



Financial Statements
December 31, 2010

Park District of the City of Fargo

Commissioners and Officers (Unaudited).....	1
Independent Auditor’s Report.....	2
Management’s Discussion and Analysis.....	4
Financial Statements	
Statement of Net Assets	12
Statement of Activities	13
Balance Sheet – Governmental Funds.....	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets.....	15
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	16
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds	19
Statement of Net Assets – Court Plus.....	20
Statement of Revenue, Expenses and Changes in Net Assets – Court Plus	21
Statement of Cash Flows – Court Plus	22
Notes to Financial Statements	23
Required Supplementary Information	
Schedule of Funding Progress	42
Other Supplementary Information	
Balance Sheet – Modified Accrual Basis Valley Senior Services.....	43
Statements of Revenues, Expenditures and Changes in Fund Balances Budget and Actual – Modified Accrual Basis Valley Senior Services	44

Park District of the City of Fargo
Commissioners and Officers (Unaudited)
December 31, 2010

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Mary Johnson	President	June 2014
Barbara Johnson	Vice President	June 2012
Joe Deutsch	Commissioner	June 2014
Joel Vettel	Commissioner	June 2012
Ron Sorvaag	Commissioner	June 2014
Chris Kennelly	Clerk and Secretary	
James Larson	Treasurer Ex Officio	
Roger G. Gress	Executive Director	



Independent Auditor's Report

The Board of Park Commissioners
Park District of the City of Fargo
Fargo, North Dakota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Park District of the City of Fargo, as of and for the year ended December 31, 2010, which collectively comprise the Park District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Park District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the Park District of the City of Fargo, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2011 on our consideration of the Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedule of funding progress are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Park District's financial statements as a whole. The listing of commissioners and officers and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole. The listing of commissioners and officers has not been subjected to the auditing procedures in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed text of the firm's name and date.

Fargo, North Dakota
April 29, 2011

This discussion and analysis presents the highlights of financial activities and financial position for the Park District of the City of Fargo (Park District). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the Park District.

Management's Discussion and Analysis (MD&A) focuses on current year activities and the resulting changes. Please read it in conjunction with the Park District's financial statements (beginning on page 11).

Financial Highlights

The Park District's net assets increased by \$2,936,073 from multiple areas. The largest increase is related to a grant received the construction of a new transportation facility in the amount of \$1,094,183. In addition to the grant received other increased were obtained by the reduction of expenses to budget throughout all Park District departments including staffing, operations and capital expenditures and pre-funding of future capital expenditures. State aid exceeded budget. The Park District experienced the sixth recorded flood level of the Red River in 2010. The Park District has several revenue producing properties along the river that received severe damage due to the flood waters and damage from flood protection measures. FEMA proceeds reimbursed the Park District for most of the costs of protecting against the flood and restoring the properties to their original condition. In addition to the damage from the flood three golf courses had material reduction of revenues to budget in the amount of approximately \$511,885. While there were lost revenues due to the flooding the Park District experienced a reduction in expenses for staff and other operating expenses. A program to minimize expenditures and favorable energy costs below budget provided to minimize the financial impact of the flood of 2010.

Governmental activities revenues remained consistent with prior year.

Business-type revenues decreased by \$88,541. The primary decrease is in the area of membership revenue. The fitness industry continues to struggle in the difficult economy. Expense containment measures have been implemented but most of the changes will be reflective in future years with minimal impact in 2010.

Report Layout

The Park District's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the Park District. The components of the report include the following:

- Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the Park District.

- **Basic Financial Statements.** Includes Statement of Net Assets, Statement of Activities, fund financial statements and the notes to the financial statements. Statements of Net Assets and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Park District.
 - The State of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of Park District programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Park District's major governmental funds are presented in their own column. Budgetary comparison statements are presented for the General Fund. Statements for the Park District's proprietary funds follow the governmental funds and include net assets, revenues, expense, and changes in fund net assets, and cash flows.
 - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Park District's financial condition.
- **Required Supplementary Information.** This is additional required disclosure of the funding progress of the Park District's OPEB liabilities in accordance with GASB Statement No. 45.
- **Other Supplementary Information.** Readers desiring additional on The Valley Senior Services, a Component Unit of the Park District. Provided for the reader is a separate balance sheet and Statement of Revenues, Expenditures and Changes in Fund Balance for the Valley Senior Services

Park District as A Whole

Government-Wide Financial Statements

Statement of Net Assets at December 31, 2010

During fiscal year 2010 net assets increased by \$2,936,073 as shown on Table 1. The increase came primarily from an increase in capital assets.

Statement of Activities for the Year Ending December 31, 2010 (Table 2 – page 8)

Governmental Activities

Net Assets recognizes the increase in special assessment receivable as revenue in the year they become receivable. Assessment district 2010-1 was certified in the amount of \$675,000 in 2010 and \$903,637 was collected from assessment districts.

The increase of net assets as shown on the statement of activities, Table 2, is from \$1,094,183 federal grant received for the construction of a transit facility to be used by our Senior Services and the remaining amount from revenues exceeding expenses.

The Park District experienced significant flooding on some golf course and park properties. Revenues for our golf courses were \$511,885 under budget expenses was held \$162,151 under budget and expenses in other departmental areas of the Park District were managed to be less than budget.

The Park District incurred costs for flood fight and recovery of golf and park areas which was reimbursed by FEMA. FEMA only reimburses for flood fight and recovery related costs and does not provide reimbursement for lost revenues due to the flood disaster.

Business-Type Activities

The reduction in net assets from the prior year is primarily due to a reduction of membership revenues and increased energy costs.

A portion of the year-end net assets is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. Within the governmental activities category are for debt service reserves, deferred compensation and reserves for inventory. Within the business-type activities are debt service reserves.

**Table 1 Statement of Net Assets
December 31, 2010
(With Comparative Amounts for 2009)**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets						
Current assets	\$ 15,920,013	\$ 17,149,790	\$ (670,254)	\$ 239,488	\$ 15,249,759	\$ 17,389,278
Capital assets	69,660,472	65,930,923	2,003,156	2,184,571	71,663,628	68,115,494
Total assets	\$ 85,580,485	\$ 83,080,713	\$ 1,332,902	\$ 2,424,059	\$ 86,913,387	\$ 85,504,772
Liabilities						
Current liabilities	\$ 654,527	\$ 3,132,714	\$ 88,204	\$ 931,164	\$ 742,731	\$ 4,063,878
Long-term liabilities	22,978,440	21,239,830	822,913	830,131	23,801,353	22,069,961
Total liabilities	23,632,967	24,372,544	911,117	1,761,295	24,544,084	26,133,839
Net Assets						
Investment in capital assets, net of related debt	47,059,541	42,530,471	1,180,243	1,146,285	48,239,784	43,676,756
Restricted for						
Debt service	5,537,077	3,470,540	175,000	175,000	5,712,077	3,645,540
Specific projects and programs	282,484	2,840,094	-	-	282,484	2,840,094
Unrestricted	9,068,416	9,867,064	(933,458)	(658,521)	8,134,958	9,208,543
Total net assets	61,947,518	58,708,169	421,785	662,764	62,369,303	59,370,933
Total liabilities and net assets	\$ 85,580,485	\$ 83,080,713	\$ 1,332,902	\$ 2,424,059	\$ 86,913,387	\$ 85,504,772

**Table 2 Statement of Activities
Year Ending December 31, 2010
(With Comparative Amounts for 2009)**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues						
Program Revenues						
Charges for services	\$ 7,139,809	\$ 5,237,340	\$ 1,633,183	\$ 1,721,338	\$ 8,772,992	\$ 6,958,678
Operating grants and contributions	-	139,305	-	-	-	139,305
Capital grants and contributions	1,094,183	-	-	-	1,094,183	-
General Revenues						
Property taxes	9,802,621	9,405,623	-	-	9,802,621	9,405,623
Intergovernmental	1,743,351	1,956,760	-	-	1,743,351	1,956,760
Sale of land	-	-	-	-	-	-
Investment earnings	86,555	135,456	279	665	86,834	136,121
Total revenues	19,866,519	16,874,484	1,633,462	1,722,003	21,499,981	18,596,487
Expenses						
General government	3,687,969	3,148,765	-	-	3,687,969	3,148,765
Recreation	1,116,003	1,094,677	-	-	1,116,003	1,094,677
Cultural arts	310,305	292,295	-	-	310,305	292,295
Concessions	218,535	199,259	-	-	218,535	199,259
Golf	2,524,098	2,236,774	-	-	2,524,098	2,236,774
Facilities	2,767,439	1,431,462	-	-	2,767,439	1,431,462
Neighborhood parks	4,406,305	4,775,194	-	-	4,406,305	4,775,194
Swimming pools	717,603	740,344	-	-	717,603	740,344
Maintenance	878,913	2,163,627	-	-	878,913	2,163,627
Courts Plus	-	-	1,874,441	1,934,680	1,874,441	1,934,680
Total expenses	16,627,170	16,082,397	1,874,441	1,934,680	18,501,611	18,017,077
Change in Net Assets	\$ 3,239,349	\$ 792,087	\$ (240,979)	\$ (212,677)	\$ 2,998,370	\$ 579,410

Budgetary Highlights

The Park District's General Fund appropriations, exclusive of special assessment additions, decreased by approximately \$323,607 from \$12,378,509 (not including Special assessment additions) to \$12,702,116. The increase is from staffing and capital cost increases. The increase in appropriations is financed from increased mill levy value, increased fees and new fees generated from program expansion. Actual General Fund revenues were higher than budget by \$1,084,896. General Fund revenues were higher than budget from revenues received for flood disaster reimbursement and actual state aid exceeding budget state aid. Charges for Services were below budget by \$19,475, primarily from golf revenues lost from flood conditions. Actual General Fund expenditures were lower than budget by \$367,713 primarily due to energy costs that were lower than budgeted. The increase in capital outlay was due to lower than estimated costs for capital assets and additional transfers to capital projects. Principal was over budget by \$91,500 for a payment on the Davies Pool debt that was not budgeted in 2009.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2010 the Park District has invested \$71,663,628 in capital assets as reflected in the following table, which represents a net increase (additions, deductions and depreciation) of \$3,548,155.

**Table 3:
Capital Assets at December 31, 2010
(Net of Depreciation)**

	Governmental Activities	Business-Type Activities	Total
Land	\$ 21,386,887	\$ 179,401	\$ 21,566,288
Construction in progress	3,387,681	-	3,387,681
Buildings	35,268,016	452,844	35,720,860
Improvements other than buildings	6,774,893	1,226,032	8,000,925
Machinery and equipment	2,842,995	144,879	2,987,874
Total	\$ 69,660,472	\$ 2,003,156	\$ 71,663,628

The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for disposition of assets and depreciation.

**Table 4:
Change in Capital Assets**

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 65,930,923	\$ 2,184,550	\$ 68,115,473
Additions	5,765,275	28,886	5,794,161
Retirement	(116,457)	(978)	(117,435)
Depreciation	(1,919,269)	(209,302)	(2,128,571)
Ending Balance	\$ 69,660,472	\$ 2,003,156	\$ 71,663,628

Assets from governmental activities increased \$3,729,549.

Additions include the completion of a new transit facility for senior services and progress on the construction of the Davies Pool and various other projects. Offsetting these additions were depreciation and retirement of assets.

Business-type activities assets decreased \$181,394. Annual depreciation of \$209,302 was the major change in the decrease in net assets.

For more detailed information on the Park District's capital assets refer to Note 5 of the notes to financial statements.

Debt Outstanding

As of year-end, the Park District had \$23,801,353 in debt outstanding compared to \$24,802,923 last year. \$2,406,706 of the debt outstanding at December 31, 2010 is due within one year.

	Totals	
	2010	2009
Governmental Activities		
Notes and contracts payable	\$ 3,607,403	\$ 4,173,908
Capital leases payable	2,839,686	3,143,583
General obligation and revenue bonds	11,836,800	7,088,018
Special assessments	4,317,042	8,994,943
OPEB obligations	224,181	147,000
Compensated absences	153,328	154,721
	22,978,440	23,702,173
Business-Type Activities		
Capital leases payable	582,667	713,286
Revenue bonds	165,000	325,000
OPEB obligations	36,480	22,600
Compensated absences	38,766	39,864
	822,913	1,100,750
Total	\$ 23,801,353	\$ 24,802,923

For more detailed information on the Park District's debt and amortization terms refer to Note 6 of the notes to financial statements.

Request for Information

This financial report is designed to provide a general overview of the Park 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 the Director of Finance, 701 Main Avenue, Fargo, ND 58103 or visit the Park District's web site at www.fargoparks.com.

Park District of the City of Fargo
Statement of Net Assets
December 31, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Valley Senior Services
Assets				
Cash and investments	\$ 7,104,908	\$ -	\$ 7,104,908	\$ 67,818
Restricted cash and investments	147,589	175,000	322,589	107,603
Cash with fiscal agent	282,484	-	282,484	-
Delinquent property taxes receivable	241,523	-	241,523	-
Special assessments receivable	5,389,488	-	5,389,488	-
Accounts receivable	1,645,373	55,458	1,700,831	316,122
Internal advances	924,079	(924,079)	-	-
Advance due from component unit	100,000	-	100,000	-
Unamortized debt costs, net of accumulated amortization of \$30,223	62,307	1,313	63,620	-
Prepaid items	-	-	-	750
Inventories	22,262	22,054	44,316	-
	<u>15,920,013</u>	<u>(670,254)</u>	<u>15,249,759</u>	<u>492,293</u>
Capital assets (net of accumulated depreciation where applicable):				
Land	21,386,887	179,401	21,566,288	-
Construction in progress	3,387,681	-	3,387,681	-
Buildings	35,268,016	452,844	35,720,860	1,028,718
Improvements other than buildings	6,774,893	1,226,032	8,000,925	-
Machinery and equipment	2,842,995	144,879	2,987,874	289,407
	<u>69,660,472</u>	<u>2,003,156</u>	<u>71,663,628</u>	<u>1,318,125</u>
Total assets	<u>\$ 85,580,485</u>	<u>\$ 1,332,902</u>	<u>\$ 86,913,387</u>	<u>\$ 1,810,418</u>
Liabilities and Net Assets				
Liabilities				
Accounts payable	\$ 388,925	\$ 51,922	\$ 440,847	\$ 93,305
Advance due to primary government	-	-	-	100,000
Accrued interest payable	158,876	6,132	165,008	-
Accrued payroll	10,952	20,946	31,898	71,583
Unearned revenue	95,774	9,204	104,978	-
Long-term debt due in less than one year	2,189,836	216,870	2,406,706	-
Long-term debt due in more than one year	20,788,604	606,043	21,394,647	86,482
	<u>23,632,967</u>	<u>911,117</u>	<u>24,544,084</u>	<u>351,370</u>
Total liabilities	<u>23,632,967</u>	<u>911,117</u>	<u>24,544,084</u>	<u>351,370</u>
Net Assets				
Investment in capital assets, net of related debt	47,059,541	1,180,243	48,239,784	1,318,125
Restricted for:				
Debt service	5,537,077	175,000	5,712,077	-
Specific projects and programs	282,484	-	282,484	-
Unrestricted	9,068,416	(933,458)	8,134,958	140,923
	<u>61,947,518</u>	<u>421,785</u>	<u>62,369,303</u>	<u>1,459,048</u>
Total net assets	<u>61,947,518</u>	<u>421,785</u>	<u>62,369,303</u>	<u>1,459,048</u>
Total liabilities and net assets	<u>\$ 85,580,485</u>	<u>\$ 1,332,902</u>	<u>\$ 86,913,387</u>	<u>\$ 1,810,418</u>

The notes to the financial statements are an integral part of this statement.

Park District of the City of Fargo
Statement of Activities
Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit Valley Senior Services
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Governmental activities								
General government	\$ 3,687,969	\$ 482,788	\$ -	\$ -	\$ (3,205,181)	\$ -	\$ (3,205,181)	\$ -
Recreation	1,116,003	707,210	-	-	(408,793)	-	(408,793)	-
Cultural arts	310,305	137,594	-	-	(172,711)	-	(172,711)	-
Concessions	218,535	205,888	-	-	(12,647)	-	(12,647)	-
Golf	2,524,098	1,617,351	-	-	(906,747)	-	(906,747)	-
Facilities	2,767,439	597,596	-	1,094,183	(1,075,660)	-	(1,075,660)	-
Neighborhood parks	4,406,305	2,133,824	-	-	(2,272,481)	-	(2,272,481)	-
Swimming pools	717,603	232,557	-	-	(485,046)	-	(485,046)	-
Maintenance	878,913	1,025,001	-	-	146,088	-	146,088	-
Total governmental activities	<u>16,627,170</u>	<u>7,139,809</u>	<u>-</u>	<u>1,094,183</u>	<u>(8,393,178)</u>	<u>-</u>	<u>(8,393,178)</u>	<u>-</u>
Business-type activities								
Courts Plus	1,874,441	1,633,183	-	-	-	(241,258)	(241,258)	-
Total primary government	<u>\$ 18,501,611</u>	<u>\$ 8,772,992</u>	<u>\$ -</u>	<u>\$ 1,094,183</u>	<u>(8,393,178)</u>	<u>(241,258)</u>	<u>(8,634,436)</u>	<u>-</u>
Component unit								
Valley Senior Services	<u>\$ 3,577,005</u>	<u>\$ 984,637</u>	<u>\$ 1,746,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(846,196)</u>
General Revenues								
Property taxes					\$ 9,802,621	\$ -	\$ 9,802,621	\$ 755,473
Intergovernmental					1,743,351	-	1,743,351	-
Investment earnings					86,555	279	86,834	7,094
Total general revenues					<u>11,632,527</u>	<u>279</u>	<u>11,632,806</u>	<u>762,567</u>
Change in net assets					3,239,349	(240,979)	2,998,370	(83,629)
Net assets - beginning					58,708,169	662,764	59,370,933	1,542,677
Net assets - ending					<u>\$ 61,947,518</u>	<u>\$ 421,785</u>	<u>\$ 62,369,303</u>	<u>\$ 1,459,048</u>

The notes to the financial statements are an integral part of this statement.

Park District of the City of Fargo
Balance Sheet – Governmental Funds
December 31, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total</u>
Assets				
Cash and investments	\$ 1,740,385	\$ 3,764,299	\$ 1,600,224	\$ 7,104,908
Restricted cash and investments	147,589	-	-	147,589
Cash with fiscal agent	-		282,484	282,484
Delinquent property taxes receivable	191,823	49,700	-	241,523
Special assessments receivable	-	5,389,488	-	5,389,488
Accounts receivable	551,190	-	1,094,183	1,645,373
Advances due from other funds	924,079	-	-	924,079
Advance to component unit	-	-	100,000	100,000
Inventories	22,262	-	-	22,262
Total assets	<u>\$ 3,577,328</u>	<u>\$ 9,203,487</u>	<u>\$ 3,076,891</u>	<u>\$ 15,857,706</u>
Liabilities and Fund Balance				
Liabilities				
Accounts payable	\$ 347,808	\$ -	\$ 41,117	\$ 388,925
Accrued payroll	10,952	-	-	10,952
Unearned revenue	256,453	5,431,124	-	5,687,577
Total liabilities	<u>615,213</u>	<u>5,431,124</u>	<u>41,117</u>	<u>6,087,454</u>
Fund Balance				
Reserved for inventories	22,262	-	-	22,262
Reserved for debt service	-	3,772,363	-	3,772,363
Reserved for capital projects	-	-	2,935,774	2,935,774
Reserved for advances	924,079	-	100,000	1,024,079
Unreserved				
Designated for flood recovery	350,000	-	-	350,000
Designated for pension	254,807	-	-	254,807
Designated for forestry	537,492	-	-	537,492
Designated for insurance	240,146	-	-	240,146
Designated for golf course development	131,113	-	-	131,113
Designated - other	41,328	-	-	41,328
Undesignated	460,888	-	-	460,888
Total fund balance	<u>2,962,115</u>	<u>3,772,363</u>	<u>3,035,774</u>	<u>9,770,252</u>
Total liabilities and fund balance	<u>\$ 3,577,328</u>	<u>\$ 9,203,487</u>	<u>\$ 3,076,891</u>	<u>\$ 15,857,706</u>

The notes to the financial statements are an integral part of this statement.

Park District of the City of Fargo
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
 December 31, 2010

Total Funds Balances - Governmental Funds		\$ 9,770,252
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Debt issuance costs used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$ 65,000 and the accumulated amortization is \$ 2,693.</p>		
		62,307
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$ 88,257,669 and the accumulated depreciation is \$ 18,597,197.</p>		
		69,660,472
<p>Compensated absences payable are not due and payable in the current period therefore are not reported as liabilities in the funds.</p>		
		(153,328)
<p>Accrued interest payable for long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
		(158,876)
<p>Property taxes and specials are not considered available for current financial resources and are therefore deferred in the funds. However, they are properly recognized as revenue in the entity-wide statements as soon as the levy has been certified.</p>		
		5,591,803
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
<p>Long-term liabilities at year-end consist of :</p>		
Bonds, notes and leases payable	\$ (22,600,931)	
Other post employment benefits payable	(224,181)	(22,825,112)
Total Net Assets - Governmental Activities		\$ 61,947,518

Park District of the City of Fargo
Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended December 31, 2010

	General	Debt Service	Capital Projects	Total
Revenues				
Taxes	\$ 7,801,628	\$ 2,000,993	\$ -	\$ 9,802,621
Special assessment collections	-	903,637	-	903,637
Intergovernmental revenue	1,743,351	-	1,094,183	2,837,534
Charges for services and contributions	3,785,365	-	-	3,785,365
Interest	86,555	-	-	86,555
Grants, trusts and donations	125,289	-	32,330	157,619
Other	198,560	94,926	281,725	575,211
Total revenues	<u>13,740,748</u>	<u>2,999,556</u>	<u>1,408,238</u>	<u>18,148,542</u>
Expenditures				
Current				
Wages and salaries	6,135,616	-	-	6,135,616
Other	3,854,849	101,525	323,134	4,279,508
Capital outlay	830,375	-	4,934,900	5,765,275
Special assessment additions	1,062,985	-	-	1,062,985
Debt service				
Principal	535,401	1,527,105	475,000	2,537,506
Interest and fiscal charges	310,198	924,103	21,130	1,255,431
Total expenditures	<u>12,729,424</u>	<u>2,552,733</u>	<u>5,754,164</u>	<u>21,036,321</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>1,011,324</u>	<u>446,823</u>	<u>(4,345,926)</u>	<u>(2,887,779)</u>
Other Financing Sources (Uses)				
Bond and note proceeds	-	5,300,000	675,000	5,975,000
Refunding of special assessment debt	-	(5,300,000)	-	(5,300,000)
Special assessments financed	1,062,985	-	-	1,062,985
Transfers	(1,835,850)	-	1,835,850	-
Total other financing sources (uses)	<u>(772,865)</u>	<u>-</u>	<u>2,510,850</u>	<u>1,737,985</u>
Net Change in Fund Balances	238,459	446,823	(1,835,076)	(1,149,794)
Fund Balances, Beginning of Year,	<u>2,723,656</u>	<u>3,325,540</u>	<u>4,870,850</u>	<u>10,920,046</u>
Fund Balances, End of Year	<u>\$ 2,962,115</u>	<u>\$ 3,772,363</u>	<u>\$ 3,035,774</u>	<u>\$ 9,770,252</u>

Park District of the City of Fargo

Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2010

Net Change in Funds Balances - Total Governmental Funds		\$ (1,149,794)
<p>Amounts reported for governmental activities in the statement of activities are different because</p>		
<p>Debt issuance costs are reported as expenditures in governmental funds. However, in the statement of activities the cost of debt issuance is amortized over the term of the bond. Current period amounts are</p>		
Debt issuance costs	\$ 65,000	
Amortization expense	<u>(2,693)</u>	
Excess of debt issuance costs over amortization expense		62,307
<p>Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period these amounts are</p>		
Capital outlay	\$ 5,765,275	
Depreciation expense	<u>(1,919,269)</u>	
Excess of capital outlay over depreciation expense		3,846,006
The net effect of the disposal of capital assets is to decrease net assets		(116,466)
<p>Property taxes and specials are not considered available for current financial resources and are therefore deferred in the funds. However, they are properly recognized as revenue in the statement of activities as soon as the levy has been certified.</p>		
Change in special assessments receivable from prior year	(762,009)	
Special assessment additions	675,000	
Change in delinquent taxes receivable from prior year	<u>(13,783)</u>	
		(100,792)
<p>In the statement of activities compensated absences are measured by by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). This year compensated absences used exceeded the amount earned by \$ 1,393.</p>		
		1,393
Interest payable is reported in the government wide statements of net assets but is not recorded in the governmental funds.		(25,645)
OPEB obligations are reported in the government wide statement of net assets but are not recorded in the governmental funds.		(77,181)

Park District of the City of Fargo
Reconciliation of the Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended December 31, 2010

Debt proceeds are recognized as revenue in the governmental funds but in not on the statement of net assets. In the current period these amounts consist of:	
Debt proceeds	(5,975,000)
Special assessments financed	(1,062,985)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities on the statement of net assets. In the current period these amounts consist of:	
Bond principal retirement	<u>7,837,506</u>
Change in Net Assets of Governmental Activities	<u>\$ 3,239,349</u>

Park District of the City of Fargo

Statement of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual – Governmental Funds
Year Ended December 31, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 7,541,199	\$ 7,541,199	\$ 7,801,628	\$ 260,429
Intergovernmental revenue	939,000	939,000	1,743,351	804,351
Charges for services and contributions	3,804,840	3,804,840	3,785,365	(19,475)
Interest	112,000	112,000	86,555	(25,445)
Grants, trusts and donations	219,809	219,809	125,289	(94,520)
Other	39,004	39,004	198,560	159,556
Total revenues	<u>12,655,852</u>	<u>12,655,852</u>	<u>13,740,748</u>	<u>1,084,896</u>
Expenditures				
Current				
Wages and salaries	5,907,190	5,907,190	6,135,616	(228,426)
Other	4,405,998	4,405,998	3,854,849	551,149
Capital outlay	688,460	688,460	830,375	(141,915)
Special assessment additions	1,062,985	1,062,985	1,062,985	-
Debt service				
Principal	725,402	725,402	535,401	190,001
Interest and fiscal charges	307,102	307,102	310,198	(3,096)
Total expenditures	<u>13,097,137</u>	<u>13,097,137</u>	<u>12,729,424</u>	<u>367,713</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(441,285)</u>	<u>(441,285)</u>	<u>1,011,324</u>	<u>1,452,609</u>
Other Financing Sources (Uses)				
Special assessments financed	1,062,985	1,062,985	1,062,985	-
Transfers	(621,700)	(621,700)	(1,835,850)	(1,214,150)
Total other financing sources (uses)	<u>441,285</u>	<u>441,285</u>	<u>(772,865)</u>	<u>(1,214,150)</u>
Net Change in Fund Balances	-	-	238,459	238,459
Fund Balances, Beginning of Year	<u>2,723,656</u>	<u>2,723,656</u>	<u>2,723,656</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,723,656</u>	<u>\$ 2,723,656</u>	<u>\$ 2,962,115</u>	<u>\$ 238,459</u>

Park District of the City of Fargo
Statement of Net Assets – Court Plus
December 31, 2010

Assets

Current Assets

Restricted cash and cash equivalents	\$ 175,000
Accounts receivable	55,458
Unamortized debt costs, net of accumulated amortization of \$27,530	1,313
Inventories	22,054
Total current assets	253,825

Capital Assets, Net of
Accumulated Depreciation Where Applicable

Land	179,401
Buildings	452,844
Improvements other than buildings	1,226,032
Machinery and equipment	144,879
Total capital assets	2,003,156

Total assets	\$ 2,256,981
--------------	--------------

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 51,922
Advances due to other funds	924,079
Accrued interest payable	6,132
Accrued payroll	20,946
Unearned revenue	9,204
Long-term debt due in less than one year	216,870
Long-term debt due in more than one year	606,043
Total liabilities	1,835,196

Net Assets

Investment in capital assets, net of related debt	1,180,243
Restricted for debt service	175,000
Unrestricted	(933,458)
Total net assets	421,785

Total liabilities and net assets	\$ 2,256,981
----------------------------------	--------------

Park District of the City of Fargo
Statement of Revenue, Expenses and Changes in Net Assets – Court Plus
Year Ended December 31, 2010

Operating Revenues	
Charges for services - membership	\$ 1,019,832
Charges for services - programs	472,828
Charges for services - other	140,523
Total operating revenues	<u>1,633,183</u>
Operating Expenses	
Wages and salaries	1,081,102
Depreciation and amortization	211,498
Other	533,644
Total operating expenses	<u>1,826,244</u>
Operating Loss	<u>(193,061)</u>
Nonoperating Revenues (Expenses)	
Interest income	279
Interest expense	(47,193)
Loss on disposal of assets	(1,004)
Total nonoperating revenues (expenses)	<u>(47,918)</u>
Change in Net Assets	(240,979)
Total Net Assets, Beginning of Year	<u>662,764</u>
Total Net Assets, End of Year	<u><u>\$ 421,785</u></u>

Park District of the City of Fargo
Statement of Cash Flows – Court Plus
Year Ended December 31, 2010

Operating Activities	
Charges for services - membership	\$ 963,757
Charges for services - programs	472,828
Charges for services - other	140,523
Payments to employees	(1,068,059)
Payments to other vendors	(525,966)
Net cash used for operating activities	<u>(16,917)</u>
Noncapital Financing Activity	
Advances received from other funds	<u>385,580</u>
Capital and Related Financing Activities	
Principal payments on bonds and leases	(290,619)
Interest paid	(49,437)
Acquisition of capital assets	(28,886)
Net cash used for capital and related financing activities	<u>(368,942)</u>
Investing Activity	
Interest received	<u>279</u>
Net Change in Cash and Cash Equivalents	
	-
Cash and Cash Equivalents, Beginning of Year	
	<u>175,000</u>
Cash and Cash Equivalents, End of Year	
	<u>\$ 175,000</u>
Reconciliation of Operating Loss to Net	
Cash used for Operating Activities	
Operating loss	\$ (193,061)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	209,302
Amortization	2,196
Loss on disposal of assets	(1,004)
Changes in assets and liabilities	
Accounts receivable	(13,530)
Inventories	(3,003)
Unearned revenue	(42,545)
Accounts payable	11,685
Accrued payroll	(837)
OPEB obligations	13,880
Net cash used for operating activities	<u>\$ (16,917)</u>

Note 1 - Purpose and Administration

The Park District of the City of Fargo was created by resolution of the Board of Commissioners of the City of Fargo, Article 19-01 of the Revised Ordinance of 1965. The resolution accepts the provisions, benefits and all amendments of Sections 40-49-02 through 40-49-18, both inclusive, of the North Dakota Century Code. Accordingly, the Park District of the City of Fargo consists of a five-member board elected at regular municipal elections. It is empowered to exercise all powers relative to the operation, maintenance and management of sites or areas devoted to use and accommodation of the public. Such powers include the right to acquire property, construct or improve park property, pass ordinances necessary and requisite to carry into effect the powers granted to the Park Board Commissioners, issue negotiable bonds and borrow money to defray expenses.

Note 2 - Summary of Significant Accounting Policies

A. Reporting Entity - For financial reporting purposes, the Park District's financial statements include all funds over which the Park Board exercises oversight responsibility. This includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Component units are legally separate organizations for which elected officials of the primary government are financially accountable. The Park District may be financially accountable if it appoints a voting majority of the organization's governing body and is either:

1. able to impose its will on that organization or
2. there is potential for the organization to provide specific financial benefits to, or impose financial burdens on the Park District. The Park District may be financially accountable if an organization is fiscally dependent on the Park District.

Based upon the above criteria, the financial statements of Valley Senior Services are discretely presented in the accompanying financial statements. The Park District is accountable for fiscal matters and designates management of the commission. The Park District is not includable as a component unit within another reporting entity.

B. Government-Wide and Fund Financial Statements - The goal of government-wide financial statements is to present a broad overview of government's finances. The basic statements that form the government-wide financial statements are the statement of net assets and the statement of activities. These two statements report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which are normally financed through user fees and charges for goods or services.

The statement of activities reports gross direct expenses by function reduced by program revenues. This results in a measurement of net revenue or expense for each of the government's activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are directly associated with the function or business-type activity and include 1) charges for services and 2) operating or capital grants and contributions that are restricted to a particular function. Tax and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - The government-wide and business-type fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, 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 Park 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, intergovernmental revenue, permits, charges for services and investment income associated with the current fiscal period are the major revenues that are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent they are collected in 60 days. All other revenue items are considered to be measurable and available only when the Park District receives cash.

The Park District reports the following major governmental funds:

General Fund - The general fund is used to account for all financial transactions not accounted for in another fund.

Debt Service Fund - The debt service fund is used to account for annual payments of principal and interest on long-term general obligation debt.

Capital Projects Fund - The capital projects fund is used to account for financial resources used for the construction of major capital assets.

The Park District reports the following major proprietary fund:

Courts Plus - This fund is used to account for the activities of the public athletic club doing business as Courts Plus.

Government-wide and proprietary fund financial statements were prepared in accordance with generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by GASB and the Financial Accounting Standards Board (where applicable). As allowed in section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the Park District has elected not to apply to its government-wide and proprietary activities private accounting standards issued after November 30, 1989.

Amounts reported as program revenues include the following: amounts received from those who purchase, use or directly benefit from a program; amounts received from parties outside the Park District that are restricted to one or more specific programs; and earnings on investments that are legally restricted for a specific program. Revenues that do not meet the previous criteria are reported as general revenues, including all taxes.

Proprietary funds report operating revenues and expenses separately from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Park District's enterprise funds are charged to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Other Significant Accounting Policies -

1. **Budgetary Accounting** - The Park District follows these procedures in establishing the budgetary data reflected in the financial statements:
 - At the August board meeting, the controller submits to the Board of Park Commissioners a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
 - The final budget must be adopted on or before October 1 and submitted to the county by October 10.
 - Budgets are prepared on a basis which is not materially different from the modified accrual (GAAP) basis.
 - The legal level of control is at the fund level.
 - Formal budgetary integration is employed as a management control device during the period for the general fund and Valley Senior Services
 - Encumbrance accounting is employed in governmental funds. Encumbrances lapse at the end of the year.
 - Unencumbered appropriations lapse at year-end.
2. **Cash and Cash Equivalents** - Cash and cash equivalents are for the purpose of GASB Statement No. 9 include cash, demand deposits and certificates of deposit with original maturities of three months or less.
3. **Cash with Fiscal Agent** – The cash held with fiscal agent are the unspent proceeds to be used for the Davies Pool project.
4. **Prepaid Items** – Payments made for services that will benefit periods beyond December 31, 2010 are recorded as prepaid expenses.
5. **Inventories** – The costs of inventory items are recognized as expenditures in governmental funds when used and expenses in proprietary funds when used. The inventories are presented on an average cost basis.

6. **Capital Assets** – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Park District as assets with an initial, individual cost equal to or greater than \$1,000, except for business-type activities which are capitalized at an individual cost equal to or greater than \$500. Donated assets are recorded at estimated fair market 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 lives are not capitalized.

Property, plant and equipment of the government are depreciated using the straight-line method over the following estimated useful lives.

<u>Assets</u>	<u>Years</u>
Buildings	10-50
Improvements other than building	10-20
Vehicles	3-10
Equipment	5-10
Office Equipment	5-10
Computer Equipment	3-10

7. **Pension Costs** - Pension costs are funded as accrued.
8. **Compensated Absences** – All regular employees are entitled to vacation time with pay based upon length of continuous service. Annual vacation leave may not be accumulated in excess of 240 hours. Upon termination, employees are compensated for unused vacation leave. As of December 31, 2010, accrued vacation was immaterial and did not exceed a normal year's accumulation.

Park District employees can accumulate up to 120 days of sick leave. Unused sick leave will not be paid on termination of employment, and cannot be used as vacation.

Accumulated unpaid vested sick leave is accrued when incurred in government-wide proprietary fund financial statements. Such amounts, other than the current portion, are not accrued in governmental funds, but are recorded in the governmental activities in the government-wide statements.

9. **Long-Term Liabilities** – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deemed to be immaterial.

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 discounts 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.

10. **Fund Balance** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Undesignated indicates the portion of fund balance that is available for appropriation in future periods.
11. **Net Assets** – Net assets are required to be displayed in three components: 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted. Invested in capital assets, net of related debt is capital assets net of accumulated depreciation and reduced by outstanding balances of any bond or debt that are attributable to the acquisition, construction, or improvements of those assets. Restricted net assets are those with constraints placed on their use by either: 1) externally imposed creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. All net assets not otherwise classified as restricted, are shown as unrestricted resources first, then unrestricted resources as needed.

Note 3 - Deposits and Investments

Deposits - At year-end, the Park District's deposits were \$576,186 (of which \$67,818 relates to the Valley Senior Services) and the bank balance was \$738,540. The bank balance is covered by federal depository insurance or by collateral held in the Park District's name.

Cash Equivalents - At year-end, the Park District's Negotiated Savings are as per the schedule below. The bank balance is covered by federal depository insurance or by collateral held in the Park District's name. The Valley Senior Services also has funds of \$107,603 held at the Fargo-Moorhead Area Foundation in an endowment fund.

The Park District's (including the Component Unit) cash and investments at December 31, 2010, are as follows:

	<u>Carrying Value</u>
Primary Government	
Cash	
Petty cash	\$ 4,450
Demand deposits	508,998
Bank of the West - Negotiated Savings	254,869
Wells Fargo - Negotiated Savings	100,127
US Bank - Negotiated Savings	1,752
Starion Financial - Negotiated Savings	1,001,726
Investments	
Starion Financial - Certificate of Deposit	5,555,575
	7,427,497
Component Unit	
Cash	
Petty cash	625
Demand deposits	67,193
Senior Service Endowment Funds	107,603
	175,421
Total	\$ 7,602,918

Investments - Statutes authorize the Park District to invest 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, instrumentalities, 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 or the state, d) obligations of the state. As of December 31, 2010, the Park District has the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>
		<u>Less Than 1 Yr.</u>
Certificate of Deposit	<u>\$ 5,555,575</u>	<u>\$ 5,555,575</u>

Note 4 - Property Tax

All real estate is assessed on the current value as of February 1 of each year. Property taxes are attached as an enforceable lien on the real estate and become due on January 1 of the year following the assessment date.

A five percent reduction of the taxes is allowed if the taxes are paid in full by February 15. Penalty and interest are added on March 1, if the first half of the taxes is not paid. Additional penalty and interest are added October 15 to those taxes which are not paid.

Taxes are collected by the Cass County Treasurer and remitted to the Park District on a monthly basis by the Cass County Auditor.

Note 5 - Capital Assets

Capital asset activity for the year ended December 31, 2010 is as follows:

	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 21,040,134	\$ 346,753	\$ -	\$ 21,386,887
Construction in progress	1,092,365	4,312,022	(2,016,706)	3,387,681
	<u>\$ 22,132,499</u>	<u>\$ 4,658,775</u>	<u>\$ (2,016,706)</u>	<u>\$ 24,774,568</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated				
Buildings	\$ 43,157,803	\$ 1,166,912	\$ (101,840)	\$ 44,222,875
Improvements other than buildings	9,433,995	1,430,463	-	10,864,458
Machinery and equipment	8,083,897	525,831	(213,960)	8,395,768
	<u>\$ 60,675,695</u>	<u>\$ 3,123,206</u>	<u>\$ (315,800)</u>	<u>\$ 63,483,101</u>
Total capital assets, being depreciated				
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 179,401	\$ -	\$ -	\$ 179,401
	<u>\$ 179,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,401</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated				
Buildings	\$ 1,283,652	\$ -	\$ -	\$ 1,283,652
Improvements other than buildings	2,308,743	8,652	-	2,317,395
Machinery and equipment	606,711	20,234	(16,773)	610,172
	<u>\$ 4,199,106</u>	<u>\$ 28,886</u>	<u>\$ (16,773)</u>	<u>\$ 4,211,219</u>
Total capital assets, being depreciated				

Park District of the City of Fargo
Notes to Financial Statements
December 31, 2010

Accumulated depreciation activity for the year ended December 31, 2010 is as follows:

	<u>Balance 1/1/2010</u>	<u>Current Depreciation Provision</u>	<u>Deletions</u>	<u>Balance 12/31/2010</u>
Governmental activities				
Buildings	\$ (7,950,761)	\$ (1,010,887)	\$ 6,789	\$ (8,954,859)
Improvements other than buildings	(3,741,687)	(347,878)	-	(4,089,565)
Machinery and equipment	(5,184,823)	(560,504)	192,554	(5,552,773)
	<u>\$ (16,877,271)</u>	<u>\$ (1,919,269)</u>	<u>\$ 199,343</u>	<u>\$ (18,597,197)</u>
Business-type activities				
Buildings	\$ (788,020)	\$ (42,788)	\$ -	\$ (830,808)
Improvements other than buildings	(992,925)	(98,438)	-	(1,091,363)
Machinery and equipment	(413,012)	(68,076)	15,795	(465,293)
	<u>\$ (2,193,957)</u>	<u>\$ (209,302)</u>	<u>\$ 15,795</u>	<u>\$ (2,387,464)</u>

Depreciation expense of \$2,128,571 for the year ended December 31, 2010 was charged to the following functions/programs:

Governmental activities	
General government	\$ 19,035
Recreation	18,183
Cultural arts	4,519
Concessions	6,124
Golf	390,754
Facilities	667,418
Neighborhood parks	403,834
Swimming pools	91,497
Maintenance	317,905
	<u>\$ 1,919,269</u>
Business-type activities	
Courts Plus	<u>\$ 209,302</u>

Park District of the City of Fargo
Notes to Financial Statements
December 31, 2010

Capital asset activity for the Valley Senior Services (Component Unit) for year ended December 31, 2010 is a follows:

	Balance 1/1/2010	Additions	Deletions	Balance 12/31/2010
Component Unit				
Capital assets, being depreciated				
Buildings	\$ 1,119,258	\$ 23,325	\$ -	\$ 1,142,583
Machinery and equipment	387,771	101,381	-	489,152
Total capital assets, being depreciated	<u>\$ 1,507,029</u>	<u>\$ 124,706</u>	<u>\$ -</u>	<u>\$ 1,631,735</u>

Accumulated depreciation activity for the Valley Senior Services (Component Unit) for the year ended December 31, 2010 is a follows:

	Balance 1/1/2010	Current Depreciation Provision	Deletions	Balance 12/31/2010
Component Unit				
Buildings	\$ (75,820)	\$ (38,045)	\$ -	\$ (113,865)
Machinery and equipment	(158,669)	(41,076)	-	(199,745)
	<u>\$ (234,489)</u>	<u>\$ (79,121)</u>	<u>\$ -</u>	<u>\$ (313,610)</u>

Note 6 - Long-Term Debt

	Balance 1/1/2010	Additions	Retirements	Balance 12/31/2010	Due Within One Year
Governmental Activities:					
Notes and contracts payable	\$ 4,173,908	\$ -	\$ (566,505)	\$ 3,607,403	\$ 282,403
Capital leases payable	3,143,583		(303,897)	2,839,686	315,872
General obligation and revenue bonds	7,088,018	5,975,000	(1,226,218)	11,836,800	1,116,800
Special assessments	8,994,943	1,062,985	(5,740,886)	4,317,042	474,761
OPEB obligations	147,000	77,181	-	224,181	-
Compensated absences	154,721	-	(1,393)	153,328	-
	<u>\$ 23,702,173</u>	<u>\$ 7,115,166</u>	<u>\$ (7,838,899)</u>	<u>\$ 22,978,440</u>	<u>\$ 2,189,836</u>
Business-Type Activities:					
Capital leases payable	\$ 713,286	\$ -	\$ (130,619)	\$ 582,667	\$ 51,870
Revenue bonds	325,000	-	(160,000)	165,000	165,000
OPEB obligations	22,600	13,880	-	36,480	-
Compensated absences	39,864	-	(1,098)	38,766	-
	<u>\$ 1,100,750</u>	<u>\$ 13,880</u>	<u>\$ (291,717)</u>	<u>\$ 822,913</u>	<u>\$ 216,870</u>
Component Unit:					
OPEB obligations	<u>\$ 54,000</u>	<u>\$ 32,482</u>	<u>\$ -</u>	<u>\$ 86,482</u>	<u>\$ -</u>

Notes and Contracts

<u>Payee</u>	<u>Collateral</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Final Balance 12/31/2010</u>
Governmental Activities				
Fargo Public Schools	Building	4.80	05/01/24	\$ 3,400,000
Fargo Public Schools	Building	5.50	10/15/11	36,403
Fargo Public Schools	Land	3.60	03/13/13	171,000
				<u>\$ 3,607,403</u>

Future maturities on notes and contracts payable:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 282,403	\$ 163,582	\$ 445,985
2012	250,000	150,982	400,982
2013	265,000	140,092	405,092
2014	210,000	128,684	338,684
2015	215,000	119,332	334,332
2016-2020	1,210,000	442,384	1,652,384
2021-2024	1,175,000	124,043	1,299,043
		<u>\$ 3,607,403</u>	<u>\$ 4,876,502</u>

Capital Leases Payable

<u>Payee</u>	<u>Effective Interest Rate</u>	<u>Final Maturity</u>	<u>Balance 12/31/2010 Present Value</u>
Governmental Activities			
Bremer Bank - indoor 2-sheet ice arena	4.13%	02/28/13	\$ 549,686
US Bank - Osgood 9 hole golf course	4.54%	11/01/23	2,290,000
			<u>2,839,686</u>
Business-Type Activities			
Courts Plus Lease - fitness equipment & roof	5.15%	11/01/23	582,667
			<u>\$ 3,422,353</u>

Capital assets and related accumulated depreciation under capital lease are as follows:

	Governmental Activities	Business-type Activities
Land (non-depreciable)	\$ 1,715,876	\$ -
Buildings	1,884,811	558,197
Improvements other than building	653,839	-
Machinery and equipment	276,100	119,372
Less: accumulated depreciation	(531,642)	(84,515)
Total	\$ 3,998,984	\$ 593,054

Amortization of leased buildings, improvements other than building, machinery and equipment under capital assets is included with depreciation expense.

The present value of future minimum lease payments is as follows:

	Principal	Interest	Total
2011	\$ 367,742	\$ 151,935	\$ 519,677
2012	382,678	136,581	519,259
2013	398,029	120,403	518,432
2014	188,072	103,377	291,449
2015	194,775	95,135	289,910
2016 - 2020	1,107,659	333,180	1,440,839
2019 - 2023	783,398	62,845	846,243
	\$ 3,422,353	\$ 1,003,456	\$ 4,425,809

General Obligation and Revenue Bonds

Issue	Date	Final Maturity Date	Interest Rates	Original Issue	Outstanding Debt 12/31/2010
Governmental Activities					
Discovery/Centennial/ Stone Bridge II/Rabanus/ Island Park/Viola Eid Project	03/01/03	05/01/13	2.97	1,325,000	325,000
Woodhaven/Calico Park Project	08/01/04	05/01/16	3.71	1,095,000	515,000
Refunding improvement bonds asphalt/Ed Clapp project	11/03/09	05/01/13	1.0-1.9	915,000	690,000
Pointe West Park project	10/10/01	10/10/11	5.18	95,000	11,800
Refunding improvement - 2006-1	11/15/06	05/01/17	3.5-3.75	895,000	660,000
Refunding improvement - 2006-2 P1	02/26/07	11/01/32	3.5-3.75	1,090,000	1,010,000
Refunding improvement - 2006-2 P2	08/29/07	11/01/32	3.5-3.75	1,735,000	1,625,000
Refunding improvement - 2010-1	08/10/10	11/01/25	3.04	675,000	675,000
Special assessment refinancing 2010	01/28/10	04/01/30	3.55	5,300,000	5,065,000
Special assessment refinancing 2002	04/15/02	04/01/17	2.6-5.0	3,245,000	1,260,000
				<u>16,370,000</u>	<u>11,836,800</u>
BUSINESS-TYPE ACTIVITIES					
Courts Plus refinancing revenue bonds	11/01/95	11/01/11	5.6-6.0	1,760,000	165,000
				<u>\$ 18,130,000</u>	<u>\$ 12,001,800</u>

The revenue bond agreement relating to the golf course stipulates that the Park District will charge fees in connection with the operation of the facilities which are projected to generate net operating revenues at least equal to 1.4 times the annual debt service on all outstanding bonds. If the net operating revenues fail to meet this level, the Park District will promptly increase its fees to a level so that net operating revenues are projected to meet the required level.

During 2010 the Park District issued general obligation special assessment prepayment bonds in the amount of \$5,300,000. The proceeds of the bonds were used to prepay outstanding special assessments of the Park District.

Future maturities on general obligations and revenue bonds:

	Principal	Interest	Total
2011	\$ 1,281,800	\$ 425,170	\$ 1,706,970
2012	1,125,000	375,929	1,500,929
2013	1,110,000	342,682	1,452,682
2014	765,000	313,220	1,078,220
2015	665,000	289,182	954,182
2016 - 2020	2,450,000	1,141,738	3,591,738
2020 - 2025	2,235,000	733,581	2,968,581
2026 - 2030	2,010,000	277,678	2,287,678
2031 - 2032	360,000	16,719	376,719
	<u>\$ 12,001,800</u>	<u>\$ 3,915,899</u>	<u>\$ 15,917,699</u>

Special Assessments - Uncertified special assessments of \$4,317,042 are due to the City of Fargo on various properties owned by the Park District. Principal and interest payments on the special assessments are recorded in the debt service fund.

Payments on notes and contracts and capital lease obligations are made from the general fund while payments on special assessments and general obligation bonds are made from the debt service fund.

OPEB Obligations

As of January 1, 2008, the Park District adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions. The Park District engaged an actuary to determine the Park District's liability for post-employment health care benefits other than pensions as of December 31, 2008. The actuary determined the only obligation the Park District has to record is the implied subsidy portion as described in the standard.

Plan Description

All employees are allowed to participate in the Park District's health insurance plan after retirement. This plan covers active and retired employees. Benefit provisions allow the retired employee to participate in the Park District health insurance benefit at the same contribution level as current employees. The benefit is only available if the employee retires between the ages of 62 to 65. Once the employee reaches the age of 65 they are no longer eligible for the benefit.

Funding Policy

The Park District has elected to fund the plan on a pay-as-you-go method.

Annual OPEB Cost and Net OPEB Obligation

The Park District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the Park District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Park District's net OPEB obligation:

	2010			
	Governmental	Business-Type	Primary	Component
Normal Cost	\$ 49,900	\$ 9,000	\$ 58,900	\$ 25,300
Amortization of UAAL over 30 years	28,421	3,976	32,397	9,555
Interest on OPEB Obligation	5,880	904	6,784	2,160
Total year-end ARC	84,201	13,880	98,081	37,015
Contributions made	(7,020)	-	(7,020)	(4,533)
Increase in OPEB Obligation	77,181	13,880	91,061	32,482
Net OPEB Obligations, Beginning of Year	147,000	22,600	169,600	54,000
Net OPEB Obligation, End of Year	<u>\$ 224,181</u>	<u>\$ 36,480</u>	<u>\$ 260,661</u>	<u>\$ 86,482</u>

The Park District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and the preceding fiscal years were as follows:

	Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contribution	OPEB Obligation
Primary Government	12/31/2010	\$ 98,081	7%	\$ 260,661
	12/31/2009	89,542	6%	169,600
	12/31/2008	85,158	0%	85,158
Component Unit	12/31/2010	\$ 37,015	12%	\$ 86,482
	12/31/2009	26,159	15%	54,000
	12/31/2008	31,741	0%	31,741

Funded Status and Funding Progress

As of December 31, 2008, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$987,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$987,000. The covered payroll (annual payroll of active employees covered by the plan) was \$3,906,790, and the ratio of the UAAL to the covered payroll was 25.26 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents a single year's information, as the standard was implemented in fiscal year 2008, when it becomes available, multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be displayed.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2008, actuarial valuation, the projected entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 10.5 percent initially, reduced by decrements to an ultimate rate of 5 percent after ten years. Both rates included an inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis over 30 years. The remaining amortization period at December 31, 2008, was 29 years.

Note 7 - Interfund Advances, and Transfers

The Capital Projects Fund advanced \$100,000 to the Fargo Senior Commission Component Fund for the construction of a new transportation facility in 2010. The total project cost was \$1,365,157. Projected repayment of the advance from the Capital Projects Fund is over 2 years as funds become available.

The Courts Plus Fund had negative cash flow for the year ending December 31, 2010 and received \$385,580 cash from the General Fund as recorded in the internal advances. Total advances due to general fund as of December 31, 2010 was \$924,079. There is currently no formal repayment schedule.

During the year ended December 31, 2010, the General Fund transferred \$1,835,850 to the Capital Projects Fund for current and future planned capital projects.

Note 8 - Operating Leases

The Park District leases all golf carts from Vehicle, Inc. The concessions lease agreement commenced with the 2006 golf season and terminates at the close of the 2010 golf season. Under the agreement, 52.5% of the gross revenue on golf carts is remitted to the lessor. Total expense for the rental of golf carts for the year ended December 31, 2010 was \$226,540. Due to the lease payment being contingent upon the renting of golf carts, there are no minimum lease payments recognized. The Park District has entered into a concessions lease agreement with a lessor for years 2011 through 2015. Under the agreement, 37% of the gross revenue on golf carts is remitted to the lessor.

The Park District leases space for the Rose Creek Pro Shop from ERL, Inc. The original lease agreement commenced in 1993 and automatically renewed for another ten years January 1, 2003. The lease will have another automatic renewal on January 1, 2013 unless the Park District gives notice not to renew. It is currently management's intent to renew the lease, therefore minimum lease payments are disclosed below for 2013 through 2015. The annual rent for the pro shop space is based on an escalating annual rental fee. Total annual rental expense for the pro shop for the year ended December 31, 2010 was \$38,500, with slightly higher amounts due each year during the remainder of the lease.

The Park District leases space for the Osgood Pro Shop from Osgood Investments, LLC. The original lease agreement commences in 2005 with a ten year term. The annual rent for the pro shop space is based on a triple net lease. Minimum monthly rental expense for the pro shop for 2010 was \$3,223 with common area maintenance in addition. Total annual rental expense for the Osgood Pro Shop for the year ended December 31, 2010 was \$38,676.

The future minimum lease payments on operating leases are as follows:

	Rose Creek Pro Shop	Osgood Pro Shop	Total
2011	\$ 39,000	\$ 38,676	\$ 77,676
2012	39,500	38,676	78,176
2013	40,000	38,676	78,676
2014	40,500	38,676	79,176
2015	41,000	38,925	79,925
	\$ 200,000	\$ 193,629	\$ 393,629

Note 9 - Pension Plan

The Park District of the City of Fargo provides two defined pension plans that are considered a supplemental plan. On April 1, 2008 all Park District full-time benefited employees were allowed to remain with the City of Fargo Pension Plan or enroll with the North Dakota Public Employee Retirement System. All benefited employees hired after March 31, 2008 are required to participate with North Dakota Public Employee Retirement System.

City of Fargo Pension Plan

The Park District's pension plan is a cost-sharing multiple employer public employee retirement system. The plan, the Fargo City Employees Pension Plan, is integrated with social security and, therefore, is considered a supplemental plan. The plan administrator is the City of Fargo. All full-time Park District employees are eligible for participation in the pension plan. The payroll for the employees covered by the pension plan for the year ended December 31, 2010 was \$1,724,267. The total payroll for all Park District employees was \$7,011,611.

As of January 1, 1986, participation in the plan is mandatory for new hires. Prior to this, employees were given the option to participate. As a result, not all current Park District employees are members of the pension plan.

Membership in the plan on January 1, 2011, is as follows:

Retirees and beneficiaries currently receiving pension payments	18
Terminated vested	28

Employees may be eligible for early, normal or disability retirement. The plan permits early retirements at age 55 with at least 10 years of service. Normal retirement age for full benefits is age 62.

Employee death benefits of \$20,000 are paid to a designated beneficiary for a participant who dies prior to retirement. If a participant dies after retirement, the designated beneficiary will receive a \$3,000 death benefit.

Participants are fully vested in the plan after five years of full-time employment. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin between ages 55 - 62. Non-vested participants are eligible for a full refund of the contributions plus interest at 5%. Vested participants that terminate can elect to receive a deferred vested benefit or a lump sum payment. Lump sum settlements are allowable up to age 55. Lump sum payments are computed as the greater of the actuarial value of plan assets or the "cash balance" in their plan account. The cash balance consists of the employee contributions, plus half of the employers' contribution since January 1, 1990, plus interest at 5%.

Participant employees contribute to the plan at a rate of 4.5% of salary and the employers contribute at a rate of 6.0% of regular salary for all employees including non-participants. The contribution rates are established by local ordinance, and the employer contribution rate set by the Fargo City Commission. For the year ended December 31, 2010, contributions totaled \$77,592 and \$103,454 for employees and the Park District, respectively.

Required contributions and the percent of that amount contributed are as follows:

	Required Contributions	Percent Contributed
2010	\$ 103,454	100%
2009	103,836	100%
2008	124,536	100%

The plan does not issue a separate financial report but is included within the City of Fargo's Comprehensive Annual Financial Report.

North Dakota Public Employee Retirement System

The Park District's pension plan is a cost-sharing multiple employer public employee retirement system. The plan, the North Dakota Public Employee Retirement System, is integrated with social security and, therefore, is considered a supplemental plan. The plan administrator is the North Dakota Public Employee Retirement System Pension Plan. All full-time Park District employees are eligible for participation in the pension plan. The payroll for the employees covered by the pension plan for the year ended December 31, 2010 was \$1,354,900. The total payroll for all Park District employees was \$7,011,611.

As of April 1, 2009, participation in the plan is mandatory for new hires. Prior to this, employees were given the option to participate. As a result, not all current Park District employees are members of the pension plan.

Membership in the plan on January 1, 2010, is as follows:

Retirees and beneficiaries currently receiving pension payments	0
Terminated vested	0

Employees may be eligible for early, normal or disability retirement. The plan permits early retirements at age 55 with at least 3 years of service. Normal retirement age for full benefits is age 65.

Participants are fully vested in the plan after three years (36 months) of qualifying employment or attaining the age of 65. Upon termination of employment prior to retirement age, participants may elect a deferred vested benefit to begin between ages 55 - 64. Non-vested participants are eligible for a full refund of the contributions plus interest at 7.5%. Vested participants that terminate can elect to receive a deferred vested benefit or a lump sum payment. Lump sum settlements are allowable up to age 55. The cash balance consists of the employee contributions contribution since enrollment, plus interest at 7.5%.

Participant employees contribute to the plan at a rate of 4.0% of salary and the employers contribute at a rate of 5.12% through June 31, 2009 and 5.26% thereafter of regular salary for all employees including non-participants. The employee and employer contribution rates are established by North Dakota Century Code. For the year ended December 31, 2010, contributions totaled \$54,196 and \$71,271 for employees and the Park District, respectively.

Required contributions and the percent of that amount contributed are as follows:

	Required Contributions	Percent Contributed
2010	\$ 71,271	100%
2009	67,441	100%
2008	37,019	100%

The plan does issue a separate Comprehensive Annual Financial Report that can be reviewed online at www.nd.gov/ndpers/forms-and-publications/publications/2010-annual-report.pdf.

Note 10 - Medical Self-Insurance

The Park District is self-insured with respect to certain employee medical costs. The Park District implemented the self-insurance medical plan January 1, 2006. Terms of the plan include a stop-loss provision which limits the Park District's liability to \$25,000 per individual or approximately \$602,827 in aggregate annually. The accrued liability for the estimated amount of claims incurred but not reported as of December 31, 2010 is approximately \$57,000. The claims paid for the year ended December 31, 2010 was \$506,532.

	Year Ending 12/31/2010
Claims incurred but not reported at beginning of year	\$ 54,000
Claims incurred	509,532
Claims paid	(506,532)
Claims incurred but not reported at end of year	\$ 57,000

Note 11 - Risk Management

The Park 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 Park District's risk management program encompasses obtaining property and liability insurance through the North Dakota Insurance Reserve Fund, North Dakota Fire and Tornado Fund, and the State Bonding Fund. The Park District has not had any significant reduction in insurance coverage and the amounts of insurance settlements have not exceeded insurance coverage for any of the last three years. The participation of the Park District in the above funds is limited to payment of premiums. At the end of the year, the Park District did not have any significant claims.

The Park District also provides workers compensation insurance on its employees through the North Dakota Workforce Safety and Insurance. At the end of the year, the Park District believed the amounts paid on workers compensation would not change significantly from the amounts recorded.

Note 12 - Commitments

Construction

As of December 31, 2010, the Park District had commitments on various construction projects totaling approximately \$528,760.

Note 13 - Joint Power Agreements with other Governmental Entities

The Park District had joint power agreements with the Fargo Public Schools for shared facilities. The Park District and School District have similar needs of facilities and have joined in the funding, maintenance and usage of facilities located in the City of Fargo. The joint power agreements provide easements to both governmental entities allowing for access and placement of capital assets. The agreements provide for shared costs of construction and maintenance, assignment of responsibility of maintenance and how the two entities will share in capital repair and replacement of the facilities covered by the joint power agreements.

Note 14 - Issued but Non-Effective Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the Park District. The statement issued but not implemented that will significantly affect the Park District is statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions."

Statement No. 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. This statement will be implemented at the Park District in the year ending December 31, 2011.

The Park District is in the process of reviewing and evaluating the above statement. Therefore, the potential effect of this new accounting pronouncement on the financial statements cannot be determined at this time.



Required Supplementary Information
December 31, 2010 and 2009

Park District of the City of Fargo

Park District of the City of Fargo
 Schedule of Funding Progress
 December 31, 2010

	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Simplified Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Governmental Activities:	01/01/08	\$ -	\$ 664,000	\$ 664,000	0%	\$ 2,683,150	24.75%
Business-Type Activities:	01/01/08	\$ -	\$ 95,000	\$ 95,000	0%	\$ 412,000	23.06%
Component Unit:	01/01/08	\$ -	\$ 228,000	\$ 228,000	0%	\$ 811,640	28.09%

Note to the Schedule of Funding Progress

The standard requires a schedule of funding progress for the three most recent valuations and accompanying notes to describe factors that significantly affect the trends in the amounts reported. The Park District implemented the standard as of January 1, 2008, there has been only one valuation performed. As such there is only one valuation disclosed above and there are no notes to describe factors that significantly affect the trends as those trends have not yet been established due to the recent adoption of the standard.



Other Supplementary Information
December 31, 2010 and 2009

Park District of the City of Fargo

Park District of the City of Fargo
Balance Sheet – Modified Accrual Basis
Valley Senior Services
December 31, 2010

Assets

Cash and cash equivalents	\$ 175,421
Accounts receivable	316,122
Prepaid items	<u>750</u>
Total assets	<u><u>\$ 492,293</u></u>

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ 93,303
Accrued payroll	71,583
Advance from primary government	<u>100,000</u>
Total liabilities	<u><u>264,886</u></u>

Fund Balance

Unreserved - undesignated	<u>227,407</u>
Total liabilities and fund balance	<u><u>\$ 492,293</u></u>

Park District of the City of Fargo
 Statements of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual – Modified Accrual Basis Valley Senior Services
 December 31, 2010

	Original and Final Budget	Actual	Variance With Budget
Revenues			
Taxes	\$ 670,000	\$ 755,473	\$ 85,473
Intergovernmental revenue	1,795,169	1,716,230	(78,939)
Charges for services and contributions	977,116	938,631	(38,485)
Interest	10,000	7,094	(2,906)
Grants, trusts and donations	15,000	29,942	14,942
Other	1,300	46,006	44,706
Total revenues	<u>3,468,585</u>	<u>3,493,376</u>	<u>24,791</u>
Expenditures			
Current			
Wages and salaries	1,613,850	1,683,828	(69,978)
Other	1,504,585	1,781,572	(276,987)
Capital	119,750	124,706	(4,956)
Total expenditures	<u>3,238,185</u>	<u>3,590,106</u>	<u>(351,921)</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	230,400	(96,730)	(327,130)
Fund Balance, Beginning of Year	<u>324,137</u>	<u>324,137</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 554,537</u>	<u>\$ 227,407</u>	<u>\$ (327,130)</u>