 1 (Round 2).

**FUNDS AVAILABLE:**

The Board of Park Commissioners shall determine how much, if any, will be available each budget year for matching funds and may change or make exceptions to the amount at any time. \$100,000 has been budgeted for 2021.

**APPLICATION REVIEW/INTERVIEW:**

After the deadline, a committee of staff and Commissioners will review all applications, conduct a short interview with applicants, and make recommendations to the Board of Park Commissioners at the February 18th and June 17th Park Board meetings.

**APPLICATION APPROVAL/DENIAL:**

Letters will be sent to all applicants, indicating the approval or denial of grant money. For those approved, an agreement will be sent to the successful project sponsors, which states the provisions of the grant funds.



<b>FUNDING:</b>	Projects will be funded at no more than 50 percent of the total estimated cost, or up to a maximum of <b>\$25,000</b> , whichever is less. The Matching Grant Program provides a dollar-for-dollar match. The program does not consider matching funds for projects with in-kind expenses. The Board of Park Commissioners, at its discretion, may approve matching funds of over <b>\$25,000</b> .
<b>SCHOOL PROJECT FUNDING:</b>	Projects on School District property will be funded up to 33 1/3 percent or <b>\$25,000</b> , whichever is less. The Matching Grant Program provides a dollar-for-dollar match. The program does not consider matching funds for projects with in-kind expenses.
<b>PROJECT SPONSOR CERTIFICATION:</b>	The project sponsor must certify that they have the necessary funds for their share of the total estimated project's cost.
<b>GREATEST CONSIDERATION:</b>	<p>Projects that will receive the greatest consideration are as follows:</p> <ul style="list-style-type: none"><li>• Projects that fit into the Bismarck Parks and Recreation District's strategic plan, mission and vision.</li><li>• Projects that serve a wide variety of people or large number of people, rather than to projects serving a limited group.</li><li>• Projects that can be used throughout the year – more than one season.</li><li>• Projects that have a developmental plan approved or reviewed by Bismarck Parks and Recreation District.</li><li>• Projects that are on Park District property.</li><li>• Playground projects must comply with current playground standards and guidelines. Playgrounds that include a ramp with an accessible route will receive the highest consideration.</li></ul>
<b>NO CONSIDERATION</b>	<p>Projects that will <b>NOT</b> receive consideration for funding:</p> <ul style="list-style-type: none"><li>• Projects on private property as fixed improvements that aren't open to the public.</li><li>• Personnel, operations, consultants.</li><li>• Projects that have begun before grant approval.</li><li>• Projects that use in-kind expenses as a match for grant application.</li><li>• No clothing or uniforms.</li></ul>
<b>PROJECT COMPLETION:</b>	The approved projects must be completed in the year they are awarded, otherwise Park District funding will be lost.

# 2021 MATCHING GRANT APPLICATION

**APPLICATION DEADLINE: 5:00 PM ON FEBRUARY 1 AND JUNE 1**

**COMPLETE AND RETURN TO:**

Bismarck Parks and Recreation District • Attn: Kevin Klipfel  
400 East Front Avenue • Bismarck, ND 58504 • (701) 222-6455  
kklipfel@bisparcs.org

1. DATE OF APPLICATION: \_\_\_\_\_
2. APPLICANT: \_\_\_\_\_  
CONTACT PERSON: \_\_\_\_\_ IF SCHOOL, PRINCIPAL'S NAME: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_ CITY: \_\_\_\_\_  
STATE/ZIP: \_\_\_\_\_ TELEPHONE NUMBER: (H) \_\_\_\_\_ (C) \_\_\_\_\_  
EMAIL ADDRESS: \_\_\_\_\_
3. PROJECT TITLE: \_\_\_\_\_
4. ESTIMATED PROJECT START DATE: \_\_\_\_\_ COMPLETION DATE: \_\_\_\_\_
5. DESCRIPTION OF PROPOSED PROJECT (INCLUDE LOCATION AND SITE MAPS WHERE APPLICABLE):  
\_\_\_\_\_  
\_\_\_\_\_
6. JUSTIFICATION FOR PROJECT:  
\_\_\_\_\_  
\_\_\_\_\_
7. ESTIMATED NUMBER OF PEOPLE BENEFITED: \_\_\_\_\_
8. ESTIMATED AGE CATEGORIES BENEFITED: \_\_\_\_\_
9. TOTAL ESTIMATED PROJECT COST (INCLUDE ANY PRICE QUOTES OR COST ESTIMATES RECEIVED):  
\_\_\_\_\_
10. AMOUNT OF ASSISTANCE REQUESTED: \_\_\_\_\_
11. AMOUNT OF APPLICANT'S CONTRIBUTION: \_\_\_\_\_

12. OTHER SOURCES OF ASSISTANCE (NAME, TYPE, AMOUNT):

\_\_\_\_\_

13. BY SIGNING OR TYPING MY NAME BELOW, I HEREBY CERTIFY THAT FUNDS IN THE AMOUNT OF \$ \_\_\_\_\_

(AT LEAST 50 PERCENT OF TOTAL ESTIMATED COSTS) ARE AVAILABLE FOR THE ABOVE STATED PROJECT.

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**PROJECT COST ESTIMATES**

Attach any written cost estimates received from vendors or contractors, etc.

PROJECT ITEM	UNITS	ESTIMATED COST
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL:		_____

**APPLICATION CHECKLIST**

☐ Initial project review with Facilities and Programs Director?

☐ Application completed?

☐ Project sponsor certification of funds available?

**SCHOOL PROJECTS:**

☐ Letter of approval from BPS Buildings and Grounds?

☐ Letter of approval from school principal?

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**Subject:**

FW: Park Name in Silver Ranch 1st Addition (Section 19)

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**From:** Karen Danley <[silverranch67@gmail.com](mailto:silverranch67@gmail.com)>

**Sent:** Wednesday, June 02, 2021 2:56 PM

**To:** Chad Wachter <[CW@investcore.com](mailto:CW@investcore.com)>; Randy Bina <[RBina@bisparks.org](mailto:RBina@bisparks.org)>; Wendy Berg <[wberg@bisparks.org](mailto:wberg@bisparks.org)>; [JAMIE@INVESTCORE.COM](mailto:JAMIE@INVESTCORE.COM); Donna Fricke <[silverranch60@gmail.com](mailto:silverranch60@gmail.com)>

**Subject:** Park Name in Silver Ranch 1st Addition (Section 19)


Hello Bismarck Parks, Silbernagel Family, and Investcore,

The Silbernagel family has decided to name the Silver Ranch 1st Addition Park in Section 19 the "A. James Silbernagel Memorial Park".

Please let me know if you have any questions.

Sincerely,  
Karen Danley  
Silbernagel Family

**TO:** Commissioners Munson, Gilbertson, Zimmerman, Jordan and President Jeske,  
Randy Bina, Executive Director of Parks and Recreation

**FROM:** David Mayer   
Operations Director

**DATE:** June 10, 2021

**RE:** Playground Bid- Sertoma Shelter 11

Commissioners and Randy:

Bids were opened on June 9, 2021 at 1:30pm for the play equipment, installation, and surfacing for the playground at Sertoma Park, shelter 11. We received bids from four playground suppliers, and a bid summary is below. One bidder did not provide their certificate of a ND contractor's license.

Wendy Anderson-Berg, Park Planner, and I reviewed all proposals and evaluated the play equipment based on the following criteria:

- Compliance with current standards and guidelines (CPSC, ASTM, ADA)
- Compliance with insurance certifications
- Quantity of play events and play value
- Compliance to bid specifications

#### **Play Equipment and Installation**

We recommend accepting the bid submitted by Dakota Playground and Landscape Structures for play equipment and installation for the total bid price of **\$38,193**. Dakota Playground provided a design that was comparable to the drawing and approved prior to the bid, and the total bid price was the lowest.

#### **Surfacing**

We recommend accepting the bid submitted by Safety First/Grondahl Recreation for the playground surfacing and installation for the bid price of **\$5,768**.

If approved, we anticipate this project will move forward this summer. Thank you for your time and consideration of this matter.

cc: Wendy Anderson-Berg, Park Planner

COMPANY NAME	Playground Approved	Contractors License	Play Equipment & Installation Price	EWf Price
Dakota Playground	x	Y	\$ 38,193	\$ 7,582
Safety First/Grondahl Recreation	x	Y	\$ 51,685	\$ 5,768
Cunningham Recreation	x	N	n/a	n/a
My Turn PlaySystems	x	Y	\$ 56,690	\$ 8,900



Let's Play!

*To:* Commissioners Gilbertson, Jordan, Munson, Zimmerman, and President Jeske  
Randy Bina, Executive Director

*From:* David Mayer, Operations Director *DM*

*Date:* June 10, 2021

*Subject:* Cottonwood #2 Fence Bid Consideration

Commissioners and Executive Director Bina:

Bids were received on June 9, 2021, for the Cottonwood Diamond #2 Fence Project. The bid from Dakota Fence for a total bid price of \$69,726.00 was the only bid received for this project. Our estimate for this project was \$49,000.

Staff does not recommend awarding this project.

*A nationally accredited park and recreation agency.*

*To:* Commissioners Gilbertson, Jordan, Munson, Zimmerman, and President Jeske  
Randy Bina, Executive Director

*From:* David Mayer, Operations Director *DM*

*Date:* June 10, 2021

*Subject:* Fox Island Fish Cleaning Station Improvements

Commissioners and Executive Director Bina:


Bids were due and 2:00 pm on June 9, 2021, for the Fox Island Cleaning Station Improvement Project.

Unfortunately, we did not receive any bids for this project. In speaking with a few contractors, they noted their current workload they had and that they did not feel they could fit the project in.

Staff recommends moving forward with the District quoting out portions of the project separately.



*To:* Commissioners Gilbertson, Jordan, Munson, Zimmerman, and President Jeske  
Randy Bina, Executive Director

*From:* David Mayer, Operations Director 

*Date:* June 9, 2021

*Subject:* Bid Recommendations

Commissioners and Executive Director Bina:

Bids were received on June 9, 2021 for the McDowell Dam pavement improvement project. We are recommending accepting the bid submitted by Dakota Concepts for the total bid price of \$35,659.00.

The following summary is provided for your information:

Vendor	Bid Price
Dakota Concepts	\$ 35,659.00
Zimmerman Contracting, Inc	\$ 47,095.00
Strata Corporation	\$ 52,412.55
Northern Improvement Company	\$ 58,928.00

If approved, the project will move forward this summer. Thank you for your consideration.



MINUTES OF THE BOARD OF PARK COMMISSIONERS  
May 20, 2021

The Board of Park Commissioners held their regular meeting on May 20, 2021 in the Tom Baker meeting room of the City/County Building. President Jeske called the meeting to order at 5:15 pm. Commissioners Gilbertson, Zimmerman, and Munson were present. Commissioner Jordan was absent.

Commissioner Gilbertson moved to approve the agenda as presented. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Don Moseman and Kristen Wilson with the North Dakota Safety Council (NDSC) appeared before the Board to present the Park District with the NDSC Workplace Safety Merit Award.

Eric Lindstrom, Managing Director of Development for Ducks Unlimited, Inc., provided an update on the Clairmont Family Conservation Park, which will eventually be donated to the Park District. He also reviewed the Access and Standstill Agreement with Ducks Unlimited which provides the Park District the ability to begin master planning the park prior to the donation. Commissioner Munson moved to approve the agreement as presented. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Sue Peterson reviewed the results of the community survey regarding the proposed indoor recreation complex. Commissioner Zimmerman moved to accept the community survey results. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved that staff proceed with plans to provide the survey results to the public at an upcoming community meeting. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Commissioner Munson expressed his desire to clarify the role the Park District has in meetings regarding the BNSF railroad bridge consulting party meetings. The Board has authorized staff to participate in the meetings, but only as a means to access information. This participation in no way makes the Park District a partner with the Friend of the Rail Bridge.

Travis Johnson from Houston Engineering reviewed the bids received for Hidden Star neighborhood park. Commissioner Gilbertson moved to reject the bids received and to re-bid the project in the future. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Jason Petryszyn from Swenson, Hagen and Company presented the bids received for the Promontory Point neighborhood park. Commissioner Munson moved to reject the bids received and re-bid the project in the future. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Facilities and Programs Director Kevin Klipfel reviewed the bids received for the BSC Aquatic and Wellness Center flooring replacement project. Commissioner Munson moved to accept the low bid of \$32,970 from Hruby Flooring. Commissioner Zimmerman seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Commissioner Gilbertson moved to accept the low bid of \$2,000 per month and the agreement submitted by Toptracer Range for the golf ball flight tracking system to be installed at Fore Seasons Center. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Finance Director Kathy Feist reviewed proposed changes to the Accounting Manual. Commissioner Munson moved to approve the changes. Commissioner Zimmerman seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved to approve the 2022 budget development timeline as presented. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

President Jeske reviewed the following items on the consent agenda:

- Consideration of the April 15, 2021 Board meeting minutes.
- Request Board authorization to apply for the following RTP grants:
  - The first proposed project is an update to the maps on all trailhead signs throughout the Park District system as well as the installation of new signs where needed for recently installed trails or where the signs are no longer in good condition.
  - The second project is a trail rehabilitation of the Hay Creek Trail from Century to 19<sup>th</sup> Street.
- Request Board authorization to call for bids for various projects and replacement of the playground near Sertoma Park shelter #11.
- Consideration to accept Transportation Alternatives grant funds for Ash Coulee and Tyler Parkway Trail Project which would be a 2024 project.
- Consideration of change order for 2021 Improvement District projects – unit 1: Sertoma Park parking lot sealing.

Commissioner Gilbertson moved to approve the consent agenda as presented. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

President Jeske reviewed the letter provided by Executive Director Bina, informing the Board of his intention to retire effective October 1, 2021. Commissioner Gilbertson moved to accept his retirement. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson, and President Jeske. The nays being none, the motion carried.

Commissioner Gilbertson moved to approve the bills for payment with checks 407119 to 407145 and 204787 to 205020 along with bank drafts DFT000946 to DFT000969, EFTs 1292 to 1337 and direct deposits 37429 to 38556. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Gilbertson moved to approve the Real Estate Purchase Agreement for \$892,000 with St. Mary's Church for 6.82 acres of land that the Park District has been leasing since 1928. This item was discussed in executive session at the April Board meeting, and the purchase agreement is within the parameters set by the Board. Commissioner Munson seconded the agreement, and the voting went as follows: Ayes: Commissioners Gilbertson, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

The next regular Board meeting will be held June 17, 2021 at 5:15 pm in the Tom Baker Meeting Room. The meeting was adjourned at 6:52 pm.

MINUTES OF THE BOARD OF PARK COMMISSIONERS  
May 27, 2021

The Board of Park Commissioners held a special meeting on May 27, 2021 at the Park District Administrative Office. President Jeske called the meeting to order at 7:30 am. Commissioners Gilbertson, Jordan, Munson, and Zimmerman were present.

Commissioner Zimmerman moved approval of the agenda as presented. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Legal Counsel Connie Hofland provided information about the process to select a new Executive Director relating to open meetings and public records.

Executive Director Bina reviewed a sample timeline and related documents with the Board.

After a variety of discussion, Commissioner Munson moved to hold another special Park Board meeting on June 2, 2021 at 7:30 am at the Park District Administrative Office to further review the job related documents and discuss the steps to move forward with the process. Commissioner Jordan seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

The meeting was adjourned at 8:37 am.

## MINUTES OF THE BOARD OF PARK COMMISSIONERS

June 2, 2021

The Board of Park Commissioners held a special meeting on June 2, 2021 at the Park District Administrative Office. President Jeske called the meeting to order at 7:30 am. Commissioners Gilbertson, Jordan, Munson, and Zimmerman were present.

Commissioner Zimmerman moved approval of the agenda as presented. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Executive Director Bina reviewed information relating to the task of the Executive Director who serves as clerk of the Park District as appointed by the Board of Park Commissioners.

Commissioner Munson moved to open the position to internal and external candidates according to the draft timeline that was provided at the May 27, 2021 meeting. Commissioner Jordan seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved to list the hiring range for the position as \$120,000 - \$135,000 annually. Commissioner Zimmerman seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved to accept the job analysis and job description as provided at the May 27, 2021 Board meeting. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved to have the full Board of Park Commissioners screen the applications that meet the minimum qualifications as determined by Zuger, Kirmis and Smith. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Gilbertson moved to have the final candidates take the General Management In-Basket assessment as administered by Management and Personnel Systems, Inc. and for the final candidate to go through a Park District background check. Commissioner Zimmerman seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

The meeting was adjourned at 8:29 am.

MINUTES OF THE BOARD OF PARK COMMISSIONERS  
April 15, 2021

The Board of Park Commissioners held their regular meeting on April 15, 2021 in the Tom Baker meeting room of the City/County Building. President Jeske called the meeting to order at 5:15 pm. Commissioners Gilbertson, Jordan, Munson, and Zimmerman were present.

Commissioner Jordan moved approval of the agenda as presented. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Deputy Chief Randy Ziegler appeared before the Board on behalf of the Bismarck Police Department as the Featured Partner and Program.

Mike Herzog, BNSF Railway Director of Bridge Maintenance, made a presentation to the Board regarding the status of developing the plan to build a new rail bridge over the Missouri River.

Margie Zalk Enerson, representing Friends of the Rail Bridge, provided information to the Board on their efforts to save the current rail bridge.

Commissioner Zimmerman moved that the Park District issue a statement of support of the efforts of Friends of the Rail Bridge. The motion died for a lack of a second.

Commissioner Munson moved that the Park Board table any further discussion on the topic of the rail bridge for up to six months. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, and Munson. Nays: President Jeske. The motion carried.

Brad Krogstad from KLJ reviewed the bids received for the development of Silver Ranch Neighborhood Park. The bids have been reviewed and approved by the Bismarck City Commission as they are being funded through the Neighborhood Parks and Open Space Policy. Commissioner Munson moved to approve the following low bids from Northwest Contracting for a total of \$669,735.30:

- Schedule 1 Base Bid: \$447,341.50
- Schedule 2 Base Bid: \$150,919.55
- Schedule 2 Alternate 1: \$71,474.25

Commissioner Jordan seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Jeff Ubl from Ubl Design Group provided the Board with an update on the construction of the new maintenance facility.

President Jeske reviewed the following items on the consent agenda:

- Review and approval of March 18, 2021 Board meeting minutes.
- Request to hold deer and turkey archery hunting program on City/Park District properties.



- Request Board authorization to apply for Garrison Diversion Recreation Grant for the Sertoma Fitness Improvements Project, a portion of the construction costs for the Tom O’Leary Tennis Court restroom project and a picnic shelter replacement at Steckel Boat Landing as well as an America the Beautiful Grant for additional trees at Riverwood Golf Course.
- Consultant agreement to extend Pebble Creek Golf Cart Paths with Apex Engineering.
- Review and approval of ice user agreements with the following:
  - Bismarck Public Schools
  - Bismarck Hockey Boosters
  - Bismarck Figure Skating Club
  - Bismarck Sports Group
  - Capital Curling Club
- Consideration of BSC Aquatic and Wellness Center Use agreements with:
  - Bismarck Public Schools
  - Bismarck Aquatics and Fitness, Inc.

Commissioner Gilbertson moved to approve the consent agenda as presented. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

Commissioner Munson moved to approve the bills for payment with checks 407107 to 407118 and 204585 to 204786 along with bank drafts DFT000935 to DFT000945, EFTs 1253 to 1291 and direct deposits 36616 to 37428. Commissioner Gilbertson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

President Jeske stated that the Board may choose to pass a motion to go into executive session to formulate contract negotiation strategy and instruction to negotiators for a possible acquisition of the currently leased portion of Lion’s Park. The Park Board has the authority to go into executive session for this purpose pursuant to NDCC Section 44-04-19.1(9).

Commissioner Jordan moved to go into executive session. Commissioner Munson seconded the motion, and the voting went as follows: Ayes: Commissioners Gilbertson, Jordan, Zimmerman, Munson and President Jeske. The nays being none, the motion carried.

The executive session was called to order at 7:08 pm. Those present were President Jeske, Commissioners Gilbertson, Jordan, Zimmerman and Munson, Executive Director Randy Bina, Administrative Services Manager Julie Fornshell, Legal Counsel Connie Hofland, Community Relations Manager Dana Schaar Jahner, Operations Director David Mayer, Facilities and Programs Director Kevin Klipfel, Finance Director Kathy Feist and city of Bismarck Engineer Gabe Schell.

The executive session was held to formulate and give guidance on contract negotiation strategy and instruction to negotiators for a possible acquisition of the currently leased portion of Lion’s Park. The Park Board has the authority to go into executive session for this purpose pursuant to NDCC Section 44-04-19.1(9).

The executive session ended at 8:18 pm. The members of the Board only gave guidance to negotiators during the executive session. No final action was taken by the Board on this issue.

The Board of Park Commissioners will have a park tour on April 20, 2021, starting at 4:00 pm. The tour will start at the Park District Office located at 400 East Front Avenue, Bismarck, ND. The next regular Board meeting will be held May 20, 2021 at 5:15 pm in the Tom Baker Meeting Room.

The meeting was adjourned at 8:19 pm.



DATE: June 4, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman and President Jeske  
Randy Bina, Executive Director

FROM: Kevin Klipfel, Facilities and Programs Director *KK*

RE: USA Softball Agreement – 2021 Slow Pitch Men's D National Tournament

Attached please find the agreement between USA Softball and Bismarck Parks and Recreation District to host the 2021 Slow Pitch Men's D Northern National Tournament on September 3-6, 2021.

This tournament is scheduled at Clem Kelley Softball Complex with 40-60 teams expected to participate. This tournament will be in the 14<sup>th</sup> national softball tournament hosted by Bismarck Parks and Recreation District along with our partners, Bismarck-Mandan Convention and Visitors Bureau and the Bismarck Men's and Women's Softball Associations.

We have reviewed this agreement and request Board approval.

Thank you for your consideration, and please let me know if you have any questions.

DATE: June 4, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman and President Jeske  
Randy Bina, Executive Director

FROM: Kevin Klipfel, Facilities and Programs Director

RE: USA Softball Agreement – 2021 Slow Pitch Men's D National Tournament

Attached please find the agreement between USA Softball and Bismarck Parks and Recreation District to host the 2021 Slow Pitch Men's D Northern National Tournament on September 3-6, 2021.

This tournament is scheduled at Clem Kelley Softball Complex with 40-60 teams expected to participate. This tournament will be in the 14<sup>th</sup> national softball tournament hosted by Bismarck Parks and Recreation District along with our partners, Bismarck-Mandan Convention and Visitors Bureau and the Bismarck Men's and Women's Softball Associations.

We have reviewed this agreement and request Board approval.

Thank you for your consideration, and please let me know if you have any questions.

# USA SOFTBALL NATIONAL CHAMPIONSHIP TOURNAMENT AGREEMENT

This National Championship Tournament Agreement ("Agreement") is made and entered into as of the 26 day of May 2021 ("Effective Date") by and between **USA Softball, Inc.**, an Oklahoma not-for-profit corporation, with its principal office at 2801 N.E. 50th Street, Oklahoma City, Oklahoma 73111 ("USA Softball"), the acting as and known in the Agreement as the **NATIONAL CHAMPIONSHIP TOURNAMENT HOSTING ORGANIZATION** ("Host") and the **Bismarck Parks & Rec. District** ("Sponsor"). Host and Sponsor are collectively referred to in the Agreement as the "Parties."

## WITNESSETH:

WHEREAS, USA Softball is responsible for promoting and conducting annual national championship tournaments for each class and division of USA Softball Championship Play as set forth in USA Softball Procedural Code Article 314(each a "National Championship Tournament"); and

WHEREAS, USA Softball has awarded to Host the right to host one or more National Championship Tournaments during the applicable Tournament Year ("The Tournament Year"); and

NOW, THEREFORE, in consideration of mutual promises and agreements herein and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Parties agree as follows:

## 1. NATIONAL CHAMPIONSHIP TOURNAMENT

- 1.1 The **Slow Pitch Men's D Northern** (the "Tournament") for the Tournament Year shall be held at **Bismarck, ND** ("Tournament Site") with competition to begin on 9/3/2021 (the "Tournament Start Date") and be completed by 9/6/2021 (the "Tournament End Date").
- 1.2 Host and Sponsor shall abide by the terms and conditions of the bid submitted by Host for the Tournament (the "Bid"), which is herein incorporated by reference. To the extent the Bid requires Host to pay for any expense or provide any benefit of greater value, quantity or quality than the provisions of the Agreement or the USA Softball Procedural Code, the Bid shall govern with respect to such expense or benefit; in all other respects, the terms of this Agreement and the USA Softball Procedural Code shall govern.

## 2. TERM OF THE AGREEMENT

- 2.1 The Agreement shall commence on the Effective Date and, unless sooner terminated as provided herein, shall terminate on the thirty-second (32nd) day after the Tournament End Date.

## 3. APPLICABLE GOVERNING DOCUMENTS

- 3.1 Host and Sponsor shall perform all duties and obligations required by law, statute, or regulation as Tournament host in accordance and compliance with the USA Softball Procedural Code, the Official Rules of Softball in effect during the Tournament as published and amended by USA Softball from time to time, the terms and conditions of this Agreement, and the terms and provisions of the Bid, each of which is hereby incorporated by reference. Any and all provisions, rules, and procedures shall be completed by the time period specified by USA Softball from time to time. The provisions of the USA Softball Procedural Code shall control the obligations of Host and Sponsor including but not limited to Articles 409, 504, 505, 602, 603, 604, 605, 606, 607, 206, 207, 301, 302, 303, 304, 305, 306, 307, 309, 310, 311, 316, 317 of the USA Softball Procedural Code. USA Softball shall provide a copy of the USA Softball Procedural Code, and the Rules to Sponsor and Host upon written request.

#### 4. OBLIGATIONS OF THE HOST

- 4.1 Host shall provide Tournament facilities conforming to the most current USA Softball Procedural Code, and Official Rules of Softball (the "Rules").
- 4.2 Host shall comply with USA Softball Rule book Rule 3 Section 3 regarding game balls.
- 4.3 Host shall be responsible to provide and pay for certain expenses related to the Tournament including, without limitation, each of the following:
- A. **Game Fees.** Host shall comply with USA Softball Procedural Code Article 603 regarding game fees.
  - B. **Umpire In Chief ("UIC"), Assistant UIC, Umpire Staff** (collectively, "**Umpires**"). Host shall provide housing, two to a room, for all umpires throughout the Tournament. The Host will provide the UIC and the Assistant UIC with local transportation to and from their Hotel and the Tournament Site. Host shall provide a private dressing room and meeting facility in close proximity to the playing fields for the Umpires' use. Host shall pay UIC a per diem and Assistant UIC a per diem throughout the Tournament, this amount is stated in Article 603 of the USA Softball Procedural Code.
  - C. **USA SOFTBALL Representative** (the "**Representative**"). Throughout the Tournament, the Tournament Host shall provide for the Representative a single room at the hotel designated by Host as the headquarters hotel and shall provide the Representative with a vehicle for his/her exclusive use. Host shall pay the Representative a per diem this amount is stated in Article 603 of the USA Softball Procedural Code.
  - D. **USA SOFTBALL President and Chief Executive Officer.** Host shall provide the USA Softball President and the USA Softball Chief Executive Officer, or their respective designee's, complimentary housing accommodations, and local transportation equal to or exceeding the accommodations and transportation provided to the Representative throughout the Tournament.
- 4.4 Pursuant to Articles 603(C) of the USA Softball Procedural Code, Host shall be solely responsible for all operations and all operational and administrative expenses associated with hosting and conducting the Tournament including, without limitation, the following:
- A. **Field Maintenance.** Host shall ensure a properly trained and equipped grounds crew is on hand and present throughout the Tournament to ensure the facilities remain clean and free from any obstructions and in compliance with the USA Softball Procedural Code, and the Rules.
  - B. **Security and First Aid.** Host shall ensure properly trained and equipped security, ambulance service and emergency medical personnel are available throughout the Tournament.
  - C. **Tournament Support Staff.** Host shall retain sufficient personnel to perform as statistician(s), announcer(s), official scorekeepers, scoreboard attendants, ball chasers, ticket sellers, ticket collectors, and other gate crew throughout the Tournament. USA Softball may require Host to retain additional personnel whenever USA Softball determines, in its sole and absolute discretion, such additional personnel are needed.
  - D. **Advertisement and Promotion.** Host shall prominently advertise and promote the Tournament prior to and throughout the Tournament. Host understands and expressly agrees to prominently mention, display or indicate USA Softball in all Tournament advertising materials.

- E. **Program / Ticket Printing.** No later than thirty (30) days prior to the Tournament Start Date, Host shall submit to USA Softball for approval a design copy of the Tournament program and a sample form of Tournament tickets. Title to all programs and tickets supplied to USA Softball pursuant hereto shall immediately pass to and vest in USA Softball. If USA Softball fails to notify Host within ten (10) days after its receipt of these items of a decision to reject any advertisement, graphic or text contained therein, the program and ticket materials shall be deemed approved by USA Softball for Tournament use. Host shall print a sufficient number of Tournament programs and tickets prior to the Tournament Start Date.

4.5 Host shall comply with USA Softball Procedural Code Article 606 regarding Tournament awards.

4.6 At Tournament Check-In, Host shall obtain and collect fully signed Roster Forms from each participant who will be participating in the Tournament (and shall not allow participation unless fully signed forms have been provided in advance of the start of the Tournament). Host shall also provide, pay for and host a pre-Tournament event at which a meal is provided for at least one (1) representative of each participating team and each of the Tournament sponsor representatives, the Umpires, Host and Sponsor representatives, USA Softball Council members, representatives and commissioners, the USA Softball President and Chief Executive Officer or their designee(s), the press, and other persons invited by Host who are present at the event (the "Pre-Tournament Event"). At the Pre-Tournament Event, the Host shall provide each team representative with a copy of USA Softball's Participant Manual and, at the Pre-Tournament Event or directly after the Pre-Tournament Event, the Host shall provide each team representative with an opportunity to inspect the fields and facilities.

4.7 Host shall provide free admission at all Tournament games for USA Softball Council members, their spouses and immediate family upon production of identification identifying such person as a USA Softball council member. Such admitted persons shall be entitled to reserved seating and admittance to hospitality functions, but only up to a maximum of 25 reserved seats and admissions in the aggregate. For purposes of satisfying the obligations of this subsection, in addition to the applicable free admissions (which shall be unlimited in number), Host shall reserve for USA Softball's use twenty-five (25) best seated reserved tickets to each game and the same number of passes and invitations to any hospitality function hosted by Host or Sponsor in connection with the Tournament.

4.8 Host shall be solely responsible for all souvenir items sold at or in conjunction with the Tournament.

A. **Pre-Approval of All Souvenir Items.** A sample or exemplar of all souvenir items Host proposes to sell or allow others to sell in conjunction with the Tournament shall be submitted to USA Softball at least thirty (30) days prior to the Tournament start date. Excluding those items provided for in the immediately following sentence (all of which shall require affirmative approval), if USA Softball fails to notify Host within ten (10) days after its receipt of these items of a decision to reject any such items, then as to those items that do not contain the USA Softball name, emblem or logo that were not timely rejected, those items shall be deemed approved by USA Softball for sale in conjunction with the Tournament. Pursuant to Article 310(J) of the USA Softball Procedural Code, souvenir items with the USA Softball name, emblem or logo must be affirmatively approved in advance and in writing by the USA Softball National Office prior to their use, production or resale. Host shall not sell or permit the sale of any rejected item.

B. **Souvenir Reporting.** Host must comply with USA Softball Procedural Code Article 604(I) in submitting souvenir report to USA Softball for all souvenir sales, including sales made by third-parties (if any). If Host or Sponsor execute a contract or agreement with or allow a third-party to sell any souvenir item(s) at or in conjunction with the Tournament, Host shall ensure that such contract (the "Vendor Contract") and such third party shall comply with USA Softball Procedural Code Article 604 (I) in submitting a report which details its gross sales. Host shall provide USA Softball with copies of all Vendor Contracts prior to the Tournament Start Date.

4.9 Following the Tournament End Date, Host shall prepare and submit the following reports to USA Softball:



- A. **Financial Report.** Host must comply with USA Softball Procedural Code Article 604(F) and 607(E)(04). Host's President, Chief Financial Officer or Chief Executive Officer and the Sponsor Commissioner shall each be jointly and severally responsible for filing the Report and shall warrant and guarantee its accuracy and completeness.
- B. **Official Final Standings.** Within twenty-four (24) hours after the Tournament End Date, Host shall fax or email and mail to USA Softball National Office the official, final Tournament standings of all participating teams. USA Softball Procedural Code Article 607(E)(01).
- C. **All-American Teams.** Within twenty-four (24) hours after the Tournament End Date, Host shall fax or email and mail to USA Softball National Office a list of the Tournament's first (1st) and second (2nd) All-American teams for each adult division of USA Softball Championship Play. USA Softball Procedural Code Article 607(E)(02).
- D. **Tournament Highlights.** Within thirty (30) days after the Tournament End Date, Host shall comply with USA Softball Procedural Code Article 307(E)(03).
- E. **Advertisement and Promotional Material.** Within thirty (30) days after the Tournament End Date, Host shall submit to USA Softball copies of all photographs (i.e. team and action), news releases and statistics taken, issued or compiled during the Tournament and all materials used in advertising, promoting and publicizing the Tournament including, without limitation, at least six (6) action photographs and team pictures of the champion, runner up and first (1st) All-American teams chosen at the Tournament.
- F. **Use of Tournamentusasoftball.com** Host shall comply with the USA Softball Procedural Code Article 405 (D)(14) and utilize <http://tournamentusasoftball.com/> for all Championship Finals Tournaments.

**4.10** In addition to the preparation and submission requirements of the above Section 4.9, Host shall be responsible for the following:

- A. **Tournament Results, Score Sheets, Entry Fees, Assessments:** Host shall comply with USA Softball Procedural Code Article 605, 607(E)(3-5). Within thirty (30) days after the Tournament End Date, Host agrees to remit to USA Softball that portion of the Entry Fee which represents the \$100-per-team (\$25-per-team for slow pitch) assessment fee due USA Softball pursuant to USA Softball Procedural Code Article 603(A) and, additionally, the \$100/\$300 per-team bid fee due and required by USA Softball's Board of Directors, as set forth in the Bid Documents and USA Softball Procedural Code Article 603.
- B. **All-American Team Statistics.** Within thirty (30) days after the Tournament End Date, Host shall submit statistics to the USA Softball National Office. (USA Softball Procedural Code Article 607 (E)(06)).

**4.11** The Tournament cannot be cancelled without the written consent of USA Softball's Chief Executive Officer.

## **5. OBLIGATIONS OF USA SOFTBALL**

- 5.1** USA Softball shall resolve questions regarding qualification or eligibility of any team or team member entered in the Tournament in accordance with the USA Softball Procedural Code, USA Softball Code, and the Rules.
- 5.2** The USA Softball shall select the UIC and all members of the umpire staff to officiate in the Tournament. The UIC selected by USA Softball shall be in charge of all details pertaining to the officiating duties of the umpire staff during the Tournament. If an Assistant UIC is required pursuant to USA Softball Procedural Code Article 409 (C)(2)(a, b, & c), the Sponsor's regional UIC shall select and assign any Assistant UIC.
- 5.3** USA Softball understands that there may be local laws, regulations, and ordinances that the Host may have to abide by that could ultimately affect the play of the tournament. Host shall make USA Softball

aware of all such laws, regulations, and ordinances as soon as possible so they may be discussed with all parties to determine a way to properly complete the tournament. In conducting the tournament, USA Softball shall endeavor to comply with all laws, regulations, and ordinances that apply to tournament play.

## **6. OBLIGATIONS OF THE SPONSOR**

- 6.1** Sponsor guarantees Host's complete and faithful performance of each and every obligation of Host contained or referenced in the Agreement or Bid. Accordingly, Sponsor shall be jointly and severally liable for the performance of Host's liabilities and obligations arising under or in connection with the Agreement or Bid. In addition to all other available remedies and as specified in USA Softball Procedural Code Article 605(B), if Host or Sponsor fails to file any report or remit any payment when due under this Agreement, Sponsor will be barred from bidding to host or sponsor any USA Softball tournaments until: (i) all monies and reports required under the Agreement are received by USA Softball; (ii) all monies owed under the Agreement are written off by the USA Softball Board of Directors; or (iii) the Sponsor Commissioner is replaced.
- 6.2** Sponsor shall comply with the U.S. Center for SafeSport and USA Softball's eligibility and complaint procedures for any disciplinary complaints made concerning the Event. USA Softball's complaint procedures may be found in USA Softball's By-Laws located on the internet at: <https://www.teamusa.org/USA-Softball/About/About-Us/USA-Softball-Code>.
- 6.3** Sponsor shall familiarize itself with all requirements of the U.S. Center for SafeSport ([www.safesport.org](http://www.safesport.org)) that would apply to the Event. Sponsor shall comply with all obligations of the U.S. Center for SafeSport, including any educational requirements, background check requirements and/or mandatory reporting obligations required by the U.S. Center for SafeSport.
- 6.4** Sponsor shall comply with any and all mandatory reporting obligations required by local, state or federal law. Sponsor is advised that any observed suspicions or instances of 'child abuse' as that term is defined by federal law may be subject to mandatory reporting obligations of federal law (34 U.S. Code § 20341), which would require mandatory reporting within 24 hours to an applicable State's Child Protective Services agency and/or the Federal Bureau of Investigation.

## **7. SPONSORSHIPS / MARKETING AGREEMENTS**

- 7.1** Neither Host nor Sponsor may enter into any sponsorship or marketing agreement for purposes of, affecting or relating to any National Championship Tournament without the prior, written approval of the USA Softball Chief Executive Officer.
- 7.2** USA Softball national sponsors shall have the right and opportunity to market their goods and services at the Event. Any marketing or sponsorship fees charged to USA Softball national sponsors and relating to the event shall be non-discriminatory.

## **8. EARLY TERMINATION**

- 8.1** If at any time either Host or Sponsor fails to perform or is in breach of any obligation imposed by the USA Softball Procedural Code, the Rules, the Bid or the Agreement, USA Softball may serve notice on Host and Sponsor specifying the nature of the breach. If Host and/or Sponsor do not cure the breach immediately to the complete satisfaction of USA Softball, USA Softball may serve a Notice of Termination of this Agreement, which shall be effective upon mailing, and may then cause the Tournament to be relocated.
- 8.2** Host and Sponsor acknowledge and agree that USA Softball has relied on the full and complete performance of Host and Sponsor under the Agreement and early termination of the Agreement would cause immeasurable and irreparable harm to USA Softball. As a consequence thereof, Host and Sponsor agree to forfeit the Tournament Guarantee, as provided for in the USA Softball Procedural

Code, USA Softball Procedural Manual, and the Bid, if the Agreement is terminated for any reason prior to the Tournament End Date.

- 8.3** Nothing in this Article shall be deemed a restriction upon USA Softball's rights to enforce any other remedies specified in the Agreement and to seek any and all available legal or equitable relief, as well as recovery of all expenses, including but not limited to reasonable attorney's fees incurred in enforcing its rights under the Agreement.

## **9. INDEMNITY / HOLD HARMLESS**

- 9.1** Host and Sponsor shall defend, indemnify and hold USA Softball harmless from and against any and all loss or liability which in any way, directly, indirectly or allegedly arises out of or relates to: (i) the Tournament; (ii) a breach of any of Host's or Sponsor's obligations under this Agreement; or (iii) any misrepresentation of fact or breach of any warranty made by Host or Sponsor in or in connection with this Agreement. However, the Host shall not be liable and shall not defend, indemnify or hold USA Softball harmless from and against any loss or liability which in any way directly or allegedly arises out of or relates to any of the obligations incurred by USA Softball pursuant to section 5 of this Agreement, nor any loss or liability caused solely by the acts or omissions of Sponsor.

## **10. NOTICES**

- 10.1** All notices or demands required to be made or permitted under the Agreement shall be in writing and shall be deemed served when deposited in the United States mail as postage certified mail, return receipt requested, with sufficient postage prepaid thereon and addressed as provided in the first paragraph of the Agreement or to such other address as each party may from time to time designate in writing

## **11. REPRESENTATIONS AND WARRANTIES OF HOST AND SPONSOR**

- 11.1** Sponsor represents and warrants that as of the Effective Date, it is a member of USA Softball in good standing. Host and Sponsor each represent and warrant that it understands that USA Softball has made no representation, warranty or guarantee regarding any fact or condition which may affect the Tournament's financial success including but not limited to any representation, warranty or guarantee regarding the number of teams which may participate in the Tournament, Tournament attendance, gate receipts, concessions or revenue for souvenir sales. Host and Sponsor knowingly and willingly assume all risks associated with the Tournament's financial success and understand that the Tournament Guarantee is fully earned as of the Effective Date and is non-refundable.
- 11.2** The Tournament Guarantee and any other sums due USA Softball (other than the \$100-per-team Entry Fees) will be invoiced to the Host on the January 1st of the year of the Tournament (or as soon as practicable thereafter) and the invoiced sums will be due and payable within 30 days of the invoice date.

## **12. MISCELLANEOUS**

- 12.1** The Agreement contains and constitutes the entire agreement between the Parties and supersedes any prior agreements between the Parties, written or oral, with respect to the subject matter hereof.
- 12.2** The provisions of the Agreement are severable and the invalidity of one or more provisions herein shall not have any effect upon the validity or enforceability of any other provision.
- 12.3** Neither this Agreement nor the Bid may be amended, modified, rescinded or revoked except by written agreement executed by USA Softball, Host and Sponsor.
- 12.4** USA Softball may assign any rights or benefits accruing to it or delegate any of its responsibilities or obligations under the Agreement to a subsidiary, affiliate or related entity of USA Softball upon thirty (30) days written notice to Host. Such assignment or delegation shall not require prior written consent of Host or Sponsor. Neither Host nor Sponsor shall assign any benefits or delegate any obligations under the Agreement without express, prior written consent of USA Softball.



- 12.5** The rights and remedies of the Parties herein specified shall be cumulative and not exclusive of any other rights and remedies herein provided or allowed by law.
- 12.6** If any party commences legal action or arbitration alleging a violation of the Agreement, or seeking to enforce, construe, modify or interpret the Agreement, or any provision herein, the non-prevailing party shall, to the extent permitted by applicable law, pay all costs and reasonable attorneys' fees incurred by the prevailing party in connection with such action.
- 12.7** Articles 3, 4, 6, 7, 8, 9, 11 and 12 of this Agreement shall survive any termination or expiration of the Agreement.
- 12.8** Any updates to USA Softball's Procedural Code, Technical Manual or Official Rules of Softball which may render outdated the particular references herein to sections or subsections of those documents shall be automatically deemed to reference the newly updated or newly renumbered section or subsection of the applicable document.
- 12.8** The Agreement shall be binding on the Parties and inure to the benefit of USA Softball, its successors and assigns.
- 12.9** Any waiver by a party of any breach of the Agreement shall not operate as or be construed as a waiver of any other breach of such provision or of any other provision of the Agreement. Any waiver must be in writing. Failure to insist upon strict adherence to any term of the Agreement on one or more occasions shall not be considered a waiver or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of the Agreement.
- 12-10** The Agreement shall be governed by interpreted and enforced in accordance with the laws of the State in which the Tournament Site is located, regardless of any contrary conflict of laws provisions. USA Softball, Host and Sponsor each agree that any action arising out of the Agreement shall be litigated under the laws of the State in which the Tournament Site is located with any state court action to be brought in the applicable state of federal district in which the Tournament Site is located, to the exclusion of all other courts, venues or jurisdictions. Nothing herein shall limit a party's right to remove an action from state court to federal court, pursuant to applicable law and rules. USA Softball, Host and Sponsor agree to submit to the jurisdiction of such courts, after service of process in accordance with applicable law.

IN WITNESS WHEREOF, USA Softball, Host and Sponsor have executed the Agreement in triplicate copies, each of which shall be deemed an original, effective as of the Effective Date.

**USA Softball, Inc.**

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Craig Cress, Chief Executive Officer

**Host**

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Name, Title

**Sponsor**

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Dick Gulmon, Commissioner



**BISMARCK PARKS AND  
RECREATION DISTRICT**  
Est. 1927

Let's Play!

DATE: June 3, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman and President Jeske  
Randy Bina, Executive Director

FROM: Kevin Klipfel, Facilities and Programs Director 

RE: VFW Sports Center Advertising Agreement

We have reviewed this advertising agreement with the Bismarck Sports Group (BSG) and made updates to the agreement for them to sell advertising at VFW Sports Center, Rink 1. This agreement includes the banners, signboards, windows, and dasher boards. The agreement indicates the locations the advertising signs will be allowed, along with the fees and payment schedule.

If you have any questions, please feel free to contact me.

*A nationally accredited park and recreation agency.*

## Contract for Sale of Advertising and Signage in VFW Sports Center, Rink 1

1. **Parties:** The parties to this contract are the Park District of the city of Bismarck, North Dakota (hereinafter the District), 400 E. Front Avenue, Bismarck, ND, 58504, and Bismarck Sports Group LLC, (hereinafter BSG) at 1200 North Washington Street, Bismarck, ND 58501.
2. **Purpose of this Agreement:** This agreement is to establish guidelines for the sale and/or trade of advertisements (banners, signboards, windows, and dasher boards) in the VFW Sports Center Rink 1 by BSG as part of their operation of a USA Hockey affiliated Junior "A" Hockey team.
3. **Terms of this Agreement:** The term of this agreement begins July 1, 2021 and ends June 30, 2023.
4. **Commission:** BSG will pay the District the following commission schedule on all advertisements sold and traded:

Advertising/Signage Cash Sales	
Up to \$50,000 = 10% commission	Maximum of \$5,000
\$50,001 - \$100,000 = 7.5% commission	Maximum of \$3,750
\$100,001 and above = 5%	Not to exceed \$5,000
Advertising/Signage In-Kind and Trade Out Sales	
Maximum of \$100,000 = 2.5%	Not to exceed \$2,500

BSG will provide to the Park District a full list of all sold and traded advertisements (banners, signboards, windows, and dasher boards) in the VFW Sports Center and the value of the advertisements.

In addition, BSG will be allowed a game day advertising sign on North Washington Street. BSG will provide a separate list for the advertising on this sign and will provide the District a 25% commission for the advertising, payable to the Bismarck Recreation Council by March 15<sup>th</sup> of each year. All expenses associated with the advertising, including development, production, installation, or replacement of this sign will be the responsibility of BSG.

5. **Payment Schedule:** Payment will be made in full and a listing of all advertisements sold and traded will be provided to the Park District as follows:

Payment Due By:	For:
March 15, 2022	All sales for the 2021-2022 season (July 1, 2021 – March 15, 2022)
March 15, 2023	All sales for the 2022-2023 season (March 16, 2022 – March 15, 2023)
June 30, 2023	Any commission on advertising sales made between March 16, 2023 and June 30, 2023 must be paid to the Park District prior to a new contract being signed or June 30, 2023 at the latest.

Cost of all signs, advertising development, installation and removal will be the responsibility of BSG.

BSG is provided the following opportunities to sell advertising in the VFW Sports Center arena 1:

- Dasher board panels
- Up to 16 logos on the ice
- Sign boards – Final number by approval. Signs may be 4'x8' standard or larger by approval
- Advertising banners
- Lobby windows and windows between rink #1 and the curling rink – during games only
- Plexiglass – no lower than 12" from the top of the plexiglass on rink ends only

By separate approval of the District, BSG will have the option to sell four (4) cash only (not in-kind) ad panels on the corner of the scoreboard.

Advertising in lobby windows and windows between rink #1 and the curling rink are approved with this agreement as advertising panels. Advertising on the lobby windows and windows between rink #1 and the curling rink are permitted during games only (up one hour before game time and removed ½ hour after game) and are considered temporary advertising.

No advertising will be permitted outside the VFW Sports Center or in the parking lot.

6. **Advertising Approval:** All advertising will be subject to approval by the Park District as follows and will be in good taste and displayed in the interest of the ice community and public at large. Advertising of beer will be accepted as temporary and only allowed during Junior A hockey games or BSG sponsored events. No advertising of tobacco will be accepted as temporary or permanent signage. Signs will be completed by professional sign company at expense of BSG. Installation of signage will be coordinated with Facilities Manager or designee. Advertising of beer will be approved by Park District and allowed only during the time of sale during games (one hour prior to game and removed within one-half hour after game) and approved events.

**Agreement with Other Entities:** It is further understood that BSG will negotiate annually under separate agreement sale of advertising previously sold by the Bismarck Hockey Boosters and Bismarck Figure Skating Club. Payment to Bismarck Hockey Boosters and Bismarck Figure Skating Club, including sales right's fee for signage sold in Rink 1 by BSG is established by their separate agreements. A copy of the advertising agreement between BSG and the Bismarck Hockey Boosters and the Bismarck Figure Skaters must be presented to the Park District by August 1<sup>st</sup> of each year. Percentage payment to the District is in effect for all sales.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
Julie Jeske, President  
Board of Park Commissioners

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
Randy Bina, Executive Director  
Bismarck Parks and Recreation District  
400 East Front Avenue  
Bismarck, ND 58504

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
Thom Brigl, President  
Bismarck Sports Group, LLC  
1200 North Washington St.  
Bismarck, ND 58501



**BISMARCK PARKS AND  
RECREATION DISTRICT**  
Est. 1927

Let's Play!

DATE: June 3, 2021

TO: Commissioners Gilbertson, Jordan, Munson, Zimmerman and President Jeske  
Randy Bina, Executive Director

FROM: Kevin Klipfel, Facilities and Programs Director 

RE: Capital Ice Complex Advertising Agreement

We have reviewed this advertising agreement with the presidents of the Bismarck Figure Skating Club and the Bismarck Hockey Boosters for these groups to sell advertising at Capital Ice Complex (Schaumberg and Wachter Arenas). This agreement includes the dasher boards and wall signs in both arenas and indicates the locations the advertising signs will be allowed, along with the fees and payment schedule.

If you have any questions, please feel free to contact me.

*A nationally accredited park and recreation agency.*

## Contract for Sale of Advertising and Signage in Capital Ice Complex

1. **Parties:** The parties to this contract are the Park District of the city of Bismarck, North Dakota (hereinafter the District), 400 E. Front Avenue, Bismarck, ND, 58504, and the Bismarck Hockey Boosters/Bismarck Figure Skaters (hereinafter Ice).
2. **Purpose of this Agreement:** This agreement is to establish guidelines for the sale and/or trade of advertisements (wall signs and dasher boards) in the Capital Ice Complex (CIC).
3. **Terms of this Agreement:** The term of this agreement begins May 1, 2021 and ends April 30, 2024.
4. **Commission:** Ice will pay the District 10% commission on the total value of all advertisements sold and traded.

Ice will provide to the Park District a full list of all sold and traded advertisements (wall signs and dasher boards) in the CIC and the value of the advertisements.

5. **Payment Schedule:** Payment will be made in full and a listing of all advertisements sold and traded will be provided to the Park District by April 30<sup>th</sup> of each year.

A sample advertising contract is attached as Exhibit A. Exhibits B and C are attached as locations where advertising can be sold (indicated in yellow) and where advertising cannot be sold (indicated in red).

Cost of sign, advertising development, installation, repair and removal will be the responsibility of Ice.

Ice is provided the following opportunities to sell advertising in the CIC as follows:

- Dasher panels in Wachter and Schaumberg Arenas
- Wall signs – Final number by approval. Signs may be 4' x 8' standard or larger by written approval of the District.
  - Schaumberg Arena:  
Dasher panels (3'-6 x 8): Up to 38  
Walls signs (4' x 8'): Up to 18
  - Wachter Arena:  
Dasher panels (3'-6" x 8): Up to 38  
Wall signs (4' x 8'): Up to 18

No advertising will be permitted outside the CIC, in the parking lot, or any adjacent streets.

6. **Advertising Approval:** All advertising will be subject to approval by the Park District and will be in good taste and displayed in the interest of the ice community and public at large. No advertising of alcohol or tobacco will be accepted as temporary or permanent signage. Signs

will be completed by professional sign company at expense of Ice. Installation of signage will be coordinated with Facilities Manager or designee.

7. **Agreement between Entities:** It is further understood that Ice will divide the sale of advertising between the Bismarck Hockey Boosters and Bismarck Figure Skating Club. Each group will receive 45% of the total proceeds from each sign. Bismarck Hockey Boosters shall manage the advertising operating account, or as further agreed between parties. Payment of proceeds to each group will be made annually, in full, by April 30<sup>th</sup> of each year, beginning in 2019, or as further agreed between parties.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
Julie Jeske, President  
Board of Park Commissioners

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
AJ Emter, President  
Bismarck Hockey Boosters  
PO Box 2408  
Bismarck, ND 58502

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2021

BY: \_\_\_\_\_  
Kalvin Kingsley, President  
Bismarck Figure Skating Club  
PO Box 7372  
Bismarck, ND 58507



**CIC Dasher Board Agreement**

1. This will serve as an agreement between \_\_\_\_\_, hereinafter referred to as "sponsor" and Bismarck Hockey Boosters, Inc./Bismarck Figure Skating Club, hereinafter referred to as "BHB/BFSC".
2. BHB/BFSC agrees to provide wall sign/dasher board space to Sponsor for placement of an agreed upon sponsorship ad for a period of 1 year at \$1,000 total paid in full ☐ (check one box) or 3 years at \$2,400, payable in full ☐ or in installments of \$800 per year, ☐ beginning \_\_\_\_\_.

Sponsor is responsible for advertising artwork. All artwork for this ad will be submitted to BHB/BFSC or their designee, and will then be submitted for production. BHB/BFSC and the Bismarck Parks and Recreation District will approve all artwork before being placed in the Capital Ice Complex. BHB/BFSC will be responsible for initial costs associated with the advertisement. Sponsor will be responsible for any production fees associated with making the ad print-ready. Should the Sponsor wish to change the layout of the ad during the term of this contract, it will be at the expense of the Sponsor.

3. BHB/BFSC does not accept responsibility for advertisement after installation due to nature of activity that takes place around the advertising. If advertisement becomes illegible or damaged beyond recognition prior to end of the advertising commitment, it will be the sponsor's responsibility to repair/replace. Dashers will have a protective coating applied to help minimize damage from regular hockey wear and tear.
4. Sponsor agrees to provide BHB/BFSC or their designee with appropriate artwork in a timely manner.
5. While a specific location may be requested, the Park District shall approve final location of all ads.
6. Payments may be made in the form of a check due on the 5<sup>th</sup> day of the 1<sup>st</sup> month of each advertising year, payable to the Bismarck Hockey Boosters. Check may be sent to:

**Bismarck Hockey Boosters**  
**Attn: CIC Advertising**  
**P.O. Box 2408**  
**Bismarck, ND 58502**

7. Any changes to this contract must be made in writing and agreed to by all parties to the contract.

Agreed to by (Sponsor Signature): \_\_\_\_\_ Title: \_\_\_\_\_

Sponsor Printed Name & Title: \_\_\_\_\_

Sponsor Printed Business: \_\_\_\_\_ Date: \_\_\_\_\_

Agreed to by BHB President: \_\_\_\_\_ Date: \_\_\_\_\_

BHB President Printed Name: \_\_\_\_\_

Agreed to by BFSC President: \_\_\_\_\_ Date: \_\_\_\_\_

BFSC President Printed Name: \_\_\_\_\_

Schaumburg Arena Exhibit B

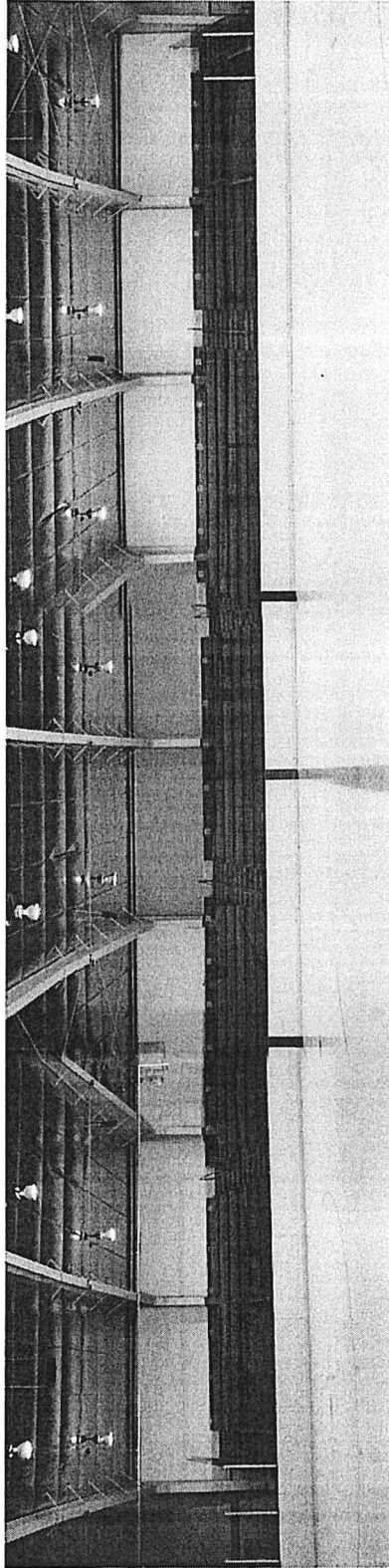


Exhibit B

Wachter Arena Exhibit C

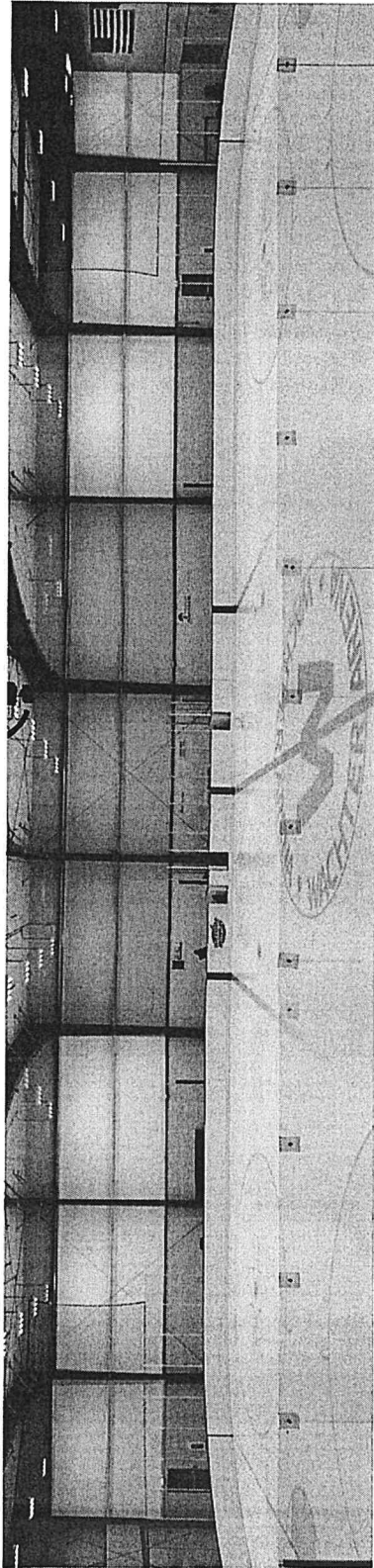


Exhibit C