



Horace Park Board Meeting
Monday, April 27, 2026 – 5:30 P.M.
Horace Meeting House – 7951 Jack’s Way #116

Meeting Items

1. **Call to Order**
2. **Approve Order of Agenda**
3. **Approve Minutes – March 23, 2026** (2 – 3)

Consent Agenda

1. **Bills – \$92,758.34** (4 – 6)
2. **Financial Report** (7 – 13)

Regular Agenda

1. **Recognition of Audience / Public Comment**
2. **Financial Audit Review 2025** – Jonathan Worrall (14 - 55)
3. **Freed Park Field Schedule Update** – Wade Frank (56)
4. **Lions Park Improvement Requests** – Derek Werner (57)
5. **Southdale Farms Ballfield Update** – Jim Dahlman (58 – 59)
6. **Development Updates** – Jack Dwyer (60)
7. **Independence Park Improvements Change Order No. 1** – Eric Larson (61 – 69)
8. **Engineering Report** – Jim Dahlman
9. **Board Member Reports**
10. **Non-Agenda**
11. **Adjourn**



The Horace Park Board met at 5:30 p.m. on Monday, March 23, 2026 at Horace Meeting House. President Frank called the meeting to order. Present were Jason Olsen, Shannon Kist, Paige Shockman, and Wade Frank. Not present was Alex Kjelland.

Meeting Items

Motion: Approve the Order of the Agenda.

1st Motion: Commissioner Olsen

2nd Motion: Commissioner Shockman

Action Taken: Motion carried. No opposition.

Motion: Approve February 23, 2026 Minutes.

1st Motion: Commissioner Kist

2nd Motion: Commissioner Olsen

Action Taken: Motion carried. No opposition.

Consent Agenda

Motion: Approve Bills (\$558,492.33) and Financial Report.

1st Motion: Commissioner Shockman

2nd Motion: Commissioner Kist

Action Taken: Motion carried. No opposition.

Recognition of Audience / Public Comment

No public comment.

Recreation Programming Services Agreement

West Fargo Park District Recreation Director Lance Belisle presented the 2026 agreement.

Motion: Approve the 2026 Recreation Programming Services Agreement.

1st Motion: Commissioner Shockman

2nd Motion: Commissioner Olsen

Action Taken: Motion carried. No opposition.

Ballfield Rental Rates

Clerk Germundson reviewed the previous recommendations from Recreation Director Belisle. Park Foreman Micah Fraase gave maintenance input. Clerk Germundson commented it had probably been at least five years since ballfield rental rates have changed.



Motion: Approve the 2026 Ballfield Rental Rates as presented with the addition of \$30 per game at Lions Park.

1st Motion: Commissioner Shockman

2nd Motion: Commissioner Olsen

Action Taken: Motion carried. No opposition.

Independence Park Update

Eric Larson (Interstate Engineering) discussed potential cost reductions. There were minimal cost savings. The low bid was Roers Construction at \$1,298,715. This did not include design fees or a playground allowance. Clerk Germundson said the current internal budget is \$1,000,000. Commissioner Olsen raised concerns with the cost. Clerk Germundson said there will be a minimum 2 to 3-year commitment of no new larger projects due to the additional financing required and the budget impact it will have.

Motion: Accept the Roers Construction low bid of \$1,298,715 for the Independence Park project.

1st Motion: Commissioner Kist

2nd Motion: Commissioner Shockman

Action Taken: Motion carried. Commissioner Olsen opposition.

Engineering Report

Park Engineer Dahlman discussed the Southdale Farms ballfield 4 plex. Clerk Germundson will forward the design to user groups for further discussion next month. The preliminary budget for Cub Creek Park is around \$4M.

Board Member Reports

Commissioner Shockman discussed the Easter Egg Hunt and Grant Finder. President Frank summarized a meeting with the City of Horace and future developments.

Non-Agenda Items

Nothing to report.

Meeting adjourned 6:47 p.m.

President Wade Frank

Clerk Justin Germundson

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object	Proj	Cash Account
772		118 Bank of North Dakota	45,840.85						
	587008101	04/01/26 24 BND loan; prn	37,645.64			5040 490000	710		101000
	587008101	04/01/26 24 BND loan; int	8,195.21			5040 490000	720		101000
		Total for Vendor:	45,840.85						
768		1 Cass County Electric	971.29						
	83279	04/06/26 freed	497.00			4030 451200	351		101000
	160739	04/06/26 independence	23.15			4030 451200	351		101000
	1085070	04/06/26 lions	30.00			4030 451200	351		101000
	1172715	04/06/26 meadowlark	421.14			4030 451200	351		101000
		Total for Vendor:	971.29						
769		22 City of Horace	268.44						
	11096-00	04/01/26 service; freed	111.60			4030 451200	351		101000
	11052-00	04/01/26 service; freed	81.34			4030 451200	351		101000
	44227-00	04/01/26 service; meadowlark	75.50			4030 451200	351		101000
		Total for Vendor:	268.44						
771		16 Insure Forward	290.00						
	504762	03/24/26 add Toro #9438	290.00			4030 451000	321		101000
		Total for Vendor:	290.00						
766		77 Paige Shockman	386.29						
	04/07/26	egg hunt reimb	386.29			4030 451400	505		101000
		Total for Vendor:	386.29						
774		120 Paul Hankel	1,750.00						
	9	04/20/26 social media management	1,750.00			4030 451000	109		101000
		Total for Vendor:	1,750.00						
773		39 PFM Financial Advisors	30,013.50						
	141019	03/04/26 26 refi bonds; fees	30,013.50*			4051 451000	631		101000
		Total for Vendor:	30,013.50						

04/20/26
14:58:14

HORACE PARKS
Claim Approval List
For the Accounting Period: 4/26

Page: 2 of 3
Report ID: AP100V

* ... Over spent expenditure

Claim/	Check	Vendor #/Name/ Invoice #/Inv Date/Description	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object	Proj	Cash Account
770		113 Widmer Roel	13,003.64						
	362949	04/04/26 2025 audit; to date	13,003.64			4030 451000	369		101000
		Total for Vendor:	13,003.64						
767		64 Xcel Energy	234.33						
	972247078	04/06/26 8873 lost river n; gas	98.67			4030 451200	351		101000
	972276683	04/06/26 8873 lost river s; gas	135.66			4030 451200	351		101000
		Total for Vendor:	234.33						
		# of Claims	9	Total:	92,758.34	# of Vendors	9		

Income Statement - Comparison to Prior Year
For the Accounting Period: 3 / 26

4030 GENERAL FUND

Account Object	Description	Current Year				Last Year	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
Revenue							
310001	Property Taxes	79,486.23	178,816.32	308,851.00	-130,034.68	95,453.61	210,957.26
335600	State Aid	5,642.14	15,991.55	55,000.00	-39,008.45	5,338.18	14,950.68
340001	Recreation Programs	6,849.20	6,949.20	20,000.00	-13,050.80	7,443.45	7,700.17
340005	Field Fees			5,000.00	-5,000.00		
340010	Miscellaneous		1,088.37	1,000.00	88.37		1,088.00
	Total	91,977.57	202,845.44	389,851.00	-187,005.56	108,235.24	234,696.11
Expenses							
451000	ADMINISTRATION						
109	Staff Wages	1,750.00	2,750.00	7,000.00	4,250.00		
111	Board Wages	2,500.00	2,500.00	10,000.00	7,500.00	2,500.00	2,500.00
112	Clerk Wages	1,479.19	3,904.26	14,000.00	10,095.74	1,096.81	3,840.37
210	Technology	817.88	9,400.73	13,000.00	3,599.27	817.88	8,403.68
220	Payroll Taxes	383.98	874.03	9,000.00	8,125.97	333.50	738.49
321	Insurance		272.09	12,000.00	11,727.91		232.45
369	Audit			15,000.00	15,000.00		
380	Miscellaneous	120.00	296.15	5,000.00	4,703.85	25.00	1,443.00
890	Transfer Out			20,000.00	20,000.00		
	Total Account	7,051.05	19,997.26	105,000.00	85,002.74	4,773.19	17,157.99
451200	PARK						
109	Staff Wages	1,040.00	5,021.00	50,000.00	44,979.00	762.50	3,112.50
351	Utilities	1,743.01	5,734.02	30,000.00	24,265.98	1,638.45	5,117.76
420	Operations	2,216.66	2,390.52	15,000.00	12,609.48	51.98	156.07
424	Gas / Oil		139.55	4,000.00	3,860.45		66.03
427	Repairs		3,594.42	8,000.00	4,405.58	810.00	810.00
494	Bldgs / Grounds	157.69	593.86	29,000.00	28,406.14	142.09	1,582.03
495	Herbicide			15,000.00	15,000.00		
641	Equipment	12,406.60	22,817.60	25,000.00	2,182.40		
	Total Account	17,563.96	40,290.97	176,000.00	135,709.03	3,405.02	10,844.39
451400	RECREATION						
109	Staff Wages			72,000.00	72,000.00		
500	Supplies	39.40	3,373.23	18,000.00	14,626.77	156.60	3,405.98
505	Special Events		412.00	18,000.00	17,588.00		1,254.85
	Total Account	39.40	3,785.23	108,000.00	104,214.77	156.60	4,660.83
	Total	24,654.41	64,073.46	389,000.00	324,926.54	8,334.81	32,663.21
	Net Income from Operations	67,323.16	138,771.98			99,900.43	202,032.90

Income Statement - Comparison to Prior Year
For the Accounting Period: 3 / 26

4050 SPECIAL ASSESSMENTS

Account Object	Description	----- Current Year -----				----- Last Year -----	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
Revenue							
310001	Property Taxes		183,599.50	237,637.00	-54,037.50		97,373.61
	Total	0.00	183,599.50	237,637.00	-54,037.50	0.00	97,373.61
Expenses							
470000	INTERGOVERNMENTAL						
630	Special Assessments		247,026.50	235,000.00	-12,026.50	54,129.73	132,408.21
	Total Account		247,026.50	235,000.00	-12,026.50	54,129.73	132,408.21
	Total	0.00	247,026.50	235,000.00	-12,026.50	54,129.73	132,408.21
	Net Income from Operations		-63,427.00			-54,129.73	-35,034.60
	Net Income	0.00	-63,427.00			-54,129.73	-35,034.60

Income Statement - Comparison to Prior Year
For the Accounting Period: 3 / 26

4051 SPECIALS; REFI 26

Account Object	Description	----- Current Year -----				----- Last Year -----	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
Expenses							
451000	ADMINISTRATION						
631	Improvements	21,813.00	21,813.00		-21,813.00		
	Total Account	21,813.00	21,813.00		-21,813.00		
470000	INTERGOVERNMENTAL						
630	Special Assessments		3,962,063.67		-3,962,063.67		
	Total Account		3,962,063.67		-3,962,063.67		
490000	Debt Service						
710	Principal	100,000.00	100,000.00		-100,000.00		
720	Interest	29,997.51	29,997.51		-29,997.51		
	Total Account	129,997.51	129,997.51		-129,997.51		
	Total	151,810.51	4,113,874.18	0.00	-4,113,874.18	0.00	0.00
	Net Income from Operations	-151,810.51	-4,113,874.18				
Other Revenue							
391000	Bond Proceeds		3,881,030.69		3,881,030.69		
	Total Other	0.00	3,881,030.69	0.00	3,881,030.69	0.00	0.00
	Net Income	-151,810.51	-232,843.49			0.00	0.00

Income Statement - Comparison to Prior Year
For the Accounting Period: 3 / 26

4060 RECREATION FUND

Account Object	Description	----- Current Year -----				----- Last Year -----	
		Current Month	Current YTD	Budget	Variance	Prior Year Month	Prior Year YTD
Revenue							
310001	Property Taxes	70,916.22	159,516.55	251,280.00	-91,763.45	73,130.26	161,942.07
	Total	70,916.22	159,516.55	251,280.00	-91,763.45	73,130.26	161,942.07
Expenses							
451000	ADMINISTRATION						
631	Improvements	80,000.00	80,000.00	251,000.00	171,000.00	14,650.00	28,215.96
	Total Account	80,000.00	80,000.00	251,000.00	171,000.00	14,650.00	28,215.96
	Total	80,000.00	80,000.00	251,000.00	171,000.00	14,650.00	28,215.96
	Net Income from Operations	-9,083.78	79,516.55			58,480.26	133,726.11
	Net Income	-9,083.78	79,516.55			58,480.26	133,726.11

HORACE PARKS
Cash Report
For the Accounting Period: 3/26

Fund/Account	Beginning Balance	Received	Transfers In	Disbursed	Transfers Out	Ending Balance
4030 GENERAL FUND						
101000 Cash Account	73,201.35	91,980.37	0.00	2,734.43	21,922.78	140,524.51
4050 SPECIAL ASSESSMENTS						
101000 Cash Account	-62,906.25	0.00	0.00	0.00	0.00	-62,906.25
4051 SPECIALS; REFI 26						
101000 Cash Account	-81,032.98	0.00	0.00	0.00	151,810.51	-232,843.49
4060 RECREATION FUND						
101000 Cash Account	97,436.53	70,916.22	0.00	0.00	80,000.00	88,352.75
5000 SOUTHDALE FARMS						
101000 Cash Account	-62,943.06	0.00	0.00	0.00	0.00	-62,943.06
5011 MEADOWLARK PARK DS						
101000 Cash Account	176,052.54	34,349.05	0.00	0.00	92,331.25	118,070.34
5021 TERRA GARDENS DS						
101000 Cash Account	144,729.29	11,530.68	0.00	0.00	47,351.25	108,908.72
5030 CUB CREEK PARK						
101000 Cash Account	65,450.00	0.00	0.00	0.00	0.00	65,450.00
5040 FREED PARK DS						
101000 Cash Account	178,233.26	146,941.77	0.00	0.00	170,479.71	154,695.32
5041 FREED PARK C						
101000 Cash Account	159,216.99	0.00	0.00	0.00	0.00	159,216.99
5050 INDEP PARK DS						
101000 Cash Account	58,321.09	0.00	0.00	0.00	0.00	58,321.09
5051 INDEP PARK C						
101000 Cash Account	-93,245.95	0.00	0.00	0.00	0.00	-93,245.95
7910 Payroll Clearing						
101000 Cash Account	493.46	0.00	5,403.17	4,952.19	0.00	944.44
7930 Claims Clearing						
101000 Cash Account	247,165.88	0.00	558,492.33	259,235.39	0.00	546,422.82
8000 CAPITAL IMPROVEMENTS						
101000 Cash Account	688,603.96	4,043.45	0.00	0.00	0.00	692,647.41
9000 GENERAL FUND RESERVES						
101000 Cash Account	200,000.00	0.00	0.00	0.00	0.00	200,000.00
Totals	1,788,776.11	359,761.54	563,895.50	266,922.01	563,895.50	1,881,615.64

*** Transfers In and Transfers Out columns should match, with the following exceptions:

- 1) Cancelled electronic checks increase the Transfers In column. Disbursed column will be overstated by the same amount and will not balance to the Redeemed Checks List.
- 2) Payroll Journal Vouchers including local deductions with receipt accounting will reduce the Transfers Out column by the total amount of these checks.

04/22/26
14:39:07

HORACE PARKS
Check Register
For the Accounting Period: 3/26

Page: 1 of 2
Report ID: AP300

Claim Checks

Check #	Type	Vendor #/Name	Check Amount	Date Issued	Period Redeemed	Claim #	Claim Amount
2740	S	1 Cass County Electric	1076.64	03/18/26	3/26	CL 757	1076.64
2741	S	22 City of Horace	267.20	03/18/26	3/26	CL 759	267.20
2742	S	48 MTI Distributing Inc.	92406.60	03/18/26	_____	CL 761	92406.60
2743	S	24 Ohnstad Twichell, PC	8000.00	03/18/26	3/26	CL 763	8000.00
2744	S	120 Paul Hankel	1750.00	03/18/26	3/26	CL 760	1750.00
2745	S	3 Rocky Mountain Print Solutions	120.00	03/18/26	3/26	CL 756	120.00
2746	S	45 UMB Bank c/o Trust Dept	440159.72	03/18/26	_____	CL 762	440159.72
2747	S	9 West Fargo Park District	500.00	03/18/26	3/26	CL 764	500.00
2748	S	64 Xcel Energy	399.17	03/18/26	3/26	CL 758	399.17
2749	S	134 S&P Global Ratings	13813.00	03/19/26	_____	CL 765	13813.00
Total for Claim Checks			558492.33				
Count for Claim Checks			10				

* denotes missing check number(s)

of Checks: 10 Total: 558492.33

HORACE PARKS
Fund Summary for Claim Check Register
For the Accounting Period: 3/26

Fund/Account	Amount
4030 GENERAL FUND	
101000 Cash Account	16,519.61
4051 SPECIALS; REFI 26	
101000 Cash Account	151,810.51
4060 RECREATION FUND	
101000 Cash Account	80,000.00
5011 MEADOWLARK PARK DS	
101000 Cash Account	92,331.25
5021 TERRA GARDENS DS	
101000 Cash Account	47,351.25
5040 FREED PARK DS	
101000 Cash Account	170,479.71
Total :	558,492.33



Horace Park Board Meeting
Wednesday, April 27, 2026
Agenda Item Description

Contact person:

Justin Germundson – Clerk

Agenda title:

Financial Audit Review

Description of request:

Jonathan Worrall (Widmer Roel PC Audit Manager) will review the 2025 financial audit.

Action being requested from the Park Board:

Motion to file the 2025 financial audit.



Board Presentation

April 27, 2026

Engagement Team

- Craig Hashbarger,
Partner
- Jonathan Worrall,
Manager
- Kolsen Papon,
Associate



Independent Auditor's Report

- Audits of Horace Park District for individual years ending December 31, 2021 - December 31, 2025

Opinion

- Unmodified (“clean”) opinion

Management Responsibilities

- Preparation of financial statements
- Design, implementation and maintenance of internal controls

Auditor Responsibilities

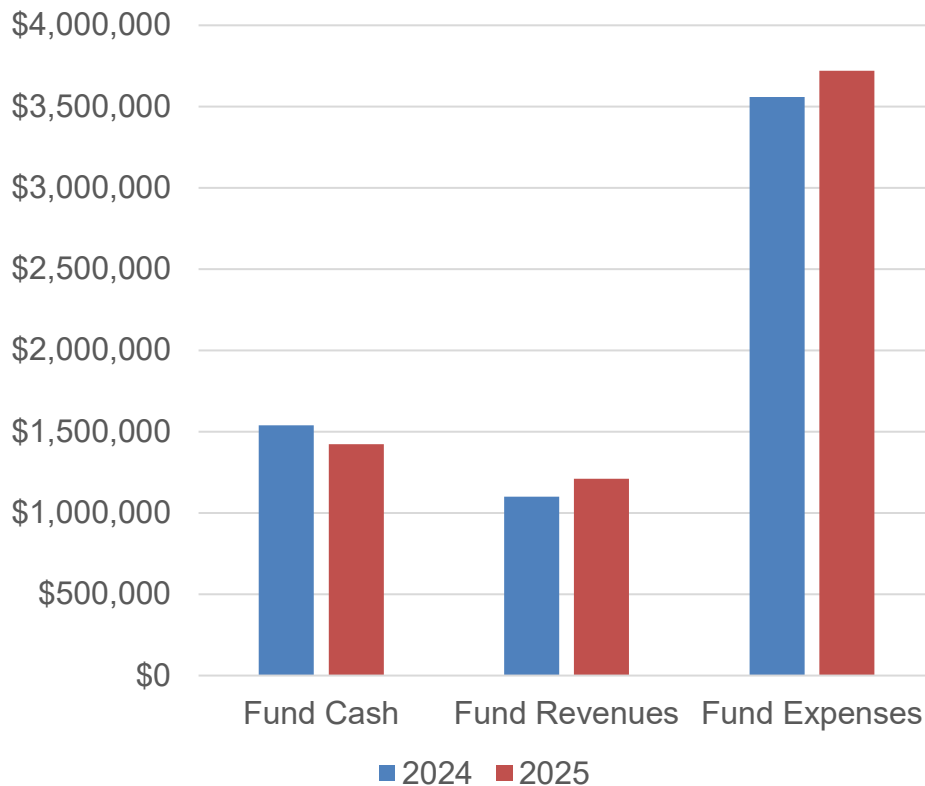
- Express opinion on financial statements



Fund Financial Statement Highlights

December 31, 2025

Governmental Funds

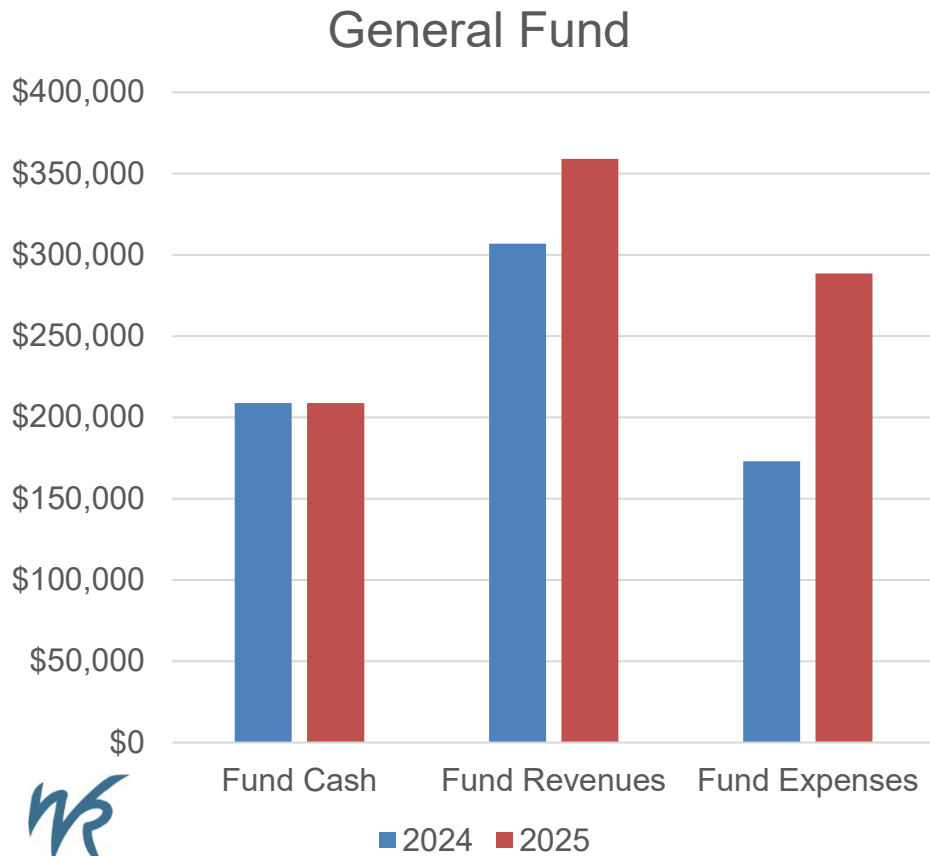


- Fund cash – \$1,422,998 in 2025 compared to \$1,540,271 in 2024
- Fund revenues - \$1,210,719 in 2025 compared to \$ 1,100,772 in 2024
- Fund expenses - \$3,719,797 in 2025 compared to \$3,559,576 in 2024



General Fund Financial Statement Highlights

December 31, 2025



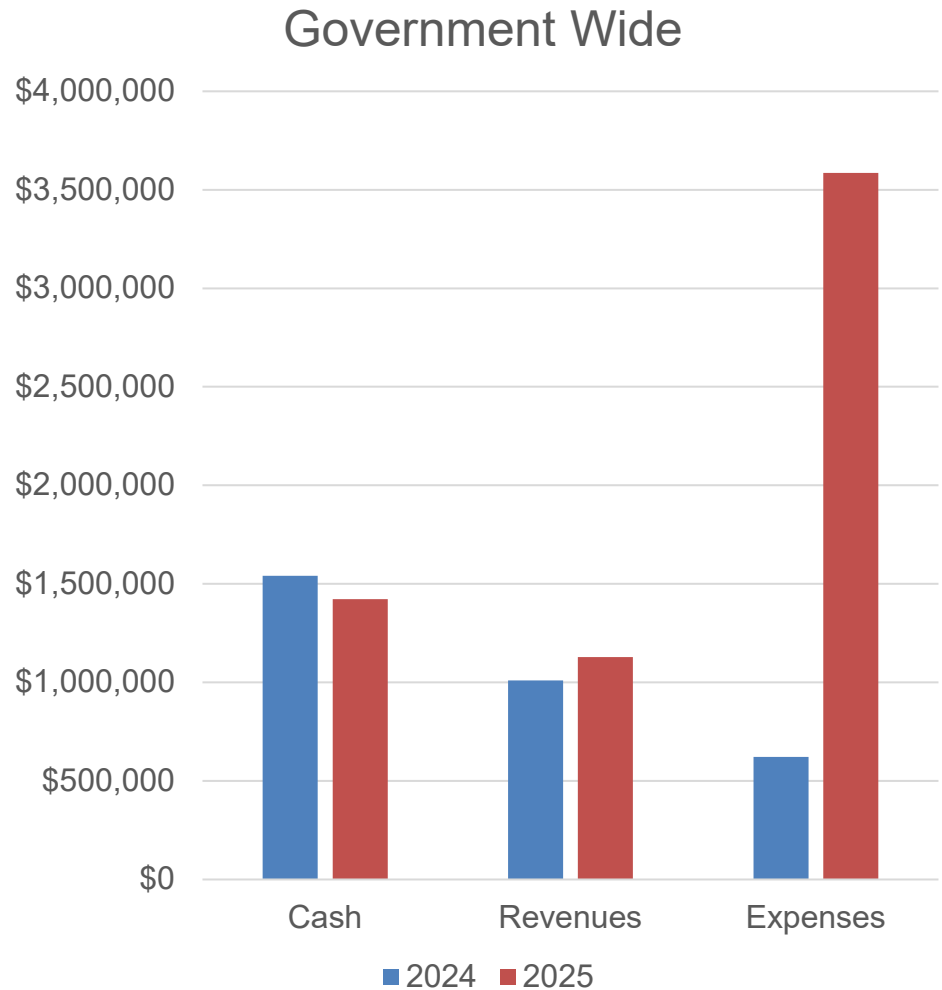
- General Fund cash – \$208,882 in 2025 compared to \$208,885 in 2024
- General Fund revenues - \$359,045 in 2024 compared to \$306,773 in 2024
- General Fund expenses - \$288,556 in 2025 compared to \$172,980 in 2024



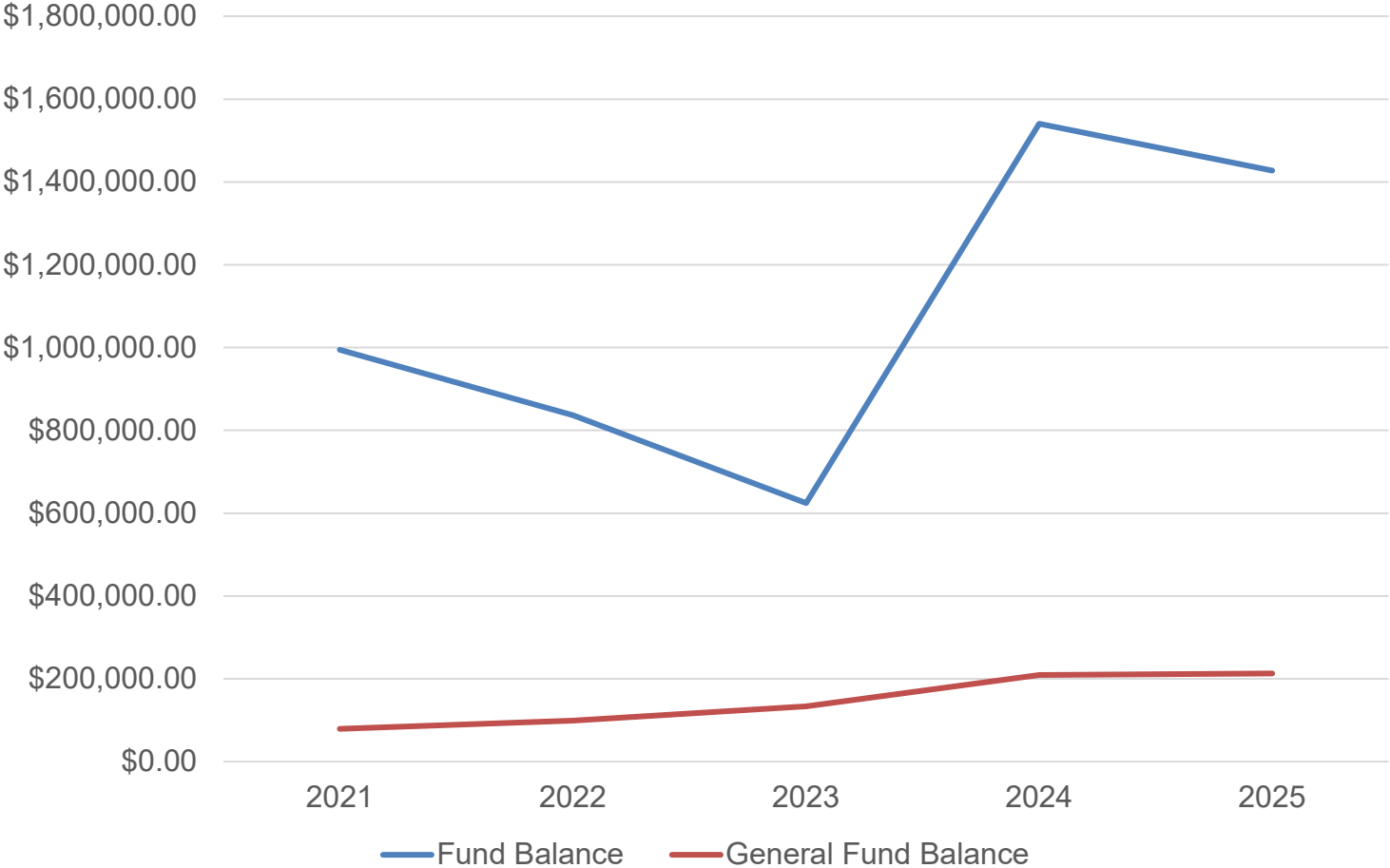
Government Wide Statement Highlights

December 31, 2024

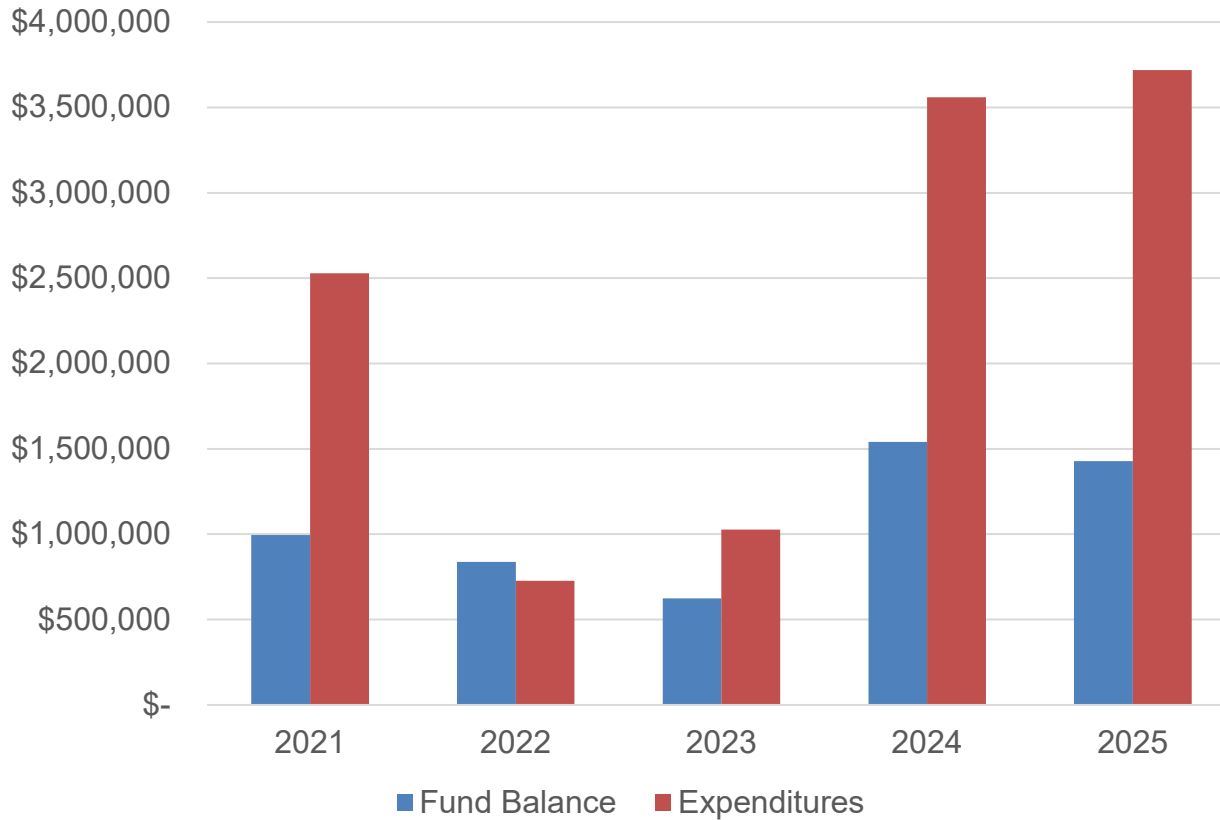
- Cash – \$1,422,998 in 2025 compared to \$1,540,271 in 2024
- Revenues - \$1,129,298 in 2025 compared to \$1,009,332 in 2024
- Expenses - \$3,584,794 in 2025 compared to \$621,612 in 2024



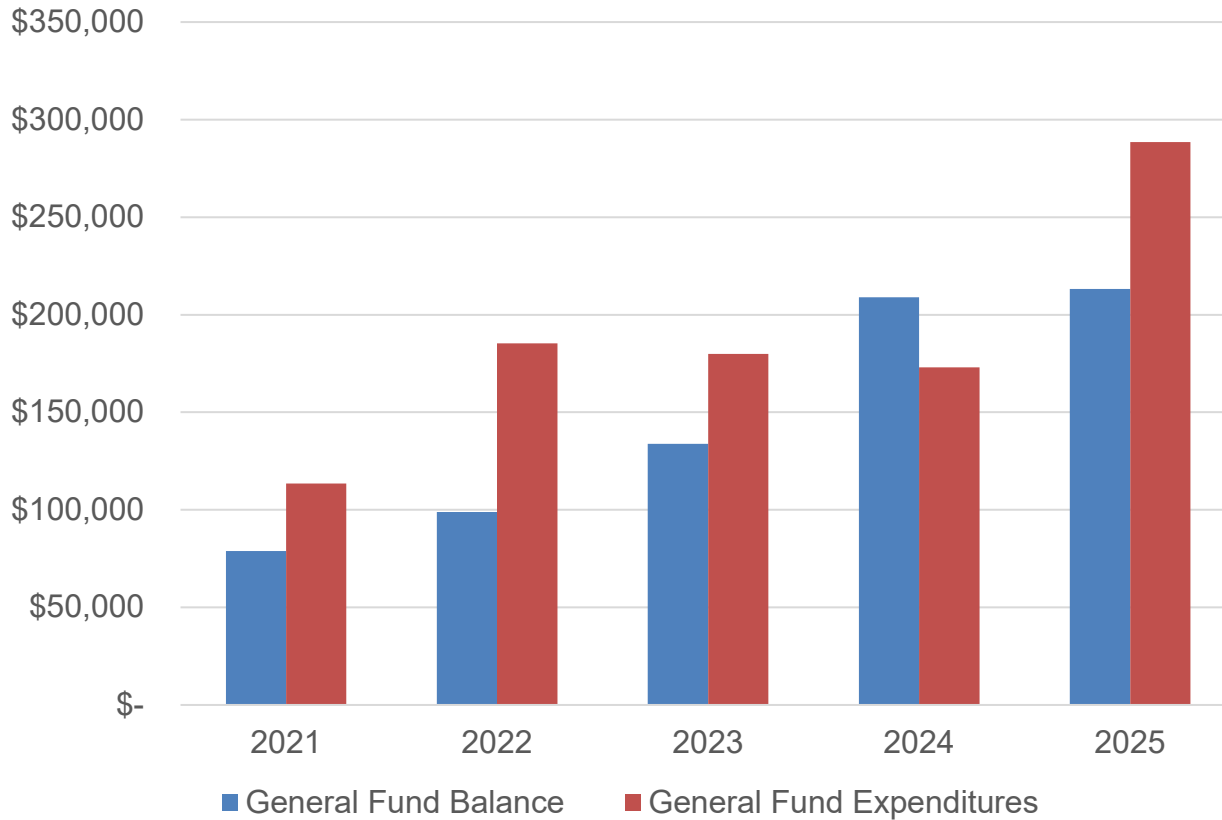
General Fund & Fund Balances



Fund Balance as a % of Expenditures



General Fund Balance as a % of General Fund Expenditures



COMMUNICATION LETTERS

Communication to Those Charged with Governance



Significant Risks

- Management override
- Segregation of duties
- Revenue recognition

Significant Accounting Policies

- None

Significant Difficulties

- None

Audit adjustments

- AJEs and GASB entries

Schedule of Findings and Responses

Material Weakness:

- Segregation of Duties
- Audit Adjustments



Thank you for allowing us to
serve you!



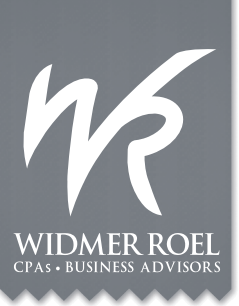
HORACE PARK DISTRICT

**FINANCIAL STATEMENTS
DECEMBER 31, 2025**

WITH INDEPENDENT AUDITOR'S REPORT

HORACE PARK DISTRICT
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FOR THE YEAR ENDED DECEMBER 31, 2025

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Fargo, ND 58104-8725

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INDEPENDENT AUDITOR'S REPORT

Horace Park Board
Horace Park District
Horace, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the **Horace Park District** (the "District") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the **Horace Park District**, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Horace Park District**, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Error Correction

As discussed in Note 9 to the financial statements, the 2024 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Horace Park District's** ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 opinions. 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 and GAS will always detect a material misstatement when it exists. 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 internal control. Misstatements 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.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **Horace Park District's** internal control. Accordingly, no such opinion is expressed.
- 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Horace Park District's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2026, on our consideration of **Horace 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **Horace Park District's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Widmer Poel" followed by a stylized flourish.

Fargo, North Dakota
April 14, 2026

HORACE PARK DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,422,998
Due from other governments	4,351
Taxes receivable	33,297
Certified special assessments receivable	94,112
Uncertified special assessments receivable	1,916,477
Capital assets, net of accumulated depreciation	
Construction in progress	175,052
Buildings	90,000
Equipment	77,341
Vehicles	1,716
Improvements	<u>6,285,028</u>
Total capital assets, net of accumulated depreciation	<u>6,629,137</u>
Total assets	<u>\$ 10,100,372</u>
LIABILITIES	
Retainage payable	\$ 6,307
Interest payable	27,686
Current portion of long-term debt	370,196
Long-term debt, net of current portion	<u>8,910,667</u>
Total liabilities	<u>9,314,856</u>
NET POSITION	
Net investment in capital assets	(2,679,412)
Restricted	
Debt service	455,592
Capital projects	749,167
Recreation	9,357
Unrestricted	<u>2,250,812</u>
Total net position	<u>785,516</u>
Total liabilities and net position	<u>\$ 10,100,372</u>

HORACE PARK DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

		Program Revenues			Net Revenue (Expense) and Change in Net Position Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
GOVERNMENTAL ACTIVITIES					
General government	\$ 702,273	\$ 30,146	\$ -	\$ -	\$ (672,127)
Special assessments	2,594,100	-	-	-	(2,594,100)
Interest on long-term debt	288,421	-	-	-	(288,421)
Total governmental activities	\$ 3,584,794	\$ 30,146	\$ -	\$ -	(3,554,648)
GENERAL REVENUES					
					772,813
					185,462
					64,238
					70,825
					5,814
Total general revenues					1,099,152
Change in net position					(2,455,496)
Net position - January 1					4,682,768
Prior period adjustment					(1,441,756)
Net position - beginning balance, as restated					3,241,012
Net position - December 31					\$ 785,516

HORACE PARK DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Government Funds</u>
ASSETS					
Cash and investments	\$ 208,882	\$ 9,357	\$ 749,167	\$ 455,592	\$ 1,422,998
Due from other governments	4,351	-	-	-	4,351
Taxes receivable	9,943	23,354	-	-	33,297
Certified special assessments receivable	-	-	-	94,112	94,112
Uncertified special assessments receivable	-	-	-	1,916,477	1,916,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	\$ <u>223,176</u>	\$ <u>32,711</u>	\$ <u>749,167</u>	\$ <u>2,466,181</u>	\$ <u>3,471,235</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred tax revenue	\$ 9,943	\$ 23,354	\$ -	\$ -	\$ 33,297
Certified special assessments receivable	-	-	-	94,112	94,112
Uncertified special assessments receivable	-	-	-	1,916,477	1,916,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and deferred inflows of resources	<u>9,943</u>	<u>23,354</u>	<u>-</u>	<u>2,010,589</u>	<u>2,043,886</u>
FUND BALANCES					
Restricted					
Debt service	-	-	-	455,592	455,592
Capital projects	-	-	749,167	-	749,167
Recreation	-	9,357	-	-	9,357
Unassigned	213,233	-	-	-	213,233
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>213,233</u>	<u>9,357</u>	<u>749,167</u>	<u>455,592</u>	<u>1,427,349</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>223,176</u>	\$ <u>32,711</u>	\$ <u>749,167</u>	\$ <u>2,466,181</u>	\$ <u>3,471,235</u>

HORACE PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

Total fund balances for governmental funds		\$ 1,427,349
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not current financial resources and are not reported in the governmental funds.		
Cost of capital assets	7,463,451	
Less accumulated depreciation	<u>(834,314)</u>	6,629,137
Property tax and special assessments receivable will be collected after year-end, but are not available to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.		
Property taxes receivable	33,297	
Certified special assessments receivable	94,112	
Uncertified special assessments receivable	<u>1,916,477</u>	2,043,886
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term are reported in the statement of net position.		
Long-term debt	(9,280,863)	
Retainage payable	(6,307)	
Interest payable	<u>(27,686)</u>	<u>(9,314,856)</u>
Total net position of governmental activities		\$ <u><u>785,516</u></u>

HORACE PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Government Funds</u>
REVENUES					
Property taxes	\$ 258,850	\$ 198,166	\$ -	\$ 305,784	\$ 762,800
Special assessments	-	102,582	-	174,317	276,899
Charges for services	30,146	-	-	-	30,146
Intergovernmental	64,238	-	-	-	64,238
Interest income	-	-	70,825	-	70,825
Miscellaneous	5,811	-	-	-	5,811
	<u>359,045</u>	<u>300,748</u>	<u>70,825</u>	<u>480,101</u>	<u>1,210,719</u>
EXPENDITURES					
Current					
General government	288,556	-	-	86,361	374,917
Special assessments	-	-	-	-	-
Capital outlay	-	144,876	168,747	-	313,623
Debt service					
Principal	-	45,803	-	2,700,345	2,746,148
Interest	-	88,327	-	196,782	285,109
	<u>288,556</u>	<u>279,006</u>	<u>168,747</u>	<u>2,983,488</u>	<u>3,719,797</u>
Total expenditures	<u>288,556</u>	<u>279,006</u>	<u>168,747</u>	<u>2,983,488</u>	<u>3,719,797</u>
Excess of revenues over expenditures	<u>70,489</u>	<u>21,742</u>	<u>(97,922)</u>	<u>(2,503,387)</u>	<u>(2,509,078)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	20,000	99,425	-	119,425
Bond proceeds	-	-	-	2,396,156	2,396,156
Transfers out	(66,141)	(53,284)	-	-	(119,425)
	<u>(66,141)</u>	<u>(33,284)</u>	<u>99,425</u>	<u>2,396,156</u>	<u>2,396,156</u>
Total other financing sources (uses)	<u>(66,141)</u>	<u>(33,284)</u>	<u>99,425</u>	<u>2,396,156</u>	<u>2,396,156</u>
NET CHANGE IN FUND BALANCES	<u>4,348</u>	<u>(11,542)</u>	<u>1,503</u>	<u>(107,231)</u>	<u>(112,922)</u>
FUND BALANCE - January 1	<u>208,885</u>	<u>20,899</u>	<u>747,664</u>	<u>562,823</u>	<u>1,540,271</u>
FUND BALANCE - December 31	<u>\$ 213,233</u>	<u>\$ 9,357</u>	<u>\$ 749,167</u>	<u>\$ 455,592</u>	<u>\$ 1,427,349</u>

HORACE PARK DISTRICT

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025**

Net change in fund balances - total governmental funds \$ (112,922)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year.

Capital outlay	236,261	
Depreciation expense	<u>(243,683)</u>	(7,422)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Proceeds from long-term debt provides financial resources to the governmental funds, but increase long-term liabilities in the statement of net position

Repayment of debt	2,746,148	
Issuance of debt	<u>(4,990,255)</u>	(2,244,107)

Some revenues reported in the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures.

Net change in taxes receivable	19,437	
Net change in certified special assessments receivable	2,949	
Net change in uncertified special assessments receivable	<u>(103,812)</u>	(81,426)

Certain liabilities, such as interest payable and retainage payable, are not due and payable in the current period, and therefore are not reported in the funds

Net change in retainage payable	(6,307)	
Net change in interest payable	<u>(3,312)</u>	<u>(9,619)</u>

Change in net position of governmental activities \$ (2,455,496)

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

Financial Reporting Entity

The accompanying financial statements present the activities of the Horace Park District. The District has considered all potential component units for which the District is financially accountable and other organizations for which the nature and significance of their relationships with the District are such that exclusion would cause the District’s financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. Their criteria include appointing a voting majority of an organization’s governing board and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or imposed financial burdens on the District.

Based on these criteria, there are no component units to be included within the District as a reporting entity.

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities report information on all of the non-fiduciary activities of the primary government of the District. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function to segment. Program revenues include (1) fees and charges paid by the recipient of goods or services offered by the program and (2) grant and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including all taxes, are reported instead as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District’s funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregate and reported as non-major funds.

The District reports the following major governmental funds:

General Fund: This is the District’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Special Revenue Fund: This fund accounts for financial resources that exist for special purposes. The major sources of revenues are a restricted tax levy and state/federal grants/reimbursements.

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Capital Projects Fund: This fund accounts for financial resources dedicated to the construction of new capital improvements and construction. The primary revenue source in this fund is special assessments and state reimbursements.

Debt Service Fund: This fund is used to account for the resources accumulated and payments made for principal and interest on special assessment, revenue, and general obligation bonds debt.

Measurement Focus and Basis of Accounting

In the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

In the fund financial statements, the current financial resources measurement focus, and the modified accrual basis of accounting is used. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditure in governmental funds. Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

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

Cash and Investments

Cash and cash investments include amounts in demand deposits and certificates of deposit, stated at cost. The certificates of deposit may be used at maturity or cashed out without penalty at any time.

Capital Assets

Capital assets include property, plant, and equipment. Assets are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the time of acquisition. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Equipment	7 to 15 years
Vehicles	7 years
Improvements	10 to 30 years

Deferred Inflows of Resources

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

Fund Financial Statements

Government fund equity is classified as fund balance and may distinguish between “Restricted” and “Unassigned” components.

Fund Balance and Classification Policies and Procedures

Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, the governmental funds report fund classification that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds are spent. Fund balances are classified as follows:

Nonspendable – Fund balances that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – Restricted fund balances are those for which constraints are placed on the use of fund balances which are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of the governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances can only be used for specific purposes pursuant to constraints imposed by a board motion of the government’s highest level of decision-making authority, the governing board. A board motion is required to rescind a fund balance commitment.

Assigned – Assigned fund balances are amounts that are constrained by the District’s intent to be used for a specific purpose but are under the direction of the board and the District’s management.

Unassigned – Unassigned fund balances are those that have not been reported in any other classification. The general fund is the only fund that can report a positive unassigned fund balance.

As of December 31, 2025, the District reported restricted and unassigned fund balances.

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Net Position – Net position represents the difference between assets and liabilities. Net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Position – This amount is the net position that does not meet the definition of “net investment in capital assets” or “restricted net position”.

Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditure in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers. In the government-wide financial statements, interfund transactions have been eliminated.

NOTE 2 – DEPOSITS – CASH AND INVESTMENTS

In accordance with North Dakota Statutes, the District maintains deposits at the depository banks designated by the governing board. All depositories are members of the Federal Reserve System. Deposits must either be deposited with the Bank of North Dakota or in another financial institution situated and doing business within the state. Deposits, other than with the Bank of North Dakota, must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities of 110% of the deposits not covered by insurance or bonds.

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

At year ended December 31, 2025, the District’s carrying amount of deposits was \$1,422,998 and the bank balances were \$1,424,835, all of which is covered by Federal Deposit Insurance.

Credit Risk

The District may invest idle funds as authorized in North Dakota Statutes, as follows:

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of congress.

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of deposit are fully insured by the Federal Deposit Insurance Corporation.
- d) Obligations of the state.

Concentration of Credit Risk

The District does not have a policy limiting the amount the District may invest in any one issuer.

NOTE 3 – TAXES RECEIVABLE

Taxes receivable represents the past three years of uncollected current and delinquent taxes. Management believes all delinquent taxes will be collected; therefore, no allowance has been established for uncollectible taxes receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5.00% discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent, and penalties are assessed.

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

NOTE 4 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Construction in progress	\$ -	\$ 175,052	\$ -	\$ -	\$ 175,052
Capital assets, being depreciated					
Buildings	150,000	-	-	-	150,000
Equipment	50,582	45,519	-	-	96,101
Vehicles	12,000	-	-	-	12,000
Improvements	<u>7,014,608</u>	<u>15,690</u>	<u>-</u>	<u>-</u>	<u>7,030,298</u>
Total capital assets, being depreciated	<u>7,227,190</u>	<u>61,209</u>	<u>-</u>	<u>-</u>	<u>7,288,399</u>
Less accumulated depreciation for					
Buildings	55,000	5,000	-	-	60,000
Equipment	10,721	8,039	-	-	18,760
Vehicles	8,570	1,714	-	-	10,284
Improvements	<u>516,340</u>	<u>228,930</u>	<u>-</u>	<u>-</u>	<u>745,270</u>
Total accumulated depreciation	<u>590,631</u>	<u>243,683</u>	<u>-</u>	<u>-</u>	<u>834,314</u>

(Continued)

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Beginning Balance	Additions	Dispositions	Transfers	Ending Balance
Total capital assets, being depreciated, net	6,636,559	(182,474)	-	-	6,454,085
Governmental activities capital assets, net	\$ 6,636,559	\$ (7,422)	\$ -	\$ -	\$ 6,629,137

Depreciation expense was charged to the general government function.

NOTE 5 – LONG-TERM LIABILITIES

During the year ended December 31, 2025, the following changes occurred in liabilities reported in the long-term liabilities:

	Beginning Balance	Prior Period Adjustment	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable	\$ 4,770,000	\$ -	\$ 2,315,000	\$ 2,665,000	\$ 4,420,000	\$ 235,000
Notes payable	825,000	-	-	35,345	789,655	37,944
Special assessments payable	-	1,441,756	2,594,100	45,803	3,990,053	93,194
Bond premium	-	-	81,155	-	81,155	4,058
Total	\$ 5,595,000	\$ 1,441,756	\$ 4,990,255	\$ 2,746,148	\$ 9,280,863	\$ 370,196

The following represent the required payments on the long-term debt:

Bonds Payable

	Principal	Interest	Total
2026	\$ 235,000	\$ 146,012	\$ 381,012
2027	190,000	138,877	328,877
2028	195,000	133,109	328,109
2029	200,000	127,173	327,173
2030	205,000	120,898	325,898
2031-2035	1,140,000	497,804	1,637,804
2036-2040	1,350,000	291,045	1,641,045
2041-2045	905,000	79,263	984,263
	\$ 4,420,000	\$ 1,534,181	\$ 5,954,181

Notes Payable

	Principal	Interest	Total
2026	\$ 37,944	\$ 15,414	\$ 53,358
2027	38,324	14,651	52,975
2028	38,707	13,881	52,588
2029	39,094	13,103	52,197
2030	39,485	12,317	51,802
2031-2035	203,427	49,520	252,947
2036-2040	213,804	28,662	242,466
2041-2045	178,870	7,199	186,069
	\$ 789,655	\$ 154,747	\$ 944,402

(Continued)

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Specials Assessments Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 93,194	\$ 248,023	\$ 341,217
2027	97,229	242,644	339,873
2028	101,525	237,004	338,529
2029	106,097	231,087	337,184
2030	110,965	224,875	335,840
2031-2035	639,574	1,019,463	1,659,037
2036-2040	811,800	807,374	1,619,174
2041-2045	957,441	536,576	1,494,017
2046-2050	<u>1,072,228</u>	<u>209,344</u>	<u>1,281,572</u>
	<u>\$ 3,990,053</u>	<u>\$ 3,756,390</u>	<u>\$ 7,746,443</u>

Bond Premium

	<u>Premium</u>
2026	\$ 4,058
2027	4,058
2028	4,058
2029	4,058
2030	4,058
2031-2035	20,289
2036-2040	20,289
2041-2045	<u>20,287</u>
	<u>\$ 81,155</u>

NOTE 6 – CONSTRUCTION COMMITMENT

The District had the following construction commitment as of December 31, 2025:

	<u>Total Contract</u>	<u>Total Completed</u>	<u>Retainage Payable</u>	<u>Remaining</u>
Southdale Farms	\$ <u>198,788</u>	\$ <u>63,075</u>	\$ <u>6,307</u>	\$ <u>142,020</u>

NOTE 7 – INTERFUND TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended December 31, 2025:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 66,141
Special revenue fund	20,000	53,284
Capital projects fund	<u>99,425</u>	<u>-</u>
Total	<u>\$ 119,425</u>	<u>\$ 119,425</u>

Transfers are used to move unrestricted general revenue to finance programs that the District accounts for in other funds in accordance with budget authority and to subsidize other programs.

HORACE PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The District pays an annual premium to NDIRF for its general insurance coverage. The coverage by NDIRF is limited to losses of \$5,000,000 per occurrence for general liability and automobile; and \$112,126 for public assets.

The District also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The District pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of two million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the District with blanket fidelity bond coverage in the amount of \$550,000.

The District has workers’ compensation with the Department of Workforce Safety and Insurance; and purchases commercial insurance for employee health and accident insurance.

NOTE 9 – ERROR CORRECTIONS

The 2025 beginning net position has been restated to adjust for a special assessments payable error that was not recorded in the proper period. This resulted in an adjustment to the January 1, 2025, net position as follows:

	<u>Governmental Activities</u>
Beginning of year net position, as previously reported	\$ 4,682,768
Beginning special assessments payable balance	<u>(1,441,756)</u>
Beginning of year net position, as restated	\$ <u><u>3,241,012</u></u>

NOTE 10 - SUBSEQUENT EVENT

Subsequent to December 31, 2025, the District approved of a bond issuance of \$3.79M with Raymond James Financial. The bond issuance was approved by the Park Board during the February 2026 meeting. In addition, the District entered into a construction contract with Roers Construction for an upcoming project for Independence Park that will begin in the summer of 2026, in which, the District will be entering into a new debt issuance to fund the project.

HORACE PARK DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025**

HORACE PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Property taxes	\$ 271,326	\$ 271,326	\$ 258,850	\$ (12,476)
Charges for services	19,000	19,000	30,146	11,146
Intergovernmental	44,000	44,000	64,238	20,238
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>5,811</u>	<u>4,811</u>
Total revenues	<u>335,326</u>	<u>335,326</u>	<u>359,045</u>	<u>23,719</u>
EXPENDITURES				
Current				
General government	<u>306,000</u>	<u>306,000</u>	<u>288,556</u>	<u>(17,444)</u>
Excess (deficiency) of revenues over expenditures	<u>29,326</u>	<u>29,326</u>	<u>70,489</u>	<u>41,163</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(20,000)</u>	<u>(39,696)</u>	<u>(66,141)</u>	<u>(26,445)</u>
NET CHANGE IN FUND BALANCE	<u>9,326</u>	<u>(10,370)</u>	<u>4,348</u>	<u>14,718</u>
FUND BALANCE - January 1	<u>208,885</u>	<u>208,885</u>	<u>208,885</u>	<u>-</u>
FUND BALANCE - December 31	<u>\$ 218,211</u>	<u>\$ 198,515</u>	<u>\$ 213,233</u>	<u>\$ 14,718</u>

HORACE PARK DISTRICT

**BUDGETARY COMPARISON SCHEDULE – SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2025**

	Original Budget	Final Budget	Actual	Over (Under) Final Budget
REVENUES				
Property taxes	\$ 209,680	\$ 209,680	\$ 198,166	\$ (11,514)
Special assessments	106,941	106,941	102,582	(4,359)
Total revenues	316,621	316,621	300,748	(15,873)
EXPENDITURES				
Current				
General Government	209,000	209,000	-	(209,000)
Capital outlay	-	-	144,876	144,876
Debt service				
Principal	106,500	134,130	45,803	(88,327)
Interest	-	-	88,327	88,327
Total expenditures	315,500	343,130	279,006	(64,124)
Excess (deficiency) of revenues over expenditures	1,121	(26,509)	21,742	48,251
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	20,000	20,000
Transfers out	-	-	(53,284)	(53,284)
NET CHANGE IN FUND BALANCE	1,121	(26,509)	(11,542)	14,967
FUND BALANCE - January 1	20,899	20,899	20,899	-
FUND BALANCE - December 31	\$ 22,020	\$ (5,610)	\$ 9,357	\$ 14,967

HORACE PARK DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2025

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

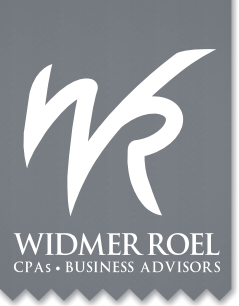
Budgetary Information:

- The District adopts an annual budget on a modified accrual basis of accounting.
- The annual budget must be prepared, and the District taxes must be levied on or before the fifteenth day of August of each year.
- The taxes levied must be certified to the county auditor by the twenty-fifth of August.
- The governing board may amend its tax levy and budget, but the certification must be filed with the county auditor by the tenth of October.
- The operating budget includes proposed expenditures and means of financing them.
- Each budget is controlled by the business manager at the revenue and expenditure function/object level.
- The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.
- All appropriations lapse at year-end.

NOTE 2 – BUDGET AMENDMENTS

The board of commissioners amended the Park District budget for 2025 as follows:

	<u>Original Budget</u>	<u>Amendments</u>	<u>Amended Budget</u>
General fund transfers out	\$ 20,000	\$ 19,696	\$ 39,696
Special reserve expenditures	315,500	27,630	343,130



4220 31st Avenue S.
Fargo, ND 58104-8725

Phone: 701.237.6022
Toll Free: 888.237.6022
Fax: 701.280.1495

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

INDEPENDENT AUDITOR’S REPORT

Horace Park Board
Horace Park District
Horace, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of the **Horace Park District** (the “District”), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise **Horace Park District’s** basic financial statements, and have issued our report thereon dated April 14, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying *schedule of findings and responses* as item 2025-001 and 2025-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

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

Horace Park District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the **Horace Park District's** response to the findings identified in our audit and described in the accompanying *schedule of findings and responses*. **Horace Park District's** response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

A handwritten signature in black ink, appearing to read "Widmer Poel" followed by a stylized flourish.

Fargo, North Dakota
April 14, 2026

HORACE PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Governmental activities

Unmodified

Major funds

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

 X yes no

Significant deficiency(ies) identified that are not considered to be material weakness(es)?

 yes X none reported

Noncompliance material to financial statements noted?

 yes X no

HORACE PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

2025-001 (MATERIAL WEAKNESS) –SEGREGATION OF DUTIES

Condition

The District has limited personnel responsible for most accounting functions. A lack of segregation of duties exists as limited personnel are responsible to collect and deposit monies, issue checks, send checks to vendors, record receipts disbursement in journals, maintain the general ledger, create credit memos, and perform bank reconciliations.

Criteria

According to the COSO framework, proper internal control surrounding custody of assets, the recording of transactions, reconciling bank accounts and preparation of financial statements dictates that there should be sufficient accounting personnel, so duties of employees are properly segregated. The segregation of duties would provide better control over the assets of the District.

Cause

Management has chosen to allocate economic resources to other functions of the District.

Effect

The lack of segregation of duties increases the risk of material misstatement to the District’s financial statements, whether due to error or fraud.

Recommendation

To mitigate the risk associated with the lack of segregation of duties, we recommend the following:

- Financial statements, credit memos, and payroll registers should be reviewed, analyzed, and spot-checked by a responsible official, such as a board member.
- Where possible, segregate the functions of approval, posting, custody of assets, and reconciliation as they relate to any amounts which impact the financial statements.

Views of Responsible Officials

We agree. We hope to add staff in the coming years to address this weakness.

HORACE PARK DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

2025-002 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

Condition

During the audit of the Horace Park District, we proposed adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Criteria

Horace Park District is responsible to ensure the financial statements are reliable, free of material misstatements, and in accordance with Generally Accepted Accounting Principles (GAAP).

Cause

The Horace Park District may not have had procedures in place to ensure the financial statements are complete and accurate.

Effect

The financial statements may have been misstated had they not been adjusted during the audit.

Recommendation

We recommend the Horace Park District carefully review their procedures for the preparation of the financial statements to ensure the financial statements are complete and accurate in accordance with GAAP.

Views of Responsible Officials

We agree. The Horace Park District will review the adjustments needed for presentation in the financial statements.

Re: Freed Park

From Wade Frank <wade@horaceparks.org>

Date Fri 4/17/2026 6:46 PM

To Irey, Quinn <QIREY@west-fargo.k12.nd.us>; Paige Shockman <paige@horaceparks.org>

Cc Justin Germundson <justin@horaceparks.org>

Hi Quinn,

Our regular user of Freed, West Fargo Fastpitch Softball, has determined they do not need Freed Field until May 18th, so it is available for practices until then. We will formally address your request at our April 27th Park Board meeting.

Your attendance at the meeting is not necessary but you are welcome to attend if you wish.

Thanks

Wade

From: Irey, Quinn <QIREY@west-fargo.k12.nd.us>

Sent: Friday, April 17, 2026 12:48:45 PM

To: Wade Frank <wade@horaceparks.org>; Paige Shockman <paige@horaceparks.org>

Subject: Freed Park

Good afternoon,

My name is Quinn Irey and I am the head baseball coach at Horace High School. I am reaching out to see if there would be any way we could potentially add our C team baseball to the schedule to practice at Freed Park. I was told to contact you from Corey Stamp with WFPD. Please let me know what the process for doing this is and where we would get started. Thank you!

Quinn Irey

Physical Education Teacher

Head Baseball Coach

Horace High School

8100 Lakeview Dr. | Horace, ND 58047

P: (701) 551-4736





Outlook

Re: feedback 4 plex

From Derek Werner <derekfargofitlife@gmail.com>

Date Mon 4/6/2026 1:13 PM

To Justin Germundson <justin@horaceparks.org>

Justin,

Can you please put Horace Baseball on the agenda for April about Lions Park please. Field maintenance and upgrades.

Thank you,

Derek

Southdale Farms 2nd Addition Lot 2 Blk 1
HORACE, NORTH DAKOTA
ER25-04-145
March 2026

OPINION OF PROBABLE PROJECT COST

ITEM NO.	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE L&M	EXTENDED PRICE L&M
Base Bid (4 Fields)					
1	20ft Chain link Fence	LF	140	\$ 350.00	\$ 49,000.00
2	Baseball Field Surfacing Aggregate 4IN	SY	3750	\$ 25.00	\$ 93,750.00
3	Geosynthetic Material Type S1	SY	3750	\$ 2.00	\$ 7,500.00
4	Baseball Base Set	EA	4	\$ 2,500.00	\$ 10,000.00
5	Baseball Removable Pitchers Mound	EA	4	\$ 1,000.00	\$ 4,000.00
Alternate 1- Gravel Parking Lot					
6	Removal of Curb and Gutter	LF	80	\$ 25.00	\$ 2,000.00
7	Removal of Sidewalk Concrete	SY	43	\$ 35.00	\$ 1,505.00
8	30IN Mountable Curb and Gutter	LF	76	\$ 100.00	\$ 7,600.00
9	Geosynthetic Material Type R1 (P)	SY	2890	\$ 5.00	\$ 14,450.00
10	FAA 43 Hot Bituminous Pavement	TON	40	\$ 120.00	\$ 4,800.00
11	CL13 Aggregate Surfacing 6IN	TON	870	\$ 50.00	\$ 43,500.00
12	Pipe Corr Steel .079IN 36IN	LF	40	\$ 100.00	\$ 4,000.00
13	End Sect Corr Steel .079IN 36IN	EA	2	\$ 700.00	\$ 1,400.00

Base Bid Subtotal \$ 164,250.00
Alternate 1 Subtotal \$ 79,255.00

Opinion of Probable Bid Cost \$ 243,505.00
Contingency (10% ±) \$ 24,495.00
Opinion of Probable Construction Cost \$ 268,000.00
Engineering, Legal, and Administrative \$ 54,000.00
Opinion of Probable Project Cost \$ 322,000.00

Re: feedback 4 plex

From Derek Werner <derekfargofitlife@gmail.com>

Date Wed 3/25/2026 10:25 AM

To Justin Germundson <justin@horaceparks.org>

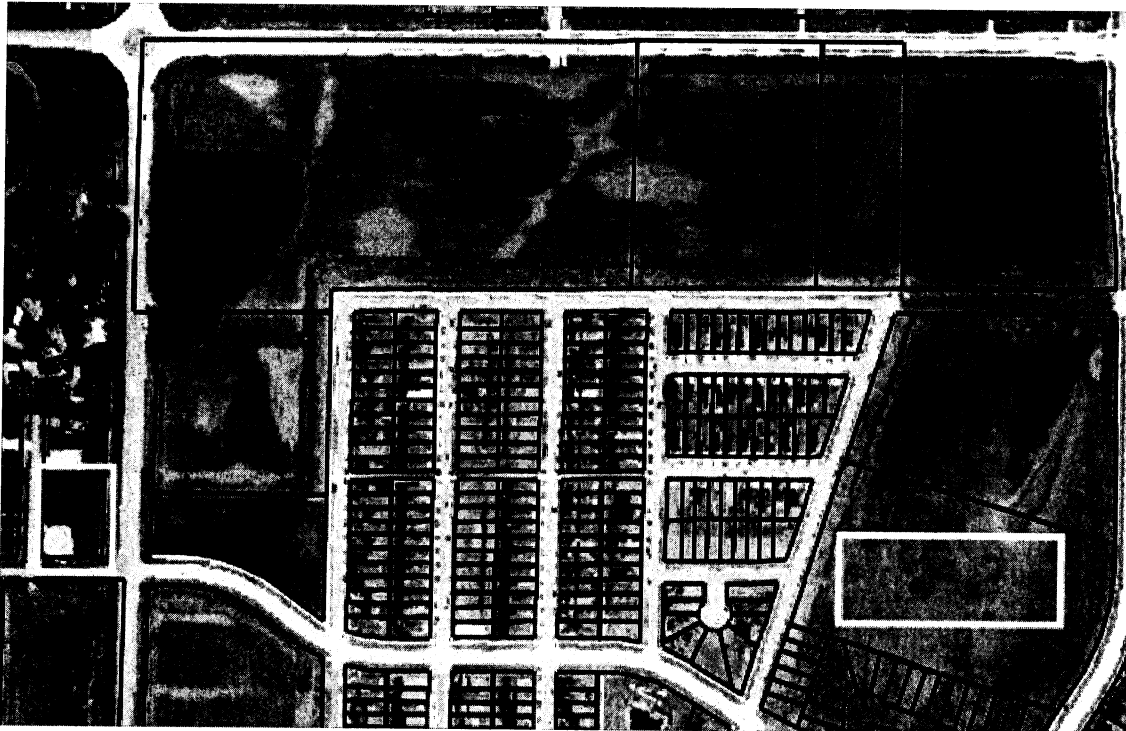
Justin,

Thank you for sending me this. For what it will be used for (practices) and assuming this will be a temporary I think it looks great. My only thought would be that if this turns from temporary to potentially upgrading it to a permanent fixture to make sure there is enough room between the fields for future expansion (Concession, Storage, Maintenance garage) similar to Anderson Complex. I am assuming there is backstops and partial fencing down the sides of the fields. This will be a much needed facility for our city and growing field needs. Thank you for your hard work on this.


Derek Werner

On Wed, Mar 25, 2026 at 9:20 AM Justin Germundson <justin@horaceparks.org> wrote:

The Horace Park Board wants your feedback on a potential four-plex ballfield. See attached for the preliminary design. The left yellow box below is Horace Lions Park for reference, while this new four-plex will be located at Southdale Farms (right yellow box).



This complex would be a similar function as Horace Lions Park and be used as practice fields, not game fields. Due to limited funding, this site will have minimal amenities at this time.

 Outlook

Project updates

From Jack Dwyer <Jack@dwyerlawnd.com>

Date Thu 4/23/2026 12:07 PM

To Justin Germundson <justin@horaceparks.org>

Hi Justin,

As we discussed, I would like to provide an update on the following projects to the Horace Park Board:

- Lakeview
- Sparks
- Horace Energy Park
- Lost River West.

Thank you.

Jack Dwyer



5302 51st Ave S, Suite D

Fargo, ND 58104

P: 701.235.2040

C: 701.730.5469

jack@dwyerlawnd.com



April 22nd, 2026

Wade Frank, President
Horace Park District
215 Park Drive E
PO Box 161
Horace, ND 58047
Via email: wade@horaceparks.org

RE: Park Improvement District No. 2023-2
Independence Park Improvements
Horace, North Dakota
ER23-00-054

Dear Mr. Frank,

Attached please find Change Order No. 1 which decreases the contract amount by \$54,442.00 and extends the final completion date to November 21, 2026, regarding the above referenced project.

This office has prepared the attached change order and recommends the Park District approve the same. After the change order has been approved, it should be signed by the President and returned to our Horace office for distribution. A copy should be kept for your records.

Should you have any questions or require any additional information regarding this matter, do not hesitate to contact me at (701) 532-0438.

Yours Very Truly,
INTERSTATE ENGINEERING, INC.

A handwritten signature in blue ink, appearing to read 'Eric P. Larson'.

Eric P. Larson, PE
EPL/iaj
Attachment

CC:

Roers Construction Joint Venture, LLC. (via email. rutke@roers.com)
Horace Park District (via email. wade@horaceparks.org, justin@horaceparks.org)

Date of Issuance: April 20, 2026	Effective Date: April 27, 2026
Owner: Horace Park District	Owner's Contract No.: 2023-2
Contractor: Roers Construction Joint Venture, LLC	Contractor's Project No.:
Engineer: Interstate Engineering, Inc.	Engineer's Project No.: ER2300054
Project: Park Improvement District No. 2023-2	Contract Name: Independence Park Improvements

The Contract is modified as follows upon execution of this Change Order:



Description:

This Change Order is being proposed to incorporate a series of value engineering (VE) modifications identified jointly by the Owner, Engineer, and Contractor. These revisions are intended to reduce overall project cost without compromising the functional performance, safety, or long-term serviceability of the improvements. See attached for detailed description of Change Order 1.

Attachments:

- Roers Construction's Cost Proposal and Correspondence for Value Engineering items.

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>1,298,715.00</u>	Original Contract Times: Milestone 1 Completion: <u>N/A</u> Substantial Completion: <u>September 19, 2026</u> Ready for Final Payment: <u>October 17, 2026</u> days or dates
[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: \$ <u>N/A</u>	[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: Milestone 1 Completion: <u>N/A</u> Substantial Completion: <u>N/A</u> Ready for Final Payment: <u>N/A</u> days or dates
Contract Price prior to this Change Order: \$ <u>N/A</u>	Contract Times prior to this Change Order: Milestone 1 Completion: <u>N/A</u> Substantial Completion: <u>September 19, 2026</u> Ready for Final Payment: <u>October 17, 2026</u> days or dates
[Increase] [Decrease] of this Change Order: \$ <u>54,442.00</u>	[Increase] [Decrease] of this Change Order: Milestone 1 Completion: <u>September 19, 2026</u> Substantial Completion: <u>October 17, 2026</u> Ready for Final Payment: <u>November 21, 2026</u> days or dates
Contract Price incorporating this Change Order: \$ <u>1,244,273</u>	Contract Times with all approved Change Orders: Milestone 1 Completion: <u>September 19, 2026</u> Substantial Completion: <u>October 17, 2026</u> Ready for Final Payment: <u>November 21, 2026</u> days or dates

RECOMMENDED:		ACCEPTED:		ACCEPTED:	
By: <u></u>	By: _____	By: <u></u>	By: _____		
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)			
Title: <u>Project Engineer</u>	Title _____	Title <u>Controller</u>			
Date: <u>4/22/2026</u>	Date _____	Date <u>4/22/26</u>			

Approved by Funding Agency (if applicable)

By: _____ Date: _____
Title: _____

Change Order 1 Cost Justification

Item 1: Sidewalk / Shared Use Path Concrete Depth Reduction

The original design specified *Concrete 6IN Reinforced - Fiber* for the sidewalk/shared use path. Through VE review, it was determined that a 5-inch reinforced concrete section will adequately meet project loading, durability, and performance requirements. The Owner and Engineer have approved the reduction in concrete depth from 6 inches to 5 inches.

The reduced concrete thickness provides material savings while maintaining structural adequacy for pedestrian and shared-use traffic. Payment for "Concrete 5IN Reinforced – Fiber" will be at the proposed unit price of \$101.00/SY. The Contractor's Cost Proposal and Correspondence is attached. This VE modification results in a cost reduction of \$17,730.00.

Item 2: Omission of Portable Lavatory Enclosure

The Contractor has indicated that the portable lavatory enclosure included in the bid is not required for project execution. The Owner concurs that the enclosure is unnecessary for this project's scope and duration.

Removing this item eliminates an unnecessary cost without affecting project functionality, safety, or compliance with applicable regulations. This VE modification results in a cost deduction of \$20,000.00.

Item 3: Picnic Shelter - Approved Equal and Price Reduction

The Contractor has identified an alternative shelter supplier offering a Poligon REK Shelter that meets project specifications and is considered an approved equal. The only deviation is the warranty period: the proposed shelter includes a 10-year warranty instead of the 25-year warranty specified for steel against material failure. The Owner has reviewed and accepts the reduced warranty as part of the VE cost-saving opportunity.

The Poligon REK Shelter meets all dimensional, structural, and aesthetic requirements of the project. The reduced warranty is acceptable to the Owner given the anticipated cost savings. This VE substitution provides a lower-cost shelter without compromising intended use or quality. The Contractor's Cost Proposal and Correspondence is attached. This VE modification results in a cost reduction of \$16,712.00.

As part of the VE proposal to substitute the originally bid picnic shelter, the Contractor has confirmed that this picnic shelter carries an approximate 20-week lead time. This extended lead time affects the project's ability to complete all work by the originally established contract dates and therefore requires adjustments as detailed in Item 4 of this Change Order.

Item 4: Contract Time Extension

To accommodate the shelter lead time while maintaining progress on all other project elements, the following contract time adjustments are proposed:

1. Addition of a Milestone Completion Date
 - a. A new milestone will be added requiring that all project work except the picnic shelter superstructure be completed by the original substantial completion date:
 - i. **Milestone 1 Completion** (All work except picnic shelter and associated items): **September 19, 2026**
2. Revised Substantial Completion Date and Final Completion Date
 - a. The substantial and final completion dates will be extended to provide the necessary time for the Contractor to receive and install the picnic shelter and associated items as follows:
 - i. **Substantial Completion**: September 19, 2026 (original) revised to **October 17, 2026**
 - ii. **Final Completion**: October 17, 2026 (original) revised to **November 21, 2026**

The time extension is directly attributable to the Owner-approved value engineering substitution of the picnic shelter. The Polygon REK Shelter offers a cost savings benefit and meets project requirements, but its 20-week lead time makes it infeasible to complete installation by the original contract dates. The revised milestone and completion dates preserve project functionality, maintain accountability for timely completion of all other work, and provide a realistic schedule for shelter installation.



The following items are to be [ADDED/DELETED] [to/from] the CONTRACT

Item No.	Description	UNIT	Add/Deduct Quantity	Unit Price	Increase Amount	Decrease Amount
Item 1: Sidewalk / Shared Use Path Concrete Depth Reduction						
35	Concrete 6IN Reinforced - Fiber	SY	-1,970	\$ 110.00	\$ -	\$ (216,700.00)
87	Concrete 5IN Reinforced - Fiber	SY	1,970	\$ 101.00	\$ 198,970.00	\$ -
				<i>Subtotal</i>	\$ 198,970.00	\$ (216,700.00)
				<i>Subtotal Net</i>	\$ (17,730.00)	
Item 2: Omission of Portable Lavatory Enclosure						
60	Portable Lavatory Enclosure	EA	-1	\$ 20,000.00	\$ -	\$ (20,000.00)
				<i>Subtotal</i>	\$ -	\$ (20,000.00)
				<i>Subtotal Net</i>	\$ (20,000.00)	
Item 3: Picnic Shelter - Approved Equal and Price Reduction						
88	Unit Price Decrease - Bid Item 78	EA	1	\$ (16,712.00)	\$ (16,712.00)	\$ -
				<i>Subtotal</i>	\$ (16,712.00)	\$ -
				<i>Subtotal Net</i>	\$ (16,712.00)	
	New Item					
				Totals	\$ 182,258.00	\$ (236,700.00)
				Net	\$ (54,442.00)	



CHANGE EVENT #001 - VE Options

Origin:

Date Created:	4/13/2026	Created By:	Riley Utke
Status:	Open	Scope:	TBD
Type:	Owner Change	Change Reason:	Client Request
Description:	VE Options - Unit Cost Change 6IN Fiber Mesh Reinforced to 5IN Fiber Mesh Reinforced Lavatory - Omitted Picnic Shelter - Polygon REK.		

Attachments:

CHANGE EVENT LINE ITEMS

Budget Code	Vendor / Contract	UOM	Revenue					Cost					Over/Under	Budget Mod.	
			QTY	Unit Cost	ROM	Prime PCO	Latest Price	QTY	Unit Cost	ROM	RFQ	Commit.			Latest Cost
	AJ Construction		1970.0	\$101.00	\$198,970.00		\$198,970.00	1970.0	\$101.00	\$198,970.00			\$198,970.00		
Description: Concrete															
	Park & Play USA		1.0	(\$20,000.00)	(\$20,000.00)		(\$20,000.00)	1.0	(\$20,000.00)	(\$20,000.00)			(\$20,000.00)		
Description: Lavatory															
	Park & Play USA		1.0	(\$70,000.00)	(\$70,000.00)		(\$70,000.00)	1.0	(\$70,000.00)	(\$70,000.00)			(\$70,000.00)		
Description: Picnic Shelter															
	Roers Construction JV LLC		1.0	\$53,288.00	\$53,288.00		\$53,288.00	1.0	\$53,288.00	\$53,288.00			\$53,288.00		
Description: Picnic Shelter: Polygon REK															
Grand Totals				\$162,258.00	\$0.00	\$162,258.00		\$162,258.00	\$0.00	\$0.00	\$162,258.00	\$0.00	\$0.00	\$0.00	\$0.00

Eric Larson

From: Riley Utke <rutke@roers.com>
Sent: Monday, April 13, 2026 1:25 PM
To: Eric Larson
Cc: Jim Dahlman; Loren Bothun
Subject: RE: Park ID 2023-2 (Independence Park) - Change Order 1 - Value Engineering
Attachments: CO#1 VE Options.pdf; REK-20X34.pdf



Eric,

Please see attached. I am working on getting the drawings and product data for the Poligon Shelter ASAP. Attached is their standard Poligon REK for reference. There is a 20 Week lead time on this shelter. If the shelter is ordered on May 4th, we won't receive it until the substantial completion date. There will be a time extension needed with that line item.

Thank you,

Riley Utke

Project Manager

200 45th Street South | Fargo, ND 58103

phone: 701.356.1255

cell phone: 218.396.0260

email: rutke@roers.com



From: Eric Larson <Eric.Larson@interstateeng.com>
Sent: Friday, April 10, 2026 9:56 AM
To: Riley Utke <rutke@roers.com>
Cc: Jim Dahlman <Jim.Dahlman@interstateeng.com>; Loren Bothun <Loren.Bothun@interstateeng.com>
Subject: Park ID 2023-2 (Independence Park) - Change Order 1 - Value Engineering

Riley,

Please see attached draft of Change Order No. 1 as I have it currently. This change order is to formalize some of the value engineering opportunities we discussed.

Please provide any documentation/justifications that you think would be useful to incorporate into the CO.

Let me know if you have any questions.

Thank you!



Eric Larson, PE

Project Engineer

Licensed in ND

 (701) 640.1597

 (701) 532.0438

 574 Main Street, Suite A
Horace, ND 58047

 interstate.engineering

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