



THE REGULAR MONTHLY MEETING OF THE BOARD OF COMMISSIONERS OF THE PARK DISTRICT OF THE CITY OF FARGO WILL BE HELD ON **TUESDAY, FEBRUARY 11, 2025, AT 5:30 P.M.** IN THE BOARD ROOM AT THE FARGO PARKS SPORTS CENTER AT 6100 38th STREET SOUTH, FARGO, WITH PRESIDENT AARON HILL, PRESIDING. **Please note:** This is an in-person event and streamed virtually. Members of the public and media can view the live meeting at www.fargoparks.com/news/park-board-meeting-february-agenda-2025

- A. Call to Order
- B. Board to Approve Order of Agenda

Consent Agenda - approve the following:

- a. Minutes - 01/14/2025
- b. January Bills
- c. Permission to Apply for a Garrison Diversion Conservancy District Recreation Grant
- d. 2024 Audit Engagement Letter, Eide Bailly

Regular Agenda

- 1. Recognition of Audience/Public Comments
- 2. Director's Report
- 3. 2025 Park District Project Updates; Tyler Kirchner, Tony Schmitt, presenters
- 4. Governance Committee Update; Commissioner Hill, presenter
- 5. Planning Committee Update; Commissioner Dawson, presenter
- 6. Adjourn

Individuals who wish to attend Park Board meetings but need special arrangements or would like to address the Board, please contact the Fargo Park District office at 499-6060 by noon on the Monday before the Board Meeting.

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS
OF THE FARGO PARK DISTRICT OF JANUARY 14, 2025**

The regular monthly meeting of the Board of Commissioners of the Park District of the City of Fargo was held on Tuesday, January 14, 2025, at 5:30 p.m. at the Fargo Park District office at 6100 38th Street South, Fargo, North Dakota and via Restream. Present at the meeting were Commissioners Aaron Hill, Joe Deutsch, Zoé Absey and Vicki Dawson. Also present were: Susan Faus, Dave Bietz and attorney Ben Williams.

Approval of Agenda

Commissioner Vicki Dawson moved and Commissioner Joe Deutsch seconded a motion to approve the agenda. Upon call of the roll, the motion passed unanimously.

Approval of Consent Agenda

Commissioner Zoé Absey moved and Commissioner Vicki Dawson seconded a motion to approve the following actions on the consent agenda:

- (a) The minutes the December 10, 2024 meeting;
- (b) The December 2024 bills; and
- (c) Approval of 2025 Park District Maintenance Bids, as presented, and authorize staff to re-bid equipment items #14, #15, and #16.

Upon call of the roll, the motion passed unanimously.

Public Comments

Members of the public were afforded the opportunity to discuss issues with the Board.

Director's Report

Susan Faus presented this matter and provided an informational update to the Board on the respective departments. No action was taken on this matter.

Fargo Park District Foundation Update

Craig Bjur provided an update on the Fargo Park District Foundation.

Approval of New Lease for Edgewood Golf Course Restaurant

Carolyn Boutain presented to the Board on this matter. It was noted that the lease would be a one year lease with an opportunity to renew each year, rent will be calculated on 7% of gross sales and 10% of any sales in excess of \$1 million, that operations are for golf season, there are mandated operational hours for beverage carts, and the option for Fargo Park District to operate charitable gaming.

Commissioner Vicki Dawson moved and Commissioner Zoé Absey seconded a motion to approve the new lease for Edgewood Golf Course restaurant as presented.

Planning Committee Update

Commissioner Vicki Dawson presented to the Board and provided an update on the Planning Committee from its November meeting. No action was taken on this matter.

At the conclusion of the above agenda items, a motion to adjourn was made and seconded, and upon unanimous consent the meeting adjourned at approximately 6:00 p.m.

Jeff Gunkelman, Kennelly Business Law, Clerk



MEMORANDUM

DATE: February 11, 2025

TO: Fargo Park Board Commissioners

FROM: Tony Schmitt, Park Director

RE: Consent Agenda Item (c) – Permission to apply for a Garrison Conservancy District Recreation Grant

Garrison Diversion Conservancy District Recreation grants may be requested for new recreation facilities and enhancement or expansion of existing facilities. This matching grant is for projects located within the Garrison Diversion boundaries that may be eligible to receive up to 25% of the non-federal share of the cost of the project. The deadline to apply for this grant is March 1, 2025, with a maximum grant amount of \$75,000.

The park district plans to submit the Southwest Regional Pond Recreation Area enhancements project for consideration for this grant. The scope of the project submitted for consideration would include the establishment of gravel trails, native plantings, and installation of park benches. This is a matching grant for eligible projects that is 75% OHF/25% Local Share. If awarded funding, the project would be constructed in 2026 or 2027 dependent on available park district funding.

Application procedures require support of the governing body of an agency applying for the grant.

If you have any questions, do not hesitate to contact me prior to the meeting.

Thank you.

SAMPLE MOTION: I make a motion to grant permission to staff to apply for a Garrison Diversion Recreation Grant, as presented.

Susan Faus, Executive Director
Park Board Commissioners – Zoë Absey * Vicki Dawson * Joe Deutsch * Aaron Hill * Jerry Rostad
Clerk-Jeff Gunkelman

Our Core Values: *Be Authentic * Be Bold * Be Collaborative



M E M O R A N D U M

DATE: February 11, 2025
TO: Fargo Park Board Commissioners
FROM: Luke Evenson, Controller
RE: Consent Item (d) - 2024 Audit Engagement Letter, Eide Bailly

Each year the Fargo Park District is required to have a financial and federal audit which have historically been conducted by Eide Bailly. Included in the overall Park District audit is the audit of the Fargo Park District Foundation and Valley Senior Services, Inc.

The financial audit provides an opinion on whether our financial statements are fairly presented and materially accurate. The federal audit provides an indication of whether we are maintaining compliance with federal requirements.

It was recommended at the January 22, 2025, Planning Committee Meeting to bring this to the full board on the consent agenda for consideration and approval.

If you have any questions, do not hesitate to contact me prior to the meeting.

Thank you.

SAMPLE MOTION: I make a motion to approve the 2024 Financial and Federal Audit Engagement Letter prepared by Eide Bailly, as presented.

Susan Faus, Executive Director
Park Board Commissioners – Zoë Absey * Vicki Dawson * Joe Deutsch * Aaron Hill * Jerry Rostad
Clerk-Jeff Gunkelman

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December 30, 2024

To the Board of Park Commissioners
Park District of the City of Fargo
701 Main Ave
Fargo, North Dakota 58103

You have requested that we audit the financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund of Park District of the City of Fargo (“the Park District”) as of December 31, 2024, and for the year then ended, and the related notes to the financial statements, which collectively comprise Park District of the City of Fargo’s basic financial statements.

In addition, we will audit the entity’s compliance over major federal award programs for the period ended December 31, 2024. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity’s major federal award programs. The objectives of our audit of the financial statements are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our compliance audit are to obtain sufficient appropriate audit evidence to form an opinion and report at the level specified in the governmental audit requirement about whether the entity complied in all material respects with the applicable compliance requirements and identify audit and reporting requirements specified in the governmental audit requirement that are supplementary to GAAS and Government Auditing Standards, if any, and perform procedures to address those requirements.

Accounting principles generally accepted in the United States of America (U.S. GAAP), as promulgated by the Governmental Accounting Standards Board (GASB), require that certain information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Employer's Share of Net OPEB Liability and Related Ratios
3. Schedule of Changes in the Park District's OPEB Liability and Related Ratios
4. Schedule of Employer's Share of Net Pension Liability
5. Schedule of Employer's Contributions

Supplementary information other than RSI will accompany the Park District's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

1. Combining Statement of Net Position – Discretely Presented Component Units
2. Combining Statements of Revenues, Expenses and Changes in Net Position – Discretely Presented Component Units
3. Balance Sheet - Modified Accrual Basis - Valley Senior Services
4. Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Modified Accrual Basis - Valley Senior Services

Schedule of Expenditures of Federal Awards

We will subject the schedule of expenditures of federal awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements as a whole.

Also, the document we submit to you will include the following other additional information that will not be subjected to the auditing procedures applied in our audit of the financial statements:

1. Listing of Commissioners and Officers

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audits in accordance with GAAS, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). As part of an audit of financial statements in accordance with GAAS and in accordance with Government Auditing Standards, Uniform Guidance and/or any state or regulatory audit requirements we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.
- Obtain an understanding of the system of internal control 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. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Park District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the Park District's basic financial statements. Our report will be addressed to the governing body of the Park District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the Park District's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the Uniform Guidance and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the material noncompliance with applicable laws and regulations, the provisions of contracts and grant agreements applicable to major federal award programs, and the applicable compliance requirements occurred, whether due to fraud or error, and express an opinion on the entity's compliance based on the audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the entity's compliance with the requirements of the federal programs as a whole.

As part of a compliance audit in accordance with GAAS and in accordance with *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks.

Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs, and performing such other procedures as we considers necessary in the circumstances. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will obtain an understanding of the entity's internal control over compliance relevant to the audit in order to design and perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. Our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report. However, we will communicate to you, regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we have identified during the audit.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance, acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of the system 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;
3. For identifying, in its accounts, all federal awards received and expended during the period and the federal programs under which they were received;
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards (including notes and noncash assistance received) in accordance with the Uniform Guidance;
6. For designing, implementing, and maintaining effective internal control over federal awards that provides reasonable assurance that the entity is managing federal awards in compliance with federal statutes, regulations, and the terms and conditions of the federal awards;
7. For identifying and ensuring that the entity complies with federal laws, statutes, regulations, rules, provisions of contracts or grant agreements, and the terms and conditions of federal award programs and implementing systems designed to achieve compliance with applicable federal statutes, regulations, and the terms and conditions of federal award programs;
8. For disclosing accurately, currently, and completely, the financial results of each federal award in accordance with the requirements of the award;
9. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
10. For taking prompt action when instances of noncompliance are identified;
11. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
12. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
13. For submitting the reporting package and data collection form to the appropriate parties;
14. For making the auditor aware of any significant contractor relationships where the contractor is responsible for program compliance;

15. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including disclosures, and relevant to federal award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity and others from whom we determine it necessary to obtain audit evidence.
16. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
17. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
18. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
19. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in the system of internal control and others where fraud could have a material effect on compliance;
20. For the accuracy and completeness of all information provided;
21. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information; and
22. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the schedule of expenditures of federal awards referred to above, you acknowledge and understand your responsibility (a) for the preparation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (b) to provide us with the appropriate written representations regarding the schedule of expenditures of federal awards, (c) to include our report on the schedule of expenditures of federal awards in any document that contains the schedule of expenditures of federal awards and that indicates that we have reported on such schedule, and (d) to present the schedule of expenditures of federal awards with the audited financial statements, or if the schedule will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by you of the schedule and our report thereon.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Nonattest Services

With respect to any nonattest services we perform, we agree to perform the following:

- Prepare or assist with preparing financial statements in conformity with U.S. generally accepted accounting principles based on information provided by you.
- Complete the auditee's portion of the Data Collection Form
- Prepare or assist with preparing the Schedule of Expenditures of Federal Awards
- Propose journal entries for the government-wide financial statements to be reviewed and approved by management
- Prepare IRS Form 990 for the Fargo Park District Foundation and the Valley Senior Services Foundation

We will not assume management responsibilities on behalf of the Park District. The Park District's management understands and agrees that any advice or recommendation we may provide in connection with our audit engagement are solely to assist management in performing its responsibilities.

The Park District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) designing, implementing, and maintaining the system of internal control, including the process used to monitor the system of internal control.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined above. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities.

Fees and Timing

Brian Stavenger is the engagement partner for the audit services specified in this letter. The engagement partner's responsibilities include supervising services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses, administrative charges and a technology fee. Invoices are payable upon presentation. We estimate that our fee for the audit will not exceed the following:

Audit of Financial Statements	\$ 42,150
Federal Audit Per Major Program (anticipate one)	5,100
5% technology fee	2,363
Total	<u>\$ 49,613</u>

The ability to perform and complete our engagement consistent with the estimated fee included above depends upon the quality of your underlying accounting records and the timeliness of your personnel in providing information and responding to our requests. To assist with this process, we will provide you with an itemized request list that identifies the information you will need to prepare and provide in preparation for our engagement, as well as the requested delivery date for those items. A lack of preparation, including not providing this information in an accurate and timely manner, unanticipated audit adjustments, and/or untimely assistance by your personnel may result in an increase in our fees and/or a delay in the completion of our engagement.

We may be requested to make certain audit documentation available to outside parties, including regulators, pursuant to authority provided by law or regulation or applicable professional standards. If requested, access to such audit documentation will be provided under the supervision of Eide Bailly LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the outside party, who may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in making such audit documentation available or in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our audit procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Other Matters

During the course of the engagement, we will only provide confidential engagement documentation to you via Eide Bailly's secure portal or other secure methods, and request that you use the same or similar tools in providing information to us. Should you choose not to utilize secure communication applications, you acknowledge that such communication contains a risk of the information being made available to unintended third parties. Similarly, we may communicate with you or your personnel via e-mail or other electronic methods, and you acknowledge that communication in those mediums contains a risk of misdirected or intercepted communications.

Should you provide us with remote access to your information technology environment, including but not limited to your financial reporting system, you agree to (1) assign unique usernames and passwords for use by our personnel in accessing the system and to provide this information in a secure manner; (2) limit access to "read only" to prevent any unintentional deletion or alteration of your data; (3) limit access to the areas of your technology environment necessary to perform the procedures agreed upon; and (4) disable all usernames and passwords provided to us upon the completion of procedures for which access was provided. We agree to only access your technology environment to the extent necessary to perform the identified procedures.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your website or elsewhere, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider. You acknowledge that your information may be disclosed to such service providers, including those outside the United States.

Neither of us may use or disclose the other's confidential information for any purpose except as permitted under this engagement letter or as otherwise necessary for Eide Bailly to provide the services. Your confidential information is defined as any information you provide to us that is not available to the public. Eide Bailly's confidential information includes our audit documentation for this engagement. Our audit documentation shall at all times remain the property of Eide Bailly LLP. The confidentiality obligations described in this paragraph shall supersede and replace any and all prior confidentiality and/or nondisclosure agreements (NDAs) between us.

We agree to retain our audit documentation or work papers for a period of at least eight years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

You agree to share all facts that may affect your financial statements, even if you first become aware of those facts after the date of the auditor's report but before the date your financial statements are issued.

At the conclusion of our audit engagement, we will communicate to Board of Park Commissioners the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

Government Auditing Standards require that we provide, upon request, a copy of our most recent external peer review report and any subsequent review reports to the party contracting for the audit. Accordingly, we will provide a copy of our most recent peer review report at your request.

Eide Bailly LLP is a member of HLB International, a worldwide organization of accounting firms and business advisors, ("HLB"). Each member firm of HLB, including Eide Bailly LLP is a separate and independent legal entity and is not owned or controlled by any other member of HLB. Each member firm of HLB is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of HLB or any other member firm of HLB and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of HLB.

Eide Bailly LLP formed The Eide Bailly Alliance Network, a network for small to mid-sized CPA firms across the nation. Each member firm of The Eide Bailly Alliance, including Eide Bailly LLP, is a separate and independent legal entity and is not owned or controlled by any other member of The Eide Bailly Alliance. Each member firm of The Eide Bailly Alliance is solely responsible for its own acts and omissions and no other member assumes any liability for such acts or omissions. Neither Eide Bailly LLP, nor any of its affiliates, are responsible or liable for any acts or omission of The Eide Bailly Alliance or any other member firm of The Eide Bailly Alliance and hereby specifically disclaim any and all responsibility, even if Eide Bailly LLP, or any of its affiliates are aware of such acts or omissions of another member of The Eide Bailly Alliance.

MEDIATION

Any disagreement, controversy or claim arising out of or related to any aspect of our services or relationship with you (hereafter a "Dispute") shall, as a precondition to litigation in court, first be submitted to mediation. In mediation, the parties attempt to reach an amicable resolution of the Dispute with the aid of an impartial mediator. Mediation shall begin by service of a written demand. The mediator will be selected by mutual agreement. If we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA"). Mediation shall be conducted with the parties in person in Fargo, North Dakota. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties. Neither party may commence a lawsuit until the mediator declares an impasse.

LIMITED INDEMNITY

Eide Bailly LLP and its partners, affiliates, officers and employees (collectively "Eide Bailly") shall not be responsible for any misstatements in your financial statements and tax return that we may fail to detect as a result of misrepresentations or concealment of information by any of your owners, directors, officers or employees. You shall indemnify and hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees arising from any such misstatement or concealment of information.

If through no fault of Eide Bailly we are named as a party to a dispute between you and a third party, you shall indemnify and hold Eide Bailly harmless against any losses, damages, settlements, judgments, awards, and the costs of litigation (including attorneys' fees) we incur in connection with the dispute.

Eide Bailly shall not be entitled to indemnification under this agreement unless the services were performed in accordance with professional standards in all material respects.

LIMITATION OF LIABILITY

The exclusive remedy available to you for any alleged loss or damages arising from or related to Eide Bailly’s services or relationship with you shall be the right to pursue claims for actual damages that are directly caused by Eide Bailly’s breach of this agreement or Eide Bailly’s violation of applicable professional standards. In no event shall Eide Bailly’s aggregate liability to you exceed two times fees paid under this agreement, nor shall Eide Bailly ever be liable to you for incidental, consequential, punitive or exemplary damages, or attorneys’ fees.

TIME LIMITATION

You may not bring any legal proceeding against Eide Bailly unless it is commenced within twenty-four (24) months (“Limitation Period”) after the date when we delivered our report, return, or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the audit and tax return preparation. The Limitation Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of a possible Dispute.

GOVERNING LAW AND VENUE

Any Dispute between us, including any Dispute related to the engagement contemplated by this agreement, shall be governed by Minnesota law. Any unresolved Dispute shall be submitted to a federal or state court located in Minneapolis, Minnesota.

ASSIGNMENTS PROHIBITED

You shall not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly to any person.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your certified public accountants and look forward to working with you and your staff.

Respectfully,



Brian Stavenger, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Park District of the City of Fargo by:

Name: _____

Title: _____

Date: _____



MEMORANDUM

DATE: February 11, 2025

TO: Fargo Park Board Commissioners

FROM: Tony Schmitt, Park Director
Tyler Kirchner, Project Manager

RE: Regular Agenda Item #3 – 2025 Park District Project Updates

Tony Schmitt and Tyler Kirchner will be present to give an update on 2025 Park District Projects to date.

If you have any questions, do not hesitate to contact us prior to the meeting.

Susan Faus, Executive Director
Park Board Commissioners – Zoë Absey * Vicki Dawson * Joe Deutsch * Aaron Hill * Jerry Rostad
Clerk-Jeff Gunkelman

Our Core Values: *Be Authentic * Be Bold * Be Collaborative

Governance Committee Meeting Minutes

Wednesday, January 29, 2025; 8:15 am

Island Park Conference room

Review Governance Annual Work Plan-Monitoring Report:

Susan discussed the monitoring form and the policies; this is how we will be tracking and getting the work done and being compliant or not compliant in certain areas. OE-1 is regarding Emergency Succession and OE-5 is Asset Protection.

Susan said she added her feedback of where we are and if we are or are not being compliant.

There is a section for board members to add their feedback as well.

Carmen stated that she is supposed to send out the policies that are due to be reviewed before the meeting, Susan and the board fill out their sections. Carmen compiles and reviews at the Governance meeting.

Susan and team discussed the process of reviewing the policies and how they are considered compliant or not compliant and our goals for getting things completed and things that are continuous. Commissioner Rostad suggested he knows of someone that can help on the retention records process and compare what we have.

Carmen will send out the policies that need to be reviewed to the commissioners.

Review and discuss Park Ordinances:

Susan stated that we don't have an update, we haven't done additional research as far as looking at any other park districts to see what they have in place. We are trying to prioritize the work that we have going on now, although it is important and we need to update, just pausing for now. Commissioner Hill asked if we should keep on the agenda or put a note to bring it back and start discussing. We will look at ordinances starting again in June 2025.

Review and discuss Fargo Park Board Gold Card:

Commissioner Hill stated that he was curious about how the Gold Card got started.

Commissioner Dawson mentioned that Jim Larson was in charge of the Gold Cards. It was started for board members and Jim started giving it to others. The past board members and spouses get them.

Commissioner Dawson stated that some people never use the Gold Card, some use on occasion and some use it to the extent that it impacts the Park District. There are 4 categories of users, clerks, past board, present board and future board members. Suggested not to give this benefit to clerks any longer.

The suggestion was to cut off people that have a card or do something different going forward.

Commissioner Rostad asked we know who overuses the card? What is our level of tolerance is?

Discussion between the commissioners regarding who gets a card and what the benefits are.

There was discussion on future board members and could that be changed. Tracking was

discussed and that will get better going forward. The discussion of staff and what those soft benefits are and exempt employees vs. non-exempt employees.

Susan brought up the use of the Sports Center for staff and board members, what will that look like. We are pausing that for now.

Susan suggested to have a small work group to discuss and plan the next steps and processes.

Commissioner Hill and Dawson agreed to be in this group. Collect as much information before the task force meets.

NDRPA Legislative Update:

Broc reviewed and discussed the legislative updates. HB1312-change the election time frame for Park Board members from June to November, thinking that more people will vote in November rather than June, and also consideration for timing for board members and starting the term.

HB1572-change the general obligation bond authority for park district, the current statute is that you can bond by a vote of your commission up to 1% of the assessed value of property within your district as long as you provide for a 60-day protest period, and you can do that with the majority vote with your board. What the new law proposed is that it is 1% of the assessed value not to exceed \$1M. Anything over a \$1M would require a vote of the public. NDRPA asks is there room to negotiate in the middle?

HB1176-Relating to a legacy earnings fund, a legacy property tax relief fund, a primary residence certification, and a limitation on property tax levies without voter approval; to amend and reenact the North Dakota Century Code, relating to funds invested by the state investment board, property tax definitions, the homestead tax credit and renters refund, the primary residence credit, property classifications, notices to property owners, and the property tax statement; to repeal sections of the North Dakota Century Code, relating to legacy fund definitions, the legacy earnings fund, and estimated property tax and budget hearing notices; to provide an appropriation; to provide a transfer; to provide an effective date; to provide an expiration date; and to declare an emergency. "Nathe" "Governor" Bill 3% cap for poli subs: can carry unused % in 5 succeeding taxable year. Modifies primary residence credit from \$500 to \$1,550 per year utilizing legacy fund earnings. Broc and Susan will be going to Bismarck, ND to attend the Local Government Capital Connection Conference on February 18 and 19, 2025.

Meeting adjourned at 9:37 am.

Minutes submitted by Carmen Johnson, Executive Assistant

Planning Committee Meeting Minutes
Wednesday, January 22, 2025; 8:30 am
Fargo Parks Sports Center
Marsh McClennen Conference room

2024 Audit Engagement Letter, Eide Bailly:

Broc Lietz, presented. Reviewed the process and cost of the audit using Eide Bailly. This letter is submitted every year to get the audit process started. Requested to use Eide Bailly again this year. Broc stated they will be here the last week in February/first week of March. Commissioner Hill asked how long has Eide Bailly been doing our audit, Commissioner Deutsch stated it has been more than 20 years. Commissioner Hill asked if there has been thought about changing auditors. Melissa Harvey, Gaming Auditor for the Foundation stated that Eide Bailly is one of two auditing firms that are familiar with gaming at all.

The committee recommends moving to the full board and placing it on the Consent Agenda for consideration and approval.

Permission to apply for a Garrison Diversion Conservancy District Recreation Grant:

Tony Schmitt, presented. Tony asked for permission to apply for the Garrison Diversion Conservancy District Recreation Grant. The maximum grant award is \$75,000. Tony stated we would be using these funds for the Southwest Regional Pond Recreation area enhancement. This would include the gravel trails, native plantings and installation of park benches. There is about 80 acres to seed at a cost of about \$90,000. Tony said this is a matching grant, eligible to receive up to 25% of the non-federal share of the cost of the project.

Dave stated our goal is to combine multiple grants to get the project completed and scale back the project. We still have the opportunity to work with the City of Fargo, they city stated the next time Tony goes in front of the OHF they would come along to strengthen the partnership. In addition to that, we still have the opportunity to work with developers as they start to develop the area. Dave also said we have been talking with the City of Fargo regarding that this trail network is a benefit to not just recreation and parks but to the city as a whole.

The committee recommends moving this to the full board and placing it on the Consent Agenda for consideration and approval.

Charitable Gaming highlights:

Craig Bjur, presented. Craig updated the staff and commissioners regarding the charitable gaming. This will be another funding source for the foundation. Craig stated they submitted the application in December of 2023, and it will be finished soon. Craig introduced Chrissy Nelson who will be the gaming manager and Melissa Harvey, and she will be the gaming auditor.

Craig stated that Chrissy and Melissa have been working on the Internal Control Manual and Customer Policy and Procedure Gaming Rule Manuals. The first location will be CJ's Tavern at Rose Creek, April 1st, 2025, start date. Craig said there are restrictions to who can participate in the gaming. The Foundation Board and households are not allowed to participate, the executive leadership team, financial team and the Park Board commissioners. are not allowed to participate. Also please, do not wear Park District clothing when gaming.

Melissa Harvey went through the process of how things will work through out the process of the gaming and keeping track of daily reporting and giving updates quarterly to the board.

There can be up to 5 sites within the city of Fargo. The Foundation is allowed to keep up to 60% of the proceeds from gaming towards operational costs. Craig said that he and Susan have been working on where those dollars will go.

Other:

1. Dave discussed Ryan Such and the Jack Williams Stadium. After the first initial meeting there were several conversations with Ryan. Ryan gave us a lot of information, project estimate of what he wanted to see fixed. It was just over \$500,000. Dave said the Park District would be willing to fund half of the project. Through further conversations with Ryan and some of the voting members of their board, they didn't feel they could come up with \$250,000 to meet the other half. Conversations are still ongoing. Dave said he, Susan and Jayne have met, and it is our property, we do have an agreement with Post 2 that states they are responsible for the bleachers. Dave stated the wall is the major part of this project, we are proposing to move this ahead that the Park District would still stay within the \$250,000 and fix the wall and the existing concrete that is associated with that and go back to Post 2 and let them know this is what the Park District will do, and ask them to cover the cost of the new seating and or bleachers for their obligation. Dave will be reaching out to Ryan and said hopefully he is agreeable. We would enter into an MOU to make sure everybody is aware who is responsible for what part of the project. More information to come.

Meeting adjourned at 10:17 am.

Minutes submitted by Carmen Johnson, Executive Assistant