

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

**REPORT ON FINANCIAL STATEMENTS**  
*(with supplementary information)*  
*Year Ended December 31, 2020*

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
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**Year Ended December 31, 2020**

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# Schauer & Associates, P.C.

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Certified Public Accountants

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## 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, 2020, 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.

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

## INDEPENDENT AUDITORS' REPORT - continued

### 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, 2020 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, budgetary comparison schedules, schedule of employer's share of net pension liability and employer contributions, schedule of employer's share of net OPEB liability and contributions and the notes to the required supplementary information, as listed in the contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

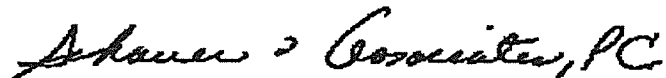
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the **CITY OF JAMESTOWN, NORTH DAKOTA'S** basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required 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 September 29, 2021, 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  
September 29, 2021

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended December 31, 2020**

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, 2020. 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 \$7,179,913 or 14.0% as a result of current year operations. Net position of the business type activities increased by \$5,916,001 and net position of the governmental activities increased by \$1,263,912.
- Total revenues from all sources were \$32,300,940. Revenue from governmental activities was \$20,137,568 and revenues from business type activities were \$12,163,372.
- Total cost of all programs was \$25,121,027. This was comprised of \$15,954,760 in governmental activities and \$9,166,267 in business type activities.
- Governmental fund balance totaled \$18,872,149 as of December 31, 2020.
- Governmental net change in fund balances was an increase of \$5,791,586.
- Unassigned fund balance for the general fund was \$3,489,122, 45.4% 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, 2020

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 43 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 37 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, 2020**

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 56 - 60 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 statements begin 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 24 - 55 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 66 - 71.

#### **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, 2020 and 2019.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2020**

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 \$59,778,649 at the close of the most recent fiscal year.

Table I  
**NET POSITION**  
December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Current assets	\$ 22,053,289	\$ 15,853,141	\$ 19,983,901	\$ 17,680,385	\$ 42,037,190	\$ 33,533,526
Noncurrent assets	3,858,846	2,826,027			3,858,846	2,826,027
Capital assets	25,355,005	25,492,599	53,556,311	49,651,678	78,911,316	75,144,277
Deferred outflows of resources	9,054,115	2,617,491			9,054,115	2,617,491
Total Assets and Deferred Outflows of Resources	<u>\$ 60,321,255</u>	<u>\$ 46,789,258</u>	<u>\$ 73,540,212</u>	<u>\$ 67,332,063</u>	<u>\$ 133,861,467</u>	<u>\$ 114,121,321</u>
<b>LIABILITIES</b>						
Current liabilities	\$ 3,719,594	\$ 2,956,328	\$ 800,820	\$ 1,776,199	\$ 4,520,414	\$ 4,732,527
Long-term liabilities	37,873,411	25,842,838	25,567,251	24,294,712	63,440,662	50,137,550
Total Liabilities	<u>41,593,005</u>	<u>28,799,166</u>	<u>26,368,071</u>	<u>26,070,911</u>	<u>67,961,076</u>	<u>54,870,077</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>6,121,742</u>	<u>6,778,195</u>			<u>6,121,742</u>	<u>6,778,195</u>
<b>NET POSITION</b>						
Net investment in capital assets	267,495	3,409,122	27,725,992	23,777,603	27,993,487	27,186,725
Restricted	10,136,163	10,306,242	13,846,958	16,148,850	23,983,121	26,455,092
Unrestricted	2,202,850	(2,503,467)	5,599,191	1,334,699	7,802,041	(1,168,768)
Total Net Position	<u>12,606,508</u>	<u>11,211,897</u>	<u>47,172,141</u>	<u>41,261,152</u>	<u>59,778,649</u>	<u>52,473,049</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 60,321,255</u>	<u>\$ 46,789,258</u>	<u>\$ 73,540,212</u>	<u>\$ 67,332,063</u>	<u>\$ 133,861,467</u>	<u>\$ 114,121,321</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, 2020**

A portion of the **CITY OF JAMESTOWN'S** net position (\$59,778,649) represents resources that are restricted by external restrictions on how they may be used.

At the end of 2020, the **CITY OF JAMESTOWN** is able to report positive balances in all of its categories of net position, for the government as a whole.

Table II  
CHANGES IN NET POSITION  
Years Ending December 31, 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 393,583	\$ 636,252	\$12,122,414	\$11,426,810	\$12,515,997	\$ 12,063,062
Operating grants	3,148,412	1,087,617			3,148,412	1,087,617
Capital grants	2,502,676	3,558			2,502,676	3,558
General revenues						
Property taxes, general	4,534,773	4,497,136			4,534,773	4,497,136
Property taxes, debt service	2,357,551	1,916,009			2,357,551	1,916,009
State aid distribution	804,968	899,432			804,968	899,432
Miscellaneous taxes	590,483	664,112			590,483	664,112
Sales taxes	3,916,042	2,619,468			3,916,042	2,619,468
Investment earnings	164,317	209,207	40,480	59,500	204,797	268,707
Repayment of economic development funds	546,660	210,249			546,660	210,249
Miscellaneous	1,184,456	1,216,320	478		1,184,934	1,216,320
Loss on sale of assets	(6,353)	229,310			(6,353)	229,310
<b>Total Revenues</b>	<b>20,137,568</b>	<b>14,188,670</b>	<b>12,163,372</b>	<b>11,486,310</b>	<b>32,300,940</b>	<b>25,674,980</b>
<b>EXPENSES</b>						
General government	1,574,404	1,420,495			1,574,404	1,420,495
Public safety	5,345,134	4,082,044			5,345,134	4,082,044
Public works	5,432,060	5,899,579			5,432,060	5,899,579
Flood control	82,796	149,112			82,796	149,112
Health	57,984	56,295			57,984	56,295
Civic center	718,390	868,059			718,390	868,059
Interest on long-term debt	632,832	640,768			632,832	640,768
Visitor's promotion	484,824	581,563			484,824	581,563
Business and industrial development	1,626,336	2,004,073			1,626,336	2,004,073
Water utility			3,087,548	3,134,765	3,087,548	3,134,765
Sewer utility			2,877,869	2,777,406	2,877,869	2,777,406
Sanitation			1,535,087	1,588,380	1,535,087	1,588,380
Solid waste			1,605,334	1,393,061	1,605,334	1,393,061
Other enterprise funds			60,429	46,099	60,429	46,099
<b>Total Expenses</b>	<b>15,954,760</b>	<b>15,701,988</b>	<b>9,166,267</b>	<b>8,939,711</b>	<b>25,121,027</b>	<b>24,641,699</b>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2020**

	2020	2019	2020	2019	2020	2019
Change before transfers	4,182,808	(1,513,318)	2,997,105	2,546,599	7,179,913	1,033,281
Transfers	(2,918,896)	1,012,405	2,918,896	(1,012,405)		
Change in net position	1,263,912	(500,913)	5,916,001	1,534,194	7,179,913	1,033,281
 BEGINNING NET POSITION	 11,211,897	 11,712,810	 41,261,152	 39,726,958	 52,473,049	 51,439,768
Prior period adjustment	130,699		(5,012)		125,687	
 ENDING NET POSITION	 <u>\$12,606,508</u>	 <u>\$ 11,211,897</u>	 <u>\$47,172,141</u>	 <u>\$41,261,152</u>	 <u>\$ 59,778,649</u>	 <u>\$52,473,049</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 \$18,872,149, an increase of \$5,791,586. The *governmental funds unassigned fund* has a deficit *balance* of \$1,842,848. 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 \$3,489,122. 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 45.4% of total general fund expenditures. Total general fund cash at year end is \$10,948,913.

The **CITY OF JAMESTOWN'S** general fund balance increased by \$2,799,863 during the current fiscal year.

The debt service funds have a total fund balance of \$6,077,824, 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, 2020**

**General Fund Budgetary Highlights**

The general fund budgeted expenditures were amended to reflect a decrease of \$50,963. Differences between the budgeted and actual amounts in the general fund consisted of total revenues being \$1,451,210 more than was budgeted mainly in intergovernmental revenues. The total general government expenditures were \$698,014 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, 2020, amounts to \$78,911,316 (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 \$1,660,000 was spent on acquiring equipment and vehicles
- Approximately \$3,387,000 was spent on water main replacements
- Approximately \$1,340,000 was spent on lift station improvements

Table III  
Capital Assets (Net of Accumulated Depreciation)  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Land	\$ 7,200	\$ 60,000	\$ 67,200
Construction in progress	170,073	6,764,583	6,934,656
Buildings	2,395,115	11,374,427	13,769,542
Infrastructure	19,304,305	33,430,785	52,735,090
Equipment	3,478,312	1,926,516	5,404,828
Total Capital Assets (Net of Depreciation)	<u>\$ 25,355,005</u>	<u>\$ 53,556,311</u>	<u>\$ 78,911,316</u>

Additional information on the **CITY OF JAMESTOWN'S** capital assets can be found in note 5 on pages 34 - 36 of this report.

**Long-Term Debt**

At year end the City had total long-term debt of \$66,958,372, an increase of \$12,474,464 over the prior year. The city issued new debt for 2019 Water Main Rehab for \$1,528,956, Water Treatment assessment warrants for \$129,269, Series AC Refunding Improvement Bonds for \$2,750,000 and Series AD Refunding Improvement Bonds for \$2,750,000.

The **CITY OF JAMESTOWN** has a rating of A1 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 36 - 41 of this report.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**  
**Year Ended December 31, 2020**

Table IV  
Long-Term Liabilities  
December 31, 2020

	Governmental Activities	Business-Type Activities	Total
Revenue bonds	\$	\$ 24,406,639	\$ 24,406,639
Refunding improvement bonds	23,905,942		23,905,942
Lease/purchase	1,181,568		1,181,568
Landfill closure costs		1,423,680	1,423,680
Compensated absences	337,281	177,252	514,533
Net pension obligation	15,152,183		15,152,183
Net OPEB liability	373,827		373,827
Total	\$ 40,950,801	\$ 26,007,571	\$ 66,958,372

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

New residential construction was steady in number and increased in value at the end of 2019. This value continued through 2020. Commercial construction showed some growth. Much of the value was due to new construction, including many new garages and other additions to residential properties, a few new homes, and new commercial construction. The 2020 commercial construction activities included the University of Jamestown's new Taylor Stadium complex and the completion of UJ Place, a five-story, mixed-use facility, which opened in August 2020. North Dakota Farmers' Union built a compound with several buildings for campers with special needs. The Jamestown Parks and Recreation District built an outdoor Splash Pad with pool house, concessions space and public restrooms at the site of its Two Rivers Activity Center.

Year	Building Permits Value	Number of Permits
2020	\$23,181,000	105
2019	\$26,274,994	113
2018	\$12,649,387	113
2017	\$11,352,039	140

**2020 Permits**

2020 COMMERCIAL PERMITS		2020 RESIDENTIAL PERMITS	
VALUE	TYPE	VALUE	TYPE
\$ 649,000	Addition (2)	\$ 170,000	Addition (7)
14,527,000	New construction (5)	1,359,000	New construction (5)
2,088,000	Remodel (15)	469,000	Remodel (18)
349,000	Storage (2)	33,000	Storage (8)
2,753,000.02	Other (8)	49,000	Deck or patio (11)
136,000	Mechanical (1)	598,000	Garage (24)
		6,001	House moving (2)

## **CITY OF JAMESTOWN**

**Stutsman County, North Dakota**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**

**Year Ended December 31, 2020**

Total commercial construction for 2020 totaled \$23,181,000, including five new commercial buildings valued at \$14,527,000. The building inspector issued 301 permits in 2020, including five new residential buildings which had a total value of 1,359,000, an increase in number and value over 2019.

Indications for 2021 show commercial construction continues to increase. As of August 30, 2021, the city has issued 43 building permits for a total value of \$9,302,000. The permits include 15 commercial projects including the construction of a \$5,862,000 multi-unit residential building downtown.

The real estate market has held, and taxable valuations continue to increase. This trend is expected to continue in Jamestown. The City added to the assessing staff in 2019 to maintain the steady growth in building permits and valuations. The City Council approved the addition of a city planner / GIS manager beginning in 2022.

In 2021, the city expects several larger building permits, including a new facility for the Anne Carlsen Center. In addition to the facilities relocating within the city limits, there are several large facilities preparing to break ground outside the city's one mile extra territorial area which will positively affect the city's economy.

The city's 2020 total mill levy was 117.95 mills, a 5% increase from 2019. The city's total 2021 mill levy is 118.36, a 0.35% increase in mills from 2020.

It is expected that the sales tax will continue to increase as support grows for a state and local project to develop Bison World, a planned cultural and amusement park anticipated to be developed on the south side of Jamestown adjacent to Interstate 94. If the state approves \$60 million, construction could begin in 2022 on state-owned land.

Unemployment rate for Stutsman County, including Jamestown, was low at the start of the pandemic in mid-March 2020. Unemployment claims remain low as businesses continue to be supported locally. Employers compete for workers and are often increasing wages to attract and retain employees. While there were initial closures in March and April, there have been no major layoffs by local employers in the past 18 months.

The City has received over \$690,581.88 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 were allocated to specific projects 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. Over \$219,000 in FEMA funds were a pass-through to the Jamestown Parks and Recreation District as COVID reimbursement to the district.

### **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, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
<b>ASSETS</b>				
Cash and equivalents	\$ 20,698,466	\$ 9,149,674	\$ 29,848,140	\$ 422,876
Certificates of deposit over 3 months	9,100,000		9,100,000	
Cash restricted				68,530
Reserve account				81,317
Accounts receivable	9,035	937,627	946,662	28,182
Internal balances	(9,896,600)	9,896,600		
Due from other governmental agencies	2,142,388		2,142,388	396,479
Net City pension assets	3,622,449		3,622,449	
Property held for resale	236,397		236,397	
Capital assets				
Land and improvements not being depreciated	7,200	60,000	67,200	317,471
Construction in progress	170,073	6,764,583	6,934,656	
Buildings	6,053,325	23,886,056	29,939,381	5,044,954
Infrastructure	38,311,187	41,081,450	79,392,637	18,689,073
Equipment	8,846,152	6,105,206	14,951,358	1,672,069
Less: Accumulated Depreciation	(28,032,932)	(24,340,984)	(52,373,916)	(10,996,253)
Net Capital Assets	25,355,005	53,556,311	78,911,316	14,727,314
Total Assets	51,267,140	73,540,212	124,807,352	15,724,698
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to City pension	10,422		10,422	
Deferred outflows related to PERS pension	8,939,953		8,939,953	420,230
Deferred outflows related to OPEB	103,740		103,740	7,550
Total Deferred Outflows of Resources	9,043,693		9,043,693	427,780
Total Assets and Deferred Outflows of Resources	\$ 60,310,833	\$ 73,540,212	\$ 133,851,045	\$ 16,152,478
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 642,204	\$ 360,500	\$ 1,002,704	\$ 467,748
Long-term liabilities				
Due within one year				
Bonds, capital leases and contracts	3,077,390	1,864,000	4,941,390	93,530
Due in more than one year				
Bonds, capital leases and contracts	22,010,120	22,542,639	44,552,759	1,380,083
Compensated absences	337,281	177,252	514,533	
Landfill closure costs		1,423,680	1,423,680	
Net pension obligation	15,152,183		15,152,183	637,699
Net OPEB liability	373,827		373,827	16,500
Total Liabilities	41,593,005	26,368,071	67,961,076	2,595,560
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenues in custody of other governments	1,756,930		1,756,930	
Deferred inflows of resources related to City pension	2,058,330		2,058,330	
Deferred inflows of resources related to PERS pension	2,280,700		2,280,700	93,947
Deferred inflows of resources related to OPEB	25,782		25,782	411
Total Deferred Inflows of Resources	6,121,742		6,121,742	94,358
<b>NET POSITION</b>				
Net investment in capital assets	267,495	27,725,992	27,993,487	13,253,701
Restricted for:				
Capital projects	3,444,014	6,392,499	9,836,513	6,360
Debt service	6,128,559	5,054,906	11,183,465	62,170
Other projects	562,390	2,399,553	2,961,943	
Unrestricted net position	2,204,050	5,599,191	7,803,241	140,329
Total Net Position	12,606,508	47,172,141	59,778,649	13,462,560
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 60,321,255	\$ 73,540,212	\$ 133,861,467	\$ 16,152,478

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, 2020**

Functions/Programs	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	Business-type Activities
<b>Primary Government</b>						
Governmental Activities	\$ 1,574,404	\$ 32,085	\$ 2,035,562	\$ 2,502,676	\$ (1,574,404)	\$ (1,574,404)
Public safety	5,345,134	95,563	914,762		(774,811)	(774,811)
Public works	5,432,060		198,088		(4,421,735)	(4,421,735)
Flood control	82,796				115,292	115,292
Health	57,984				(57,984)	(57,984)
Civic center	718,390	265,935			(452,455)	(452,455)
Interest on long-term debt	632,832				(632,832)	(632,832)
Visitor's promotion	484,824				(484,824)	(484,824)
Business and industrial development	1,626,336				(1,626,336)	(1,626,336)
Total Governmental Activities	15,954,760	393,583	3,148,412	2,502,676	(9,910,089)	(9,910,089)
<b>Business-Type Activities</b>						
Water utility	3,087,548	5,514,865			2,427,317	2,427,317
Sewer utility	2,877,869	2,956,562			78,693	78,693
Sanitation	1,555,087	2,298,038			762,951	762,951
Solid waste	1,605,334	864,166			(741,168)	(741,168)
Other enterprise funds	60,429	488,783			428,354	428,354
Total Business-Type Activities	9,166,267	12,122,414			2,956,147	2,956,147
Total Primary Government	25,121,027	12,515,997	3,148,412	2,502,676	(9,910,089)	(6,953,942)
<b>Component Units</b>						
Jamesstown Municipal Airport Authority	1,481,866	418,389		2,744,041		
Total Component Units	1,481,866	418,389		2,744,041		
						1,680,564
						1,680,564
<b>General Revenues:</b>						
Taxes:						
Property taxes, levied for general purposes					4,534,773	4,534,773
Property taxes, levied for debt service					2,357,551	2,357,551
State aid distribution					804,968	804,968
Miscellaneous taxes					590,483	590,483
Sales taxes					3,916,042	3,916,042
Unrestricted investment earnings					204,797	204,797
Miscellaneous - repayment of economic development funds					546,660	546,660
Miscellaneous					1,184,436	1,184,436
Special item - loss on sale of assets					(6,353)	(6,353)
Transfers					(2,918,896)	
Total General Revenues, Special Items, and Transfers					2,918,896	
Change in Net Position					2,959,854	
					5,916,001	
						368,779
						2,049,343
<b>Net Position:</b>						
Beginning of year					11,211,897	11,211,897
Prior period adjustment					130,699	130,699
Beginning of year, as adjusted					11,342,596	11,342,596
Net Position - Ending					\$ 12,606,508	\$ 12,606,508
					\$ 47,172,141	\$ 47,172,141
						59,778,649
						13,462,560

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

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

	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	\$ 10,948,913	\$ 4,938,719	\$ 5,223,888	\$ 1,376,897	\$ 1,069,448	\$ 2,004,695	\$ 3,487,331	\$ 29,049,891
Taxes receivable, net	1,273,628						653,664	1,927,292
Due from other funds			2,222,195		1,329,089		6,306,406	9,857,690
Receivable from other governments	213,731						1,365	215,096
Other receivables							9,035	9,035
Total Assets and Deferred Outflows of Resources	<u>\$ 12,436,272</u>	<u>\$ 4,938,719</u>	<u>\$ 7,446,083</u>	<u>\$ 1,376,897</u>	<u>\$ 2,398,537</u>	<u>\$ 2,004,695</u>	<u>\$ 10,457,801</u>	<u>\$ 41,059,004</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities:								
Accounts payable	\$ 22,911	\$ 1,830,992	\$	\$ 859,023	\$	\$ 370,930	\$ 174,161	\$ 568,002
Due to other funds	7,660,935	1,830,992		859,023		6,965,735	2,390,130	19,706,815
Total Liabilities	<u>7,683,846</u>	<u>1,830,992</u>		<u>859,023</u>		<u>7,336,665</u>	<u>2,564,291</u>	<u>20,274,817</u>
Deferred inflows of resources								
Long - term receivables	1,263,304						648,734	1,912,038
Fund Balances:								
Restricted for					2,398,537		3,679,287	6,077,824
Debt service			561,190				1,200	562,390
Committed		3,107,727	6,884,893	517,874			3,564,289	14,074,783
Assigned						(5,331,970)		(1,842,848)
Unassigned	3,489,122	3,107,727	7,446,083	517,874	2,398,537	(5,331,970)	7,244,776	18,872,149
Total Fund Balances	<u>3,489,122</u>	<u>3,107,727</u>	<u>7,446,083</u>	<u>517,874</u>	<u>2,398,537</u>	<u>(5,331,970)</u>	<u>7,244,776</u>	<u>18,872,149</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,436,272</u>	<u>\$ 4,938,719</u>	<u>\$ 7,446,083</u>	<u>\$ 1,376,897</u>	<u>\$ 2,398,537</u>	<u>\$ 2,004,695</u>	<u>\$ 10,457,801</u>	<u>\$ 41,059,004</u>

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, 2020**

Total Fund Balance, Governmental Funds	\$ 18,872,149
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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.	25,591,402
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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.	155,108
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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	(373,827)
Deferred outflows of resources	103,740
Deferred inflows of resources	(25,782)

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	(15,152,183)
Deferred outflows of resources	8,950,375
Deferred inflows of resources	(2,280,700)

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	3,622,449
Deferred inflows of resources	(2,058,330)

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.	626,898
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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.	(25,424,791)
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Net Assets of Governmental Activities in the Statement of Net Position	\$ 12,606,508
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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, 2020**

	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	\$ 4,364,322	\$	\$	\$	\$	\$	\$	\$ 6,955,241
Sales and miscellaneous taxes	89,047		2,363,571	1,236,062			501,436	4,190,116
Fees and fines	83,598							83,598
Licenses and permits	291,078							291,078
Intergovernmental	3,906,417						2,549,638	6,456,055
Charges for services	298,019			4,109	8,216	4,695	95,562	393,581
Investment earnings	68,302	22,296	29,408				24,376	161,402
Menards sales tax & TIF							505,184	505,184
Miscellaneous	58,745	228,151	546,660			37,943	152	871,651
Total Revenues	9,159,528	250,447	2,939,639	1,240,171	8,216	42,638	6,267,267	19,907,906
<b>EXPENDITURES</b>								
Current:								
General government	971,738							971,738
Public safety	3,772,792						34,290	3,807,082
Public works	2,096,602						446,942	2,543,544
Health	57,984							57,984
Flood control	82,796							82,796
Civic center	498,636							498,636
Visitor's promotion							485,817	485,817
Business and industrial development			1,626,336				150,723	1,626,336
Menards share								150,723
Debt Service:								
Principal	117,900							117,900
Interest and other charges	39,543							39,543
Capital outlay	50,073	1,025,292				2,177,305		2,177,305
Total Expenditures	7,688,064	1,025,292	1,626,336			2,177,305	4,306,006	16,823,003
Excess (deficiency) of revenues over expenditures	1,471,464	(774,845)	1,313,303	1,240,171	8,216	(2,134,667)	1,961,261	3,084,903
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issue of bonds								
Transfers in	1,870,656	583,069			220,955	5,647,707		5,647,707
Transfers out	(542,257)	(173,945)	(1,127,509)	(1,270,750)		2,570,968	1,255,952	6,501,600
Total other financing sources (uses)	1,328,399	409,124	(1,127,509)	(1,270,750)	220,955	(5,461,949)	(892,388)	(9,468,798)
<b>SPECIAL ITEM</b>								
Proceeds from sale of equipment		26,174						26,174
Net change in fund balances	2,799,863	(339,547)	185,794	(30,579)	229,171	622,059	2,324,825	5,791,586
Fund Balances - Beginning	689,259	3,447,274	7,260,289	548,453	2,169,366	(5,954,029)	4,919,951	13,080,563
Fund Balances - Ending	\$ 3,489,122	\$ 3,107,727	\$ 7,446,083	\$ 517,874	\$ 2,398,537	\$ (5,331,970)	\$ 7,244,776	\$ 18,872,149

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, 2020**

Net Change in Fund Balances - Total Governmental Funds: \$ 5,791,586

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 \$1,475,717 exceeded capital outlay \$1,396,294 in the current period. (79,423)

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. (32,527)

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. (62,917)

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. (3,040,108)

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. 36,075

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. (1,386,773)

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. (35,098)

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. 73,097

Change in Net Position of Governmental Activities \$ 1,263,912

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, 2020**

	Enterprise Funds					Other Enterprise Funds	Total	Internal Service Funds
	Water Utility	Sewer Utility	Sanitation	Solid Waste				
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 4,016,368	\$ 3,131,072	\$	\$ 2,002,234	\$	\$	\$ 9,149,674	\$ 748,574
Accounts receivable, net	437,128	242,561	216,668		41,270		937,627	
Due from other funds	4,008,404	2,600,595	644,089	2,422,848	173,189		9,849,125	
Total Current Assets	8,461,900	5,974,228	860,757	4,425,082	214,459		19,936,426	748,574
Non-current assets:								
Capital assets:								
Land				60,000			60,000	
Construction in progress	5,094,767		35,334	1,634,482			6,764,583	
Infrastructure	16,760,325	19,577,157	4,743,968				41,081,450	
Buildings	3,042,329	5,991,260	2,618,701	12,233,766			23,886,056	
Equipment and furniture	664,628	1,632,412	3,310,374	497,792			6,105,206	
Less accumulated depreciation	(6,312,292)	(8,274,453)	(4,124,475)	(5,629,764)			(24,340,984)	
Total non-current assets	19,249,757	18,926,376	6,583,902	8,796,276			53,556,311	
Total Assets	27,711,657	24,900,604	7,444,659	13,221,358	214,459		73,492,737	748,574
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts payable	24,927	305,757		29,816			360,500	74,202
Accrued health insurance benefits								
Bonds, notes and loans payable	922,000	712,000		230,000			1,864,000	
Total Current Liabilities	946,927	1,017,757		259,816			2,224,500	74,202
Non-current liabilities:								
Compensated absences	73,960	39,892	27,692	35,708			177,252	
Closure and postclosure costs			1,423,680				1,423,680	
Bonds, notes and loans payable	9,860,956	9,918,000		2,763,683			22,542,639	
Total non-current liabilities	9,934,916	9,957,892	1,451,372	2,799,391			24,143,571	
Total Liabilities	10,881,843	10,975,649	1,451,372	3,059,207			26,368,071	74,202
<b>NET POSITION</b>								
Net investment in capital assets	8,466,801	8,296,376	5,160,222	5,802,593			27,725,992	
Restricted for debt service	838,347	3,804,827		411,732			5,054,906	
Restricted for capital projects	4,064,344	2,328,155					6,392,499	
Restricted for other purposes				2,399,553			2,399,553	
Unrestricted	3,460,322	(504,403)	833,065	1,548,273	214,459		5,551,716	674,372
Total Net Position	\$ 16,829,814	\$ 13,924,955	\$ 5,993,287	\$ 10,162,151	\$	\$	\$ 47,124,666	\$ 674,372

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, 2020**

	Enterprise Funds					Other	
	Water Utility	Sewer Utility	Sanitation	Solid Waste	Enterprise Funds	Total	Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for services	\$ 5,456,295	\$ 2,954,788	\$ 2,297,624	\$ 852,398	\$ 472,283	\$ 12,033,388	\$ 1,387,896
Miscellaneous	58,568	1,774	414	11,768	16,978	89,502	
Total Operating Revenues	<u>5,514,863</u>	<u>2,956,562</u>	<u>2,298,038</u>	<u>864,166</u>	<u>489,261</u>	<u>12,122,890</u>	<u>1,387,896</u>
<b>OPERATING EXPENSES</b>							
Personal services	1,253,905	738,964	456,641	688,155		3,137,665	
Contractual services	101,908	120,527	496,299	138,703		857,437	
Utilities	239,095	527,934		69,671	5,378	842,078	
Repairs and maintenance	330,628	626,333	108,523	290,760		1,356,244	
Other supplies and expenses	593,545	113,651	86,230	71,304		864,730	
Insurance claims and expenses	19,846		2,402	10,658		32,906	1,318,544
Sundry expenses	53,987	53,932	233	27,045	55,051	190,248	
Depreciation	348,453	493,973	392,051	269,977		1,504,454	
Total Operating Expenses	<u>2,941,367</u>	<u>2,675,314</u>	<u>1,542,379</u>	<u>1,566,273</u>	<u>60,429</u>	<u>8,785,762</u>	<u>1,318,544</u>
Operating Income (Loss)	<u>2,573,496</u>	<u>281,248</u>	<u>755,659</u>	<u>(702,107)</u>	<u>428,832</u>	<u>3,337,128</u>	<u>69,352</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>							
Interest and investment revenue	18,028	14,877	413	6,470	693	40,481	2,917
Interest expense	(163,425)	(213,975)		(50,580)		(427,980)	
Net non-operating revenues (expenses)	<u>(145,397)</u>	<u>(199,098)</u>	<u>413</u>	<u>(44,110)</u>	<u>693</u>	<u>(387,499)</u>	<u>2,917</u>
Income (loss) before contributions and transfers							
	2,428,099	82,150	756,072	(746,217)	429,525	2,949,629	72,269
Transfers in	3,620,439	703,398	177,779	2,638,581		7,140,197	
Transfers out	(2,516,160)	(56,349)	(982,809)	(187,491)	(430,190)	(4,172,999)	
Change in net position	<u>3,532,378</u>	<u>729,199</u>	<u>(48,958)</u>	<u>1,704,873</u>	<u>(665)</u>	<u>5,916,827</u>	<u>72,269</u>
Total fund net position - beginning	<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>
Total fund net position - ending	<u>\$ 16,829,814</u>	<u>\$ 13,924,955</u>	<u>\$ 5,993,287</u>	<u>\$ 10,162,151</u>	<u>\$ 214,459</u>	<u>\$ 47,124,666</u>	<u>\$ 674,372</u>

Change in net position, per above  
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.  
Change in Business-Type Activities in Net Position per Government-Wide Financial Statements

\$ 5,916,827  
(826)  
\$ 5,916,001

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, 2020**

	Enterprise Funds					Other Enterprise Funds	Total	Internal Service Funds
	Water Utility	Sewer Utility	Sanitation	Solid Waste				
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers and users	\$ 5,439,885	\$ 2,940,029	\$ 2,282,679	\$ 852,398		487,223	\$ 12,002,214	\$ 1,387,896
Payments to suppliers	(1,311,807)	(1,166,420)	(691,691)	(571,091)		(60,429)	(3,801,438)	
Payments to employees	(1,239,702)	(725,194)	(461,438)	(679,717)			(3,106,051)	
Payments on claims	(19,846)		(2,402)	(10,658)			(32,906)	(1,320,623)
Internal activity - payment from (to) other funds	(950,358)	(559,566)	(145,167)	63,732		2,225	(1,589,134)	678,384
Other receipts	58,568	1,774	414	11,768		478	73,002	
Net Cash Provided by (Used in) Operating Activities	<u>1,976,740</u>	<u>490,623</u>	<u>982,395</u>	<u>(333,568)</u>		<u>429,497</u>	<u>3,545,687</u>	<u>745,657</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfer in	3,620,439	703,398	177,779	2,638,581			7,140,197	
Transfers out	(2,516,160)	(56,349)	(982,809)	(187,491)		(430,190)	(4,172,999)	
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>1,104,279</u>	<u>647,049</u>	<u>(805,030)</u>	<u>2,451,090</u>		<u>(430,190)</u>	<u>2,967,198</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition & construction of capital assets	(3,726,866)	(113,035)	(177,778)	(1,374,653)			(5,392,332)	
Proceeds from issue of capital debt	1,658,225						1,658,225	
Principal paid on capital debt	(808,734)	(685,000)		(225,000)			(1,718,734)	
Interest paid on capital debt	(163,425)	(213,975)		(50,580)			(427,980)	
Net Cash Used in Capital and Related Financing Activities	<u>(3,040,800)</u>	<u>(1,012,010)</u>	<u>(177,778)</u>	<u>(1,650,233)</u>			<u>(5,880,821)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest and investment revenue	18,028	14,877	413	6,470		693	40,481	2,917
Net Cash Provided by Investing Activities	<u>18,028</u>	<u>14,877</u>	<u>413</u>	<u>6,470</u>		<u>693</u>	<u>40,481</u>	<u>2,917</u>
Net increase (decrease) in cash and cash equivalents	58,247	140,539		473,759			672,545	748,574
Cash and cash equivalents, January 1	3,958,121	2,990,533		1,528,475			8,477,129	
Cash and cash equivalents, December 31	<u>\$ 4,016,368</u>	<u>\$ 3,131,072</u>	<u>\$</u>	<u>\$ 2,002,234</u>	<u>\$</u>	<u>\$</u>	<u>\$ 9,149,674</u>	<u>\$ 748,574</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating Income (Loss)	\$ 2,573,496	\$ 281,248	\$ 755,659	\$ (702,107)	\$	\$ 428,832	\$ 3,337,128	\$ 69,352
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities								
Depreciation expense	348,453	493,973	392,051	269,977			1,504,454	
Change in Assets and Liabilities								
Receivables, net	(16,412)	(14,759)	(14,945)			(1,560)	(47,676)	
Due to (from) other funds	(950,358)	(559,566)	(145,167)	63,732		2,225	(1,589,134)	678,384
Accounts payable	7,358	275,957	(406)	26,392			309,301	(2,079)
Compensated absences	14,203	13,770	(4,797)	8,438			31,614	
Net Cash Provided by (Used in ) Operating Activities	<u>\$ 1,976,740</u>	<u>\$ 490,623</u>	<u>\$ 982,395</u>	<u>\$ (333,568)</u>	<u>\$</u>	<u>\$ 429,497</u>	<u>\$ 3,545,687</u>	<u>\$ 745,657</u>

The accompanying notes are an integral part of these financial statements



**CITY OF JAMESTOWN**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2020**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 193,439</u>
Total Assets	<u><u>193,439</u></u>
<b>LIABILITIES</b>	
Funds held for other governmental units	69,637
Funds held for other purposes	<u>123,802</u>
Total Liabilities	<u><u>\$ 193,439</u></u>

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

**CITY OF JAMESTOWN**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2020**

	<u>Custodial Funds</u>
<b>ADDITIONS</b>	
Tax collections for other governments	\$ 1,044,070
Miscellaneous collections	719,898
Interest	<u>2</u>
Total additions	<u>1,763,970</u>
<b>DEDUCTIONS</b>	
Tax disbursements to other governments	1,044,675
Miscellaneous disbursements	489,963
Transfers out	<u>228,152</u>
Total deductions	<u>1,762,790</u>
Change in net assets	1,180
Net position - beginning	192,258
Net position - ending	<u><u>\$ 193,439</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, 2020**

**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  
1600 21<sup>st</sup> Ave NE  
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, 2020**

**B. Reporting Entity – continued**

**Condensed Component Unit Financial Statements**

	Jamestown Regional Airport Authority
<b>ASSETS &amp; DEFERRED OUTFLOWS</b>	
Current assets	\$ 997,384
Capital assets, net	14,727,314
Deferred outflows of resources	427,780
Total Assets & Deferred Outflows	16,152,478
<b>LIABILITIES &amp; DEFERRED INFLOWS</b>	
Current liabilities	561,278
Long-term liabilities	2,034,282
Deferred inflows of resources	94,358
Total Liabilities & Deferred Inflows	2,689,918
<b>NET POSITION</b>	
Invested in capital assets	13,253,701
Restricted for debt service	62,170
Restricted for PFC improvements	6,360
Unrestricted	140,329
Total Net Position	\$ 13,462,560
<b>REVENUES</b>	
Program Revenues	
Charges for services	418,389
Capital contributions	2,744,041
General revenues	
Property taxes	321,284
Other revenues	47,495
Total Revenues	3,531,209
<b>EXPENDITURES</b>	
Operating	704,311
Non-operating	777,555
Total Expenditures	1,481,866
Change in Net Position	2,049,343
Net Position beginning of year	11,413,217
Net Position end of year	\$ 13,462,560

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020**

**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, 2020, 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, 2020**

**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, compensated absences and landfill closure costs.

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 is 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, 2020**

**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, 2020**

**2. Cash and Cash Equivalents and Certificates of Deposit over Three Months**

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, 2020.

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Primary Government					
Cash deposits	\$ 20,575,700	\$ 9,429,108	\$ 259,890	\$ 30,264,698	\$29,848,140
Certificates of deposit	250,000	8,850,000		9,100,000	9,100,000
Fiduciary funds					
Cash deposits	<u>193,439</u>	<u></u>	<u></u>	<u>193,439</u>	<u>193,439</u>
Total Deposits	<u>\$ 21,019,139</u>	<u>\$ 18,279,108</u>	<u>\$ 259,890</u>	<u>\$ 39,558,137</u>	<u>\$ 39,141,579</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, 2020, consist of the following:

	<u>Receivable</u>	<u>Payable</u>
General	\$	\$ 7,660,935
Equipment replacement		1,830,992
City sales tax	2,222,195	
City share specials		859,023
Special assessment deficiency	1,329,089	
Construction		6,965,735
Business type activities	9,849,125	
Other governmental funds	<u>3,916,276</u>	
Interfund Totals	<u>\$ 17,316,685</u>	<u>\$ 17,316,685</u>

Transfers to/from other funds at December 31, 2020, consist of the following:

From the General Fund to the Equipment Replacement Fund to finance equipment purchases	\$ 357,955
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**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

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

From Construction Fund to General Fund to reimburse costs	231,407
From Other Governmental Funds to Construction to close out projects	557,200
From Business-Type Activities to the Equipment Replacement Fund to finance equipment purchases	225,114
From Construction to Business-Type Activities to fund projects	6,593,416
From City Share Specials to Construction Fund for budget project	310,000
From City Share Specials to Other Governmental Funds to finance debt service	960,750
Between Business-Type Activities to fund Solid Waste	1,263,929
From Other Governmental Funds to Business-Type Activities for debt service	41,000
From Other Governmental Funds to General Fund for administrative costs	10,500
From Other Governmental Funds to General Fund for planning	4,464
From Equipment Replacement Fund to Business-Type Activities to replace vehicles	173,945
From City Sales Tax Fund to General Fund for Civic Center Project	464,259
From Other Governmental Funds to Special Assessment Deficiency for close outs	220,955
From Construction to Other Governmental Funds to service debt	295,350
From Civic Center to General Fund to record revenues generated	179,837
From Business-Type Activities to General Fund as budgeted	550,000
From City Sales Tax Fund to Business-Type activities to fund debt service	663,250
From Other Governmental Funds to Business-Type Activities to fund debt service	62,734
From Business-Type Activities to Construction Fund to fund projects	45,543
From Business-Type Activities to General Fund to fund project	430,189
	<u>\$ 13,641,797</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, 2020 was as follows:

**Primary Government**

<i>Governmental Activities</i>	<u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/20</u>
Capital assets not being depreciated				
Land	\$ 7,200	\$	\$	\$ 7,200
Construction in progress		170,073		170,073
Total capital assets not being depreciated	<u>7,200</u>	<u>170,073</u>		<u>177,273</u>
Capital assets being depreciated:				
Buildings	6,053,325			6,053,325
Infrastructure	38,311,187			38,311,187
Equipment	<u>7,725,150</u>	<u>1,200,577</u>	<u>79,575</u>	<u>8,846,152</u>
Total capital assets being depreciated	<u>52,089,662</u>	<u>1,200,577</u>	<u>79,575</u>	<u>53,210,664</u>

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**5. Capital Assets - continued**

	12/31/19	Additions	Deletions	12/31/20
Less accumulated depreciation for:				
Buildings	3,462,885	195,325		3,658,210
Infrastructure	18,324,391	682,491		19,006,882
Equipment	4,816,987	597,901	47,048	5,367,840
Total accumulated depreciation	26,604,263	1,475,717	47,048	28,032,932
Net capital assets being depreciated	25,485,399	(275,140)	32,527	25,177,732
Governmental Activities capital assets, net	<u>\$ 25,492,699</u>	<u>\$ (105,067)</u>	<u>\$ 32,527</u>	<u>\$25,355,005</u>
<i>Business-Type Activities</i>	12/31/19	Additions	Deletions	12/31/20
Capital assets not being depreciated				
Land	\$ 60,000	\$	\$	\$ 60,000
Construction in progress	1,829,392	4,935,191		6,764,583
Total capital assets not being depreciated	1,889,392	4,935,191		6,824,583
Capital assets being depreciated				
Buildings	23,886,056			23,886,056
Infrastructure	41,064,698	16,752		41,081,450
Equipment	5,672,547	457,144	24,485	6,105,206
Total capital assets being depreciated	70,623,301	473,896	24,485	71,072,712
Less accumulated depreciation				
Buildings	12,079,379	432,250		12,511,629
Infrastructure	6,948,498	702,168		7,650,666
Equipment	3,833,138	370,036	24,485	4,178,689
Total accumulated depreciation	22,861,015	1,504,454	24,485	24,340,984
Net capital assets being depreciated	47,762,286	(1,030,558)		46,731,728
Business-Type Activities capital assets, net	<u>\$49,651,678</u>	<u>\$ 3,904,633</u>	<u>\$</u>	<u>\$53,556,311</u>

**Discretely Presented Component Units**

Activity for Jamestown Municipal Airport Authority for the year ended December 31, 2020 follows:

	12/31/19	Additions	Deletions	12/31/20
Capital assets not being depreciated				
Land	\$ 317,471	\$	\$	\$ 317,471
Construction in progress	56,380	2,501,989	2,558,369	
Total capital assets not being depreciated	373,851	2,501,989	2,558,369	317,471
Capital assets being depreciated				
Buildings	5,044,954			5,044,954
Equipment	1,672,069			1,672,069
Infrastructure	16,130,704	2,558,369		18,689,073
Total capital assets being depreciated	22,847,727	2,558,369		25,406,096

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**5. Capital Assets - continued**

	<u>12/31/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/20</u>
Less accumulated depreciation	<u>10,258,223</u>	<u>738,030</u>		<u>10,996,253</u>
Net capital assets being depreciated,	<u>12,589,504</u>	<u>1,820,339</u>		<u>14,409,843</u>
Component Units capital assets, net	<u>\$12,963,355</u>	<u>\$ 4,322,328</u>	<u>\$(2,558,369)</u>	<u>\$14,727,314</u>

Depreciation expense by function - primary government:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
General government	\$ 38,687	Water utility	\$ 348,453
Public safety	179,398	Sewer utility	493,973
Public works	1,032,355	Sanitation	392,051
Civic center	<u>225,277</u>	Solid waste	<u>269,977</u>
Total	<u>\$ 1,475,717</u>	Total	<u>\$ 1,504,454</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 that will be recognized as a reduction of the net pension liability in the year ended December 31, 2020.

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, 2020**

**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%	\$	330,000
\$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%		10,000
\$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%		469,000
\$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%		105,000
\$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%		480,000
\$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%		190,000
\$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%		120,000
\$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%		2,660,000
\$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%		490,000
\$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%		3,255,000
\$1,975,000 2015 Series Z bonds due in annual installments of \$270,000 to \$295,000 through May 1, 2022, interest at 2%		540,000
\$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%		940,000
\$4,090,000 Series 2017 AA bonds due in annual installments of \$540,000 to 665,000 through May 1, 2024, interest at 2%		2,230,000
\$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%		2,163,785



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**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%	2,580,753
\$2,170,000 Series 2018 AB bonds due in annual installments of \$295,000 to \$330,000 including interest to May 1, 2025, interest at 2%	1,580,000
\$2,750,000 Series AC bonds due in annual installments of \$375,000 to \$410,000 including interest to May 1, 2027, interest from 2% to 3%	2,750,000
\$2,750,000 Series AD bonds due in annual installments of \$385,000 to \$420,000 including interest to May 1, 2019, interest from 2% to 3%	<u>2,750,000</u>
	<u>\$ 23,643,538</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%	\$ 745,000
\$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%	525,000
\$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%	760,000
\$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%	1,575,000
\$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%	650,000
\$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.	1,255,000
\$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%	580,000
\$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%	760,000
\$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%	7,570,000

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

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

\$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%	2,610,000
\$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%	585,000
\$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%	440,000
\$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%	410,000
\$4,800,000 solid waste disposal revenue bonds of 2017, due in annual installments of \$200,000 to \$215,000 through September 1, 2037, interest at 2%	2,553,683
\$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%	545,000
\$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%	1,315,000
\$1,528,956 water main rehab series 2020, due in annual installments of \$87,000 to \$115,000 through September 1, 2040, interest at 1.5%	<u>1,527,956</u>
	<u>\$ 24,406,639</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, 2020, 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, 2020:

	<u>12/31/19</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/20</u>	<u>Due Within One Year</u>
<i>Governmental Activities</i>					
Long-term debt					
Refunding improvement bonds	\$20,667,570	\$ 5,500,000	\$2,524,032	\$23,643,538	\$ 2,955,693
Issue costs	116,439	182,040	36,075	262,404	

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

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

	12/31/19	Additions	Reductions	12/31/20	Due Within One Year
Lease/purchase	1,299,468		117,900	1,181,568	121,697
Total Long-Term Debt	22,083,477	5,682,040	2,678,007	25,087,510	3,077,390
Compensated absences	302,183	35,098		337,281	
Net pension obligation PERS	5,713,560	9,438,623		15,152,183	
Net OPEB liability	364,976	8,851		373,827	
Governmental Activities Long Term Liabilities	\$28,464,196	\$15,164,612	\$2,678,007	\$40,950,801	\$3,077,390
<i>Business-Type Activities</i>					
Long-term debt					
Revenue bonds	\$24,467,148	\$1,658,225	\$1,718,734	\$24,406,639	\$ 1,864,000
Landfill closure costs	1,406,927	16,753		1,423,680	
Total Long-Term Debt	25,874,075	1,674,978	1,718,734	25,830,319	
Compensated absences	145,637	31,615		177,252	
Business-Type Activities Long Term Liabilities	\$26,019,712	\$ 1,706,593	\$1,718,734	\$26,007,571	\$
<i>Discretely presented component unit</i>					
Long-term debt					
Revenue bonds	\$ 772,159	\$	\$ 55,000	\$ 717,159	\$ 55,000
Notes payable	783,952	8,785	36,283	756,454	38,530
Total long-term debt	1,556,111	8,785	91,283	1,473,613	93,530
Net pension obligation	241,130	453,297	56,728	637,699	
Net OPEB liability	15,404	5,192	4,096	16,500	
Discretely Presented Component Unit Long Term Liabilities	\$ 1,812,645	\$ 467,274	\$ 152,107	\$ 2,127,812	\$ 93,530

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

Year Ending	Governmental Activities Special Assessment Bonds		Business-Type Activities Revenue Bonds	
	Principal	Interest	Principal	Interest
2021	\$ 2,955,693	\$ 560,015	\$ 1,864,000	\$ 614,310
2022	2,936,953	491,823	1,899,000	569,743
2023	2,583,238	426,813	1,951,000	524,255
2024	2,604,550	365,196	2,004,000	477,505
2025	2,015,887	308,721	2,036,000	429,455
2026 – 2030	5,164,463	1,003,483	9,088,000	1,485,232
2031 – 2035	2,223,175	482,032	5,288,683	422,154

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

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

Year Ending	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Special Assessment Bonds</u>		<u>Revenue Bonds</u>	
	Principal	Interest	Principal	Interest
2036 – 2040	1,389,833	119,811	275,956	8,197
2041 – 2045	910,849	57,751		
2046 – 2047	858,897	24,270		
Total	<u>\$ 23,643,538</u>	<u>\$ 3,839,915</u>	<u>\$ 24,406,639</u>	<u>\$ 4,530,851</u>

The City leases equipment with a historical cost of \$1,524,826 and accumulated amortization of \$626,873 under capital lease arrangements. Future minimum lease payments at December 31, 2020, are as follows:

2021	\$ 157,443
2022	157,443
2023	157,443
2024	157,443
2025	157,443
2026 – 2029	<u>564,169</u>
Total minimum lease payments	1,351,384
Less deferred interest	<u>169,816</u>
Present value minimum lease payments	<u>\$ 1,181,568</u>

**8. Pension Plan**

**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

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**8. Pension Plan – continued**

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.

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

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.

Assets in excess of accumulated pension benefit obligation were \$3,622,449 at December 31, 2020, as follows:

	<u>January 1, 2021</u>
Total pension liability	\$ 8,366,063
Plan fiduciary net position	11,988,512
Net pension liability (asset)	<u>\$ (3,622,449)</u>

For the year ended December 31, 2020, the City recognized (\$555,906) in pension expense and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 362	\$ 81,753
Changes of assumptions	10,060	5,958
Net difference between projected and actual earnings on investments		1,970,619
Total	<u>\$ 10,422</u>	<u>\$ 2,058,330</u>

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

<u>Year</u>	
2021	\$ (671,356)
2022	(599,175)
2023	(596,622)
2025	(180,755)

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**8. Pension Plan – continued**

**Actuarial assumptions.**

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 2021. 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.

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.

**Sensitivity of the net pension liability to changes in the discount rate**

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Total pension liability	\$ 9,137,055	\$ 8,366,063	\$ 7,697,920
Plan fiduciary net position	11,988,512	11,988,512	11,988,512
Net pension liability (asset)	<u>\$ (2,851,457)</u>	<u>\$ (3,622,449)</u>	<u>\$ 4,290,592</u>

**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 61 of the City's financial statements. For the three years ended 2020, 2019 and 2018, available assets were sufficient to fund 144%, 132%, and 106%, respectively, of the pension benefit obligation. The Plan went from an overfunded plan of \$459,665 in 2018 to an overfunded plan of \$2,615,274 in 2019 and an overfunded plan of \$3,622,449 in 2020. The City did not make any contributions for the years ended 2020, 2019 and 2018.

**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

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

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. For members hired on or after January 1, 2020, the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

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

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**Year Ended December 31, 2020**

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

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. For members hired on or after January 1, 2020, member contribution rates are 7% and employer contribution rates are 8.26% 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:

- 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, 2020, the City reported a liability of \$15,152,183 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2020 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, 2020, the Employer's proportion was .48163%, which is a decrease of .005845 from its proportion measured as of July 1, 2019.

For the year ended December 31, 2020, the Employer recognized pension expense of \$2,669,530. At December 31, 2020, 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	\$ 58,965	\$ 767,775
Changes of assumptions	8,122,527	1,342,854
Net difference between projected and actual earnings on pension plan investments	489,036	
Changes in proportion and differences between employer contributions and proportionate share of contributions	70,415	170,071
Employer contributions subsequent to the measurement date	199,010	
	<u>\$ 8,939,953</u>	<u>\$ 2,280,700</u>



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
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**Year Ended December 31, 2020**

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

\$199,010 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, 2021.

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:	
2021	\$ 1,916,970
2022	1,651,105
2023	1,355,473
2024	1,536,695

**Actuarial assumptions.** The total pension liability in the July 1, 2020 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%
	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	7.50%, 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%.

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:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30%	6.25%
International Equity	21%	6.95%
Private Equity	7%	10.15%
Domestic Fixed Income	23%	2.11%
International Fixed Income	0%	0.00%
Global Real Assets	19%	5.41%
Cash Equivalents	0%	0.00%

**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 7.50%; the municipal bond rate is 3.13%; and the resulting Single Discount Rate is 4.64%.

**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 4.64 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 (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current rate:

	<u>1% Decrease (3.64%)</u>	<u>Current Discount Rate (4.64%)</u>	<u>1% Increase (5.64%)</u>
Employer's proportionate share of the net pension liability	\$ 19,658,820	\$ 15,152,183	\$ 11,464,656

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

**CITY OF JAMESTOWN**  
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**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**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 any other health insurance plan. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental vision, or long-term care plan premium expense. 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. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

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. Effective August 1, 2019, the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. 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.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

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

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

At December 31, 2020, the Employer reported a liability of \$373,827 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2020 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, 2020, the Employer's proportion was .444398% which was a decrease of .010012% from its proportion measured as of July 1, 2019.

For the year ended December 31, 2020, the Employer recognized OPEB expense of \$51,288. At December 31, 2020, 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	\$ 8,300	\$ 8,962
Change of assumptions	50,123	
Net difference between projected and actual earnings on OPEB plan investments	12,855	
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,287	16,820
Employer contributions subsequent to the measurement date	30,175	
	<u>\$ 103,740</u>	<u>\$ 25,782</u>

\$30,175 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, 2021.

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:	
2021	\$ 9,517
2022	12,840
2023	12,230
2024	8,559
2025	4,046
Thereafter	591

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

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**NOTES TO FINANCIAL STATEMENTS - continued**  
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**10. Other Post-Employment Benefits (OPEB) - continued**

Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	7.25%, 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 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, 2019 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	33%	6.00%
Small Cap Domestic Equities	6%	7.30%
Domestic Fixed Income	40%	2.07%
International Equities	21%	6.95%

**Discount rate.** The discount rate used to measure the total OPEB liability was 7.25%. 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, 2020, calculated using the discount rate of 7.25%, 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Employer's proportionate share of the net pension liability	\$ 490,282	\$ 373,827	\$ 275,348

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**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.

**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 \$30,000 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, 2020 and 2019, is as follows:

	2020	2019
Claims payable, January 1	\$ 76,281	\$ 71,738
Add: Claims incurred	686,239	662,721
Less: Claims paid	<u>(688,318)</u>	<u>(658,178)</u>
Claims payable, December 31	<u>\$ 74,202</u>	<u>\$ 76,281</u>

Claims payable are based on claims paid in January, February, March and April of 2021 for claims incurred in 2020.

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.

**CITY OF JAMESTOWN**  
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**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**12. Risk Management - continued**

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 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, 2020, is \$241,725 representing the cumulative amount to date based on 15 percent of the estimated capacity used to date. An additional \$1,181,955 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 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.

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**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 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, 2020, 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 2020 is as follows:

Single family residence/builders	\$ 5,545
Tax increment finance	59,668
Renaissance zone	16,548
New or expanding business	<u>35,431</u>
	<u>\$ 117,192</u>



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**16. Subsequent Events**

On February 1, 2021, the City Council approved the issuance of \$1,344,000 water treatment assessment warrants. On March 1, 2021, the City Council awarded the bid for \$1,508,967 for Jamestown water main improvements.

**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, 2020, the City of Jamestown collected 2.5% City sales tax.

City Sales tax fund	
Sales tax	\$ 1,236,062
Park District sales tax	2,788,533
Civic Center and Infrastructure	1,127,509
City Share special reserves	
Sales tax	1,236,062
Series Y – TIF District	
Menards sales tax	316,409
Total Collections	6,704,575
Passed thru to Jamestown Park & Recreation District	2,788,533
Total City Sales Tax	<u>\$ 3,916,042</u>

**20. Deficit Fund Balances**

The deficit of \$4,975 in the Forestry Grant Fund (special revenue fund), and \$547 in the Bulletproof Vest 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 \$240,490 in the Series 2017 Definitive Improvement Warrant fund (16-42), \$352,362 in the Series 2017 Definitive Improvement Warrant fund (16-43) and \$432,828 in the Series 2020 Water Mains fund (19-61) (all debt service funds) are due to timing differences for when the specials will be assessed.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO FINANCIAL STATEMENTS - continued**  
**Year Ended December 31, 2020**

**21. Prior Period Adjustment**

The prior period adjustment is to correct the balance of the City Pension Plan following GASB 67 & 68.

**22. Net Position**

Governmental activities net position reported on the Government Wide Statement of Net Position at December 31, 2020 include the following:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Capital assets, net of accumulated depreciation	\$ 25,355,005	\$ 53,556,311
Less: related long-term debt	25,087,510	25,830,319
Net Investment in Capital Assets	267,495	27,725,992
Restricted		
Capital projects	3,444,014	6,392,499
Debt service	6,128,559	5,054,906
Special revenue	563,590	2,399,553
Total Restricted	10,136,163	13,846,958
Unrestricted	2,202,850	5,599,191
Total Net Position	\$ 12,606,508	\$ 47,172,141

**23. Governmental Fund Balances**

Governmental fund balances reported on the fund financial statements at December 31, 2020, include the following:

	General	Equipment Replacement	City Sales Tax	Special Assessment Deficiency	Construction	City Share Specials - Reserve	Other Governmental Funds	Total
Restricted:								
Debt service	\$	\$	\$	\$2,398,537	\$	\$	\$ 3,679,287	\$ 6,077,824
Committed:			561,190				1,200	562,390
Assigned:								
Equipment replacement		3,107,727						3,107,727
Economic development / infrastructure			6,884,893					6,884,893
Capital projects							331,618	331,618
City share specials						517,874		517,874
Vector control							360,030	360,030
Visitor's promotion							214,287	214,287
Visitor's promotion capital construction							155,865	155,865
City taxi							869	869
Bulletproof vest							(547)	(547)
Homeland security							455	455
MCPL infrastructure							2,500,000	2,500,000
Forestry							(4,975)	(4,975)
DARE							6,687	6,687
Unassigned	3,489,122				(5,331,970)			(1,842,848)
	<u>\$ 3,489,122</u>	<u>\$3,107,727</u>	<u>\$ 7,446,083</u>	<u>\$ 2,398,537</u>	<u>\$ (5,331,970)</u>	<u>\$ 517,874</u>	<u>\$ 7,244,776</u>	<u>\$ 18,872,149</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, 2020**

	<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	\$ 4,661,286	\$ 4,661,286	\$ 4,383,990	\$ (277,296)
Sales and miscellaneous taxes	84,205	84,205	89,047	4,842
Fees and fines	110,000	110,000	83,598	(26,402)
Licenses and permits	270,515	270,515	291,079	20,564
Intergovernmental	1,943,432	1,943,432	3,693,934	1,750,502
Charges for services	383,050	383,050	336,446	(46,604)
Investment earnings	26,000	26,000	68,360	42,360
Miscellaneous	194,378	182,378	165,622	(16,756)
Total Revenues	<u>7,672,866</u>	<u>7,660,866</u>	<u>9,112,076</u>	<u>1,451,210</u>
<b>EXPENDITURES</b>				
Current:				
General government	968,291	917,330	972,709	(55,379)
Public safety	4,106,283	4,106,282	3,768,793	337,489
Public works	2,133,327	2,133,326	2,100,997	32,329
Flood control			87,824	(87,824)
Health	57,984	57,984	57,984	
Civic center	530,906	530,906	423,829	107,077
Debt Service				
Principal	117,900	117,900	117,900	
Interest	39,543	39,543	39,543	
Capital Outlay	414,395	414,395	50,073	364,322
Total Expenditures	<u>8,368,629</u>	<u>8,317,666</u>	<u>7,619,652</u>	<u>698,014</u>
Excess (deficiency) of revenues over expenditures	<u>(695,763)</u>	<u>(656,800)</u>	<u>1,492,424</u>	<u>2,149,224</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	875,000	875,000	1,938,312	1,063,312
Transfers out	(340,715)	(385,456)	(620,524)	(235,068)
Total Other Financing Sources and (Uses)	<u>534,285</u>	<u>489,544</u>	<u>1,317,788</u>	<u>828,244</u>
Net change in fund balances	(161,478)	(167,256)	2,810,212	2,977,468
Fund Balances - Beginning	2,667,283	2,667,283	2,667,283	
Fund Balances - Ending	<u>\$ 2,505,805</u>	<u>\$ 2,500,027</u>	<u>\$ 5,477,495</u>	<u>\$ 2,977,468</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, 2020**

**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	\$ 9,112,076
Taxes receivable collected in first 60 days of the year are not considered revenues for budgetary purposes	(19,668)
Grants accrued at prior year are included for budgetary purposes	(1,248)
Grants accrued are not considered revenues for budgetary purposes	213,731
Engineering fees are treated as transfers for fund purposes	(231,407)
The net proceeds from the civic center are included in the budget	<u>86,043</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 9,159,527</u></u>

**Uses/Outflows of Resources**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 7,619,652
Accounts payable at prior year end are included in the budget	(42,426)
Accounts payable at current year end are not included in the budget	22,911
The expenses from promotion, revolving and concession funds are not included in the budget	<u>87,927</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances	<u><u>\$ 7,688,064</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, 2020**

**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, 2020**

	City Sales Tax			Variance
	Budgeted Amounts		Actual Amounts, Budgetary Basis	with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales and miscellaneous taxes	\$ 2,383,333	\$ 2,383,333	\$ 2,363,571	\$ (19,762)
Investment earnings	33,000	33,000	29,408	(3,592)
Miscellaneous	147,000	147,000	546,660	399,660
Total revenues	2,563,333	2,563,333	2,939,639	376,306
EXPENDITURES				
Current:				
Business and industrial development	1,531,500	1,531,500	1,626,336	(94,836)
Capital Outlay				
Total Expenditures	1,531,500	1,531,500	1,626,336	(94,836)
Excess (deficiency) of revenues over expenditures	1,031,833	1,031,833	1,313,303	281,470
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(850,000)	(850,000)	(1,127,509)	(277,509)
Total other financing sources (uses)	(850,000)	(850,000)	(1,127,509)	(277,509)
SPECIAL ITEM				
Proceeds from sale of capital assets	100,000	100,000		(100,000)
Net change in fund balances	281,833	281,833	185,794	(96,039)
Fund balances - beginning	7,260,289	7,260,289	7,260,289	
Fund balances - ending	\$ 7,542,122	\$ 7,542,122	\$ 7,446,083	\$ (96,039)

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Required Supplementary Information**  
**Budget and Actual (with Variances) Schedule**  
**Note to RSI - Major Special Revenue Fund**  
**Year Ended December 31, 2020**

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

Expenditures in the City Sales Tax Fund exceeded appropriations by \$94,836. 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**  
**Schedule of City's Contributions to Pension Plan**

**Last 10 Years\***

	<u>2020</u>	<u>2019</u>
Statutorily required contribution		
Contributions in relation to the statutorily required contribution		
Contribution deficiency (excess)		
Employer's covered - employee payroll	\$ 2,226,843	\$ 2,282,566
Contributions as a percentage of covered-employee payroll	0.00%	0.00%

\* Complete data for this schedule is not available prior to 2019

**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\***

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.481630%	0.487475%	0.480496%	0.505996%	0.497234%	0.500908%
Employer's proportionate share of the net pension liability (asset)	\$ 15,152,183	\$ 5,713,560	\$ 8,108,894	\$ 8,133,016	\$ 4,846,030	\$ 3,406,089
Employer's covered payroll	\$ 5,312,955	\$ 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	285.19%	112.68%	164.27%	157.45%	96.71%	76.33%
Plan fiduciary net position as a percentage of the total pension liability	48.91%	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\***

	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 376,204	\$ 369,166	\$ 363,574	\$ 374,556	\$ 362,784	\$ 338,961
Contributions in relation to the statutorily required contribution	\$ 379,130	\$ 373,010	\$ 369,992	\$ 369,566	\$ 351,874	\$ 333,948
Contribution deficiency (excess)	\$ (2,926)	\$ (3,844)	\$ (6,418)	\$ 4,990	\$ 10,910	\$ 5,013
Employer's covered - employee payroll	\$ 5,312,955	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421	\$ 5,010,950	\$ 4,462,486
Contributions as a percentage of covered-employee payroll	7.14%	7.36%	7.50%	7.15%	7.02%	7.48%

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

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2020**

**ND Public Employees Retirement System**

**Changes of benefit terms.**

The interest rate earned on member contributions will decrease from 7.25 percent to 7.00 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020, will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019, or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

**Changes of assumptions**

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.75% to 7.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

**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\***

	2020	2019	2018	2017
Employer's proportion of the net OPEB liability	0.444398%	0.454410%	0.451119%	0.477466%
Employer's proportionate share of the net OPEB liability	\$ 373,827	\$ 364,976	\$ 355,287	\$ 377,681
Employer's covered payroll	\$ 5,066,010	\$ 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	7.38%	7.20%	7.20%	7.31%
Plan fiduciary net position as a percentage of the total OPEB liability	63.38%	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\***

	2020	2019	2018	2017
Statutorily required contribution	\$ 59,515	\$ 58,971	\$ 57,899	\$ 60,044
Contributions in relation to the statutorily required contribution	\$ 60,126	\$ 59,723	\$ 59,241	\$ 59,172
Contribution deficiency (excess)	\$ (611)	\$ (752)	\$ (1,342)	\$ 872
Employer's covered - employee payroll	\$ 5,066,010	\$ 5,070,567	\$ 4,936,222	\$ 5,165,421
Contributions as a percentage of covered-employee payroll	1.19%	1.18%	1.20%	1.15%

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

**City of Jamestown**  
**Stutsman County, North Dakota**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2020**

**Other Post-Employment Benefits**

**Changes of benefit terms**

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

**Changes of Assumptions**

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019, valuation:

- The investment return assumption was lowered from 7.50% to 7.25%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
**December 31, 2020**

	Nonmajor Special Revenue	Public Building Site	Nonmajor Debt Service	Total Other Governmental Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Cash and cash equivalents	\$ 456,581	\$ 1,000,000	\$ 2,030,750	\$ 3,487,331
Taxes receivable, net		65,553	588,111	653,664
Due from other funds	2,773,777		3,532,629	6,306,406
Receivable from other governments	1,365			1,365
Other receivables	9,035			9,035
Total Assets and Deferred Outflows of Resources	<u>\$ 3,240,758</u>	<u>\$ 1,065,553</u>	<u>\$ 6,151,490</u>	<u>\$ 10,457,801</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,365	\$ 22,073	\$ 150,723	\$ 174,161
Due to other funds	5,522	646,841	1,737,767	2,390,130
Total Liabilities	<u>6,887</u>	<u>668,914</u>	<u>1,888,490</u>	<u>2,564,291</u>
Deferred inflows of resources				
Long - term receivables		65,021	583,713	648,734
Fund Balances:				
Restricted for:				
Debt service			3,679,287	3,679,287
Committed	1,200			1,200
Assigned	3,232,671	331,618		3,564,289
Total Fund Balances	<u>3,233,871</u>	<u>331,618</u>	<u>3,679,287</u>	<u>7,244,776</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,240,758</u>	<u>\$ 1,065,553</u>	<u>\$ 6,151,490</u>	<u>\$ 10,457,801</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, 2020**

	<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	\$	\$ 223,068	\$ 2,367,851	\$ 2,590,919
Sales and miscellaneous taxes	501,436			501,436
Menards sales tax & TIF			505,184	505,184
Intergovernmental	2,549,638			2,549,638
Charges for services	95,562			95,562
Investment earnings	2,279	7,207	14,890	24,376
Miscellaneous	152			152
Total Revenues	<u>3,149,067</u>	<u>230,275</u>	<u>2,887,925</u>	<u>6,267,267</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	34,290			34,290
Public works	135,755	311,187		446,942
Visitor's promotion	485,817			485,817
Principal			2,524,031	2,524,031
Interest and other charges			664,203	664,203
Menards share			150,723	150,723
Capital outlay				
Total Expenditures	<u>655,862</u>	<u>311,187</u>	<u>3,338,957</u>	<u>4,306,006</u>
Excess (deficiency) of revenues over expenditures	<u>2,493,205</u>	<u>(80,912)</u>	<u>(451,032)</u>	<u>1,961,261</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in			1,255,952	1,255,952
Transfers out			(892,388)	(892,388)
Total other financing sources (uses)			<u>363,564</u>	<u>363,564</u>
Net change in fund balances	<u>2,493,205</u>	<u>(80,912)</u>	<u>(87,468)</u>	<u>2,324,825</u>
Fund balances - beginning	740,666	412,530	3,766,755	4,919,951
Fund balances - ending	<u>\$ 3,233,871</u>	<u>\$ 331,618</u>	<u>\$ 3,679,287</u>	<u>\$ 7,244,776</u>



**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2020**

	Vector Control	Visitor's Promotion	Visitor's Promotion Capital Construction	Safe Shelter Grant	City Taxi	Bulletproof Vest Grant	DES Homeland Security	MCPL Infrastructure	Forestry Grant	D.A.R.E. Program Fund	Total Nonmajor Special Revenue Funds
<b>ASSETS AND DEFERRED OUTFLOWS</b>											
<b>OF RESOURCES</b>											
Cash and cash equivalents	\$253,496	\$ 103,085	\$ 100,000	\$	\$	\$	\$	\$	\$	\$	\$ 456,581
Certificate of deposit over three months											
Taxes receivable	97,499	111,202	57,065	1,365	869		455	2,500,000		6,687	2,773,777
Due from other funds											1,365
Receivable from other governments											9,035
Other receivables	9,035										
Total Assets and Deferred Outflows of Resources	\$360,030	\$ 214,287	\$ 157,065	\$ 1,365	\$ 869	\$	\$ 455	\$ 2,500,000	\$	\$ 6,687	\$ 3,240,758
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>											
<b>Liabilities:</b>											
Accounts payable	\$	\$	\$	\$ 1,365	\$	\$	\$	\$	\$	\$	\$ 1,365
Due to other funds									4,975		5,522
Total Liabilities				1,365					4,975		6,887
Deferred inflows of resources											
Long - term receivables											
<b>Fund balances:</b>											
Committed			1,200								1,200
Assigned	360,030	214,287	155,865		869	(547)	455	2,500,000	(4,975)	6,687	3,232,671
Total Fund Balances	360,030	214,287	157,065		869	(547)	455	2,500,000	(4,975)	6,687	3,233,871
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$360,030	\$ 214,287	\$ 157,065	\$ 1,365	\$ 869	\$	\$ 455	\$ 2,500,000	\$	\$ 6,687	\$ 3,240,758

**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, 2020**

	Vector Control	Visitor's Promotion	Visitor's Promotion Capital Construction	Safe Shelter Grant	City Tax	Bulletproof Vest Grant	DES Homeland Security	MCPL Infrastructure	Forestry Grant	D.A.R.E. Program Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>											
Sales and miscellaneous taxes	\$	\$ 423,940	\$ 77,496	\$ 4,875	\$ 13,356	\$ 2,731	\$ 26,000	\$ 2,500,000	\$	\$ 2,676	\$ 501,436
Intergovernmental	95,562										2,549,638
Charges for services	302	1,346	631								95,562
Investment earnings	69	83									2,279
Miscellaneous											152
Total Revenues	95,933	425,369	78,127	4,875	13,356	2,731	26,000	2,500,000		2,676	3,149,067
<b>EXPENDITURES</b>											
Current:											
General Government											
Public safety				4,875		3,245	26,170				34,290
Public works	127,210				8,545						135,755
Visitor's promotion		389,888	95,929								485,817
Total Expenditures	127,210	389,888	95,929	4,875	8,545	3,245	26,170				655,862
Excess (deficiency) of revenues over expenditures	(31,277)	35,481	(17,802)		4,811	(514)	(170)	2,500,000		2,676	2,493,205
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in											
Transfers out											
Total other financing sources (uses)											
Net change in fund balances	(31,277)	35,481	(17,802)		4,811	(514)	(170)	2,500,000		2,676	2,493,205
Fund balances - beginning	391,307	178,806	174,867		(3,942)	(33)	625		(4,975)	4,011	740,666
Fund balances - ending	\$ 360,030	\$ 214,287	\$ 157,065	\$	\$ 869	\$ (547)	\$ 455	\$ 2,500,000	\$ (4,975)	\$ 6,687	\$ 3,233,871

CITY OF JAMESTOWN  
Stutsman County, North Dakota  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2020

	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	\$ 500,000	\$	\$	\$	\$ 40,000	\$ 89,000	\$	\$	\$ 130,000	\$ 429,000	\$ 74,000	\$ 30,000	\$ 50,000
Taxes receivable, net	6,796		24,827	3,771	23,606		16,555		54,125	148,484	13,828	22,453	
Due from other funds	110,898	463,129	150,796	192,322	250,925		162,665	785,543	101,946				
Total Assets and Deferred Outflows of Resources	\$ 617,694	\$ 463,129	\$ 175,623	\$ 196,093	\$ 314,531	\$ 89,000	\$ 179,220	\$ 785,543	\$ 286,071	\$ 577,484	\$ 87,828	\$ 52,453	\$ 50,000
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>													
Liabilities:													
Due to other funds	\$	\$	\$	\$	\$	\$ 83,028	\$	\$	\$	\$ 145,876	\$ 21,943	\$ 270,490	\$ 402,362
Accounts payable								150,723					
Total Liabilities						83,028		150,723		145,876	21,943	270,490	402,362
Deferred inflows of resources													
Long - term receivables	6,795		24,538	4,011	23,606		16,555		52,523	147,937	13,476	22,453	
Fund balances:													
Restricted:													
Debt service	610,899	463,129	151,085	192,082	290,925	5,972	162,665	634,820	233,548	283,671	52,409	(240,490)	(352,362)
Total Fund Balances	610,899	463,129	151,085	192,082	290,925	5,972	162,665	634,820	233,548	283,671	52,409	(240,490)	(352,362)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 617,694	\$ 463,129	\$ 175,623	\$ 196,093	\$ 314,531	\$ 89,000	\$ 179,220	\$ 785,543	\$ 286,071	\$ 577,484	\$ 87,828	\$ 52,453	\$ 50,000

Series AB Refunding Improvement	Series AC Refunding Improvement	Series CNW Watermain	Series 2020 Water Mains (19-61)	Series AD Refunding Improvement	1999 BND (98-71)	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 S Refunding Improvement	Total Nonmajor Debt Service Funds
\$ 355,000	\$ 108,994	\$ 100,000	\$ 100,000	\$ 24,756	\$	\$	\$	\$	\$	\$	\$	\$	\$ 2,030,750
54,420	76,425	17,250		84,147				25,102	1,524		9,528	5,270	588,111
	466,699							237,909	20,366		387,173	202,258	3,532,629
<u>\$ 409,420</u>	<u>\$ 652,118</u>	<u>\$ 117,250</u>	<u>\$ 100,000</u>	<u>\$ 108,903</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 263,011</u>	<u>\$ 21,890</u>	<u>\$</u>	<u>\$ 396,701</u>	<u>\$ 207,528</u>	<u>\$ 6,151,490</u>
\$ 217,018	\$	\$ 64,222	\$ 532,828	\$	\$	\$	\$	\$		\$	\$	\$	\$ 1,737,767
217,018		64,222	532,828										150,723
													1,888,490
<u>54,416</u>	<u>75,686</u>	<u>17,181</u>		<u>84,147</u>				<u>24,996</u>	<u>1,482</u>		<u>8,641</u>	<u>5,270</u>	<u>583,713</u>
137,986	576,432	35,847	(432,828)	24,756				238,015	20,408		388,060	202,258	3,679,287
137,986	576,432	35,847	(432,828)	24,756				238,015	20,408		388,060	202,258	3,679,287
<u>\$ 409,420</u>	<u>\$ 652,118</u>	<u>\$ 117,250</u>	<u>\$ 100,000</u>	<u>\$ 108,903</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 263,011</u>	<u>\$ 21,890</u>	<u>\$</u>	<u>\$ 396,701</u>	<u>\$ 207,528</u>	<u>\$ 6,151,490</u>

**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, 2020**

		Series 2013											
		Series T	Series U	Series V	Series W	Series X	SRF	Series Y	Series Z	Series AA	Series 2016B	Series 2017 Def	Series 2017 Def
		Refunding	Refunding	Refunding	Refunding	Refunding	Refunding	Refunding	Refunding	Refunding	Refunding	Imp Warrants	Imp Warrants
		Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	Improvement	(16-43)	(16-42)
<b>REVENUES</b>	Curb and Gutter												
	\$ 40,497	\$ 5,666	\$ 85,909	\$ 207,332	\$ 70,130	\$ 78,730	\$ 63,919	\$ 505,184	\$ 225,817	\$ 471,760	\$ 80,502	\$ 114,049	\$ 114,049
	2,751	413	138	207	534	587	138	276	995	3,078	602	173	173
	43,248	6,079	86,047	207,539	70,664	79,317	64,057	505,460	226,812	474,838	81,104	114,222	114,222
<b>EXPENDITURES</b>	Property taxes												
	Menards sales tax & TIF												
	Investment earnings												
	Total Revenues											\$ 6,636	\$ 6,636
<b>EXPENDITURES</b>	Principal												
	Menards share												
	Interest and other charges												
	Total Expenditures												
<b>OTHER FINANCING SOURCES (USES)</b>	Excess (deficiency) of revenues over expenditures												
	Transfers in												
	Transfers out												
	Total other financing sources (uses)												
<b>Net change in fund balances</b>	Net change in fund balances												
	Fund balances - beginning												
	Fund balances - ending												

Series AB Refunding Improvement	Series AC Refunding Improvement	Series C NW Watermain	Series 2020 Water Mains (19-61)	Series AD Refunding Improvement	1999 BND (98-71)	Series M Refunding Improvement	Series N Refunding Improvement	Series WWT Refunding Improvement	Series O Refunding Improvement	Series P Refunding Improvement	Series 2007B SW Sewer	Series S Refunding Improvement	Total Nonmajor Debt Service Funds
\$ 305,568	\$ 315,773	\$ 84,274	\$	\$	\$ 1,973	\$	\$ 26,626	\$ 81,074	\$ 9,022	\$	\$ 59,078	\$ 33,516	\$ 2,367,851
2,518	491	211	211		3	5	76	689	34	2	207	262	505,184
308,086	316,264	84,485	211		1,976	5	26,702	81,763	9,056	2	59,285	33,778	14,890
295,000													2,887,925
60,530	43,896	26,255	8,070				30,000	75,000	15,000		77,000	25,000	2,524,031
355,530	43,896	26,255	8,070				398	11,963	1,900		16,188	4,890	150,723
							30,398	86,963	16,900		93,188	29,890	664,203
(47,444)	272,368	58,230	(7,859)		1,976	5	(3,696)	(5,200)	(7,844)	2	(33,903)	3,888	3,338,957
80,600	333,257	40,351	(424,969)	55,100	(1,976)	(5)	3,339	1,602	3,520	(2)	14,609	3,399	1,255,952
	(30,150)	(62,734)		(30,344)			(118,971)		(100,000)				(892,388)
80,600	303,107	(22,383)	(424,969)	24,756	(1,976)	(5)	(115,632)	1,602	(96,480)	(2)	14,609	3,399	363,564
33,156	575,475	35,847	(432,828)	24,756			(119,328)	(3,598)	(104,324)		(19,294)	7,287	(87,468)
104,830	957						119,328	241,613	124,732		407,354	194,971	3,766,755
\$ 137,986	\$ 576,432	\$ 35,847	\$ (432,828)	\$ 24,756	\$	\$	\$	\$ 238,015	\$ 20,408	\$	\$ 388,060	\$ 202,258	\$ 3,679,287

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**OTHER SUPPLEMENTARY INFORMATION - continued**  
**Year Ended December 31, 2020**

**LIST OF CITY OFFICIALS**

Mayor	Dwaine Heinrich
Council	David Steele
	Dan Buchanan
	Steve Brubakken thru June 30, 2020
	Pam Phillips thru June 30, 2020
	Brian Kamlitz starting July 1, 2020
	David Schloegel starting July 1, 2020
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, 2020, 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 September 29, 2021.

## **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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **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**

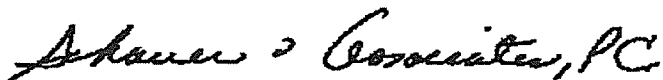
As part of obtaining reasonable assurance about whether **CITY OF JAMESTOWN, NORTH DAKOTA**'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

**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  
September 29, 2021



# 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, 2020. **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, 2020.


**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  
September 29, 2021

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SUPPLEMENTARY INFORMATION**  
**Year Ended December 31, 2020**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Federal Grantor/Pass-Through Grantor Program Grant Title	Federal CFDA #	Pass-Through Grantor's #	Expenditures
U. S. Department of Housing & Urban Development			
Passed through ND Department of Commerce			
Main Street storefronts	14.228	CDBG 4455 SL18 MS	\$ 70,465
Daycare working capital	14.228	CDBG 4584 SL 19 ED R	100
Total U. S. Department of Housing & Urban Development			<u>70,565</u>
U. S. Department of Justice			
Direct Funding			
Bulletproof Vest Partnership Grant	16.607	2018-BUBX18	2,731
Passed Through ND Attorney General's Office			
Edward Byrne Memorial Justice Assistance	16.738	2019-DJ-BX-0054	4,875
Total U. S. Department of Justice			<u>7,606</u>
U. S. Department of Transportation			
Passed Through ND Department of Transportation			
Urban Grant	20.205	38181446	321
<b>Highway Planning and Construction Cluster</b>			<u>321</u>
Distracted driving	20.600	PHSPDD2011-02 06	2,604
Occupant protection enforcement	20.600	PHSPOP2105-05-08	434
Speed enforcement	20.600	PHSPSC2107-04-07	1,500
Occupant protection enforcement	20.616	PHSPOP2005-05-08	868
Impaired driving enforcement	20.616	PHSPID2010-02-08	325
Underage drinking laws enforcement	20.616	PHSPID2110-12-04	190
<b>Highway Safety Cluster</b>			<u>5,921</u>
Total U. S. Department of Transportation			<u>6,242</u>
U. S. Department of Treasury			
Passed Through ND Office of State Treasurer			
COVID -19 Coronavirus Relief Fund (1)	21.019	NA	1,991,741
Passed thru to subrecipient			35,630
Total U.S. Department of Treasury			<u>1,956,111</u>
U.S. Environmental Protection Agency			
Passed Through ND Department of Health			
Capitalization Grants for Drinking Water			
State Revolving Funds (2)	66.468	4700498-08	129,269
State Revolving Funds (2)	66.468	4700498-09	1,528,956
<b>Drinking Water State Revolving Fund Cluster</b>			<u>1,658,225</u>
Total U. S. Environmental Protection Agency			<u>1,658,225</u>
U. S. Department of Homeland Security			
Passed Through ND Department of Emergency Services			
Disaster Grants – public assistance	97.036	FEMA - DR4475	99,176
COVID 19 Disaster Grants – public assistance	97.036	FEMA - DR 4509	18,798
Hazard Mitigation Grant	97.039	FEMA - DR4323	59,021
Homeland Security Grant Program	97.067	EMW-2019-SS-000033-S01	26,000
Total U. S. Department of Homeland Security			<u>202,995</u>
Total City of Jamestown			<u>\$ 3,901,744</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, 2020**

**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, 2020. 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	\$ 330,000
2005 Water Treatment Revenue Bonds	745,000
2005 B Master Lift Station Revenue Bonds	525,000
2007 B Improvement Bonds Replace Sanitary Sewer Mains	469,000
2007 Water Treatment Revenue Bonds	760,000
2010 Waste Treatment Revenue Bonds	1,575,000
2010 B Waste Treatment Revenue Bonds	1,255,000
2011 Wastewater Treatment Revenue Bonds	650,000
2013 Clean Water (Wastewater Inlet Piping) Revenue Bonds	580,000
2013 Wastewater Treatment Assessment Warrant	760,000
2013 D Wastewater Treatment Revenue Bonds	7,570,000
2014 Water Tower Revenue Bonds	2,610,000
2014 Drinking Water Revenue Bonds	585,000
2016 Solid Waste Treatment Revenue Bonds	440,000
2016 C Water Treatment Revenue Bonds	410,000
2016 B Water Treatment Assessment warrant	940,000
2017 Solid Waste Disposal revenues bonds	2,553,683
2017B Wastewater treatment revenue bonds	545,000
2017C Water treatment assessment warrant	1,315,000
2019 Water main rehab series 2020	1,527,956

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2020**

**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

21.019 Coronavirus Relief Fund

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.

**CITY OF JAMESTOWN**  
**Stutsman County, North Dakota**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued**  
**Year Ended December 31, 2020**

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**  
**Stutsman County, North Dakota**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 2020**

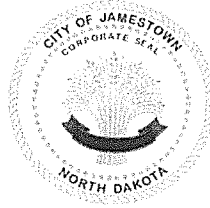
**Finding Number: 2014-001**

**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.





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## CORRECTIVE ACTION PLAN

Year Ended December 31, 2020

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 City administration to provide all requested schedules.

Anticipated Completion Date:

Not Applicable