

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**

**REPORT ON FINANCIAL STATEMENTS**  
*(with supplementary information)*  
*Year Ended December 31, 2019*

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
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**Year Ended December 31, 2019**

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# Schauer & Associates, P.C.

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Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council  
**CITY OF JAMESTOWN**  
Jamestown, North Dakota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **CITY OF JAMESTOWN, NORTH DAKOTA**, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

## INDEPENDENT AUDITORS' REPORT - continued

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the **CITY OF JAMESTOWN, NORTH DAKOTA**, as of December 31, 2019 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.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 12 and 55 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **CITY OF JAMESTOWN, NORTH DAKOTA'S** basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITORS' REPORT - continued

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2020, on our consideration of **CITY OF JAMESTOWN, NORTH DAKOTA'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 **CITY OF JAMESTOWN, NORTH DAKOTA'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 **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting and compliance.



SCHAUER & ASSOCIATES, P.C.  
Certified Public Accountants

Jamestown, North Dakota  
October 5, 2020

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2019**

As management of the **CITY OF JAMESTOWN**, we offer readers of the **CITY OF JAMESTOWN'S** financial statements this narrative overview and analysis of the financial activities of the **CITY OF JAMESTOWN** for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the additional information presented in the accompanying basic financial statements, the fund financial statements and the notes to the financial statements.

**Financial Highlights**

- The net position of the **CITY OF JAMESTOWN** increased by \$1,033,281 or 2.0% as a result of current year operations. Net position of the business type activities increased by \$1,534,194 and net position of the governmental activities decreased by \$500,913.
- Total revenues from all sources were \$25,674,980. Revenue from governmental activities was \$14,188,670 and revenues from business type activities were \$11,486,310.
- Total cost of all programs was \$24,641,699. This was comprised of \$15,701,988 in governmental activities and \$8,939,711 in business type activities.
- Governmental fund balance totaled \$13,080,563 as of December 31, 2019.
- Governmental net change in fund balances was a decrease by \$1,799,313.
- Unassigned fund balance for the general fund was \$689,259, 8.5% of the total general fund expenditures.

**Using This Annual Report**

This annual report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the City as a whole.
2. Fund financial statements provide detailed information for the City's significant funds.
3. Notes to the financial statements provide additional information that is essential to understanding the government-wide and fund statements.

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

***Government-Wide Financial Statements***

The government-wide financial statements are designed to provide readers with a broad overview of the **CITY OF JAMESTOWN'S** finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information on how the City's net position changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

## CITY OF JAMESTOWN

Stutsman County, North Dakota

### MANAGEMENT'S DISCUSSION AND ANALYSIS - continued

Year Ended December 31, 2019

Both the Statement of Net Position and the Statement of Activities present information as follows:

- Governmental activities – this includes most of the City's basic services, which are primarily supported by property and sales taxes, interest income, user fees and intergovernmental revenues.
- Business-type activities – this includes those services which are intended to recover all or a significant part of their costs through user fees.

The government-wide financial statements include not only the City (*known as the primary government*), but also one legally separate entity for which the City is financially accountable. The *component unit* is the Jamestown Regional Airport Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government. Separately issued financial statements are available from their administrative offices as noted in footnote 1 B in the notes to the financial statements.

The government-wide financial statements begin on page 13.

#### *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The **CITY OF JAMESTOWN**, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the City's significant funds – not the City as a whole. The City's funds can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the City's short-term financing requirements.

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

The **CITY OF JAMESTOWN** maintains 42 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds; equipment replacement fund, city sales tax fund, city share specials – reserve, special assessment deficiency fund, and the construction fund. Data from the 36 other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

The **CITY OF JAMESTOWN** adopts an annually appropriated budget for all governmental and proprietary funds. Budgetary comparison schedules for the general and major special revenue funds are required to be presented and are included in the required supplementary information section on pages 55 – 59 of this report.

The governmental fund financial statements begin on page 15.

*Proprietary Funds.* The **CITY OF JAMESTOWN** maintains two types of proprietary funds. Enterprise funds are used to report activities that charge for services it provides to outside customers. The Enterprise funds are presented as business-type activities in the government-wide statements. The **CITY OF JAMESTOWN** uses enterprise funds to account for its water utility, sewer utility, sanitation, solid waste, water meter deposits, landfill deposits and stormwater utility. Internal Service funds are used to report activities that provide services to other City programs and activities. The **CITY OF JAMESTOWN** uses an internal service fund to account for the self-funded insurance program. Because this service predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The internal service fund is shown in a single column in the proprietary fund financial statements.

The basic proprietary fund statements begin on page 19.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the **CITY OF JAMESTOWN'S** own programs. The accounting for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statement is found on page 22.

***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 – 54 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and other schedules can be found on pages 63 – 68.

**Financial Analysis of the City as a Whole**

The following tables present condensed information on the City's Net Position and Changes in Net Position for the fiscal years ended December 31, 2019 and 2018.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the **CITY OF JAMESTOWN**, assets exceeded liabilities by \$52,473,049 at the close of the most recent fiscal year.

Table I  
**NET POSITION**  
December 31, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current assets	\$ 15,853,141	\$ 17,821,768	\$ 17,680,385	\$ 16,490,771	\$ 33,533,526	\$ 34,312,539
Noncurrent assets	2,826,027	669,063			2,826,027	669,063
Capital assets	25,492,599	26,530,660	49,651,678	49,390,937	75,144,277	75,921,597
Deferred outflows of resources	2,617,491	3,259,384			2,617,491	3,259,384
Total Assets and Deferred Outflows of Resources	<u>\$ 46,789,258</u>	<u>\$ 48,280,875</u>	<u>\$ 67,332,063</u>	<u>\$ 65,881,708</u>	<u>\$ 114,121,321</u>	<u>\$ 114,162,583</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 2,956,328	\$ 3,615,042	\$ 1,776,199	\$ 1,800,027	\$ 4,732,527	\$ 5,415,069
Long-term liabilities	25,842,838	30,340,843	24,294,712	24,354,723	50,137,550	54,695,566
Total Liabilities	<u>28,799,166</u>	<u>33,955,885</u>	<u>26,070,911</u>	<u>26,154,750</u>	<u>54,870,077</u>	<u>60,110,635</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>6,778,195</u>	<u>2,612,180</u>			<u>6,778,195</u>	<u>2,612,180</u>
<b>NET POSITION</b>						
Net investment in capital assets	3,409,122	2,015,157	23,777,603	23,472,447	27,186,725	25,487,604
Restricted	10,306,242	10,016,060	16,148,850	12,145,010	26,455,092	22,161,070
Unrestricted	(2,503,467)	(318,407)	1,334,699	4,109,501	(1,168,768)	3,791,094
Total Net Position	<u>11,211,897</u>	<u>11,712,810</u>	<u>41,261,152</u>	<u>39,726,958</u>	<u>52,473,049</u>	<u>51,439,768</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 46,789,258</u>	<u>\$ 48,280,875</u>	<u>\$ 67,332,063</u>	<u>\$ 65,881,708</u>	<u>\$ 114,121,321</u>	<u>\$ 114,162,583</u>

Net investment in capital assets consists of land, buildings, infrastructure and equipment, less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF JAMESTOWN****Stutsman County, North Dakota****MANAGEMENT'S DISCUSSION AND ANALYSIS - continued****Year Ended December 31, 2019**

A portion of the **CITY OF JAMESTOWN'S** net position (\$53,641,817) represents resources that are restricted by external restrictions on how they may be used.

At the end of 2019, the **CITY OF JAMESTOWN** is able to report positive balances in two of its categories of net position, for the government as a whole.

Table II  
CHANGES IN NET POSITION  
Years Ending December 31, 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 636,252	\$ 645,336	\$11,426,810	\$11,248,799	\$ 12,063,062	\$ 11,894,135
Operating grants	1,087,617	1,095,055			1,087,617	1,095,055
Capital grants	3,558	7,964			3,558	7,964
General revenues						
Property taxes, general	4,497,136	3,409,335			4,497,136	3,409,335
Property taxes, debt service	1,916,009	1,868,294			1,916,009	1,868,294
State aid distribution	899,432	798,566			899,432	798,566
Miscellaneous taxes	664,112	658,933			664,112	658,933
Sales taxes	2,619,468	2,532,072			2,619,468	2,532,072
Investment earnings	209,207	154,649	59,500	42,044	268,707	196,693
Repayment of economic development funds	210,249	261,403			210,249	261,403
Miscellaneous	1,216,320	1,051,385			1,216,320	1,051,385
Gain on sale of assets	229,310	163,764			229,310	163,764
<b>Total Revenues</b>	<b>14,188,670</b>	<b>12,646,756</b>	<b>11,486,310</b>	<b>11,290,843</b>	<b>25,674,980</b>	<b>23,937,599</b>
<b>EXPENSES</b>						
General government	1,420,495	1,367,392			1,420,495	1,367,392
Public safety	4,082,044	4,920,984			4,082,044	4,920,984
Public works	5,899,579	7,732,107			5,899,579	7,732,107
Flood control	149,112				149,112	
Health	56,295	56,280			56,295	56,280
Civic center	868,059	880,661			868,059	880,661
Interest on long-term debt	640,768	633,400			640,768	633,400
Visitor's promotion	581,563	519,939			581,563	519,939
Business and industrial development	2,004,073	2,379,290			2,004,073	2,379,290
Water utility			3,134,765	3,135,828	3,134,765	3,135,828
Sewer utility			2,777,406	2,187,096	2,777,406	2,187,096
Sanitation			1,588,380	1,370,650	1,588,380	1,370,650
Solid waste			1,393,061	1,430,755	1,393,061	1,430,755
Other enterprise funds			46,099	36,854	46,099	36,854
<b>Total Expenses</b>	<b>15,701,988</b>	<b>18,490,053</b>	<b>8,939,711</b>	<b>8,161,183</b>	<b>24,641,699</b>	<b>26,651,236</b>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Change before transfers	(1,513,318)	(5,843,297)	2,546,599	3,129,660	1,033,281	(2,713,637)
Transfers	<u>1,012,405</u>	<u>1,301,497</u>	<u>(1,012,405)</u>	<u>(1,301,497)</u>		
Change in net position	(500,913)	(4,541,800)	1,534,194	1,828,163	1,033,281	(2,713,637)
 BEGINNING NET POSITION	 11,712,810	 20,447,675	 39,726,958	 37,898,795	 51,439,768	 58,346,470
Prior period adjustment	<u></u>	<u>(4,193,065)</u>	<u></u>	<u></u>	<u></u>	<u>(4,193,065)</u>
 ENDING NET POSITION	 <u>\$ 11,211,897</u>	 <u>\$11,712,810</u>	 <u>\$41,261,152</u>	 <u>\$39,726,958</u>	 <u>\$52,473,049</u>	 <u>\$ 51,439,768</u>

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

The **CITY OF JAMESTOWN** uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

***Governmental Funds***

The focus of the **CITY OF JAMESTOWN'S** *governmental funds* is to provide information on the near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the **CITY OF JAMESTOWN'S** financing requirements. In particular, unassigned *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the **CITY OF JAMESTOWN'S** governmental funds reported combined ending fund balances of \$13,080,563, a decrease of \$1,799,313. The *governmental funds unassigned fund* has a deficit *balance* of \$5,264,770. The rest of the fund balances are restricted to indicate that they are not available for new spending because they have already been committed.

The general fund is the chief operating fund of the **CITY OF JAMESTOWN**. At the end of the current fiscal year, unassigned fund balance of the general fund was \$689,259. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 8.5% of total general fund expenditures. Total general fund cash at year end is \$7,780,966.

The **CITY OF JAMESTOWN'S** general fund balance decreased by \$244,477 during the current fiscal year.

The debt service funds have a total fund balance of \$5,936,121, all of which is restricted for the payment of debt service.

***Proprietary Funds***

The **CITY OF JAMESTOWN'S** proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate financial information for the water utility, sewer utility, sanitation and solid waste, all of which are considered to be major funds of the **CITY OF JAMESTOWN**.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

**General Fund Budgetary Highlights**

There were no changes to the original budgets for 2019. Differences between the budgeted and actual amounts in the general fund consisted of total revenues being \$3,538 less than budgeted. The total general government expenditures were \$120,659 less than budgeted. This was made up of small amounts in various departments.

**Capital Assets**

The **CITY OF JAMESTOWN'S** investment in capital assets for its governmental and business-type activities as of December 31, 2019, amounts to \$75,144,277 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure and equipment. The total value of land owned by the City has not been determined and will be added when it can be determined.

Major capital asset events during the current fiscal year included the following:

- Approximately \$808,000 was spent on acquiring equipment and vehicles
- Approximately \$1,500,000 was spent on water main replacement
- Approximately \$246,000 was spent on the inert landfill

Table III  
Capital Assets  
(Net of Accumulated Depreciation)  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Land	\$ 7,200	\$ 60,000	\$ 67,200
Construction in progress		1,829,392	1,829,392
Buildings	2,590,440	11,806,677	14,397,117
Infrastructure	19,986,796	34,116,200	54,102,996
Equipment	2,908,163	1,839,409	4,747,572
Total Capital Assets (Net of Depreciation)	<u>\$ 25,492,599</u>	<u>\$ 49,651,678</u>	<u>\$ 75,144,277</u>

Additional information on the **CITY OF JAMESTOWN'S** capital assets can be found in note 5 on pages 33 – 35 of this report.

**Long-Term Debt**

At year end the City had total long-term debt of \$54,483,908, a decrease of \$4,826,474 over the prior year.

The city issued new debt for Solid Waste Disposal Revenue Bonds for \$1,983,889 and \$515,865 in deferred improvement warrants.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

The **CITY OF JAMESTOWN** continues to receive a rating of AA3 from the rating agencies for their bonds. Additional information on the CITY OF JAMESTOWN's long term debt can be found in Note 7 on pages 35 - 40 of this report.

Table IV  
Long-Term Liabilities  
December 31, 2019

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$	\$ 24,467,148	\$ 24,467,148
Refunding improvement bonds	20,784,009		20,784,009
Lease/purchase	1,299,468		1,299,468
Landfill closure costs		1,406,927	1,406,927
Compensated absences	302,183	145,637	447,820
Net pension obligation	5,713,560		5,713,560
Net OPEB liability	364,976		364,976
Total	<u>\$ 28,464,196</u>	<u>\$ 26,019,712</u>	<u>\$ 54,483,908</u>

**Economic Factors and Next Year's Budgets and Rates**

New residential construction slowed in 2019, but 2019 commercial construction showed growth. The 2019 commercial construction activities included the new construction of UJ Place on the campus of the University of Jamestown, a five-story, mixed-use facility which opened in August 2020.

Year	Building Permits Value	Number of Permits
2019	\$26,274,994	113
2018	\$12,649,387	113
2017	\$11,352,039	140

2019 permits included:

Owner	Amount	Description
Jamestown College (UJ)	\$ 9,460,000	New student housing, parking garage, commercial
BT-OH, LLC	\$ 3,200,000	Remodel for UPS sort facility
Cavendish Farms Inc.	\$1,113,000	Addition
Cavendish Farms	\$743,000	Building addition
Blu Frog Properties LLP	\$291,000	New
Berndt	\$187,000	New
Wal-Mart Real Estate Business Trust	\$132,000	Remodel for online pickup
GR Properties ND Jamestown LLC	\$125,000	Remodel
Lunde	\$80,000	Addition to start restaurant
Badlands Resources LLC	\$75,000	New storage building

Total commercial construction for 2019 totaled \$16,237,000 including six new commercial buildings valued at \$11,176,000. Thirty-six residential permits in 2019 included four new residential buildings which had a total value of \$867,000.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2019**

Indications for 2020 show construction for commercial buildings are increasing. Residential construction remains slow for new home construction and the renovation of existing homes and other structures on residential properties is increasing. As of September 4, 2020, the City has issued 81 building permits for a total value of \$8,374,000. These include the St. Johns Academy addition, remodel of Wal-Mart, remodel and expansion of the Jamestown Gymnastics Club, a new Orthodontics clinic for The Dental Specialists, and a new splash pad aquatic for the Jamestown Parks and Recreation Two Rivers Activity Center (TRAC).

The real estate market has held and taxable valuations in the City have been slightly increasing. This trend is expected to continue in Jamestown during the pandemic as people are spending more time at home and seeking comfort. The City added to the assessing staff in January 2019 to maintain the steady growth in building permits and valuations.

The City's mill levy in 2019 was a total of 117.93 mills, a 15% mill increase from the previous year and a 5% increase in mill value. The City's mill levy in 2020 is the same number of mills as the previous year (0 %mill increase) and a 5% increase in mill value.

The COVID-19 global pandemic has made it difficult to utilize the standard long-term economic projections. However, the unemployment rate for Stutsman County, including Jamestown, was low at the start of the pandemic in mid-March 2020 and then rose to almost 3,500 claims by the end of March. It is now below 100 initial claims per week and continues to drop. Continued claims are at 1,920 and decreasing. The peak was early May. Unemployment claims are steadily decreasing as businesses continue to be supported locally. While there were initial closures in March and April, there have been no major layoffs by local employers in the past six months.

In 2021 the City expects several larger building permits, including a new facility for the Anne Carlsen Center.

Moody's changed the City's bond rating from AA3 to A1 on February 18, 2020 due primarily to the drawdown of the Special Assessment Deficiency Fund which was the primary fund source for debt service of the main sanitary sewer project rather than citywide special assessment. The City Council voted to increase the city sales tax to fund infrastructure needs including servicing this Sanitary Sewer bond debt and the City's Civic Center. Even during the pandemic, the city sales tax has proved a resilient and reliable funding source.

The City will also receive over \$1,000,000 in unbudgeted state and federal funds for three federally declared disasters that occurred in October 2019, April 2020, and the ongoing COVID-19 disaster. These funds will be allocated to specific projects for the first two listed and to the general fund for the COVID-19 disaster as the primary costs have been wages, personal protective equipment, and other prophylactic items for personnel. City staff continue to work with other agencies, organizations, and businesses to minimize the risk and costs to our citizens and community.

#### **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives to the citizens of Jamestown. If you have any questions on this report or need further information, contact the **CITY OF JAMESTOWN'S** City Administrator at 102 3<sup>rd</sup> Avenue SE, Jamestown, North Dakota 58401.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Net Position**  
**December 31, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>ASSETS</b>				
Cash and equivalents	\$ 22,226,154	\$ 8,477,129	\$ 30,703,283	\$ 22,401
Cash restricted				78,360
Reserve account				50,000
Accounts receivable	8,660	889,952	898,612	28,199
Internal balances	(8,313,304)	8,313,304		
Due from other governmental agencies	1,931,631		1,931,631	111,937
Net City pension assets	2,615,274		2,615,274	
Property held for resale	210,753		210,753	
Capital assets				
Land and improvements not being depreciated	7,200	60,000	67,200	317,471
Construction in progress		1,829,392	1,829,392	56,380
Buildings	6,053,325	23,886,056	29,939,381	5,044,954
Infrastructure	38,311,187	41,064,698	79,375,885	16,130,704
Equipment	7,725,150	5,672,547	13,397,697	1,672,069
Less: Accumulated Depreciation	(26,604,263)	(22,861,015)	(49,465,278)	(10,258,223)
Net Capital Assets	25,492,599	49,651,678	75,144,277	12,963,355
Total Assets	44,171,767	67,332,063	111,503,830	13,254,252
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to pension	2,531,844		2,531,844	164,839
Deferred outflows related to OPEB	85,647		85,647	7,022
Total Deferred Outflows of Resources	2,617,491		2,617,491	171,861
Total Assets and Deferred Outflows of Resources	\$ 46,789,258	\$ 67,332,063	\$ 114,121,321	\$ 13,426,113
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 334,970	\$ 51,199	\$ 386,169	\$ 67,964
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts	2,621,358	1,725,000	4,346,358	98,408
Due in more than one year				
Bonds, capital leases and contracts	19,462,119	24,149,075	43,611,194	1,457,703
Compensated absences	302,183	145,637	447,820	
Net pension obligation	5,713,560		5,713,560	241,130
Net OPEB liability	364,976		364,976	15,404
Total Liabilities	28,799,166	26,070,911	54,870,077	1,880,609
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues in custody of other governments	1,670,795		1,670,795	
Deferred inflows of resources related to City pension	2,049,414		2,049,414	
Deferred inflows of resources related to PERS pension	3,032,437		3,032,437	131,787
Deferred inflows of resources related to OPEB	25,549		25,549	500
Total Deferred Inflows of Resources	6,778,195		6,778,195	132,287
<b>NET POSITION</b>				
Net investment in capital assets	3,409,122	23,777,603	27,186,725	11,407,244
Restricted for:				
Capital projects	3,867,658	9,370,654	13,238,312	15,640
Debt service	6,026,752	4,480,755	10,507,507	62,720
Other projects	411,832	2,297,441	2,709,273	
Unrestricted net position	(2,503,467)	1,334,699	(1,168,768)	(72,387)
Total Net Position	11,211,897	41,261,152	52,473,049	11,413,217
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 46,789,258	\$ 67,332,063	\$ 114,121,321	\$ 13,426,113

The accompanying notes are an integral part of these financial statements.



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Activities**  
**Year Ended December 31, 2019**

Functions/Programs Primary Government	Net (Expense) Revenue and Changes in Net Assets				
	Primary Government				Component Units
	Expenses	Charges for Services	Program Revenue Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
General government	\$ 1,420,495	\$	\$	\$	\$
Public safety	4,082,044	44,758	68,056	3,558	(1,420,495)
Flood control	5,899,579	180,192	1,019,561		(3,965,672)
Health	149,112				(4,699,826)
Civic center	56,295				(149,112)
Interest on long-term debt	868,059	411,302			(56,295)
Visitor's promotion	640,768				(456,757)
Business and industrial development	581,563				(456,757)
	2,004,073				(640,768)
					(581,563)
					(2,004,073)
Total Governmental Activities	15,701,988	636,252	1,087,617	3,558	(13,974,561)
Business-Type Activities					
Water utility	3,134,765	5,312,937			2,178,172
Sewer utility	2,777,406	2,799,025			21,619
Sanitation	1,588,380	2,217,151			628,771
Solid waste	1,393,061	945,946			(447,115)
Other enterprise funds	46,099	151,751			105,652
Total Business-Type Activities	8,939,711	11,426,810			2,487,099
Total Primary Government	24,641,699	12,063,062	1,087,617	3,558	(11,487,462)
Component Units					
Jamestown Municipal Airport Authority	1,291,339	439,643		150,449	(701,247)
Total Component Units	1,291,339	439,643		150,449	(701,247)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes					
Property taxes, levied for debt service					
State aid distribution					
Miscellaneous taxes					
Sales taxes					
Unrestricted investment earnings					
Miscellaneous - repayment of economic development funds					
Miscellaneous					
Special item - gain on sale of assets					
Transfers					
Total General Revenues, Special Items, and Transfers					
Change in Net Position					
Net Position:					
Beginning of year					
Net Position - Ending					

The accompanying notes are an integral part of these financial statements.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	General Fund	Equipment Replacement	City Sales Tax	City Share Specials - Reserve	Special Assessment Deficiency	Construction	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Cash and cash equivalents	\$ 7,780,967	\$ 3,447,274	\$ 5,979,192	\$ 1,012,123	\$ 1,068,642	\$	\$ 2,937,956	\$ 22,226,154
Taxes receivable, net	1,309,239						619,504	1,928,743
Due from other funds			1,281,097		1,100,724		3,458,235	5,840,056
Receivable from other governments	1,248						1,640	2,888
Other receivables							8,660	8,660
Total Assets and Deferred Outflows of Resources	\$ 9,091,454	\$ 3,447,274	\$ 7,260,289	\$ 1,012,123	\$ 2,169,366	\$	\$ 7,025,995	\$ 30,006,501
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 42,426	\$	\$	\$	\$	\$ 40,263	\$ 175,999	\$ 258,688
Due to other funds	7,080,521			463,670		5,913,766	1,320,475	14,778,432
Total Liabilities	7,122,947			463,670		5,954,029	1,496,474	15,037,120
Deferred inflows of resources	1,279,248						609,570	1,888,818
Long - term receivables								
<b>Fund Balances:</b>								
Restricted for					2,169,366		3,766,755	5,936,121
Debt service							37,818	411,832
Committed			374,014				1,115,378	11,997,380
Assigned		3,447,274	6,886,275	548,453		(5,954,029)		(5,264,770)
Unassigned	689,259						4,919,951	13,080,563
Total Fund Balances	689,259	3,447,274	7,260,289	548,453	2,169,366	(5,954,029)		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,091,454	\$ 3,447,274	\$ 7,260,289	\$ 1,012,123	\$ 2,169,366	\$	\$ 7,025,995	\$ 30,006,501

The accompanying notes are an integral part of these financial statements.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**December 31, 2019**

Total Fund Balance, Governmental Funds	\$	13,080,563
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities and property held for resale are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		25,703,352
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Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		218,023
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Net OPEB liability and OPEB related deferred: outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of :

Net OPEB liability		(364,976)
Deferred outflows of resources		85,647
Deferred inflows of resources		(25,549)

Net PERS pension liability and pension related deferred: outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of :

Net pension liability		(5,713,560)
Deferred outflows of resources		2,531,844
Deferred inflows of resources		(3,032,437)

Net City plan pension asset and pension related deferred: outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of :

Net pension asset		2,615,274
Deferred inflows of resources		(2,049,414)

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		548,790
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Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable ), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(22,385,660)
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Net Assets of Governmental Activities in the Statement of Net Position	\$	11,211,897
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**The accompanying notes are an integral part of these financial statements.**

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2019**

	General Fund	Equipment Replacement	City Sales Tax	City Share Specials - Reserve	Special Assessment Deficiency	Construction	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Property taxes	\$ 4,200,015	\$	\$ 1,177,127	\$ 1,177,127	\$	\$	\$ 2,231,464	\$ 6,431,479
Sales and miscellaneous taxes	88,990						575,123	3,018,367
Fees and fines	113,893							113,893
Licenses and permits	340,918						28,367	340,918
Intergovernmental	1,962,240						95,132	1,990,607
Charges for services	456,060						29,623	551,192
Investment earnings	77,127	34,802	48,357	6,409	12,886		457,295	209,204
Menards sales tax & TIF							76,593	457,295
Miscellaneous	57,281		210,249			142,092		486,215
Total Revenues	7,296,524	34,802	1,435,733	1,183,536	12,886	142,092	3,493,597	13,599,170
<b>EXPENDITURES</b>								
Current:								
General government	849,047				306			849,353
Public safety	3,694,509						15,353	3,709,862
Public works	2,493,569	7,582					235,775	2,736,926
Health	56,295							56,295
Flood control	149,112							149,112
Civic center	646,636							646,636
Visitor's promotion							580,250	580,250
Business and industrial development			2,004,073					2,004,073
Menards share							133,594	133,594
Debt Service:								
Principal	114,221						2,813,159	2,927,380
Interest and other charges	43,222						644,730	687,952
Capital outlay	27,432	534,027				2,141,791	13,251	2,716,501
Total Expenditures	8,074,043	541,609	2,004,073		306	2,141,791	4,436,112	17,197,934
Excess (deficiency) of revenues over expenditures	(777,519)	(506,807)	(568,340)	1,183,536	12,580	(1,999,699)	(942,515)	(3,598,764)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issue of bonds						515,865		515,865
Transfers in	1,303,333	780,427			2,238	3,137,642	833,298	6,056,938
Transfers out	(770,823)	(213,820)	(44,432)	(1,791,914)	(119,213)	(2,109,067)	(62,900)	(5,112,169)
Total other financing sources (uses)	532,510	566,607	(44,432)	(1,791,914)	(116,975)	1,544,440	770,398	1,460,634
<b>SPECIAL ITEM</b>								
Proceeds from sale of equipment	532	137,112	200,787		386			338,817
Net change in fund balances	(244,477)	196,912	(411,985)	(608,378)	(104,009)	(455,259)	(172,117)	(1,795,313)
Fund Balances - Beginning	933,736	3,250,362	7,672,274	1,156,831	2,273,375	(5,498,770)	5,092,068	14,879,876
Fund Balances - Ending	689,259	\$ 3,447,274	\$ 7,260,289	\$ 548,453	\$ 2,169,366	\$ (5,954,029)	\$ 4,919,951	\$ 13,080,563

The accompanying notes are an integral part of these financial statements.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental**  
**Funds to the Statement of Activities**  
**Year Ended December 31, 2019**

Net Change in Fund Balances - Total Governmental Funds: \$ (1,799,313)

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation \$1,500,806 exceeded capital outlay \$573,606 in the current period. (927,200)

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold. (109,507)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. 66,731

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 2,411,516

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, it also includes the amortization of bond issue costs. 20,510

Some expenses reported in the statement of activities do not require the use of current financial resources, such as deferred pension expense and OPEB expense. (138,510)

Some expenses reported in the statement of activities do not require the use of current financial resources, such as compensated absences, and these are not reported as expenditures in governmental funds. (16,791)

Internal service funds are used by management to charge the costs of certain activities, such as health care, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. (8,349)

Change in Net Position of Governmental Activities \$ (500,913)

**The accompanying notes are an integral part of these financial statements.**

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2019**

	Enterprise Funds					
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Other Enterprise Funds	Internal Service Funds
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 3,958,121	\$ 2,990,533	\$	\$ 1,528,475	\$	\$ 8,477,129
Accounts receivable, net	420,717	227,802	201,723		39,710	889,952
Due from other funds	3,058,046	2,041,030	498,922	2,486,579	175,414	8,259,991
Total Current Assets	7,436,884	5,259,365	700,645	4,015,054	215,124	17,627,072
Non-current assets:						
Capital assets:						
Land				60,000		60,000
Construction in progress	1,538,062			291,330		1,829,392
Infrastructure	16,760,325					41,064,698
Buildings	3,042,329	19,577,157	4,727,216	12,233,766		23,886,056
Equipment and furniture	499,915	5,991,260	2,618,701	466,292		5,672,547
Less accumulated depreciation	(5,969,288)	(7,799,515)	(3,732,424)	(5,359,788)		(22,861,015)
Total non-current assets	15,871,343	19,307,313	6,781,422	7,691,600		49,651,678
Total Assets	23,308,227	24,566,678	7,482,067	11,706,654	215,124	67,278,750
						678,384
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	17,569	29,800	406	3,424		51,199
Accrued health insurance benefits						76,281
Bonds, notes and loans payable	815,000	685,000		225,000		1,725,000
Total Current Liabilities	832,569	714,800	406	228,424		1,776,199
Non-current liabilities:						
Compensated absences	59,757	26,122	32,489	27,269		145,637
Closure and postclosure costs			1,406,927			1,406,927
Bonds, notes and loans payable	9,118,465	10,630,000		2,993,683		22,742,148
Total non-current liabilities	9,178,222	10,656,122	1,439,416	3,020,952		24,294,712
Total Liabilities	10,010,791	11,370,922	1,439,822	3,249,376		26,070,911
						76,281
<b>NET POSITION</b>						
Net investment in capital assets	5,937,878	7,992,313	5,374,495	4,472,917		23,777,603
Restricted for debt service	876,407	3,178,032		426,316		4,480,755
Restricted for capital projects	3,781,442	5,462,262		126,950		9,370,654
Restricted for other purposes				2,297,441		2,297,441
Unrestricted	2,701,709	(3,436,851)	667,750	1,133,654	215,124	1,281,386
Total Net Position	\$ 13,297,436	\$ 13,195,756	\$ 6,042,245	\$ 8,457,278	\$ 215,124	\$ 41,207,839
						602,103
						\$ 602,103

The accompanying notes are an integral part of these financial statements.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**Year Ended December 31, 2019**

	Enterprise Funds					Other	
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for services	\$ 5,156,243	\$ 2,796,277	\$ 2,217,151	\$ 936,944	\$ 133,751	\$ 11,240,366	\$ 1,326,932
Miscellaneous	156,694	2,747		9,003	18,000	186,444	
Total Operating Revenues	<u>5,312,937</u>	<u>2,799,024</u>	<u>2,217,151</u>	<u>945,947</u>	<u>151,751</u>	<u>11,426,810</u>	<u>1,326,932</u>
<b>OPERATING EXPENSES</b>							
Personal services	1,237,682	622,106	466,145	690,498		3,016,431	
Contractual services	147,111	141,776	493,008	73,312		855,207	
Utilities	252,833	451,430		74,924	497	779,684	
Repairs and maintenance	368,661	665,347	153,715	145,612		1,333,335	
Other supplies and expenses	558,131	131,936	107,207	88,366		885,640	
Insurance claims and expenses	18,790		1,699	10,679		31,168	1,281,968
Sundry expenses	55,351	56,580	2,576	21,907	45,601	182,015	
Depreciation	325,545	492,183	372,537	266,827		1,457,092	
Total Operating Expenses	<u>2,964,104</u>	<u>2,561,358</u>	<u>1,596,887</u>	<u>1,372,125</u>	<u>46,098</u>	<u>8,540,572</u>	<u>1,281,968</u>
Operating Income (Loss)	<u>2,348,833</u>	<u>237,666</u>	<u>620,264</u>	<u>(426,178)</u>	<u>105,653</u>	<u>2,886,238</u>	<u>44,964</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	28,202	20,234		11,064		59,500	
Interest expense	(191,009)	(227,138)		(34,307)		(452,454)	
Net non-operating revenues (expenses)	<u>(162,807)</u>	<u>(206,904)</u>		<u>(23,243)</u>		<u>(392,954)</u>	
Income (loss) before contributions and transfers							
Transfers in	2,186,026	30,762	620,264	(449,421)	105,653	2,493,284	44,964
Transfers out	1,751,882	708,250	267,002	1,217,270		3,944,404	
	<u>(1,416,203)</u>	<u>(317,610)</u>	<u>(955,350)</u>	<u>(2,134,432)</u>	<u>(65,577)</u>	<u>(4,889,172)</u>	
Change in net position	2,521,705	421,402	(68,084)	(1,366,583)	40,076	1,548,516	44,964
Total fund net position - beginning	10,775,731	15,915,604	4,715,727	8,077,213	175,048	39,659,323	557,139
Prior period correction		(3,141,250)	1,394,602	1,746,648			
Total fund net position - ending	<u>\$ 13,297,436</u>	<u>\$ 13,195,756</u>	<u>\$ 6,042,245</u>	<u>\$ 8,457,278</u>	<u>\$ 215,124</u>	<u>\$ 41,207,839</u>	<u>\$ 602,103</u>
Change in net position, per above						\$ 1,548,516	
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with Business Activities.						(14,322)	
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements						<u>\$ 1,534,194</u>	

The accompanying notes are an integral part of these financial statements.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2019**

	Enterprise Funds					Other	
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Enterprise Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ 5,318,562	\$ 3,024,725	\$ 2,228,044	\$ 936,943	112,041	\$ 11,620,315	\$ 1,326,932
Payments to suppliers	(1,370,569)	(1,450,273)	(756,099)	(471,086)	(46,098)	(4,094,125)	
Payments to employees	(1,231,452)	(616,853)	(462,234)	(687,070)		(2,997,609)	
Payments on claims	(18,790)		(1,699)	(10,679)		(31,168)	(1,277,425)
Internal activity - payment from (to) other funds	(949,234)	(432,010)	(52,662)	(972,118)	(366)	(2,406,390)	(49,507)
Other receipts	156,694	2,747		9,003		168,444	
Net Cash Provided by (Used in) Operating Activities	<u>1,905,211</u>	<u>528,336</u>	<u>955,350</u>	<u>(1,195,007)</u>	<u>65,577</u>	<u>2,259,467</u>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Transfer in	1,751,882	708,250	267,002	1,217,270		3,944,404	
Transfers out	(1,416,203)	(317,610)	(955,350)	(2,134,432)	(65,577)	(4,889,172)	
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>335,679</u>	<u>390,640</u>	<u>(688,348)</u>	<u>(917,162)</u>	<u>(65,577)</u>	<u>(944,768)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition & construction of capital assets	(1,751,882)	(21,255)	(267,002)	(17,412)		(2,057,551)	
Proceeds from issue of capital debt				1,983,889		1,983,889	
Principal paid on capital debt	(798,000)	(670,583)		(220,000)		(1,688,583)	
Interest paid on capital debt	(191,009)	(227,138)		(34,307)		(452,454)	
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(2,740,891)</u>	<u>(918,976)</u>	<u>(267,002)</u>	<u>1,712,170</u>		<u>(2,214,699)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest and investment revenue	28,202	20,234		11,064		59,500	
Net Cash Provided by Investing Activities	<u>28,202</u>	<u>20,234</u>		<u>11,064</u>		<u>59,500</u>	
Net increase (decrease) in cash and cash equivalents	(471,799)	20,234		(388,935)		(840,499)	
Cash and cash equivalents, January 1	4,429,920	2,970,299		1,917,410		9,317,629	
Cash and cash equivalents, December 31	<u>\$ 3,958,121</u>	<u>\$ 2,990,533</u>	<u>\$</u>	<u>\$ 1,528,475</u>	<u>\$</u>	<u>\$ 8,477,129</u>	<u>\$</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ 2,348,833	\$ 237,666	\$ 620,264	\$ (426,178)	\$ 105,653	\$ 2,886,238	\$ 44,964
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities							
Depreciation expense	325,545	492,183	372,537	266,827		1,457,092	
Change in Assets and Liabilities							
Receivables, net	162,319	228,448	10,894		(39,710)	361,951	
Due to (from) other funds	(949,234)	(432,010)	(52,662)	(972,118)	(366)	(2,406,390)	(49,507)
Accounts payable	11,518	(3,203)	406	(66,966)		(58,245)	4,543
Compensated absences	6,230	5,252	3,911	3,428		18,821	
Net Cash Provided by ( Used in ) Operating Activities	<u>\$ 1,905,211</u>	<u>\$ 528,336</u>	<u>\$ 955,350</u>	<u>\$ (1,195,007)</u>	<u>\$ 65,577</u>	<u>\$ 2,259,467</u>	<u>\$</u>

The accompanying notes are an integral part of these financial statements



**CITY OF JAMESTOWN**  
**Statement of Assets and Liabilities**  
**Fiduciary Funds**  
**December 31, 2019**

	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 192,258</u>
Total Assets	<u><u>192,258</u></u>
<b>LIABILITIES</b>	
Due to other governments	<u>192,258</u>
Total Liabilities	<u><u>\$ 192,258</u></u>

**The accompanying notes are an integral part of these financial statements**

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2019**

**1. Summary of Significant Accounting Policies**

The City's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

**A. Description of the Reporting Entity**

**CITY OF JAMESTOWN** is a municipal corporation governed by an elected five-member council. As of 1978, the City adopted a home rule charter.

**B. Reporting Entity**

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Jamestown Regional Airport Authority operates the City's airport facility. The Authority's budget is subject to approval by the city council.

The component unit condensed financial information reflects this discretely presented unit. Complete financial statements for the individual component unit may be obtained from its administrative office as follows:

Jamestown Regional Airport Authority  
Jamestown Airport  
Jamestown, ND 58401

Governmental accounting standards require reasonable separation between the primary government (including its blended component units) and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component unit, although legally separate, has been and is operated as if it is part of the primary government, there are limited instances where special note references or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable to the City and to its component unit.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**B. Reporting Entity – continued**

**Condensed Component Unit Financial Statements**

	Jamestown Regional Airport Authority
ASSETS & DEFERRED OUTFLOWS	
Current assets	\$ 290,897
Capital assets, net	12,963,355
Deferred outflows of resources	171,861
Total Assets & Deferred Outflows	13,426,113
LIABILITIES & DEFERRED INFLOWS	
Current liabilities	166,372
Long-term liabilities	1,714,237
Deferred inflows of resources	132,287
Total Liabilities & Deferred Inflows	2,012,896
NET POSITION	
Invested in capital assets	11,407,244
Restricted for debt service	62,720
Restricted for PFC improvements	15,640
Unrestricted	(72,387)
Total Net Position	\$ 11,413,217
REVENUES	
Program Revenues	
Charges for services	\$ 439,643
Capital contributions	150,449
General revenues	
Property taxes	303,305
Other revenues	26,317
Total Revenues	919,714
EXPENDITURES	
Operating	639,064
Non-operating	652,275
Total Expenditures	1,291,339
Change in Net Position	(371,625)
Net Position beginning of year	11,784,842
Net Position end of year	\$ 11,413,217

**C. Basis of Presentation**

***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**C. Basis of Presentation – continued**

generally are financed through taxes, intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees and charges for services.

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 or segment. The City does not allocate indirect expenses to functions in the Statement of Activities. Program revenues include (1) fines, fees and charges for services to customers that benefit from the services provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

***Fund Financial Statements***

Fund financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues and expenditures.

Funds are organized as major funds or non-major funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type, and
2. Total assets, liabilities, revenues or expenditures of that individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.
3. In addition, any other governmental fund that the City believes is particularly important to financial statement users may be reported as a major fund.

***Governmental Funds***

Governmental funds are utilized to account for most of the City's governmental functions. The City's major governmental funds are as follows:

*General Fund* - The General Fund is the operating fund of the City and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**C. Basis of Presentation – continued**

*Equipment Replacement Fund* - This fund is used to account for the transfer of monies from the different funds to finance the purchase of major equipment.

*City Sales Tax Fund* - This fund is used to account for the portion of sales tax collections dedicated to economic development and payments are made towards economic development projects.

*City Share Specials – Reserve* – This fund is used to fund the City’s share of costs in special assessment projects.

*Special Assessment Deficiency Fund* - This fund is used to account for the sale of lots received for tax deficiencies and pay off the taxes due on the associated lots.

*Construction Fund* – This fund is used to account for the issue of bonds and the construction of major projects for the City.

The City reports the following major enterprise funds:

*Water Utility Fund* – This fund is used to account for the provision of water services to the residents of the City.

*Sewer Utility Fund* – This fund is used to account for the provision of sewer services to the residents of the City.

*Sanitation Fund* – This fund is used to account for the provision of garbage pickup services to the residents of the City.

*Solid Waste Fund* – This fund is used to account for the provision of landfill services to the residents of the City.

In addition, the City reports the following fund types:

*Internal Service Fund* – These funds are used to account for services provided to other City departments, or other governments, on a cost reimbursement basis. The Health Insurance Fund is used to account for the cost of providing health insurance to City employees.

*Agency Funds* – These funds are used to account for assets held by the City as agent for other individuals, private organizations, or other governmental units and /or funds.

**D. Basis of Accounting**

The government-wide Statement of Net Position and Statement of Activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The City’s internal service fund also uses the accrual basis of accounting.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**D. Basis of Accounting – continued**

Governmental funds and agency funds follow the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e. both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of its fiscal year. Expenditures are recorded when the related fund liability is incurred, except for interest not matured on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property tax revenue is recorded as revenue in the year the tax is levied in the government-wide financial statements. Property tax revenues in the governmental funds are recorded when it becomes available.

Property taxes are levied and certified no later than October 10 and the property taxes attach as an enforceable lien on property as of January 1 and are due and payable at that time. The first installment of taxes becomes delinquent March 1 and the second installment on October 15. The taxes are collected by the County Treasurer and remitted to the City on a monthly basis.

State general and categorical aids and other entitlements are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized as revenue when the qualifying expenditures have been incurred and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and deferred revenue. Amounts received prior to the entitlement period are also recorded as deferred revenue.

Revenues susceptible to accrual include property taxes, expenditure-driven grant programs, and interest income. Fines, permits and fees are not susceptible to accrual because they are not measurable until received in cash.

For governmental fund financial statements, deferred revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arises when resources are received before the City has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations.

**E. Measurement Focus**

On the government-wide Statement of Net Position and Statement of Activities governmental activities are presented using the economic resources measurement focus. Under this concept, revenues and expenses are matched using the accrual basis of accounting.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**E. Measurement Focus – continued**

The measurement focus of all governmental funds is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds, and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or a reservation of fund equity.

Liabilities for claims, judgments, compensated absences and pension contributions that will not be currently liquidated using expendable available financial resources are included as liabilities in the government-wide financial statements but are excluded from the governmental fund financial statements. The related expenditures are recognized in the governmental fund financial statements when the liabilities are liquidated.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City's policy is to apply restricted net assets first.

**F. Estimates**

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

**G. Deposits and Investments**

The City maintains deposits at depository banks that are members of the Federal Reserve System. North Dakota laws require all public deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 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 instrumentality's, 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 instrumentality's, 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 body, and bonds issued by any other state of the United States or such other securities approved by the banking board.

*Interest rate risk.* The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* North Dakota State Statute limits political subdivisions to invest their surplus funds in:

1. Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**G. Deposits and Investments - continued**

2. Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above.
3. Certificates of deposit fully insured by the Federal Deposit Insurance Corporation or by the state.
4. Obligations of the state.

The City has no investments other than demand and time deposits.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2019, the City's deposits were fully insured or collateralized with securities held by the financial institutions in the City's name. (See note 2)

**H. Cash Flow Information**

The City considers cash and cash equivalents in proprietary funds for purposes of the statement of cash flows to be cash on hand, demand deposits and all highly liquid investments with a maturity of three months or less.

**I. Capital Assets**

***Government-Wide Statements***

General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported as assets in the fund financial statements. All capital assets are recorded at cost (or estimated historical cost). The assets are updated for additions and retirements during the City's year. The City has established a capitalization threshold of \$5,000 and having a useful life in excess of two years. Donated capital assets are recorded at their fair market value at the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The City's land and construction in progress are capitalized but are not depreciated. All the remaining capital assets are depreciated over their estimated useful lives on a straight-line basis. The City has established the following useful lives:

Buildings	25 to 50 years
Infrastructure	50 to 60 years
Equipment	5 to 20 years



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**I. Capital Assets - continued**

***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

**J. Long-Term Obligations**

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide financial statements. The long-term debt consists primarily of bonds and compensated absences.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources. The payment of principal and interest are reported as expenditures.

**K. Compensated Absences**

The City allows employees to accumulate up to a maximum of 960 hours of sick leave. On termination no payment is made for unused sick leave. Vacation can be carried over up to 40 hours per year. Any vacation not taken is paid for upon termination. The amount to be paid from current resources is not significant.

**L. Equity Classifications**

***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

1. Net investment in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt.
2. Restricted net position – consists of net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, b) law through constitutional provisions or enabling legislation.
3. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**L. Equity Classifications - continued**

***Fund Statements***

In the governmental fund statements, fund balances are classified as restricted, committed, assigned and unassigned.

Restricted fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: (a) externally imposed by creditors, (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority which is the City Council through an ordinance or resolution.

Assigned fund balance represents amounts constrained by the government's intent to be used for a specific purpose, but neither restricted nor committed.

Unassigned fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and is not restricted, committed or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

**M. Pension**

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

**N. Other Post Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**2. Cash and Cash Equivalents**

The City maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and cash equivalents." The following summary presents the amount of the City's deposits which are fully insured or collateralized with securities held by the City or its agent in the City's name (category 1), those deposits which are collateralized with securities held by the pledging financial institutions trust department or agent in the City's name (category 2), and those deposits which are not collateralized (category 3) at December 31, 2019.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary Government					
Cash deposits	\$ 14,506,662	\$ 7,103,201	\$	\$21,609,863	\$21,059,283
Certificates of deposit	250,000	9,394,000		9,644,000	9,644,000
Fiduciary funds					
Cash deposits	<u>192,258</u>	<u></u>	<u></u>	<u>192,258</u>	<u>192,258</u>
Total Deposits	<u>\$14,948,920</u>	<u>\$16,497,201</u>	<u>\$</u>	<u>\$ 31,446,121</u>	<u>\$ 30,895,541</u>

**3. Interfund Receivables, Payables and Transfers**

Cash of all funds is commingled into pooled cash. Separate cash balances are maintained for each fund in the records of the City. When a fund overdraws its share of pooled cash it is shown as a liability of that fund and a receivable of a fund with a positive cash balance since the actual deficit balance in any particular fund is not a bank deficit balance.

Balances due to/from other funds at December 31, 2019, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
General	\$	\$ 7,080,521
Equipment replacement		
City sales tax	1,281,097	
City share specials		463,670
Special assessment deficiency	1,100,724	
Construction		5,913,766
Business type activities	8,259,992	
Internal service fund	678,384	
Other governmental funds	2,137,760	
Interfund Totals	<u>\$ 13,457,957</u>	<u>\$ 13,457,957</u>

Transfers to/from other funds at December 31, 2019, consist of the following:

From the General Fund to the Equipment Replacement Fund to finance equipment purchases	\$ 545,655
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**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**3. Interfund Receivables, Payables and Transfers - continued**

From Construction Fund to General Fund to reimburse costs	286,588
From City Share Specials to Construction Fund to close out projects	295,367
From Business-Type Activities to the Equipment Replacement Fund to finance equipment purchases	230,272
From Other Governmental Funds to Equipment Replacement Fund to finance equipment purchases	4,500
From City Share Specials to Other Governmental Funds to finance debt service	833,297
Between Business-Type Activities to fund Solid Waste	1,199,854
From Other Governmental Funds to Business-Type Activities for debt service	45,000
From Other Governmental Funds to Construction Fund to close out funds	11,161
From Equipment Replacement Fund to Business-Type Activities to replace vehicles	213,820
From City Sales Tax Fund to Construction Fund to fund engineering costs	44,432
From Other Governmental Funds to Special Assessment Deficiency for close outs	2,238
From Business-Type Activities to Construction Fund to closeout project	119,213
From Civic Center to General Fund to record revenues generated	225,168
From Business-Type Activities to General Fund to support project	65,577
From City Share Specials to Business-Type Activities as budgeted	663,250
From Other Governmental Funds to Business-Type Activities to fund debt service	1,822,479
From Business-Type Activities to Construction Fund to fund projects	2,667,469
From Business-Type Activities to General Fund as budgeted	726,000
	<u>\$ 10,001,340</u>

**4. Property Held for Resale**

Property held for resale was obtained in the settlement of litigation. The property is being held only for resale. The property is currently valued at cost.

**5. Capital Assets**

Capital asset activity for the year ended December 31, 2019 was as follows:

**Primary Government**

<i>Governmental Activities</i>	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
Capital assets not being depreciated				
Land	<u>\$ 7,200</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,200</u>
Total capital assets not being depreciated	<u>7,200</u>			<u>7,200</u>
Capital assets being depreciated:				
Buildings	6,053,325			6,053,325
Infrastructure	38,311,187			38,311,187
Equipment	<u>7,487,161</u>	<u>573,163</u>	<u>335,174</u>	<u>7,725,150</u>
Total capital assets being depreciated	<u>51,851,673</u>	<u>573,163</u>	<u>335,174</u>	<u>52,089,662</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**5. Capital Assets - continued**

	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
Less accumulated depreciation for:				
Buildings	3,267,560	195,325		3,462,885
Infrastructure	17,641,900	682,491		18,324,391
Equipment	4,418,753	622,990	224,756	4,816,987
Total accumulated depreciation	<u>25,328,213</u>	<u>1,500,806</u>	<u>224,756</u>	<u>26,604,263</u>
Net capital assets being depreciated	<u>26,523,460</u>	<u>(927,643)</u>	<u>110,418</u>	<u>25,485,399</u>
Governmental Activities capital assets, net	<u>\$ 26,530,660</u>	<u>\$ (927,643)</u>	<u>\$ 110,418</u>	<u>\$25,492,599</u>
<i>Business-Type Activities</i>	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
Capital assets not being depreciated				
Land	\$ 60,000	\$	\$	\$ 60,000
Construction in progress	3,554,066	1,822,479	3,547,153	1,829,392
Total capital assets not being depreciated	<u>3,614,066</u>	<u>1,822,479</u>	<u>3,547,153</u>	<u>1,889,392</u>
Capital assets being depreciated				
Buildings	23,886,056			23,886,056
Infrastructure	37,857,265	3,207,433		41,064,698
Equipment	5,769,591	235,075	332,119	5,672,547
Total capital assets being depreciated	<u>67,512,912</u>	<u>3,442,508</u>	<u>332,119</u>	<u>70,623,301</u>
Less accumulated depreciation				
Buildings	11,647,129	432,250		12,079,379
Infrastructure	6,270,322	678,176		6,948,498
Equipment	3,818,590	346,667	332,119	3,833,138
Total accumulated depreciation	<u>21,736,041</u>	<u>1,457,093</u>	<u>332,119</u>	<u>22,861,015</u>
Net capital assets being depreciated	<u>45,776,871</u>	<u>1,985,415</u>		<u>47,762,286</u>
Business-Type Activities capital assets, net	<u>\$49,390,937</u>	<u>\$ 3,807,894</u>	<u>\$3,547,153</u>	<u>\$ 49,651,678</u>

**Discretely Presented Component Units**

Activity for Jamestown Municipal Airport Authority for the year ended December 31, 2019 follows:

	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
Capital assets not being depreciated				
Land	\$ 317,471	\$	\$	317,471
Construction in progress	3,140,299	141,426	3,225,345	56,380
Total capital assets not being depreciated	<u>3,457,770</u>	<u>141,426</u>	<u>3,225,345</u>	<u>373,851</u>
Capital assets being depreciated				
Buildings	5,044,954			5,044,954
Equipment	1,694,449		22,380	1,672,069
Infrastructure	12,905,359	3,225,345		16,130,704
Total capital assets being depreciated	<u>19,644,762</u>	<u>3,225,345</u>	<u>22,380</u>	<u>22,847,727</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**5. Capital Assets - continued**

	<u>12/31/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/19</u>
Less accumulated depreciation	<u>9,671,404</u>	<u>609,199</u>	<u>22,380</u>	<u>10,258,223</u>
Net capital assets being depreciated,	<u>9,973,358</u>	<u>2,616,146</u>		<u>12,589,504</u>
Component Units capital assets, net	<u>\$13,431,128</u>	<u>\$ 2,757,572</u>	<u>\$ 3,225,345</u>	<u>\$12,963,355</u>

Depreciation expense by function - primary government:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General government	\$ 36,958	Water utility	\$ 325,545
Public safety	206,687	Sewer utility	492,183
Public works	1,033,076	Sanitation	372,537
Civic center	<u>224,085</u>	Solid waste	<u>266,828</u>
Total	<u>\$ 1,500,806</u>	Total	<u>\$ 1,457,093</u>

**6. Deferred Outflows/Inflows of Resources**

In addition to assets, the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditures) until then. Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time. The City has unavailable revenue from a variety of sources in the governmental funds. The City has deferred inflows of resources related to pensions. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**7. Long-Term Obligations**

Governmental activities include the following types of long-term debt:

*Special assessment bonds* are issued to provide for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking fund that has been set up to accumulate the taxes collected by the County from the property owners who directly benefit from each project.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**7. Long-Term Obligations - continued**

**Refunding Improvement Bonds**

\$1,309,568 Wastewater Treatment Assessment Warrant of 2004 due in annual installments of \$55,000 to \$85,000 through September 1, 2024, interest at 2.5%	\$	405,000
\$1,820,000 2006 Series O bonds due in annual installments of \$10,000 to \$250,000 through May 1, 2021, interest at 4.0% to 4.4%		25,000
\$1,467,998 2007B improvement bonds replace sanitary sewer mains due in annual installments of \$74,998 to \$79,000 through September 1, 2026, interest at 2.5%		546,000
\$2,675,000 2010 Series S bonds due in annual installments of \$20,000 to \$370,000 through May 1, 2025, interest at 1.00% to 3.20%		130,000
\$2,955,000 2011 Series T bonds due in annual installments of \$80,000 to \$560,000 through May 1, 2026, interest at 2.00% to 3.55%		590,000
\$2,540,000 2012 Series U bonds due in annual installments of \$95,000 to \$345,000 through May 1, 2022, interest at 1.00% to 1.65%		285,000
\$2,210,000 2013 Series V bonds due in annual installments of \$15,000 to \$310,000 through September 1, 2026, interest at 2.5%		415,000
\$4,520,000 2014 Series W bonds due in annual installments of \$290,000 to \$315,000 through May 1, 2029, interest at 1% to 3%		2,965,000
\$870,000 2014 Series X bonds due in annual installments of \$50,000 to \$65,000 through May 1, 2029, interest at 2% to 4%		550,000
\$3,710,000 2015 Series Y bonds due in annual installments of \$75,000 to \$455,000 through May 1, 2036, interest at 1.5% to 5.25%		3,385,000
\$1,975,000 2015 Series Z bonds due in annual installments of \$270,000 to \$295,000 through May 1, 2022, interest at 2%		810,000
\$1,123,587 2016B water treatment assessment warrants due in annual installments of \$45,000 to 70,000 through September 1, 2036, interest at 2.5%		985,000
\$4,090,000 Series 2017 AA bonds due in annual installments of \$540,000 to 665,000 through May 1, 2024, interest at 2%		2,820,000
\$2,049,964 Series 2017 definitive improvement warrant due in semi-annual installments of \$75,938.96 including interest to May 1, 2047, interest at 2%		2,226,279

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**7. Long-Term Obligations - continued**

\$2,701,875 Series 2017 definitive improvement warrant due in semi-annual installments of \$67,062.61 including interest to May 1, 2047, interest at 2%	2,655,291
\$2,170,000 Series 2018 AB bonds due in annual installments of \$295,000 to \$330,000 including interest to May 1, 2015, interest at 2%	<u>1,875,000</u>
	<u>\$ 20,667,570</u>

Business-Type activities include the following types of long-term debt:

*Revenue bonds* are backed by the revenues from the Enterprise Funds to pay the debt service.

**Revenue Bonds**

\$2,534,604 water treatment bonds of 2005 due in annual installments of \$104,604 to \$155,000 through September 1, 2025, interest at 2.5%	\$ 885,000
\$1,475,346 master lift station revenue bonds of 2005 due in annual installments of \$57,346 to \$93,000 through September 1, 2026, interest at 2.5%	605,000
\$2,076,816 water treatment revenue bonds of 2007 due in annual installments of \$90,000 to \$135,000 through September 1, 2026 interest at 2.5%	875,000
\$2,996,823 water treatment revenue bonds of 2010 due in annual installments of \$135,000 to \$165,000 through September 1, 2030, interest at .5%	1,725,000
\$1,140,023 wastewater treatment revenue bonds of 2011 due in annual installments of \$50,000 to \$90,000 through September 1, 2030, interest at 2.5%	705,000
\$2,653,177 water treatment revenue bonds of 2010B, due in annual installments of \$105,000 to \$170,000 through September 1, 2030, interest at 2.5%. In 2013, the City received \$381,617 in ARRA debt forgiveness.	1,360,000
\$822,306 clean water revenue bonds of 2013, due in annual installments of \$32,306 to \$50,000 through September 1, 2033, interest at 2%	615,000
\$1,000,000 wastewater treatment assessment warrant of 2013, due in annual installments of \$35,000 to \$70,000 through September 1, 2034, interest at 2%	800,000
\$10,350,000 wastewater treatment revenue bonds of 2013, due in annual installments of \$405,000 to \$655,000 through September 1, 2034, interest at 2%	8,015,000
\$3,812,000 water tower revenue bonds of 2013, due in annual installments of \$152,000 to \$235,000 through September 1, 2033, interest at 2%	2,780,000
\$910,000 (not fully issued) drinking water revenue bonds of 2014, due in annual installments of \$35,000 to \$50,000, through September 1, 2034, interest at 2%	620,000



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**7. Long-Term Obligations - continued**

\$521,119 solid waste treatment revenue bonds of 2016, due in annual installments of \$20,000 to \$35,000 through September 1, 2031, interest at 2%	460,000
\$539,511 water treatment revenue bonds of 2016C, due in annual installments of \$30,000 to \$40,000 through September 1, 2031, interest at 2%	440,000
\$1,174,794 solid waste disposal revenue bonds of 2017, due in annual installments of \$200,000 to \$215,000 through September 1, 2037, interest at 2%	2,758,683
\$597,583 waste water treatment revenue bonds of 2017B, due in annual installments of \$30,000 to \$35,000 through September 2, 2037, interest at 2%	575,000
\$1,316,465 water treatment revenue bonds of 2017C, due in annual installments of \$70,000 to \$85,000 through September 1, 2037, interest at 1.5%	<u>1,248,465</u>
	<u>\$ 24,467,148</u>

*Conduit Debt.* From time to time, the City has approved issuance of Municipal Industrial Development Act Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2019, the number of Industrial Revenue Bonds outstanding and the aggregate principle amount payable is unknown.

The following is a summary of long-term obligation transactions for the year ended December 31, 2019:

	<u>12/31/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u>	<u>Due Within One Year</u>
<i>Governmental Activities</i>					
Long-term debt					
Refunding improvement bonds	\$22,964,865	\$ 515,865	\$2,813,160	\$20,667,570	\$ 2,503,458
Issue costs	136,949		20,510	116,439	
Lease/purchase	1,413,689		114,221	1,299,468	117,900
Total Long-Term Debt	<u>24,515,503</u>	<u>515,865</u>	<u>2,947,891</u>	<u>22,083,477</u>	<u>2,621,358</u>
Compensated absences	285,392	16,791		302,183	
Net pension obligation PERS	8,108,894		2,395,334	5,713,560	
Net OPEB liability	<u>355,287</u>	<u>9,689</u>		<u>364,976</u>	
Governmental Activities Long Term Liabilities	<u>\$ 33,265,076</u>	<u>\$ 542,345</u>	<u>\$ 5,343,225</u>	<u>\$ 28,464,196</u>	<u>\$ 2,621,358</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**7. Long-Term Obligations - continued**

	<u>12/31/18</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/19</u>	<u>Due Within One Year</u>
<i>Business-Type Activities</i>					
Long-term debt					
Revenue bonds	\$24,171,842	\$1,983,889	\$1,688,583	\$24,467,148	\$ 1,725,000
Landfill closure costs	1,746,648		339,721	1,406,927	
Total Long-Term Debt	<u>25,918,490</u>	<u>1,983,889</u>	<u>2,028,304</u>	<u>25,874,075</u>	<u>1,725,000</u>
Compensated absences	<u>126,816</u>	<u>18,821</u>		<u>145,637</u>	
Business-Type Activities Long Term Liabilities	<u>\$26,045,306</u>	<u>\$2,002,710</u>	<u>\$2,028,304</u>	<u>\$26,019,712</u>	<u>\$ 1,725,000</u>
<i>Discretely presented component unit</i>					
Long-term debt					
Revenue bonds	\$ 730,473	96,004	54,318	\$ 772,159	\$ 55,000
Notes payable	828,726	9,362	54,136	783,952	43,408
Total long-term debt	<u>1,559,199</u>	<u>105,366</u>	<u>108,454</u>	<u>1,556,111</u>	<u>98,408</u>
Net pension obligation	237,345	203,118	199,333	241,130	
Net OPEB liability	<u>10,399</u>	<u>9,401</u>	<u>4,396</u>	<u>15,404</u>	
Discretely Presented Component Unit Long Term Liabilities	<u>\$ 1,806,943</u>	<u>\$ 317,885</u>	<u>\$ 312,183</u>	<u>\$ 1,812,645</u>	<u>\$ 98,408</u>

Annual debt service requirements to maturity (not including compensated absences) are as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Special Assessment Bonds</u>		<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 2,503,458	\$ 540,414	\$ 1,725,000	\$ 613,350
2021	2,195,693	482,390	1,777,000	571,870
2022	2,186,953	425,998	1,809,000	529,043
2023	1,813,239	372,313	1,861,000	485,355
2024	1,824,550	322,196	1,909,000	440,405
2025 – 2029	4,325,360	1,105,392	8,784,000	1,542,862
2030 – 2034	2,265,329	569,140	6,323,683	509,404
2035 – 2039	1,586,166	161,953	278,465	11,204
2040 – 2044	901,276	69,662		
2045 – 2047	1,065,546	32,043		
Total	<u>\$ 20,667,570</u>	<u>\$ 4,081,501</u>	<u>\$ 24,467,148</u>	<u>\$ 4,703,493</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**7. Long-Term Obligations - continued**

The City leases equipment with a historical cost of \$1,524,826 and accumulated amortization of \$525,218 under capital lease arrangements. Future minimum lease payments at December 31, 2019, are as follows:

2020	\$ 157,443
2021	157,443
2022	157,443
2023	157,443
2024	157,443
2025 – 2029	<u>721,610</u>
Total minimum lease payments	1,508,825
Less deferred interest	<u>209,357</u>
Present value minimum lease payments	<u>\$ 1,299,468</u>

**8. Pension Plan**

**A. Plan Description**

The City provides pension benefits for employees of the City including Park Board employees, through the Retirement Plan of the City of Jamestown (single employer plan).

All employees who are employed for more than 20 hours a week and more than five months a year, with one year of continuous service, are eligible to participate. Benefits are 50% vested at five years of credited service and thereafter an additional 10% per year until they are 100% vested at 10 years of service.

A member may retire with an age and service benefit after completing 25 years of credited service and attaining the normal retirement age of 65. The retirement benefit for employees terminating after January 1, 1998, payable monthly for life equals 1.2% of a member's average monthly earnings multiplied by credited service (maximum 30). For those participant's that are age 60 or older as of January 1, 1998, their benefit will be the greater of the benefit calculated as stated previously or 60% of average monthly earnings minus 75% of his social security benefit, reduced 1/25 for each year of credited service less than 25 at normal retirement date. The minimum benefit shall be the accrued benefit under the old benefit formula as of January 1, 1998. If a member has less than 25 years of credited service the benefit is determined by taking the above formula times the fraction of the years of credited service divided by 25. A member's average monthly earnings is the average pay over the highest five consecutive years of employment. A member may retire early and receive a percentage of the accrued benefit based on the number of years retired early as long as the member has earned at least ten years credited service, is within ten years of normal retirement, and has the employer's approval.

Benefit provisions and all other requirements are established by City ordinance. Employees are not required to contribute to the Plan. The City is required to make all contributions necessary to fund the Plan using the actuarial basis specified by City ordinance. There are no related party transactions.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**8. Pension Plan – continued**

**B. Funding Status and Progress**

The amount shown below as the “pension benefit obligation” is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 2020. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7% a year compounded annually, (b) projected salary increases of 4% a year compounded annually, attributable to inflation, and (c) no postretirement benefit increases.

Assets in excess of accumulated pension benefit obligation were \$2,615,274 at December 31, 2019, as follows:

	<u>January 1, 2020</u>
Accumulated pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 5,520,796
Current employees	
100% vested	2,053,179
Deferred vested	<u>724,267</u>
Total pension benefit obligation	8,298,242
Net assets available for benefits at market (cost unavailable)	<u>10,913,516</u>
Assets in excess of accumulated pension benefit obligation	<u>\$ 2,615,274</u>

For the year ended December 31, 2019, the employer recognized pension expense of \$0 and deferred inflows of resources of \$180,087.

Effective January 1, 2009, the actuarial cost method changed from the entry age normal with closed 30-year level dollar amortization method to entry age normal with closed 25-year level dollar amortization method and the mortality tables changed from 1983 Group Annuity Mortality table to RP2000 combined healthy mortality table. Effective January 1, 2014, the actuarial cost method changed to entry age normal with closed 25-year level dollar amortization. Effective January 1, 2008, The City began participation in the North Dakota Public Employees Retirement System. Employees were allowed to transfer to the ND PERS at that time.

**C. Actuarially Determined Contribution Requirements and Contributions Made**

The Plan’s funding policy provides for actuarially determined periodic contributions at rates necessary to accumulate sufficient assets to pay benefits when due.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**8. Pension Plan – continued**

The significant actuarial assumptions used to compute the actuarially determined contribution rate are the same as those used to compute the pension benefit obligation as described in B above.

The contributions to the Plan for 2020 was calculated to be \$0 based on actuarially determined requirements computed through actuarial valuations performed as of January 1, 2020.

**D. Trend Information**

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Ten-year trend information may be found on page 60 of the City's financial statements. For the three years ended 2019, 2018 and 2017, available assets were sufficient to fund 132%, 106%, and 117%, respectively, of the pension benefit obligation. The Plan went from an overfunded plan of \$1,413,163 in 2017 to an overfunded plan of \$459,665 in 2018 and an overfunded plan of \$2,615,274 in 2019. The City's contributions for the years ended 2019, 2018 and 2017 were 0.00%, 0.00%, and 2.00%, respectively, of annual covered payroll, all made in accordance with actuarially determined requirements.

**9. North Dakota Public Employees Retirement System (Main System)**

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board composed of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

**Pension Benefits**

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Main system are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**9. North Dakota Public Employees Retirement System (Main System) - continued**

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contribution plus interest.

**Death and Disability Benefits**

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

**Refunds of Member Account Balance**

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

**Member and Employer Contributions**

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**9. North Dakota Public Employees Retirement System (Main System) - continued**

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the City reported a liability of \$5,713,560 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At July 1, 2019, the Employer's proportion was .487475%, which is an increase of .006979 from its proportion measured as of July 1, 2018.

For the year ended December 31, 2019, the Employer recognized pension expense of \$1,027,891. At December 31, 2019, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 3,383	\$ 1,036,902
Changes of assumptions	2,135,007	1,833,088
Net difference between projected and actual earnings on pension plan investments	99,544	
Changes in proportion and differences between employer contributions and proportionate share of contributions	106,523	162,447
Employer contributions subsequent to the measurement date	187,387	
	<u>\$ 2,531,844</u>	<u>\$ 3,032,437</u>

\$187,387 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

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

Year ended December 31:	
2020	\$ 177,433
2021	43,807
2022	(225,282)
2023	(524,746)
2024	(159,192)

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**9. North Dakota Public Employees Retirement System (Main System) - continued**

**Actuarial assumptions.** The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%		
Salary Increases	Service at Beginning of Year	State Employee	Non-State Employee
	0	12.00%	15.00%
	1	9.50%	10.00%
	2	7.25%	8.00%
	3		
	4		
	Age		
	Under 30	7.25%	10.00%
	30 – 39	6.50%	7.50%
	40 – 49	6.25%	6.75%
	50 – 59	5.75%	6.50%
	60+	5.00%	5.25%

\*Age-based salary increase rates apply for employees with three or more years of service

Investment rate of return	7.75%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30%	6.05%
International Equity	21%	6.71%
Private Equity	7%	10.20%
Domestic Fixed Income	23%	1.45%
International Fixed Income	0%	0.00%
Global Real Assets	19%	5.11%
Cash Equivalents	0%	0.00%



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**9. North Dakota Public Employees Retirement System (Main System) - continued**

**Discount rate.** For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.75%; the municipal bond rate is 3.62%; and the resulting Single Discount Rate is 6.32%.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.** The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.32 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.32 percent) or 1-percentage-point higher (7.32 percent) than the current rate:

	1% Decrease (5.32%)	Current Discount Rate (6.32%)	1% Increase (7.32%)
Employer's proportionate share of the net pension liability	\$ 8,192,015	\$ 5,713,560	\$ 3,631,224

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

**10. Other Post Employment Benefits (OPEB)**

The following brief description of the NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**10. Other Post Employment Benefits (OPEB) - continued**

any other health insurance plan. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system; one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

**OPEB Benefits**

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds.

Retiree Health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At December 31, 2019, the Employer reported a liability of \$364,976 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At July 1, 2019, the Employer's proportion was .45441% which was an increase of .003291% from its proportion measured as of July 1, 2018.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**10. Other Post Employment Benefits (OPEB) - continued**

For the year ended December 31, 2019, the Employer recognized OPEB expense of \$47,283. At December 31, 2019, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,012	\$ 11,401
Change of assumptions	43,499	
Net difference between projected and actual earnings on OPEB plan investments	407	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,725	14,148
Employer contributions subsequent to the measurement date	30,004	
	<u>\$ 85,647</u>	<u>\$ 25,549</u>

\$30,004 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB's will be recognized in OPEB expense as follows:

Year ended December 31:	
2020	\$ 4,368
2021	4,368
2022	7,766
2023	7,142
2024	3,386
Thereafter	3,064

**Actuarial Assumptions.** The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	Not applicable
Investment rate of return	7.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**10. Other Post Employment Benefits (OPEB) - continued**

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Domestic Equities	37%	5.80%
Small Cap Domestic Equities	9%	7.05%
International Equities	14%	6.20%
Core-Plus Fixed Income	40%	1.46%

**Discount rate.** The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2018, and July 1, 2017, HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate.** The following presents the net OPEB liability of the Plans as of July 1, 2019, calculated using the discount rate of 7.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employer's proportionate share of the net pension liability	\$ 465,844	\$ 364,976	\$ 278,634

**11. Cobra Benefits**

Under the Consolidated Omnibus Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured before the first day of the month for the actual month covered. This program is offered for a period of 18 months after the employee's termination date. There is no cost to the City.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**12. Risk Management**

The City is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; health care of its employees and natural disasters. The City is self-insured for employee health insurance. The City has established a separate fund to account for this activity: Group Health Insurance. Each participating fund makes payments to the group health insurance fund. Such payments are displayed on the financial statement as revenues and expenditures/expenses to the extent that the charge to the other funds is based on the actual expenses of the funds plus an additional amount for catastrophic losses. Payments in excess of these amounts, if any, are reported as operating transfers.

The City has contracted with third party administrators (TPAS) to administer the employee health insurance programs and to review and process claims. In addition, the City has contracted with third party carriers for specific and aggregate stop loss coverage to limit the City's exposure to losses. The specific and aggregate stop loss coverage is as follows:

Health insurance – The City is self-insured for \$20,000 per individual per year with the aggregate stop loss attachment point of 120% of expected plan benefits incurred during the contract year.

A reconciliation of claims payable for the years ended December 31, 2019 and 2018, is as follows:

	2019	2018
Claims payable, January 1	\$ 71,738	\$ 82,709
Add: Claims incurred	662,721	560,565
Less: Claims paid	<u>(658,178)</u>	<u>(571,536)</u>
Claims payable, December 31	<u>\$ 76,281</u>	<u>\$ 71,738</u>

Claims payable are based on claims paid in January, February, March and April of 2020 for claims incurred in 2019.

The City participates in the North Dakota Insurance Reserve Fund (NDIRF) entity risk pool established by certain municipalities ("Members") to provide liability coverage. The City's payments to NDIRF are displayed on the financial statements as expenditures/expenses in the appropriate funds.

The purpose of the NDIRF is to act as a joint self-insurance pool for the purpose of seeking the prevention or lessening of liability claims for injuries to persons or property or claims for errors and omissions made against the Members and other parties included within the scope of coverage of the NDIRF.

The city does not exercise any control over the activities of the NDIRF.

The City's risk for workers' compensation is covered by premiums paid to the North Dakota Workforce Safety and Insurance. It was created by the Legislature of the State of North Dakota. The City's risk for property coverage is covered by premiums paid to the North Dakota State Fire and Tornado fund. The Fund was established by the State of North Dakota to insure political subdivisions and certain other

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**12. Risk Management - continued**

entities against loss to public buildings and permanent contents from damage caused by fire, tornadoes and other types of risks.

For insured programs, there have been no significant reductions in insurance coverage. Settled claims have not exceeded commercial insurance coverage for the current year or the three prior years.

**13. Closure and Post-closure Care Costs**

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City has calculated a liability as of the financial statement date. The estimated landfill closure and post-closure care liability at December 31, 2019, is \$238,987 representing the cumulative amount to date based on 15 percent of the estimated capacity used to date. An additional \$1,167,940 is the remaining balance of the estimated cost of closure and post-closure care for the remaining capacity. These amounts are based on what it would cost to perform all closure and post-closure care in 2019. The City expects to close the landfill in the year 2020. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The City is required by state and federal regulations to demonstrate the financial assurance mechanism established for closure and post-closure costs. The City must meet the following test:

1. A ratio of current assets to current liabilities greater than one and five-tenths or a current rating for the owner's or operator's most recent bond issuance of AAA, AA or A as issued by Standard and Poor's or Aaa, Aa or A as issued by Moody's; and
2. Net working capital and tangible net worth each at least six times the sum of the current cost estimates for closure or post-closure, whichever is applicable; and
3. Tangible net worth of at least two million dollars; and
4. Assets located in the United States amounting to at least four times the current cost estimates for closure or post-closure care, whichever is applicable.

The City is in compliance with the above requirements.

**14. Litigation**

The City is party to various legal proceedings which normally occur in government operations. These legal proceedings and negotiations are not likely to have a material adverse impact on the affected funds of the City.

**15. Tax Abatements**

Per GASB Statement No. 77, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**15. Tax Abatements – continued**

entity promises to tax a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of December 31, 2019, the City of Jamestown provided tax abatements in the form of property tax exemptions for certain new residential properties, improvements made to existing commercial and residential buildings, new and expanding businesses, tax increment financing, and properties in the Renaissance Zone.

The property tax exemption for certain single family, condominium and townhouse residential properties, NDCC § 57-02-08 (35), allows for a property tax exemption of up to one year, excluding land, up to a maximum of \$150,000 for improvements. Property tax exemption for builders of certain new single-family residential properties NDCC § 57-02-08 (42) allows for a property tax exemption, if owned by the builder for up to two years, excluding land, with no maximum amount for improvements. These may also be used in combination totaling 2 years combined.

The property tax incentive for new or expanding businesses, NDCC § 40-57.1, provides for property tax exemptions as well as payments in lieu of taxes to revenue-producing, primary sector enterprises. This incentive allows for a new or expanding business to be granted a property tax exemption for up to five years or a payment in lieu of tax option for up to twenty years. This is to encourage activities in the public interest by assisting in establishing industrial plants, expanding and retaining existing businesses, and to help promote economic activities within the state and thereby increasing production of wealth and adding to the volume of employment.

Tax increment financing, NDCC § 40-58-20, allows for providing a property tax exemption to provide assistance in a development of commercial or industrial property or urban renewal area for the development of commercial or industrial property or for the elimination and prevention of the development or spread of slums and blight.

The Renaissance Zone property tax exemption, NDCC § 40-63, is for commercial and residential properties located within a renaissance zone and allows for the buildings to be exempt for up to five years. A renaissance zone is a geographic area, proposed by a city, and designated by the State Department of Commerce. This incentive is to encourage the purchase, lease, rehabilitation, or historical preservation or renovation of properties within the zone.

The total reduction in property tax revenue due to tax abatements in 2019 is as follows:

Single family residence/builders	\$	4,882
Tax increment finance		59,084
Renaissance zone		15,929
New or expanding business		43,330
		<hr/>
	\$	123,225
		<hr/>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**16. Subsequent Events**

On April 23, 2020, the City Council awarded the bid for \$1,961,148 for seal coat, patching, construction and reconstruction and \$1,081,456 for the state hospital water lines. On May 4, 2020 they awarded the bid for \$1,596,678 for water main improvements and issued \$2,123,000 in water treatment assessment warrants.

**17. Joint Venture**

The Jamestown/Stutsman Development Corporation is organized to improve business conditions of the **CITY OF JAMESTOWN** and Stutsman County, North Dakota, to attract new primary sector businesses and industry, and support existing business and industry. The Corporation is primarily supported by the **CITY OF JAMESTOWN** through sales tax revenues and Stutsman County by a dedicated mill levy.

The Corporation issued separate financial statements available at their offices located at 210 10<sup>th</sup> Street NE, Jamestown, North Dakota.

**18. Federal and State Grants**

In the normal course of operations, the City receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authorities to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

**19. City of Jamestown Sales Tax**

During the year ended December 31, 2019, the City of Jamestown collected 2% City sales tax.

City Sales tax fund	
Sales tax	\$ 1,177,127
Park District sales tax	2,619,468
City Share special reserves	
Sales tax	1,177,127
Series Y – TIF District	
Menards sales tax	265,215
Total Collections	5,238,937
Passed thru to Jamestown Park & Recreation District	2,619,468
Total City Sales Tax	<u>\$ 2,619,469</u>

**20. Deficit Fund Balances**

The deficit of \$4,975 in the Forestry Grant Fund (special revenue fund), \$33 in the Bulletproof Vest Fund (special revenue fund) and \$3,942 in the City Taxi Fund (special revenue fund) are due to timing differences for expenses that will be reimbursed by the grant or by matching funds.

The deficit of \$263,045 in the Series 2017 Definitive Improvement Warrant fund (16-42) and \$279,331 in the Series 2017 Definitive Improvement Warrant fund (16-43) (all debt service funds) are due to timing differences for when the specials will be assessed.



**CITY OF JAMESTOWN**  
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**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2019**

**21. Net Position**

Governmental activities net position reported on the Government Wide Statement of Net Position at December 31, 2019 include the following:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Capital assets, net of accumulated depreciation	\$ 25,492,599	\$ 49,651,678
Less: related long-term debt	22,083,477	25,874,075
Net Investment in Capital Assets	<u>3,409,122</u>	<u>23,777,603</u>
Restricted		
Capital projects	3,867,658	9,370,654
Debt service	6,026,752	4,480,755
Special revenue	411,832	2,297,441
Total Restricted	<u>10,306,242</u>	<u>16,148,850</u>
Unrestricted	<u>(2,503,467)</u>	<u>1,334,699</u>
Total Net Position	<u>\$ 11,211,897</u>	<u>\$ 41,261,152</u>

**21. Governmental Fund Balances**

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General	Equipment Replacement	City Sales Tax	Special Assessment Deficiency	Construction	City Share Specials - Reserve	Other Governmental Funds	Total
Restricted:								
Debt service	\$	\$	\$	\$ 2,169,366	\$	\$	\$ 3,766,755	\$ 5,936,121
Committed:			374,014				37,818	411,832
Assigned:								
Equipment replacement		3,447,274						3,447,274
Economic development/ infrastructure			6,886,275					6,886,275
Capital projects							412,530	412,530
City share specials						548,453		548,453
Vector control							391,307	391,307
Visitor's promotion							178,806	178,806
Visitor's promotion capital construction							137,049	137,049
City taxi							(3,942)	(3,942)
Bulletproof vest							(33)	(33)
Homeland security							625	625
Forestry							(4,975)	(4,975)
DARE							4,011	4,011
Unassigned	689,259				(5,954,029)			(5,264,770)
	<u>\$ 689,259</u>	<u>\$3,447,274</u>	<u>\$ 7,260,289</u>	<u>\$2,169,366</u>	<u>\$ (5,954,029)</u>	<u>\$ 548,453</u>	<u>\$ 4,919,951</u>	<u>\$ 13,080,563</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances) Schedule**  
**General Fund**  
**Year Ended December 31, 2019**

	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Property taxes	\$ 4,414,420	\$ 4,414,420	\$ 4,173,880	\$ (240,540)
Sales and miscellaneous taxes	84,205	84,205	88,990	4,785
Fees and fines	185,000	185,000	113,893	(71,107)
Licenses and permits	277,470	277,470	340,918	63,448
Intergovernmental	1,851,700	1,851,700	1,965,299	113,599
Charges for services	397,400	397,400	450,380	52,980
Investment earnings	5,000	5,000	76,685	71,685
Miscellaneous	161,800	161,800	163,412	1,612
Total Revenues	<u>7,376,995</u>	<u>7,376,995</u>	<u>7,373,457</u>	<u>(3,538)</u>
<b>EXPENDITURES</b>				
Current:				
General government	852,581	852,581	848,076	4,505
Public safety	4,035,950	4,035,950	3,694,509	341,441
Public works	2,020,458	2,020,458	2,497,762	(477,304)
Flood control			144,084	(144,084)
Health	56,295	56,295	56,295	
Civic center	475,196	475,196	466,060	9,136
Debt Service				
Principal	114,222	114,222	114,221	1
Interest	43,223	43,223	43,222	1
Capital Outlay	414,395	414,395	27,432	386,963
Total Expenditures	<u>8,012,320</u>	<u>8,012,320</u>	<u>7,891,661</u>	<u>120,659</u>
Excess (deficiency) of revenues over expenditures	<u>(635,325)</u>	<u>(635,325)</u>	<u>(518,204)</u>	<u>117,121</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	726,000	726,000	1,270,477	544,477
Transfers out	(193,760)	(193,760)	(803,760)	(610,000)
Total Other Financing Sources and (Uses)	<u>532,240</u>	<u>532,240</u>	<u>466,717</u>	<u>(65,523)</u>
<b>SPECIAL ITEM</b>				
Proceeds from sale of capital assets			532	532
Net change in fund balances	(103,085)	(103,085)	(50,955)	52,130
Fund Balances - Beginning	2,718,238	2,718,238	2,718,238	
Fund Balances - Ending	<u>\$ 2,615,153</u>	<u>\$ 2,615,153</u>	<u>\$ 2,667,283</u>	<u>\$ 52,130</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances) Schedule**  
**Notes to RSI - General Fund**  
**Year Ended December 31, 2019**

**Note A - Explanation of Differences Between Budgetary Inflows  
and Outflows and GAAP Revenues and Expenditures**

**Sources/Inflows of Resources**

Actual amounts (budgetary basis) "available for appropriations" from the budgetary comparison schedule	\$ 7,373,457
Taxes receivable collected in first 60 days of the year are not considered revenues for budgetary purposes	26,136
Grants accrued at prior year are included for budgetary purposes	(4,307)
Grants accrued are not considered revenues for budgetary purposes	1,248
Engineering fees are treated as transfers for fund purposes	(286,589)
The net proceeds from the civic center are included in the budget	<u>186,579</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 7,296,524</u></u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,891,661
Accounts payable at prior year end are included in the budget	(27,499)
Accounts payable at current year end are not included in the budget	42,426
The expenses from promotion, revolving and concession funds are not included in the budget	<u>167,455</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 8,074,043</u></u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances) Schedule**  
**Notes to RSI - General Fund**  
**Year Ended December 31, 2019**

**Note B - Budgets and Budgetary Accounting**

Budgets should be adopted for the general fund, each special revenue fund and each debt service fund. The final budget and tax levy must be approved by October 7th. The final budget must be submitted to the county auditor no later than October 10th.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1 Prior to September 10, the City Administrator submits to the City Council a proposed operating budget for the year beginning January 1. The operating budget includes proposed expenditures and the means of financing them. Annual appropriations lapse at year end.
- 2 Public hearings are conducted to obtain taxpayer comment.
- 3 Prior to October 1st, the budget is legally enacted through the passage of an ordinance.
- 4 Formal budgetary integration is employed as a management control device for the year.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances) Schedule**  
**Major Special Revenue Fund**  
**Year Ended December 31, 2019**

	<b>City Sales Tax</b>			
	<b>Budgeted Amounts</b>		<b>Actual Amounts, Budgetary Basis</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Sales and miscellaneous taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,177,127	\$ (122,873)
Investment earnings	16,500	16,500	48,357	31,857
Miscellaneous	145,000	145,000	210,249	65,249
Total revenues	<u>1,461,500</u>	<u>1,461,500</u>	<u>1,435,733</u>	<u>(25,767)</u>
<b>EXPENDITURES</b>				
Current:				
Business and industrial development	1,531,500	1,531,500	2,004,073	(472,573)
Capital Outlay				
Total Expenditures	<u>1,531,500</u>	<u>1,531,500</u>	<u>2,004,073</u>	<u>(472,573)</u>
Excess (deficiency) of revenues over expenditures	<u>(70,000)</u>	<u>(70,000)</u>	<u>(568,340)</u>	<u>(498,340)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out			(44,432)	(44,432)
Total other financing sources (uses)			<u>(44,432)</u>	<u>(44,432)</u>
<b>SPECIAL ITEM</b>				
Proceeds from sale of capital assets	<u>70,000</u>	<u>70,000</u>	<u>200,787</u>	<u>130,787</u>
Net change in fund balances			(411,985)	(411,985)
Fund balances - beginning	<u>7,672,274</u>	<u>7,672,274</u>	<u>7,672,274</u>	
Fund balances - ending	<u>\$ 7,672,274</u>	<u>\$ 7,672,274</u>	<u>\$ 7,260,289</u>	<u>\$ (411,985)</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances)**  
**Note to RSI - Major Special Revenue Fund Schedule**  
**Year Ended December 31, 2019**

**Note A - Excess of Expenditures Over Appropriations**

Expenditures in the City Sales Tax Fund exceeded appropriations by \$472,573. All expenditures were approved by the City Council. These expenditures were all funded by available fund balances.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2019**

**RETIREMENT PLAN FOR EMPLOYEES OF THE CITY OF JAMESTOWN**  
**ANALYSIS OF PENSION PLAN FUNDING PROGRESS (UNAUDITED)**

<u>Year</u>	<u>Net Assets Available for Benefits</u>	<u>Accumulated Pension Benefit Obligation</u>	<u>Percentage Funded</u>	<u>Assets in Excess of Pension Benefit Obligation</u>	<u>Annual Covered Payroll</u>
2010	\$ 5,674,474	\$ 6,548,722	87%	\$ (874,248)	\$ 1,422,001
2011	5,716,727	6,773,236	84%	(1,056,509)	1,148,046
2012	6,239,168	7,080,369	88%	(841,201)	1,063,773
2013	7,593,591	7,268,583	104%	325,008	1,068,364
2014	8,176,763	7,635,616	107%	541,147	N/A
2015	7,935,683	7,618,177	104%	317,506	N/A
2016	8,359,910	8,282,730	101%	77,180	N/A
2017	9,695,014	8,281,851	117%	1,413,163	N/A
2018	8,792,073	8,332,408	106%	459,665	N/A
2019	10,913,516	8,298,242	132%	2,615,274	N/A

\*effective January 1, 2008 partial switch to North Dakota Public Employees Retirement System



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Schedule of City's Share of Net Pension Liability**  
**ND Public Employees Retirement System**  
**Last 10 Years\***

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.487475%	0.480496%	0.505996%	0.497234%	0.500908%
Employer's proportionate share of the net pension liability (asset)	\$ 5,713,560	\$ 8,108,894	\$ 8,133,016	\$ 4,846,030	\$ 3,406,089
Employer's covered payroll	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421	\$ 5,010,950	\$ 4,462,486
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	112.68%	164.27%	157.45%	96.71%	76.33%
Plan fiduciary net position as a percentage of the total pension liability	71.66%	62.80%	61.98%	70.46%	77.15%

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

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Schedule of City's Contributions**  
**ND Public Employees Retirement System**  
**Last 10 Years\***

	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 369,166	\$ 363,574	\$ 374,556	\$ 362,784	\$ 338,961
Contributions in relation to the statutorily required contribution	\$ 373,010	\$ 369,992	\$ 369,566	\$ 351,874	\$ 333,948
Contribution deficiency (excess)	\$ (3,844)	\$ (6,418)	\$ 4,990	\$ 10,910	\$ 5,013
Employer's covered - employee payroll	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421	\$ 5,010,950	\$ 4,462,486
Contributions as a percentage of covered-employee payroll	7.36%	7.50%	7.15%	7.02%	7.48%

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

**Notes to Required Supplementary Information**  
**for the Year Ended December 31, 2019**

**Change of Assumptions**

Amounts reported in 2019 reflect actuarial assumption changes effective July 1, 2018 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale, and percent married assumption.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Schedule of City's Share of Net OPEB Liability**  
**ND Public Employees Retirement System**  
**Last 10 Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net OPEB liability	0.454410%	0.451119%	0.477466%
Employer's proportionate share of the net OPEB liability	\$ 364,976	\$ 355,287	\$ 377,681
Employer's covered payroll	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421
Employer's proportionate share of the net OPEB liability as a percentage of its covered - employee payroll	7.20%	7.20%	7.31%
Plan fiduciary net position as a percentage of the total OPEB liability	63.13%	61.89%	59.78%

\* Complete data for this schedule is not available prior to 2017

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Schedule of City's Contributions to OPEB**  
**ND Public Employees Retirement System**  
**Last 10 Years\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contribution	\$ 58,971	\$ 57,899	\$ 60,044
Contributions in relation to the statutorily required contribution	\$ 59,723	\$ 59,241	\$ 59,172
Contribution deficiency (excess)	\$ (752)	\$ (1,342)	\$ 872
Employer's covered - employee payroll	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421
Contributions as a percentage of covered-employee payroll	1.18%	1.20%	1.15%

\* Complete data for this schedule is not available prior to 2017

**Notes to Required Supplementary Information**  
**for the Year Ended December 31, 2019**

**Change of Assumptions**

Amounts reported in 2018 reflect actuarial assumption changes effective July 1, 2018 based on the results of an actuarial experience study completed in 2015. This includes changes to the mortality tables, disability incidence rates, retirement rates, administrative expenses, salary scale and percent married assumption.

## OTHER SUPPLEMENTARY INFORMATION

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**December 31, 2019**

	<b>Nonmajor Special Revenue</b>	<b>Public Building Site</b>	<b>Nonmajor Debt Service</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and cash equivalents	\$ 740,956	\$ 1,000,000	\$ 1,197,000	\$ 2,937,956
Taxes receivable, net		67,894	551,610	619,504
Due from other funds			3,458,235	3,458,235
Receivable from other governments	1,640			1,640
Other receivables	8,660			8,660
Total Assets and Deferred Outflows of Resources	<u>\$ 751,256</u>	<u>\$ 1,067,894</u>	<u>\$ 5,206,845</u>	<u>\$ 7,025,995</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,640	\$ 40,765	\$ 133,594	\$ 175,999
Due to other funds	8,950	548,290	763,235	1,320,475
Total Liabilities	<u>10,590</u>	<u>589,055</u>	<u>896,829</u>	<u>1,496,474</u>
Deferred inflows of resources				
Long - term receivables		<u>66,309</u>	<u>543,261</u>	<u>609,570</u>
Fund Balances:				
Restricted for:				
Debt service			3,766,755	3,766,755
Committed	37,818			37,818
Assigned	702,848	412,530		1,115,378
Total Fund Balances	<u>740,666</u>	<u>412,530</u>	<u>3,766,755</u>	<u>4,919,951</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 751,256</u>	<u>\$ 1,067,894</u>	<u>\$ 5,206,845</u>	<u>\$ 7,025,995</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
**Year Ended December 31, 2019**

	<b>Nonmajor Special Revenues</b>	<b>Public Building Site</b>	<b>Nonmajor Debt Service</b>	<b>Total Other Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$	\$ 216,034	\$ 2,015,430	\$ 2,231,464
Sales and miscellaneous taxes	575,123			575,123
Menards sales tax & TIF			457,295	457,295
Intergovernmental	28,367			28,367
Charges for services	95,132			95,132
Investment earnings	2,022	12,407	15,194	29,623
Miscellaneous	783	75,810		76,593
Total Revenues	<u>701,427</u>	<u>304,251</u>	<u>2,487,919</u>	<u>3,493,597</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	15,353			15,353
Public works	57,359	178,416		235,775
Visitor's promotion	580,250			580,250
Principal			2,813,159	2,813,159
Interest and other charges			644,730	644,730
Menards share			133,594	133,594
Capital outlay		13,251		13,251
Total Expenditures	<u>652,962</u>	<u>191,667</u>	<u>3,591,483</u>	<u>4,436,112</u>
Excess (deficiency) of revenues over expenditures	<u>48,465</u>	<u>112,584</u>	<u>(1,103,564)</u>	<u>(942,515)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			833,298	833,298
Transfers out	(4,500)		(58,400)	(62,900)
Total other financing sources (uses)	<u>(4,500)</u>		<u>774,898</u>	<u>770,398</u>
Net change in fund balances	43,965	112,584	(328,666)	(172,117)
Fund balances - beginning	696,701	299,946	4,095,421	5,092,068
Fund balances - ending	<u>\$ 740,666</u>	<u>\$ 412,530</u>	<u>\$ 3,766,755</u>	<u>\$ 4,919,951</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2019**

	Vector Control	Visitor's Promotion	Visitor's Promotion Capital Construction	Safe Shelter Grant	City Taxi	Bulletproof Vest Grant	DES Homeland Security	Forestry Grant	D.A.R.E. Program Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>										
Cash and cash equivalents	\$382,647	\$ 178,806	\$ 174,867	\$ 1,640	\$	\$	\$ 625	\$	\$ 4,011	\$ 740,956
Receivable from other governments										1,640
Other receivables	8,660									8,660
Total Assets and Deferred Outflows of Resources	<u>\$391,307</u>	<u>\$ 178,806</u>	<u>\$ 174,867</u>	<u>\$ 1,640</u>	<u>\$</u>	<u>\$</u>	<u>\$ 625</u>	<u>\$</u>	<u>\$ 4,011</u>	<u>\$ 751,256</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>										
Liabilities:										
Accounts payable	\$	\$	\$	\$ 1,640	\$ 3,942	\$	\$	\$	\$	\$ 1,640
Due to other funds					3,942			4,975		8,950
Total Liabilities				<u>1,640</u>	<u>3,942</u>	<u>33</u>		<u>4,975</u>		<u>10,590</u>
Deferred inflows of resources										
Long - term receivables										
Fund balances:										
Committed			37,818							37,818
Assigned	391,307	178,806	137,049		(3,942)		625	(4,975)	4,011	702,848
Total Fund Balances	<u>391,307</u>	<u>178,806</u>	<u>174,867</u>		<u>(3,942)</u>		<u>625</u>	<u>(4,975)</u>	<u>4,011</u>	<u>740,666</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$391,307</u>	<u>\$ 178,806</u>	<u>\$ 174,867</u>	<u>\$ 1,640</u>	<u>\$</u>	<u>\$</u>	<u>\$ 625</u>	<u>\$</u>	<u>\$ 4,011</u>	<u>\$ 751,256</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**Year Ended December 31, 2019**

	Vector Control	Visitor's Promotion	Visitor's Capital Construction	Safe Shelter Grant	City Taxi	Bulletproof Vest Grant	DES Homeland Security	Forestry Grant	D.A.R.E. Program Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>										
Sales and miscellaneous taxes	\$	\$ 491,874	\$ 83,249	\$	\$	\$	\$	\$	\$	\$ 575,123
Intergovernmental				3,250	12,109		7,529	1,921	3,558	28,367
Charges for services	95,132									95,132
Investment earnings	1,314	708								2,022
Miscellaneous	783									783
Total Revenues	97,229	492,582	83,249	3,250	12,109		7,529	1,921	3,558	701,427
<b>EXPENDITURES</b>										
Current:										
Public safety										
Public works	55,859			3,250	1,500	420	7,529		4,154	15,353
Visitor's promotion		481,951	98,299							57,359
Total Expenditures	55,859	481,951	98,299	3,250	1,500	420	7,529		4,154	580,250
Excess (deficiency) of revenues over expenditures	41,370	10,631	(15,050)		10,609	(420)		1,921	(596)	48,465
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in										
Transfers out	(4,500)									(4,500)
Total other financing sources (uses)	(4,500)									(4,500)
Net change in fund balances	36,870	10,631	(15,050)		10,609	(420)		1,921	(596)	43,965
Fund balances - beginning	354,437	168,175	189,917		(14,551)	387	625	(6,896)	4,607	696,701
Fund balances - ending	\$ 391,307	\$ 178,806	\$ 174,867	\$	\$ (3,942)	\$ (33)	\$ 625	\$ (4,975)	\$ 4,011	\$ 740,666

CITY OF JAMESTOWN  
Stutsman County, North Dakota  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2019

	Curb and Gutter	Series T Refunding Improvement	Series U Refunding Improvement	Series V Refunding Improvement	Series W Refunding Improvement	Series X Refunding Improvement	Series 2013 SRF Refunding Improvement	Series Y Refunding Improvement	Series Z Refunding Improvement	Series AA Refunding Improvement	Series 2016B Refunding Improvement	Series 2017 Def Imp Warrants (16-42)	Series 2017 Def Imp Warrants (16-43)
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>													
Cash and cash equivalents	\$ 6,441	\$ 7,209	\$ 26,734	\$ 51,645	\$ 40,000	\$ 89,000	\$ 20,155	\$ 712,705	\$ 130,000	\$ 429,000	\$ 74,000	\$ 30,000	\$ 50,000
Taxes receivable, net			130,727	199,931	30,274		136,339		49,913	131,862	13,641	12,161	
Due from other funds	632,539	554,107			355,151				71,286	(171,508)			
Total Assets and Deferred Outflows of Resources	\$ 638,980	\$ 561,316	\$ 157,461	\$ 251,576	\$ 425,425	\$ 89,000	\$ 156,494	\$ 712,705	\$ 251,199	\$ 389,354	\$ 87,641	\$ 42,161	\$ 50,000
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
Liabilities:													
Due to other funds	\$	\$	\$	\$	\$	\$ 83,615	\$	\$	\$	\$	\$ 57,244	\$ 293,045	\$ 329,331
Accounts payable								133,594					
Total Liabilities						83,615		133,594			57,244	293,045	329,331
Deferred inflows of resources													
Long - term receivables	6,441	6,316	25,538	50,001	30,274		20,155		49,189	130,089	13,349	12,161	
Fund balances:													
Restricted													
Debt service													
Total Fund Balances	632,539	555,000	131,923	201,575	395,151	5,385	136,339	579,111	202,010	259,265	17,048	(263,045)	(279,331)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 638,980	\$ 561,316	\$ 157,461	\$ 251,576	\$ 425,425	\$ 89,000	\$ 156,494	\$ 712,705	\$ 251,199	\$ 389,354	\$ 87,641	\$ 42,161	\$ 50,000



Series AB Refunding Improvement	Series AC Refunding Improvement	Series CNW Watermain	1999 BND (98-71)	Series J Refunding Improvement	Series M Refunding Improvement	Series N Refunding Improvement	Series WWT A Refunding Improvement	Series O Refunding Improvement	Series P Refunding Improvement	Series 2007B SW Sewer	Series Q Refunding Improvement	Series S Refunding Improvement	Total Nonmajor Debt Service Funds
\$ 355,000 77,827 (250,281)	\$ 64,272 957	\$ 10,843	\$	\$	\$	\$ 4,664 119,328	\$ 27,233 239,973	\$ 1,253 124,712	\$	\$ 8,793 407,354	\$	\$ 6,690 194,915	\$ 1,197,000 551,610 3,458,235
\$ 182,546	\$ 65,229	\$ 10,843	\$	\$	\$	\$ 123,992	\$ 267,206	\$ 125,965	\$	\$ 416,147	\$	\$ 201,605	\$ 5,206,845
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 763,235 133,594 896,829
77,716	64,272	10,843				4,664	25,593	1,233		8,793		6,634	543,261
104,830 104,830	957 957					119,328 119,328	241,613 241,613	124,732 124,732		407,354 407,354		194,971 194,971	3,766,755 3,766,755
\$ 182,546	\$ 65,229	\$ 10,843	\$	\$	\$	\$ 123,992	\$ 267,206	\$ 125,965	\$	\$ 416,147	\$	\$ 201,605	\$ 5,206,845

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Statement of**  
**Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Debt Service Funds**  
**Year Ended December 31, 2019**

	Curb and Gutter	Series T Refunding Improvement	Series U Refunding Improvement	Series V Refunding Improvement	Series W Refunding Improvement	Series X Refunding Improvement	Series 2013 SRF Refunding Improvement	Series Y Refunding Improvement	Series Z Refunding Improvement	Series AA Refunding Improvement	Series 2016B Refunding Improvement	Series 2017 Def Imp Warrants (16-42)	Series 2017 Def Imp Warrants (16-43)
<b>REVENUES</b>													
Property taxes	\$ 35,854	\$ 3,535	\$ 239,832	\$ 218,335	\$ 69,626	\$ 85,061	\$ 69,908	\$ 457,295	\$ 237,452	\$ 488,128	\$ 66,173	\$	\$
Menards sales tax & TIF	1,933	31	12	34	496	819		251	1,183	3,954	832	1,178	1,337
Investment earnings	37,787	3,566	239,844	218,369	70,122	85,880	69,908	457,546	238,635	492,082	67,005	1,178	1,337
<b>EXPENDITURES</b>													
Principal		80,000	310,000	295,000	310,000	65,000		125,000	290,000	605,000	45,000	76,859	89,300
Menards share		19,966	7,453	18,300	79,407	20,061	21,125	133,594	20,213	63,532	25,750	53,239	39,490
Interest and other charges		99,966	317,453	313,300	389,407	85,061	21,125	161,697	310,213	668,532	70,750	130,098	128,790
<b>Total Expenditures</b>													
Excess (deficiency) of revenues over expenditures	37,787	(96,400)	(77,609)	(94,931)	(319,285)	819	48,783	37,255	(71,578)	(176,450)	(3,745)	(128,920)	(127,453)
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers in	10,077		81,795	90,264	210,500		22,826		93,879	196,117	24,395		
Transfers out	(11,161)						(45,000)						
<b>Total other financing sources (uses)</b>	(1,084)		81,795	90,264	210,500		(22,174)		93,879	196,117	24,395		
Net change in fund balances	36,703	(96,400)	4,186	(4,667)	(108,785)	819	26,609	37,255	22,301	19,667	20,650	(128,920)	(127,453)
Fund balances - beginning	595,836	651,400	127,737	206,242	503,936	4,566	109,730	541,856	179,709	239,598	(3,602)	(134,125)	(151,878)
Fund balances - ending	\$ 632,539	\$ 555,000	\$ 131,923	\$ 201,575	\$ 395,151	\$ 5,385	\$ 136,339	\$ 579,111	\$ 202,010	\$ 259,265	\$ 17,048	\$ (263,045)	\$ (279,331)

Series AB Refunding Improvement	Series AC Refunding Improvement	Series C NW Watermain	1999 BND (98-71)	Series J Refunding Improvement	Series M Refunding Improvement	Series N Refunding Improvement	Series WWTA Refunding Improvement	Series O Refunding Improvement	Series P Refunding Improvement	Series 2007B SW Sewer	Series Q Refunding Improvement	Series S Refunding Improvement	Total Nonmajor Debt Service Funds
\$ 297,688	\$ 957	\$	\$ 4	\$	\$ 24	\$ 27,929	\$ 80,483	\$ 8,976	\$ 20	\$ 60,161	\$ 6	\$ 25,278	\$ 2,015,430
3,122	957		4		24	3	80,483	3	20	60,161	6	6	457,295
300,810						27,932		8,979				25,284	15,194
													2,487,919
295,000						35,000	75,000	15,000		77,000		25,000	2,813,159
72,319						1,232	14,214	2,565		18,498		5,669	133,594
367,319						36,232	89,214	17,565		95,498		30,669	644,730
													3,591,483
(66,509)	957		4		24	(8,300)	(8,731)	(8,586)	20	(35,337)	6	(5,385)	(1,103,564)
75,376			(4)	(2,185)	(24)	3,505	2,175	3,696	(20)	15,188	(6)	3,505	833,298
													(58,400)
75,376			(4)	(2,185)	(24)	3,505	2,175	3,696	(20)	15,188	(6)	3,505	774,898
8,867	957			(2,185)		(4,795)	(6,556)	(4,890)		(20,149)		(1,880)	(328,666)
95,963				2,185		124,123	248,169	129,622		427,503		196,851	4,095,421
\$ 104,830	\$ 957	\$	\$	\$	\$	\$ 119,328	\$ 241,613	\$ 124,732	\$	\$ 407,354	\$	\$ 194,971	\$ 3,766,755

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SUPPLEMENTARY INFORMATION - continued**  
**Year Ended December 31, 2019**

**LIST OF CITY OFFICIALS**

Mayor	Dwaine Heinrich
Council	David Steele
	Steve Brubakken
	Dan Buchanan
	Pam Phillips
City Administrator	Sarah Hellekson



# Schauer & Associates, P.C.

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Certified Public Accountants

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**INDEPENDENT AUDITORS' 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***

Honorable Mayor and City Council  
**CITY OF JAMESTOWN**  
Jamestown, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **CITY OF JAMESTOWN, NORTH DAKOTA**, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the **CITY OF JAMESTOWN, NORTH DAKOTA'S** basic financial statements and have issued our report thereon dated October 5, 2020.

## **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **CITY OF JAMESTOWN, NORTH DAKOTA'S** internal control. Accordingly, we do not express an opinion on the effectiveness of **CITY OF JAMESTOWN, NORTH DAKOTA'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 have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain

**INDEPENDENT AUDITORS' 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* – continued**

deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency. (2014-001)

**Compliance and Other Matters**

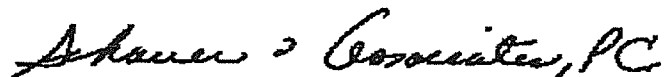
As part of obtaining reasonable assurance about whether **CITY OF JAMESTOWN, NORTH DAKOTA'S** financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

**CITY OF JAMESTOWN's Response to Findings**

**CITY OF JAMESTOWN's** response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **CITY OF JAMESTOWN's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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



SCHAUER & ASSOCIATES, P.C.  
Certified Public Accountants

Jamestown, North Dakota  
October 5, 2020



# Schauer & Associates, P.C.

Certified Public Accountants

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

Honorable Mayor and City Council  
**CITY OF JAMESTOWN**  
Jamestown, North Dakota

### Report on Compliance for Each Major Federal Program

We have audited **CITY OF JAMESTOWN, NORTH DAKOTA'S** compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of **CITY OF JAMESTOWN, NORTH DAKOTA'S** major federal programs for the year ended December 31, 2019. **CITY OF JAMESTOWN, NORTH DAKOTA'S** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **CITY OF JAMESTOWN, NORTH DAKOTA'S** compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM  
GUIDANCE - continued**

**Opinion on Each Major Federal Program**

In our opinion, **CITY OF JAMESTOWN, NORTH DAKOTA**, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

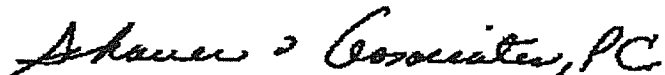
**Report on Internal Control over Compliance**

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

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

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

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



SCHAUER & ASSOCIATES, P.C.  
Certified Public Accountants  
Jamestown, North Dakota  
October 5, 2020



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2019**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor/Pass-Through Grantor Program Grant Title	Federal CFDA #	Pass-Through Grantor's #	Expenditures
Department of Agriculture			
Passed through ND Forest Service			
Specialty Crop Block Grant Program	10.170	18-187	\$ 1,921
Total Department of Agriculture			<u>1,921</u>
Department of Housing & Urban Development			
Passes through ND Department of Commerce			
Main Street storefronts	14.228	CDBG 4455 SL18 MS	39,535
Daycare working capital	14.228	CDBG 4584 SL 19 ED R	10,900
James River Tree Snagging	14.228	B-13-DC-38-0001	10,000
Total Department of Housing & Urban Development			<u>60,435</u>
Department of Justice			
Passed Through State Attorney General's Office			
Edward Byrne Memorial Justice Assistance	16.738	2018-DJ-BX-0715	3,250
Total Department of Justice			<u>3,250</u>
Department of Transportation			
Passed Through State Department of Transportation			
Occupant protection enforcement	20.610	PHSPOP1905-05-08	6,659
Impaired driving enforcement	20.610	PHSPID1910-02-07	3,309
Underage drinking laws enforcement	20.610	PHSPID1910-12-05	796
Districted driving	20.600	PHSPDD1911-02-06	1,790
Underage drinking laws enforcement	20.616	PHSPID2010-12-05	651
<b>Highway Safety Cluster</b>			<u>13,205</u>
Total Department of Transportation			<u>13,205</u>
Environmental Protection Agency			
Passed Through State Department of Health			
Capitalization Grants for Clean Water			
State Revolving Funds (1) (2)	66.458	380808-08	1,983,889
<b>Clean Water State Revolving Fund Cluster</b>			<u>1,983,889</u>
Total Environmental Protection Agency			<u>1,983,889</u>
Department of Homeland Security			
Passed Through State Department of Emergency Services			
Homeland Security Grant Program	97.067	EMW 2018 SS00008	7,529
Total Department of Homeland Security			<u>7,529</u>
Total City of Jamestown			<u>\$ 2,070,229</u>
(1) major programs (2) State Revolving Loans comingled funds			

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO SCHEDULE OF EXPENDITURES OF**  
**FEDERAL AWARDS**  
**Year Ended December 31, 2019**

**A. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **CITY OF JAMESTOWN, NORTH DAKOTA** under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the **CITY OF JAMESTOWN**, it is not intended to and does not present the financial position, changes in net position, or cash flows of the **CITY OF JAMESTOWN**.

**B. Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. **CITY OF JAMESTOWN** has elected not to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

**C. State Revolving Loan Balances at year end**

2004 Wastewater Treatment Assessment Warrant	\$ 405,000
2005 Water Treatment Revenue Bonds	885,000
2005 B Master Lift Station Revenue Bonds	605,000
2007 B Improvement Bonds Replace Sanitary Sewer Mains	546,000
2007 Water Treatment Revenue Bonds	875,000
2010 Waste Treatment Revenue Bonds	1,725,000
2010 B Waste Treatment Revenue Bonds	1,360,000
2011 Wastewater Treatment Revenue Bonds	705,000
2013 Clean Water (Wastewater Inlet Piping) Revenue Bonds	615,000
2013 Wastewater Treatment Assessment Warrant	800,000
2013 D Wastewater Treatment Revenue Bonds	8,015,000
2014 Water Tower Revenue Bonds	2,780,000
2014 Drinking Water Revenue Bonds	620,000
2016 Solid Waste Treatment Revenue Bonds	460,000
2016 C Water Treatment Revenue Bonds	440,000
2016 B Water Treatment Assessment warrant	985,000
2017 Solid Waste Disposal revenues bonds	2,758,683
2017B Wastewater treatment revenue bonds	575,000
2017C Water treatment assessment warrant	1,248,465

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2019**

**A. Summary of Audit Results**

Financial Statements

Type of auditors' report issued – unmodified

Internal control over financial reporting

Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses?   X   yes      \_\_\_\_\_ none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

Federal Awards

Internal control over major federal programs

Material weakness(es) identified? \_\_\_\_\_ yes        X   no

Significant deficiency(ies) identified that are not  
considered to be material weaknesses? \_\_\_\_\_ yes        X   none reported

Type of auditors' report issued on compliance for major  
programs - unmodified

Identification of major programs

66.458 Capitalization Grants for Clean Water - State Revolving Funds

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

\$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes        X   no

**B. Financial Statements Findings.**

2014-001 Significant Deficiency - Financial Statement Preparation

Condition - Schauer & Associates, P.C. assists the City's management in preparing financial statements that are presented, including note disclosures in accordance with generally accepted accounting principles.

Criteria - As a matter of internal control, management should be responsible and capable of preparing financial statements in conformity with generally accepted accounting principles.

**Stutsman County, North Dakota**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued**  
**Year Ended December 31, 2019**

Cause - The City Council feels it is more cost effective to ask an independent accountant to prepare the complete financial statements and disclosures, rather than to invest in ongoing specialized training that would be necessary.

Effect - Without the assistance of the auditors, the financial statements could be misstated or omit material financial statement disclosures.

Recommendation - We recommend that management be aware of this condition and be prepared and able to provide all necessary information and schedules to complete the financial statements and disclosures. We further recommend that a responsible official review a current appropriate disclosure checklist or other guidance to ensure the financial statements contain all necessary disclosures.

View of Responsible Officials - Concur

**C. Federal Award Findings and Questioned Costs.**

1. None

**CITY OF JAMESTOWN  
102 3<sup>rd</sup> Ave SE  
Jamestown, ND 58401**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended December 31, 2019**

**Finding Number: 2014-001**

**Finding Title: Financial Statement Preparation**

**Summary of Condition:** The City of Jamestown does not have an internal control system designed to provide for the preparation of financial statements being audited.

**Summary of Corrective Action Previously Reported:** The City Council is aware of this condition. The Council will continue to request that Schauer & Associates, P.C. assist with preparation of financial statements but will instruct City administration to provide all requested schedules.



SARAH HELLEKSON  
CITY ADMINISTRATOR/CITY AUDITOR  
102 THIRD AVENUE SOUTHEAST  
JAMESTOWN, ND 58401

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701 252 5900 GENERAL LINE  
www.JamestownND.gov  
Info@JamestownND.gov

**CORRECTIVE ACTION PLAN**  
**Year Ended December 31, 2019**

**Finding Number 2014-001**

**Finding Title: Financial Statement Preparation**

Name of Contact Person Responsible for Corrective Action:

Sarah Hellekson, City Administrator

Corrective Action Planned:

The City Council is aware of this condition. The Council will continue to request that Schauer & Associates, P.C. assist with the preparation of financial statements, but will instruct the City administration to provide all requested schedules.

Anticipated Completion Date:

Not Applicable