

CITY OF JAMESTOWN
Stutsman County, North Dakota

REPORT ON FINANCIAL STATEMENTS
(with supplementary information)
Year Ended December 31, 2021

CITY OF JAMESTOWN
Stutsman County, North Dakota
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Schauer & Associates, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT - continued

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the **CITY OF JAMESTOWN, NORTH DAKOTA's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the **CITY OF JAMESTOWN, NORTH DAKOTA's** ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to

INDEPENDENT AUDITORS' REPORT - continued

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.

Supplementary 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 accompanying combining nonmajor fund financial statements and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2022, 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.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants

Jamestown, North Dakota
September 28, 2022

CITY OF JAMESTOWN
Stutsman County, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2021

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, 2021. 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 \$7,570,200 or 13.0% as a result of current year operations. Net position of the business type activities increased by \$4,417,494 and net position of the governmental activities increased by \$3,152,706.
- Total revenues from all sources were \$31,813,495. Revenue from governmental activities was \$19,097,824 and revenues from business type activities were \$12,715,671.
- Total cost of all programs was \$24,243,295. This was comprised of \$15,538,057 in governmental activities and \$8,705,238 in business type activities.
- Governmental fund balance totaled \$20,149,520 as of December 31, 2021.
- Governmental net change in fund balances was an increase of \$1,277,371.
- Unassigned fund balance for the general fund was \$3,851,661, 48.7% 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, 2021

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 14.

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 48 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 42 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, 2021

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 58 - 62 of this report.

The governmental fund financial statements begin on page 16.

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 20.

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 23.

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 25 - 57 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 68 - 75.

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, 2021 and 2020.

CITY OF JAMESTOWN
Stutsman County, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended December 31, 2021

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 \$67,348,849 at the close of the most recent fiscal year.

Table I
NET POSITION
December 31, 2021 and 2020

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Current assets | \$ 23,299,947 | \$ 22,053,289 | \$ 22,288,444 | \$ 19,983,901 | \$ 45,588,391 | \$ 42,037,190 |
| Noncurrent assets | 6,659,561 | 3,858,846 | | | 6,659,561 | 3,858,846 |
| Capital assets | 24,546,016 | 25,355,005 | 57,264,934 | 53,556,311 | 81,810,950 | 78,911,316 |
| Deferred outflows of resources | 6,221,409 | 9,054,115 | | | 6,221,409 | 9,054,115 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 60,726,933</u> | <u>\$ 60,321,255</u> | <u>\$ 79,553,378</u> | <u>\$ 73,540,212</u> | <u>\$ 140,280,311</u> | <u>\$ 133,861,467</u> |
| LIABILITIES | | | | | | |
| Current liabilities | \$ 3,772,031 | \$ 3,719,594 | \$ 2,152,665 | \$ 800,820 | \$ 5,924,696 | \$ 4,520,414 |
| Long-term liabilities | 25,894,567 | 37,873,411 | 25,811,078 | 25,567,251 | 51,705,645 | 63,440,662 |
| Total Liabilities | <u>29,666,598</u> | <u>41,593,005</u> | <u>27,963,743</u> | <u>26,368,071</u> | <u>57,630,341</u> | <u>67,961,076</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| | <u>15,301,121</u> | <u>6,121,742</u> | | | <u>15,301,121</u> | <u>6,121,742</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 985,287 | 267,495 | 29,553,537 | 27,725,992 | 30,538,824 | 27,993,487 |
| Restricted | 7,247,868 | 10,136,163 | 14,916,512 | 13,846,958 | 22,164,380 | 23,983,121 |
| Unrestricted | 7,526,059 | 2,202,850 | 7,119,586 | 5,599,191 | 14,645,645 | 7,802,041 |
| Total Net Position | <u>15,759,214</u> | <u>12,606,508</u> | <u>51,589,635</u> | <u>47,172,141</u> | <u>67,348,849</u> | <u>59,778,649</u> |
| Total Liabilities, Deferred Inflows of Resources and Net Position | <u>\$ 60,726,933</u> | <u>\$ 60,321,255</u> | <u>\$ 79,553,378</u> | <u>\$ 73,540,212</u> | <u>\$ 140,280,311</u> | <u>\$ 133,861,467</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, 2021**

A portion of the **CITY OF JAMESTOWN'S** net position (\$67,348,849) represents resources that are restricted by external restrictions on how they may be used.

At the end of 2021, 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, 2021 and 2020

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|-------------------|--------------------------|-------------------|-------------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| REVENUES | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 463,529 | \$ 393,583 | \$12,682,956 | \$12,122,414 | \$ 13,146,485 | \$ 12,515,997 |
| Operating grants | 1,625,901 | 3,148,412 | | | 1,625,901 | 3,148,412 |
| Capital grants | 1,187,693 | 2,502,676 | | | 1,187,693 | 2,502,676 |
| General revenues | | | | | | |
| Property taxes, general | 4,592,708 | 4,534,773 | | | 4,592,708 | 4,534,773 |
| Property taxes, debt service | 2,679,953 | 2,357,551 | | | 2,679,953 | 2,357,551 |
| State aid distribution | 949,333 | 804,968 | | | 949,333 | 804,968 |
| Miscellaneous taxes | 674,278 | 590,483 | | | 674,278 | 590,483 |
| Sales taxes | 4,442,086 | 3,916,042 | | | 4,442,086 | 3,916,042 |
| Investment earnings | 135,940 | 164,317 | 32,715 | 40,480 | 168,655 | 204,797 |
| Repayment of economic development funds | 1,858,424 | 546,660 | | | 1,858,424 | 546,660 |
| Miscellaneous | 458,709 | 1,184,456 | | 478 | 458,709 | 1,184,934 |
| Gain (loss) on sale of assets | 23,420 | (6,353) | | | 23,420 | (6,353) |
| Total Revenues | 19,091,974 | 20,137,568 | 12,715,671 | 12,163,372 | 31,807,645 | 32,300,940 |
| EXPENSES | | | | | | |
| General government | 1,631,415 | 1,574,404 | | | 1,631,410 | 1,574,404 |
| Public safety | 3,018,801 | 5,345,134 | | | 3,018,801 | 5,345,134 |
| Public works | 6,707,003 | 5,432,060 | | | 6,707,008 | 5,432,060 |
| Flood control | | 82,796 | | | | 82,796 |
| Health | 59,724 | 57,984 | | | 59,724 | 57,984 |
| Civic center | 698,897 | 718,390 | | | 698,897 | 718,390 |
| Interest on long-term debt | 648,809 | 632,832 | | | 648,809 | 632,832 |
| Visitor's promotion | 516,374 | 484,824 | | | 516,374 | 484,824 |
| Business and industrial development | 2,257,034 | 1,626,336 | | | 2,257,034 | 1,626,336 |
| Water utility | | | 3,224,279 | 3,087,548 | 3,224,279 | 3,087,548 |
| Sewer utility | | | 2,262,794 | 2,877,869 | 2,262,794 | 2,877,869 |
| Sanitation | | | 1,622,518 | 1,535,087 | 1,622,518 | 1,535,087 |
| Solid waste | | | 1,524,034 | 1,605,334 | 1,524,034 | 1,605,334 |
| Other enterprise funds | | | 71,613 | 60,429 | 71,613 | 60,429 |
| Total Expenses | 15,538,057 | 15,954,760 | 8,705,238 | 9,166,267 | 24,243,295 | 25,121,027 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued
Year Ended December 31, 2021

| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
|-------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| Change before transfers | 3,553,917 | 4,182,808 | 4,010,433 | 2,997,105 | 7,564,350 | 7,179,913 |
| Transfers | (401,211) | (2,918,896) | 407,061 | 2,918,896 | 5,850 | |
| Change in net position | 3,152,706 | 1,263,912 | 4,417,494 | 5,916,001 | 7,570,200 | 7,179,913 |
| BEGINNING NET POSITION | 12,606,508 | 11,211,897 | 47,172,141 | 41,261,152 | 59,778,649 | 52,473,049 |
| Prior period adjustment | | 130,699 | | (5,012) | | 125,687 |
| ENDING NET POSITION | <u>\$15,759,214</u> | <u>\$12,606,508</u> | <u>\$ 51,589,635</u> | <u>\$47,172,141</u> | <u>\$ 67,348,849</u> | <u>\$ 59,778,649</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 \$20,149,520, an increase of \$1,277,371. The *governmental funds unassigned fund* has a balance of \$1,866,018. 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 \$3,851,661. 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 48.7% of total general fund expenditures. Total general fund cash at year end is \$10,470,487.

The **CITY OF JAMESTOWN'S** general fund balance increased by \$362,539 during the current fiscal year.

The debt service funds have a total fund balance of \$2,405,082, 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, 2021

General Fund Budgetary Highlights

Differences between the budgeted and actual amounts in the general fund consisted of total revenues being \$1,238,022 more than was budgeted mainly in intergovernmental revenues. The total general government expenditures were \$115,270 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, 2021, amounts to \$81,810,950 (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 \$1,440,000 was spent on acquiring equipment and vehicles
- Approximately \$2,480,000 was spent on water main replacements
- Approximately \$1,100,000 was spent on lift station improvements

Table III
Capital Assets (Net of Accumulated Depreciation)
December 31, 2021

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|----------------------|
| Land | \$ 7,200 | \$ 60,000 | \$ 67,200 |
| Construction in progress | 419,096 | 7,069,220 | 7,488,316 |
| Buildings | 2,199,790 | 11,536,858 | 13,736,648 |
| Infrastructure | 18,840,761 | 35,917,972 | 54,758,733 |
| Equipment | 3,079,169 | 2,680,884 | 5,760,053 |
| Total Capital Assets (Net of Depreciation) | <u>\$ 24,546,016</u> | <u>\$ 57,264,934</u> | <u>\$ 81,810,950</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 \$57,055,215, a decrease of \$9,903,157 over the prior year. The city issued additional debt for 2019 Water Main Rehab for \$422,189, new debt for Water Treatment revenue bonds Series 2020B for \$1,498,034, new debt for Water Treatment assessment warrants Series 2021B for \$1,808,000 and Series AE Refunding Improvement Bonds for \$1,585,000.

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, 2021

Table IV
Long-Term Liabilities
December 31, 2021

| | Governmental Activities | Business-Type Activities | Total |
|-----------------------------|----------------------------|-----------------------------|----------------------|
| Revenue bonds | \$ | \$ 26,287,717 | \$ 26,287,717 |
| Refunding improvement bonds | 22,500,859 | | 22,500,859 |
| Lease/purchase | 1,059,870 | | 1,059,870 |
| Landfill closure costs | | 1,423,680 | 1,423,680 |
| Compensated absences | 259,749 | 156,681 | 416,430 |
| Net pension obligation | 5,117,831 | | 5,117,831 |
| Net OPEB liability | 248,828 | | 248,828 |
| Total | <u>\$ 29,187,137</u> | <u>\$ 27,868,078</u> | <u>\$ 57,055,215</u> |

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, through 2020 and continued through 2021. Much of the value was due to new construction, including new garages, remodeling and additions to residential properties, a few new homes, and new commercial construction.

| Year | Building Permits Value | Number of permits |
|------|------------------------|-------------------|
| 2021 | \$15,721,000 | 75 |
| 2020 | \$23,181,000 | 105 |
| 2019 | \$26,274,994 | 113 |
| 2018 | \$12,649,387 | 113 |
| 2017 | \$11,352,039 | 140 |

2021 Permits

| 2021 Commercial Permits | | 2021 Residential Permits | |
|-------------------------|----------------------|--------------------------|-----------------------|
| Value | Type | Value | Type |
| \$ | Addition (0) | \$260,000 | Addition (5) |
| \$ 2,535,000 | New construction (5) | \$3,375,000 | New construction (11) |
| \$ 1,782,000 | Remodel (12) | \$591,000 | Remodel (15) |
| \$ 959,000 | Storage (5) | \$60,000 | Storage (12) |
| \$ 128,000 | Other (3) | \$66,000 | Deck or patio (14) |
| \$ | Mechanical | \$579,000 | Garage (19) |
| | | \$ | House moving (1) |

Total commercial construction for 2021 totaled \$15,721,000, including five new commercial buildings valued at \$11,530,000. The building inspector issued 105 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 2022 show commercial construction continues to increase. As of September 15, 2022, the City has issued 79 building permits for a total value of \$43,259,500. The permits include 37 commercial projects and 4 new residential homes.

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 added a city planner/GIS manager in 2022.

CITY OF JAMESTOWN

Stutsman County, North Dakota

MANAGEMENT'S DISCUSSION AND ANALYSIS - continued

Year Ended December 31, 2021

In 2022, 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 Anne Carlsen Center broke ground on its new, multi- million-dollar campus in 2022.

It is expected that the city sales tax revenue will continue to increase. Support continues to grow locally 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 funding for the project, construction will begin soon after the approval on State-owned land.

The unemployment rate for Stutsman County, including Jamestown, was already low at the start of the pandemic in mid-March 2020. Unemployment claims remained low throughout the pandemic, in 2021 and into 2022 as businesses continued to be supported locally. The low unemployment rate means employers are competing to retain and attract workers. The largest employers in the county are in a wide range of areas including education, health care, manufacturing, government, retail, food, finance, technical, transportation, vehicles, insurance and recreation. This wide range protects the area from large or sudden increase in unemployment if one industry experiences a loss.

| Employment and Labor Statistics | | | | |
|---------------------------------|-------------|--------------------------|--------------|---------------|
| Unemployment Figures | | Annual Unemployment Rate | | |
| Year | Labor Force | Stutsman County | North Dakota | United States |
| 2021 | 10,389 | 3.0% | 3.7% | 5.3% |
| 2020 | 10,575 | 3.5 | 5.1 | 8.1 |
| 2019 | 10,541 | 2.1 | 2.1 | 3.7 |
| 2018 | 10,748 | 2.3 | 2.4 | 3.9 |
| 2017 | 11,091 | 2.3 | 2.6 | 4.4 |
| 2016 | 11,055 | 2.5 | 3.1 | 4.9 |
| 2015 | 10,624 | 2.3 | 2.8 | 5.3 |

The City received \$1,184,157 of American Rescue Plan Act Funds in 2021 (Coronavirus state and local recovery funds). These funds were reported as replacement revenue and are dedicated by the City Council to infrastructure such as the 2021 watermain project. City staff continue to work with other agencies, organizations, and businesses to minimize the risk and costs to our citizens and community. The City anticipates receiving \$1,200,000 in 2022.

In 2021, the City received a total of \$10,687 from the U.S. Department of Transportation through the ND Department of transportation for highway planning, construction, and safety, used by the police department for enforcement programs of distracted driving, occupant protection, speed, impaired and driving underage drinking law.

The City received \$691,302 in FEMA funds in 2021: \$41,595 for the 2020 Flood response, and \$643,442 for the hazard mitigation grant for the James River riverbank stabilization and erosion control and \$6,245 for COVID 19 disaster grants.

The City received \$2,230,189 in Drinking Water State Revolving Loan (SRF) Funds from the U.S. Environmental Protection Agency through the State of North Dakota for water main projects. The City received \$1,498,034 in Clean Water State Revolving Loan (SRF) Funds from the U.S. Environmental Protection Agency through the State of North Dakota for sanitary, storm and landfill infrastructure projects.

CITY OF JAMESTOWN

Stutsman County, North Dakota

MANAGEMENT'S DISCUSSION AND ANALYSIS - continued

Year Ended December 31, 2021

The S.A.F.E. Shelter received a \$4,875 Edward Byrne Memorial Justice Assistance grant from the U.S. Department of Justice through the ND Attorney General's Office and passed through the City.

In 2021 and again in 2022, the City of Jamestown received a bond rating of "A1" assigned by Moody's Investors Service, Inc. an excellent rating and the highest rating given to a community of this size.

The community continues to grow. Fall enrollment for the 2022 -2023 Jamestown Public School District No. 1 school year is over 2,100. The University of Jamestown has its highest enrollment recorded the fall of 2022, with over 1,250 students. In 2022 the City is seeing an increase in new business owners and the types of businesses, including a combination practice golf and axe throwing arcade, as well as the development of a local brewery. In 2022, the City has been working to develop a plan to encourage more housing development, new and infill housing.

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 3rd Avenue SE, Jamestown, North Dakota 58401.

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Net Position
December 31, 2021

| | Governmental Activities | Business-type Activities | Total | Component Units |
|--|------------------------------------|-------------------------------------|----------------|----------------------------|
| ASSETS | | | | |
| Cash and equivalents | \$ 22,980,251 | \$ 9,177,219 | \$ 32,157,470 | \$ 637,861 |
| Certificates of deposit over 3 months | 9,900,000 | 600,000 | 10,500,000 | |
| Cash restricted | | | | 75,337 |
| Reserve account | | | | 132,010 |
| Accounts receivable | 8,695 | 903,305 | 912,000 | 57,613 |
| Internal balances | (11,607,920) | 11,607,920 | | |
| Due from other governmental agencies | 2,018,921 | | 2,018,921 | 616,360 |
| Net City pension assets | 6,423,164 | | 6,423,164 | |
| 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 | 419,096 | 7,069,220 | 7,488,316 | 1,821,485 |
| Buildings | 6,053,325 | 24,480,066 | 30,533,391 | 5,044,954 |
| Infrastructure | 38,533,846 | 44,302,600 | 82,836,446 | 18,762,573 |
| Equipment | 8,974,193 | 6,962,950 | 15,937,143 | 1,686,219 |
| Less: Accumulated Depreciation | (29,441,644) | (25,609,902) | (55,051,546) | (11,841,477) |
| Net Capital Assets | 24,546,016 | 57,264,934 | 81,810,950 | 15,791,225 |
| Total Assets | 54,505,524 | 79,553,378 | 134,058,902 | 17,310,406 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred outflows related to PERS pension | 6,135,382 | | 6,135,382 | 273,369 |
| Deferred outflows related to OPEB | 86,027 | | 86,027 | 6,750 |
| Total Deferred Outflows of Resources | 6,221,409 | | 6,221,409 | 280,119 |
| Total Assets and Deferred Outflows of Resources | \$ 60,726,933 | \$ 79,553,378 | \$ 140,280,311 | \$ 17,590,525 |
| LIABILITIES | | | | |
| Accounts payable and accrued expenses | \$ 479,461 | \$ 95,665 | \$ 575,126 | \$ 239,168 |
| Long-term liabilities | | | | |
| Due within one year | | | | |
| Bonds, capital leases and contracts | 3,292,570 | 2,057,000 | 5,349,570 | 110,099 |
| Due in more than one year | | | | |
| Bonds, capital leases and contracts | 20,268,159 | 24,230,717 | 44,498,876 | 1,311,319 |
| Compensated absences | 259,749 | 156,681 | 416,430 | |
| Landfill closure costs | | 1,423,680 | 1,423,680 | |
| Net pension obligation | 5,117,831 | | 5,117,831 | 207,043 |
| Net OPEB liability | 248,828 | | 248,828 | 11,475 |
| Total Liabilities | 29,666,598 | 27,963,743 | 57,630,341 | 1,879,104 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred revenues in custody of other governments | 1,841,431 | | 1,841,431 | |
| Deferred inflows of resources related to City pension | 3,443,455 | | 3,443,455 | |
| Deferred inflows of resources related to PERS pension | 9,911,185 | | 9,911,185 | 405,138 |
| Deferred inflows of resources related to OPEB | 105,050 | | 105,050 | 4,258 |
| Total Deferred Inflows of Resources | 15,301,121 | | 15,301,121 | 409,396 |
| NET POSITION | | | | |
| Net investment in capital assets | 985,287 | 29,553,537 | 30,538,824 | 14,369,807 |
| Restricted for: | | | | |
| Capital projects | 4,815,357 | 6,759,551 | 11,574,908 | 12,717 |
| Debt service | 2,393,986 | 5,650,178 | 8,044,164 | 62,620 |
| Other projects | 38,525 | 2,506,783 | 2,545,308 | |
| Unrestricted net position | 7,526,059 | 7,119,586 | 14,645,645 | 856,881 |
| Total Net Position | 15,759,214 | 51,589,635 | 67,348,849 | 15,302,025 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 60,726,933 | \$ 79,553,378 | \$ 140,280,311 | \$ 17,590,525 |

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, 2021

| 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 | |
| Primary Government | | | | | |
| Governmental Activities | | | | | |
| General government | \$ 1,631,415 | \$ | \$ | \$ | \$ |
| Public safety | 3,018,801 | 37,429 | 67,590 | 3,536 | (1,631,415) |
| Public works | 6,707,003 | 173,213 | 1,558,311 | 1,184,157 | (2,910,246) |
| Flood control | | | | | (3,791,322) |
| Health | 59,724 | | | | (59,724) |
| Civic center | 698,897 | 252,887 | | | (446,010) |
| Interest on long-term debt | 648,809 | | | | (648,809) |
| Visitor's promotion | 516,374 | | | | (516,374) |
| Business and industrial development | 2,257,034 | | | | (2,257,034) |
| Total Governmental Activities | 15,538,057 | 463,529 | 1,625,901 | 1,187,693 | (12,260,934) |
| Business-Type Activities | | | | | |
| Water utility | 3,224,279 | 5,749,451 | | | 2,525,172 |
| Sewer utility | 2,262,794 | 3,049,077 | | | 786,283 |
| Sanitation | 1,622,518 | 2,315,510 | | | 692,992 |
| Solid waste | 1,524,034 | 1,012,439 | | | (511,595) |
| Other enterprise funds | 71,613 | 556,479 | | | 484,866 |
| Total Business-Type Activities | 8,705,238 | 12,682,956 | | | 3,977,718 |
| Total Primary Government | 24,243,295 | 13,146,485 | 1,625,901 | 1,187,693 | (8,283,216) |
| Component Units | | | | | |
| Jamestown Municipal Airport Authority | 1,645,780 | 473,261 | | 2,514,945 | 1,342,426 |
| Total Component Units | 1,645,780 | 473,261 | | 2,514,945 | 1,342,426 |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | | | | | 4,592,708 |
| Property taxes, levied for debt service | | | | | 2,679,953 |
| State aid distribution | | | | | 949,333 |
| Miscellaneous taxes | | | | | 674,278 |
| Sales taxes | | | | | 4,442,086 |
| Unrestricted investment earnings | | | | | 168,655 |
| Miscellaneous - repayment of economic development funds | | | | | 32,715 |
| Miscellaneous | | | | | 1,858,424 |
| <i>Special item - gain on sale of assets</i> | | | | | 458,709 |
| Transfers | | | | | 23,420 |
| Total General Revenues, Special Items, and Transfers | | | | | 407,061 |
| Change in Net Position | | | | | 439,776 |
| | | | | | 4,417,494 |
| Net Position: | | | | | |
| Beginning of year | | | | | 12,606,508 |
| Prior period adjustment | | | | | 47,172,141 |
| Beginning of year, as adjusted | | | | | 59,778,649 |
| Net Position - Ending | | | | | \$ 67,348,849 |
| | | | | | \$ 15,302,025 |

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Balance Sheet
Governmental Funds
December 31, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| | General Fund | Equipment Replacement | City Sales Tax | City Share Specials - Reserve | Special Assessment Deficiency | Construction | Other Governmental Funds | Total Governmental Funds |
|---|----------------------|-----------------------|---------------------|-------------------------------------|-------------------------------------|---------------------|--------------------------------|--------------------------------|
| Cash and cash equivalents | \$ 7,806,487 | \$ 3,605,532 | \$ 5,243,624 | \$ 1,179,237 | \$ 69,727 | \$ 4,017,441 | \$ 702,454 | \$ 22,624,502 |
| Certificate of deposit over three months | 2,664,000 | 1,200,000 | | 200,000 | 400,000 | | 4,936,000 | 9,400,000 |
| Taxes receivable, net | 1,272,586 | | | | | | 742,632 | 2,015,218 |
| Due from other funds | | | 2,313,094 | | 1,954,095 | | 5,462,724 | 9,729,913 |
| Receivable from other governments | 2,387 | | | | | | 1,318 | 3,705 |
| Other receivables | | | | | | | 8,695 | 8,695 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 11,745,460</u> | <u>\$ 4,805,532</u> | <u>\$ 7,556,718</u> | <u>\$ 1,379,237</u> | <u>\$ 2,423,822</u> | <u>\$ 4,017,441</u> | <u>\$ 11,853,823</u> | <u>\$ 43,782,033</u> |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

| | | | | | | | | |
|--------------------|------------------|------------------|----|----------------|----|------------------|------------------|-------------------|
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 72,164 | \$ | \$ | \$ | \$ | \$ 266,247 | \$ 45,637 | \$ 384,048 |
| Due to other funds | 6,581,494 | 1,239,621 | | 652,747 | | 5,736,837 | 7,075,708 | 21,286,407 |
| Total Liabilities | <u>6,653,658</u> | <u>1,239,621</u> | | <u>652,747</u> | | <u>6,003,084</u> | <u>7,121,345</u> | <u>21,670,455</u> |

Deferred inflows of resources

| | | | | | | | | |
|-------------------------|-----------|--|--|--|--|--|---------|-----------|
| Long - term receivables | 1,240,141 | | | | | | 721,917 | 1,962,058 |
|-------------------------|-----------|--|--|--|--|--|---------|-----------|

Fund Balances:

| | | | | | | | | |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| Restricted for | | | | | 2,423,822 | | (18,740) | 2,405,082 |
| Debt service | | | | | | | 38,525 | 38,525 |
| Committed | | | | | | | 3,990,776 | 15,839,895 |
| Assigned | | 3,565,911 | 7,556,718 | 726,490 | | (1,985,643) | | 1,866,018 |
| Unassigned | 3,851,661 | 3,565,911 | 7,556,718 | 726,490 | 2,423,822 | (1,985,643) | 4,010,561 | 20,149,520 |
| Total Fund Balances | <u>3,851,661</u> | <u>3,565,911</u> | <u>7,556,718</u> | <u>726,490</u> | <u>2,423,822</u> | <u>(1,985,643)</u> | <u>4,010,561</u> | <u>20,149,520</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 11,745,460</u> | <u>\$ 4,805,532</u> | <u>\$ 7,556,718</u> | <u>\$ 1,379,237</u> | <u>\$ 2,423,822</u> | <u>\$ 4,017,441</u> | <u>\$ 11,853,823</u> | <u>\$ 43,782,033</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, 2021

| | | |
|--|----|------------|
| Total Fund Balance, Governmental Funds | \$ | 20,149,520 |
|--|----|------------|

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. | | 24,782,413 |
|--|--|------------|

| | | |
|--|--|---------|
| 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. | | 120,628 |
|--|--|---------|

| | | |
|---|--|-----------|
| 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 | | (248,828) |
| Deferred outflows of resources | | 86,027 |
| Deferred inflows of resources | | (105,050) |

| | | |
|--|--|-------------|
| Net PERS pension liability and pension related deferred: outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of : | | |
| Net pension liability | | (5,117,831) |
| Deferred outflows of resources | | 6,135,382 |
| Deferred inflows of resources | | (9,911,185) |

| | | |
|---|--|-------------|
| 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 | | 6,423,164 |
| Deferred inflows of resources | | (3,443,455) |

| | | |
|--|--|---------|
| 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. | | 708,907 |
|--|--|---------|

| | | |
|--|--|--------------|
| 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. | | (23,820,478) |
|--|--|--------------|

| | | |
|--|----|---|
| Net Assets of Governmental Activities in the Statement of Net Position | \$ | <div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 2px 10px;">15,759,214</div> |
|--|----|---|

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, 2021

| | General Fund | Equipment Replacement | City Sales Tax | City Share Specials - Reserve | Special Assessment Deficiency | Construction | Other Governmental Funds | Total Governmental Funds |
|---|--------------|-----------------------|----------------|-------------------------------|-------------------------------|----------------|--------------------------|--------------------------|
| REVENUES | | | | | | | | |
| Property taxes | \$ 4,402,677 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 7,307,143 |
| Sales and miscellaneous taxes | 84,304 | | 2,800,153 | 1,319,457 | | | 589,973 | 4,793,887 |
| Fees and fines | 119,601 | | | | | | | 119,601 |
| Licenses and permits | 335,480 | | | | | | | 335,480 |
| Intergovernmental | 2,560,359 | | | | | | 1,202,568 | 3,762,927 |
| Charges for services | 290,316 | 14,695 | 25,062 | 4,034 | 4,723 | 13,994 | 96,093 | 386,409 |
| Investment earnings | 40,184 | | | | | | 31,079 | 133,771 |
| Menards sales tax & TIF | | | | | | | 588,179 | 588,179 |
| Miscellaneous | 111,042 | 486,183 | 669,104 | | | 75,911 | 348 | 1,342,588 |
| Total Revenues | 7,943,963 | 500,878 | 3,494,319 | 1,323,491 | 4,723 | 89,905 | 5,412,706 | 18,769,985 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General government | 1,145,246 | | | | | | | 1,145,246 |
| Public safety | 3,950,892 | | | | | | 9,485 | 3,960,377 |
| Public works | 2,087,947 | | | | | | 585,297 | 2,673,244 |
| Health | 59,724 | | | | | | 59,724 | 59,724 |
| Civic center | 476,645 | | | | | | 519,720 | 476,645 |
| Visitor's promotion | | | | | | | | 519,720 |
| Business and industrial development | | | 2,257,034 | | | | | 2,257,034 |
| Debt Service: | | | | | | | | |
| Principal | 121,697 | | | | | | 2,975,853 | 3,097,550 |
| Interest and other charges | 35,745 | | | | | | 702,918 | 738,663 |
| Capital outlay | 37,434 | 173,189 | | | | 3,519,470 | | 3,730,093 |
| Total Expenditures | 7,915,330 | 173,189 | 2,257,034 | | | 3,519,470 | 4,793,273 | 18,658,296 |
| Excess (deficiency) of revenues over expenditures | 28,633 | 327,689 | 1,237,285 | 1,323,491 | 4,723 | (3,429,565) | 619,433 | 111,689 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Proceeds from issue of bonds | | | | | | 1,585,000 | | 1,585,000 |
| Transfers in | 1,704,533 | 853,687 | | | 20,562 | 9,574,521 | 991,587 | 13,144,890 |
| Transfers out | (1,370,627) | (746,611) | (1,126,650) | (1,114,875) | | (4,383,629) | (4,845,235) | (13,587,627) |
| Total other financing sources (uses) | 333,906 | 107,076 | (1,126,650) | (1,114,875) | 20,562 | 6,775,892 | (3,853,648) | 1,142,263 |
| SPECIAL ITEM | | | | | | | | |
| Proceeds from sale of equipment | | 23,419 | | | | | | 23,419 |
| Net change in fund balances | 362,539 | 458,184 | 110,635 | 208,616 | 25,285 | 3,346,327 | (3,234,215) | 1,277,371 |
| Fund Balances - Beginning | 3,489,122 | 3,107,727 | 7,446,083 | 517,874 | 2,398,537 | (5,331,970) | 7,244,776 | 18,872,149 |
| Fund Balances - Ending | \$ 3,851,661 | \$ 3,565,911 | \$ 7,556,718 | \$ 726,490 | \$ 2,423,822 | \$ (1,985,643) | \$ 4,010,561 | \$ 20,149,520 |

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, 2021

| | |
|--|--------------|
| Net Change in Fund Balances - Total Governmental Funds: | \$ 1,277,371 |
| 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 \$1,472,807 exceeded capital outlay \$672,262 in the current period. | (800,545) |
| 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. | (34,481) |
| 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. | 1,512,550 |
| 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. | 49,426 |
| 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. | 1,029,482 |
| 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. | 77,532 |
| 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. | 41,371 |
| Change in Net Position of Governmental Activities | \$ 3,152,706 |

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, 2021

| | Enterprise Funds | | | | |
|---|------------------|---------------|--------------|---------------|------------------------|
| | Water Utility | Sewer Utility | Sanitation | Solid Waste | Other Enterprise Funds |
| | | | | | Total |
| Internal Service Funds | | | | | |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 4,028,510 | \$ 3,141,621 | \$ 200,000 | \$ 2,007,088 | \$ 9,177,219 |
| Certificates of deposit over three months | 100,000 | | | | 600,000 |
| Accounts receivable, net | 366,320 | 281,588 | 210,685 | | 903,305 |
| Due from other funds | 5,337,375 | 3,047,126 | 543,091 | 2,754,881 | 11,708,439 |
| Total Current Assets | 9,832,205 | 6,470,335 | 953,776 | 4,761,969 | 22,388,963 |
| Non-current assets: | | | | | |
| Capital assets: | | | | | |
| Land | | | | 60,000 | 60,000 |
| Construction in progress | 4,303,062 | | 35,334 | 2,730,824 | 7,069,220 |
| Infrastructure | 20,575,485 | 18,983,147 | 4,743,968 | | 44,302,600 |
| Buildings | 3,042,329 | 6,585,270 | 2,618,701 | 12,233,766 | 24,480,066 |
| Equipment and furniture | 691,706 | 2,293,070 | 3,310,374 | 667,800 | 6,962,950 |
| Less accumulated depreciation | (6,659,558) | (8,523,813) | (4,529,584) | (5,896,947) | (25,609,902) |
| Total non-current assets | 21,953,024 | 19,337,674 | 6,178,793 | 9,795,443 | 57,264,934 |
| Total Assets | 31,785,229 | 25,808,009 | 7,132,569 | 14,557,412 | 79,653,897 |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 42,647 | 42,936 | 6,822 | 3,260 | 95,665 |
| Due to other funds | | | | | 151,945 |
| Accrued health insurance benefits | | | | | |
| Bonds, notes and loans payable | | | | | |
| Total Current Liabilities | 1,013,000 | 809,000 | | 235,000 | 2,057,000 |
| Non-current liabilities: | | | | | |
| Compensated absences | 65,433 | 33,617 | 26,181 | 31,450 | 156,681 |
| Closure and postclosure costs | | | 1,423,680 | | 1,423,680 |
| Bonds, notes and loans payable | 11,095,000 | 10,607,034 | | 2,528,683 | 24,230,717 |
| Total non-current liabilities | 11,160,433 | 10,640,651 | 1,449,861 | 2,560,133 | 25,811,078 |
| Total Liabilities | 12,216,080 | 11,492,587 | 1,456,683 | 2,798,393 | 28,115,688 |
| NET POSITION | | | | | |
| Net investment in capital assets | 9,845,024 | 7,921,640 | 4,755,113 | 7,031,760 | 29,553,537 |
| Restricted for debt service | 800,214 | 4,452,836 | | 397,128 | 5,650,178 |
| Restricted for capital projects | 4,619,101 | 2,140,450 | | | 6,759,551 |
| Restricted for other purposes | | | | 2,506,783 | 2,506,783 |
| Unrestricted | 4,304,810 | (199,504) | 920,773 | 1,823,348 | 7,068,160 |
| Total Net Position | \$ 19,569,149 | \$ 14,315,422 | \$ 5,675,886 | \$ 11,759,019 | \$ 51,538,209 |
| | | | | | \$ 760,334 |
| | | | | | \$ 760,334 |

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, 2021

| | Enterprise Funds | | | | Other Enterprise Funds | Total | Internal Service Funds |
|--|----------------------|----------------------|---------------------|----------------------|------------------------|----------------------|------------------------|
| | Water Utility | Sewer Utility | Sanitation | Solid Waste | | | |
| OPERATING REVENUES | | | | | | | |
| Charges for services | \$ 5,728,963 | \$ 3,043,059 | \$ 2,314,541 | \$ 988,283 | \$ 540,879 | \$ 12,615,725 | \$ 1,430,387 |
| Miscellaneous | 20,488 | 6,018 | 969 | 24,156 | 15,600 | 67,231 | |
| Total Operating Revenues | <u>5,749,451</u> | <u>3,049,077</u> | <u>2,315,510</u> | <u>1,012,439</u> | <u>556,479</u> | <u>12,682,956</u> | <u>1,430,387</u> |
| OPERATING EXPENSES | | | | | | | |
| Personal services | 1,326,466 | 733,414 | 513,632 | 657,489 | | 3,231,001 | |
| Contractual services | 126,616 | 124,384 | 519,729 | 95,335 | | 866,064 | |
| Utilities | 278,798 | 386,104 | | 77,597 | 7,995 | 750,494 | |
| Repairs and maintenance | 273,478 | 102,381 | 83,082 | 238,158 | | 697,099 | |
| Other supplies and expenses | 609,968 | 117,180 | 104,239 | 102,075 | | 933,462 | |
| Insurance claims and expenses | 21,382 | | 2,137 | 12,336 | | 35,855 | 1,346,589 |
| Sundry expenses | 58,642 | 58,631 | 3,284 | 25,168 | 63,618 | 209,343 | |
| Depreciation | 393,861 | 545,235 | 405,109 | 280,507 | | 1,624,712 | |
| Total Operating Expenses | <u>3,089,211</u> | <u>2,067,329</u> | <u>1,631,212</u> | <u>1,488,665</u> | <u>71,613</u> | <u>8,348,030</u> | <u>1,346,589</u> |
| Operating Income (Loss) | <u>2,660,240</u> | <u>981,748</u> | <u>684,298</u> | <u>(476,226)</u> | <u>484,866</u> | <u>4,334,926</u> | <u>83,798</u> |
| NON-OPERATING REVENUES (EXPENSES) | | | | | | | |
| Interest and investment revenue | 14,402 | 12,232 | | 5,879 | 201 | 32,714 | 2,166 |
| Interest expense | (148,975) | (206,605) | | (47,105) | | (402,685) | |
| Net non-operating revenues (expenses) | <u>(134,573)</u> | <u>(194,373)</u> | | <u>(41,226)</u> | <u>201</u> | <u>(369,971)</u> | <u>2,166</u> |
| Income (loss) before contributions and transfers | 2,525,667 | 787,375 | 684,298 | (517,452) | 485,067 | 3,964,955 | 85,964 |
| Transfers in | 3,228,114 | 1,244,406 | | 2,532,090 | | 7,004,610 | |
| Transfers out | (3,014,446) | (1,641,314) | (1,001,699) | (417,770) | (480,793) | (6,556,022) | |
| Change in net position | <u>2,739,335</u> | <u>390,467</u> | <u>(317,401)</u> | <u>1,596,868</u> | <u>4,274</u> | <u>4,413,543</u> | <u>85,964</u> |
| Total fund net position - beginning | <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>674,370</u> |
| Total fund net position - ending | <u>\$ 19,569,149</u> | <u>\$ 14,315,422</u> | <u>\$ 5,675,886</u> | <u>\$ 11,759,019</u> | <u>\$ 218,733</u> | <u>\$ 51,538,209</u> | <u>\$ 760,334</u> |
| Change in net position, per above | | | | | | \$ 4,413,543 | |
| 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. | | | | | | 3,951 | |
| Change in Business-Type Activities in Net Position per Government-Wide Financial Statements | | | | | | <u>\$ 4,417,494</u> | |

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

| | Enterprise Funds | | | | | Other | |
|---|---------------------|---------------------|---------------------|---------------------|-------------------|---------------------|------------------------|
| | Water Utility | Sewer Utility | Sanitation | Solid Waste | Enterprise Funds | Total | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from customers and users | \$ 5,799,772 | \$ 3,004,032 | \$ 2,320,524 | \$ 988,283 | 553,037 | \$ 12,665,648 | \$ 1,430,387 |
| Payments to suppliers | (1,329,783) | (1,051,499) | (703,512) | (564,888) | (71,613) | (3,721,295) | |
| Payments to employees | (1,334,993) | (739,691) | (515,143) | (661,747) | | (3,251,574) | |
| Payments on claims | (21,382) | | (2,137) | (12,336) | | (35,855) | (1,325,378) |
| Internal activity - payment from (to) other funds | (1,328,971) | (446,531) | 100,998 | (332,033) | 299,168 | (1,707,369) | |
| Other receipts | 20,488 | 6,018 | 969 | 24,156 | | 51,631 | |
| Net Cash Provided by (Used in) Operating Activities | <u>1,805,131</u> | <u>772,329</u> | <u>1,201,699</u> | <u>(558,565)</u> | <u>780,592</u> | <u>4,001,186</u> | <u>105,009</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Transfer in | 3,228,114 | 1,244,406 | | 2,532,090 | | 7,004,610 | |
| Transfers out | (3,014,446) | (1,641,314) | (1,001,699) | (417,770) | (480,793) | (6,556,022) | |
| Net Cash Provided by (Used in) Noncapital Financing Activities | <u>213,668</u> | <u>(396,908)</u> | <u>(1,001,699)</u> | <u>2,114,320</u> | <u>(480,793)</u> | <u>448,588</u> | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Acquisition & construction of capital assets | (3,097,128) | (956,533) | | (1,279,675) | | (5,333,336) | |
| Proceeds from issue of capital debt | 2,230,189 | 1,498,034 | | | | 3,728,223 | |
| Principal paid on capital debt | (905,145) | (712,000) | | (230,000) | | (1,847,145) | |
| Interest paid on capital debt | (148,975) | (206,605) | | (47,105) | | (402,685) | |
| Net Cash Used in Capital and Related Financing Activities | <u>(1,921,059)</u> | <u>(377,104)</u> | | <u>(1,556,780)</u> | | <u>(3,854,943)</u> | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Interest and investment revenue | 14,402 | 12,232 | | 5,879 | 201 | 32,714 | 2,164 |
| Net Cash Provided by Investing Activities | <u>14,402</u> | <u>12,232</u> | | <u>5,879</u> | <u>201</u> | <u>32,714</u> | <u>2,164</u> |
| Net increase (decrease) in cash and cash equivalents | 112,142 | 10,549 | 200,000 | 4,854 | 300,000 | 627,545 | 107,173 |
| Cash and cash equivalents, January 1 | 4,016,368 | 3,131,072 | | 2,002,234 | | 9,149,674 | 748,574 |
| Cash and cash equivalents, December 31 | <u>\$ 4,128,510</u> | <u>\$ 3,141,621</u> | <u>\$ 200,000</u> | <u>\$ 2,007,088</u> | <u>\$ 300,000</u> | <u>\$ 9,777,219</u> | <u>\$ 855,747</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | | | |
| Operating Income (Loss) | \$ 2,660,240 | \$ 981,748 | \$ 684,298 | \$ (476,226) | \$ 484,866 | \$ 4,334,926 | \$ 83,798 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | | |
| Depreciation expense | 393,861 | 545,235 | 405,109 | 280,507 | | 1,624,712 | |
| Change in Assets and Liabilities | | | | | | | |
| Receivables, net | 70,809 | (39,027) | 5,983 | | (3,442) | 34,323 | |
| Due to (from) other funds | (1,328,971) | (446,531) | 100,998 | (332,033) | 299,168 | (1,707,369) | |
| Accounts payable | 17,720 | (262,821) | 6,822 | (26,556) | | (264,835) | 21,211 |
| Compensated absences | (8,528) | (6,275) | (1,511) | (4,257) | | (20,571) | |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,805,131</u> | <u>\$ 772,329</u> | <u>\$ 1,201,699</u> | <u>\$ (558,565)</u> | <u>\$ 780,592</u> | <u>\$ 4,001,186</u> | <u>\$ 105,009</u> |

The accompanying notes are an integral part of these financial statements

CITY OF JAMESTOWN
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2021

| | |
|---|------------------------|
| | <u>Custodial Funds</u> |
| ASSETS | |
| Cash and cash equivalents | \$ 284,647 |
| Total Assets | <u>284,647</u> |
| LIABILITIES | |
| NET POSITION | |
| Individuals, organizations, and other governments | 284,647 |
| Total Net Position | <u>\$ 284,647</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, 2021

| | <u>Custodial Funds</u> |
|---|--------------------------|
| ADDITIONS | |
| Tax collections for other governments | \$ 1,053,009 |
| Miscellaneous | <u>842,365</u> |
| Total additions | <u>1,895,374</u> |
| DEDUCTIONS | |
| Payment of tax collections to other governments | 1,052,236 |
| Distributions | 746,080 |
| Transfers out | <u>5,850</u> |
| Total deductions | <u>1,804,166</u> |
| Net increase (decrease) in fiduciary net position | 91,208 |
| Net position - beginning | <u>193,439</u> |
| Net position - ending | <u><u>\$ 284,647</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, 2021

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 21st 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, 2021

B. Reporting Entity – continued

Condensed Component Unit Financial Statements

| | Jamestown Regional Airport Authority |
|--------------------------------------|--|
| ASSETS & DEFERRED OUTFLOWS | |
| Current assets | \$ 1,519,181 |
| Capital assets, net | 15,791,225 |
| Deferred outflows of resources | 280,119 |
| Total Assets & Deferred Outflows | <u>17,590,525</u> |
| LIABILITIES & DEFERRED INFLOWS | |
| Current liabilities | 349,267 |
| Long-term liabilities | 1,529,837 |
| Deferred inflows of resources | 409,396 |
| Total Liabilities & Deferred Inflows | <u>2,288,500</u> |
| NET POSITION | |
| Invested in capital assets | 14,369,807 |
| Restricted for debt service | 62,620 |
| Restricted for PFC improvements | 12,717 |
| Unrestricted | 856,881 |
| Total Net Position | <u>\$ 15,302,025</u> |
| REVENUES | |
| Program Revenues | |
| Charges for services | \$ 473,261 |
| Capital contributions | 2,514,945 |
| General revenues | |
| Property taxes | 322,982 |
| Other revenues | 82,867 |
| Total Revenues | <u>3,394,055</u> |
| EXPENDITURES | |
| Operating | 650,353 |
| Non-operating | 995,427 |
| Total Expenditures | <u>1,645,780</u> |
| Change in Net Position | 1,748,275 |
| Prior period adjustment | 91,190 |
| Net Position beginning of year | 13,462,560 |
| Net Position end of year | <u>\$ 15,302,025</u> |

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021, the City's deposits were not 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, 2021

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, landfill closure costs and pension liabilities.

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, 2021

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, 2021

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, 2021.

| | <u>Category 1</u> | <u>Category 2</u> | <u>Category 3</u> | <u>Bank Balance</u> | <u>Carrying Amount</u> |
|-------------------------|---------------------|----------------------|-------------------|-------------------------|----------------------------|
| Primary Government | | | | | |
| Cash deposits | \$ 20,486,278 | \$ 11,498,808 | \$ 276,807 | \$32,261,893 | \$32,157,470 |
| Certificates of deposit | 250,000 | 10,250,000 | | 10,500,000 | 10,500,000 |
| Fiduciary funds | | | | | |
| Cash deposits | <u>284,647</u> | | | <u>284,647</u> | <u>284,647</u> |
| Total Deposits | <u>\$21,020,925</u> | <u>\$ 21,748,808</u> | <u>\$ 276,807</u> | <u>\$43,046,540</u> | <u>\$ 42,942,117</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, 2021, consist of the following:

| | <u>Receivable</u> | <u>Payable</u> |
|-------------------------------|----------------------|----------------------|
| General | \$ | \$ 6,581,494 |
| Equipment replacement | | 1,239,621 |
| City sales tax | 2,313,094 | |
| City share specials | | 652,747 |
| Special assessment deficiency | 1,954,095 | |
| Construction | | 5,736,837 |
| Business type activities | 11,556,494 | |
| Other governmental funds | | 1,612,984 |
| Interfund Totals | <u>\$ 15,823,683</u> | <u>\$ 15,823,683</u> |

Transfers to/from other funds at December 31, 2021, consist of the following:

| | |
|--|------------|
| From the General Fund to the Equipment Replacement Fund to finance equipment purchases | \$ 265,044 |
| From Construction Fund to General Fund to reimburse costs | 188,524 |
| From Other Governmental Funds to Construction to close out projects | 4,065,204 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

3. Interfund Receivables, Payables and Transfers - continued

| | |
|---|----------------------|
| From General to Construction for riverbank stabilization | 643,441 |
| From Business-Type Activities to Equipment Replacement Fund for equipment | 279,993 |
| From General to Equipment Replacement for fire truck purchase | 300,000 |
| From Construction to Business-Type Activities for completed projects | 4,119,797 |
| From City Share Specials to Construction Fund for budgeted project | 200,000 |
| From City Share Specials to Other Governmental Funds to finance debt service | 914,735 |
| From City Share Specials to Business-Type Activities for specials | 141 |
| Between Business-Type Activities to fund Solid Waste | 1,067,916 |
| From Other Governmental Funds to Business-Type Activities for debt service | 200,000 |
| From Other Governmental Funds to General Fund to support projects | 480,793 |
| From Other Governmental Funds to Equipment Replacement for equipment purchases | 2,800 |
| To Special Assessment Deficiency from Other Government Funds for closeouts | 20,562 |
| From Equipment Replacement Fund to Business-Type Activities to replace vehicles | 746,611 |
| From City Sales Tax Fund to General Fund for civic center project | 463,400 |
| From Fiduciary funds to Equipment Replacement Fund to transfer donations | 5,850 |
| From Construction to Other Governmental Funds to service debt | 75,308 |
| Between Other Governmental Funds to reclassify interest | 1,544 |
| From Civic Center to General Fund to record revenues generated | 162,142 |
| From Business-Type Activities to General Fund as budgeted | 400,000 |
| 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 | 185,145 |
| From Business-Type Activities to Construction Fund to fund projects | 4,114,604 |
| From Business-Type Activities to Construction Funds for closeouts | 12,715 |
| From Other Governmental Funds to General Fund for administrative costs | 9,674 |
| From Other Governmental Funds to Construction to fund UJ storm sewer | 538,556 |
| From Other Governmental Funds to Business-Type Activities for lift station | 21,750 |
| | <u>\$ 20,149,499</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, 2021 was as follows:

Primary Government

| | | | | |
|--|-----------------|------------------|------------------|-----------------|
| <i>Governmental Activities</i> | <u>12/31/20</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/21</u> |
| Capital assets not being depreciated | | | | |
| Land | \$ 7,200 | \$ | \$ | \$ 7,200 |
| Construction in progress | 170,073 | 471,681 | 222,658 | 419,096 |
| Total capital assets not being depreciated | <u>177,273</u> | <u>471,681</u> | <u>222,658</u> | <u>426,296</u> |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

5. Capital Assets - continued

| | 12/31/20 | Additions | Deletions | 12/31/21 |
|--|----------------------|---------------------|--------------------|----------------------|
| Capital assets being depreciated: | | | | |
| Buildings | 6,053,325 | | | 6,053,325 |
| Infrastructure | 38,311,187 | 222,659 | | 38,533,846 |
| Equipment | 8,846,152 | 200,581 | 72,540 | 8,974,193 |
| Total capital assets being depreciated | 53,210,664 | 423,240 | 72,540 | 53,561,364 |
| Less accumulated depreciation for: | | | | |
| Buildings | 3,658,210 | 195,325 | | 3,853,535 |
| Infrastructure | 19,006,882 | 686,203 | | 19,693,085 |
| Equipment | 5,367,840 | 591,279 | 64,095 | 5,895,024 |
| Total accumulated depreciation | 28,032,932 | 1,472,807 | 64,095 | 29,441,644 |
| Net capital assets being depreciated | 25,177,732 | (1,049,567) | 8,445 | 24,119,720 |
| Governmental Activities capital assets, net | <u>\$ 25,355,005</u> | <u>\$ (577,886)</u> | <u>\$ 231,103</u> | <u>\$ 24,546,016</u> |
| <i>Business-Type Activities</i> | 12/31/20 | Additions | Deletions | 12/31/21 |
| Capital assets not being depreciated | | | | |
| Land | \$ 60,000 | \$ | \$ | \$ 60,000 |
| Construction in progress | 6,764,583 | 4,119,797 | 3,815,160 | 7,069,220 |
| Total capital assets not being depreciated | 6,824,583 | 4,119,797 | 3,815,160 | 7,129,220 |
| Capital assets being depreciated | | | | |
| Buildings | 24,480,066 | | | 24,480,066 |
| Infrastructure | 40,487,440 | 3,815,160 | | 44,302,600 |
| Equipment | 6,105,206 | 1,219,713 | 361,969 | 6,962,950 |
| Total capital assets being depreciated | 71,072,712 | 5,034,873 | 361,969 | 75,745,616 |
| Less accumulated depreciation | | | | |
| Buildings | 12,511,629 | 431,580 | | 12,943,209 |
| Infrastructure | 7,650,666 | 733,961 | | 8,384,627 |
| Equipment | 4,178,689 | 459,171 | 355,794 | 4,282,066 |
| Total accumulated depreciation | 24,340,984 | 1,624,712 | 355,794 | 25,609,902 |
| Net capital assets being depreciated | 46,731,728 | 3,410,161 | 6,175 | 50,135,714 |
| Business-Type Activities capital assets, net | <u>\$53,556,311</u> | <u>\$ 7,529,958</u> | <u>\$3,821,335</u> | <u>\$57,264,934</u> |

Discretely Presented Component Units

Activity for Jamestown Municipal Airport Authority for the year ended December 31, 2021 follows:

| | 12/31/20 | Additions | Deletions | 12/31/21 |
|--|------------|-----------|-----------|------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 317,471 | \$ | \$ | \$ 317,471 |
| Construction in progress | | 1,894,985 | 73,500 | 1,821,485 |
| Total capital assets not being depreciated | 317,471 | 1,894,985 | 73,500 | 2,138,956 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

5. Capital Assets - continued

| | <u>12/31/20</u> | <u>Additions</u> | <u>Deletions</u> | <u>12/31/21</u> |
|--|---------------------|---------------------|------------------|---------------------|
| Capital assets being depreciated | | | | |
| Buildings | 5,044,954 | | | 5,044,954 |
| Equipment | 1,672,069 | 14,150 | | 1,686,219 |
| Infrastructure | 18,689,073 | 73,500 | | 18,762,573 |
| Total capital assets being depreciated | <u>25,406,096</u> | <u>87,650</u> | | <u>25,493,746</u> |
| Less accumulated depreciation | <u>10,996,253</u> | <u>845,224</u> | | <u>11,841,477</u> |
| Net capital assets being depreciated | <u>14,409,843</u> | <u>(757,574)</u> | | <u>13,652,269</u> |
| Component Units capital assets, net | <u>\$14,727,314</u> | <u>\$ 1,137,411</u> | <u>\$ 73,500</u> | <u>\$15,791,225</u> |

Depreciation expense by function - primary government:

| <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | |
|--------------------------------|---------------------|---------------------------------|---------------------|
| General government | \$ 44,680 | Water utility | \$ 393,861 |
| Public safety | 201,419 | Sewer utility | 545,235 |
| Public works | 1,001,567 | Sanitation | 280,507 |
| Civic center | <u>225,141</u> | Solid waste | <u>405,109</u> |
| Total | <u>\$ 1,472,807</u> | Total | <u>\$ 1,624,712</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, 2022.

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

7. Long-Term Obligations - continued

fund that has been set up to accumulate the taxes collected by the County from the property owners who directly benefit from each project.

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% | \$ | 250,000 |
| \$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% | | 391,000 |
| \$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% | | 80,000 |
| \$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% | | 400,000 |
| \$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% | | 95,000 |
| \$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% | | 105,000 |
| \$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% | | 2,355,000 |
| \$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% | | 430,000 |
| \$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% | | 3,120,000 |
| \$1,975,000 2015 Series Z bonds due in annual installments of \$270,000 to \$295,000 through May 1, 2022, interest at 2% | | 270,000 |
| \$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% | | 890,000 |
| \$4,090,000 Series 2017 AA bonds due in annual installments of \$540,000 to 665,000 through May 1, 2024, interest at 2% | | 1,655,000 |
| \$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% | | 2,100,915 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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% | 2,505,770 |
| \$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% | 1,280,000 |
| \$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% | 2,375,000 |
| \$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% | 2,365,000 |
| \$1,585,000 Series AE bonds due in annual installments of \$215,000 to \$235,000 Including interest to May 1, 2028, interest 1% to 2% | <u>1,585,000</u> |
| | <u><u>\$ 22,252,685</u></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% | \$ 605,000 |
| \$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% | 443,000 |
| \$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% | 640,000 |
| \$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% | 1,425,000 |
| \$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% | 595,000 |
| \$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. | 1,145,000 |
| \$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% | 540,000 |
| \$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% | 715,000 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

7. Long-Term Obligations - continued

| | |
|--|----------------------|
| \$10,350,000 waste water treatment revenue bonds of 2013, due in annual installments of \$470,000 to \$635,000 through September 1, 2034, interest at 2% | 7,110,000 |
| \$3,812,000 water tower revenue bonds of 2013, due in annual installments of \$152,000 to \$235,000 through September 1, 2033, interest at 2% | 2,435,000 |
| \$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% | 550,000 |
| \$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% | 420,000 |
| \$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% | 375,000 |
| \$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% | 2,343,683 |
| \$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% | 515,000 |
| \$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% | 1,255,000 |
| \$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% | 1,870,000 |
| \$1,498,034 waste water treatment revenue bonds of 2020B, due in annual installments of \$80,000 to \$105,000 through September 1, 2051, interest at 1.5% | 1,498,034 |
| \$1,808,000 water treatment revenue bonds of 2021B, due in annual installments of \$75,000 to \$110,000 through September 1, 2041, interest at 1.5% | <u>1,808,000</u> |
| | <u>\$ 26,287,717</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, 2021, the number of Industrial Revenue Bonds outstanding and the aggregate principal amount payable is unknown.

The following is a summary of long-term obligation transactions for the year ended December 31, 2021:

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

7. Long-Term Obligations - continued

| | <u>12/31/20</u> | <u>Additions</u> | <u>Reductions</u> | <u>12/31/21</u> | <u>Due Within One Year</u> |
|--|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| <i>Governmental Activities</i> | | | | | |
| Long-term debt | | | | | |
| Refunding improvement bonds | \$23,643,538 | \$ 1,585,000 | \$ 2,975,853 | \$22,252,685 | \$3,166,953 |
| Issue costs | 262,404 | 35,196 | 49,426 | 248,174 | |
| Lease/purchase | 1,181,568 | | 121,698 | 1,059,870 | 125,617 |
| Total Long-Term Debt | <u>25,087,510</u> | <u>1,620,196</u> | <u>3,146,977</u> | <u>23,560,729</u> | <u>3,292,570</u> |
| Compensated absences | 337,281 | | 77,532 | 259,749 | |
| Net pension obligation PERS | 15,152,183 | | 10,034,352 | 5,117,831 | |
| Net OPEB liability | 373,827 | | 124,999 | 248,828 | |
| Governmental Activities Long Term Liabilities | <u>\$40,950,801</u> | <u>\$ 1,620,196</u> | <u>\$13,383,860</u> | <u>\$29,187,137</u> | <u>\$3,292,570</u> |
| <i>Business-Type Activities</i> | | | | | |
| Long-term debt | | | | | |
| Revenue bonds | \$24,406,639 | \$ 3,728,223 | \$ 1,847,145 | \$26,287,717 | \$ 2,057,000 |
| Landfill closure costs | 1,423,680 | | | 1,423,680 | |
| Total Long-Term Debt | <u>25,830,319</u> | <u>3,728,223</u> | <u>1,847,145</u> | <u>27,711,397</u> | <u>2,057,000</u> |
| Compensated absences | 177,252 | | 20,571 | 156,681 | |
| Business-Type Activities Long Term Liabilities | <u>\$26,007,571</u> | <u>\$ 3,728,223</u> | <u>\$ 1,867,716</u> | <u>\$27,868,078</u> | <u>\$ 2,057,000</u> |
| <i>Discretely presented component unit</i> | | | | | |
| Long-term debt | | | | | |
| Revenue bonds | \$ 717,159 | \$ | \$ 40,000 | \$ 677,159 | \$ 56,000 |
| Notes payable | 756,454 | 7,526 | 31,842 | 732,138 | 49,560 |
| Capital leases | | 14,150 | 2,029 | 12,121 | 4,539 |
| Total long-term debt | <u>1,473,613</u> | <u>21,676</u> | <u>73,871</u> | <u>1,421,418</u> | <u>110,099</u> |
| Net pension obligation | 637,699 | | 430,656 | 207,043 | |
| Net OPEB liability | 16,500 | | 5,025 | 11,475 | |
| Discretely Presented Component Unit Long Term Liabilities | <u>\$ 2,127,812</u> | <u>\$ 21,676</u> | <u>\$ 509,552</u> | <u>\$ 1,639,936</u> | <u>\$ 110,099</u> |

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

| <u>Year Ending</u> | <u>Governmental Activities Special Assessment Bonds</u> | | <u>Business-Type Activities Revenue Bonds</u> | |
|--------------------|---|-----------------|---|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2022 | \$ 3,166,953 | \$ 508,166 | \$ 2,057,000 | \$ 667,012 |
| 2023 | 2,798,239 | 449,465 | 2,106,000 | 620,655 |
| 2024 | 2,824,550 | 383,549 | 2,159,000 | 570,805 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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 |
| 2025 | 2,240,888 | 322,674 | 2,201,000 | 519,655 |
| 2026 | 1,928,252 | 272,261 | 2,083,000 | 467,857 |
| 2027 - 2031 | 4,367,708 | 880,796 | 9,548,683 | 1,660,879 |
| 2032 - 2036 | 2,481,178 | 389,754 | 5,025,000 | 559,275 |
| 2037 - 2041 | 873,674 | 97,277 | 1,108,034 | 136,200 |
| 2042 - 2046 | 920,615 | 45,648 | | |
| 2047 | 650,628 | 2,891 | | |
| Total | <u>\$ 22,252,685</u> | <u>\$ 3,352,481</u> | <u>\$ 26,287,717</u> | <u>\$ 5,202,338</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, 2021, are as follows:

| | |
|--------------------------------------|---------------------|
| 2022 | \$ 157,443 |
| 2023 | 157,443 |
| 2024 | 157,443 |
| 2025 | 157,443 |
| 2026 | 157,443 |
| 2027 – 2029 | <u>406,727</u> |
| Total minimum lease payments | 1,193,942 |
| Less deferred interest | <u>134,072</u> |
| Present value minimum lease payments | <u>\$ 1,059,870</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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

8. Pension Plan – continued

determined by taking the above formula times the fraction of the years of credited service divided by 25. A member's average monthly earnings is the average pay over the highest five consecutive years of employment. A member may retire early and receive a percentage of the accrued benefit based on the number of years retired early as long as the member has earned at least ten years credited service, is within ten years of normal retirement, and has the employer's approval.

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

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 \$6,423,164 at December 31, 2021, as follows:

| | January 1, 2021 |
|-------------------------------|-----------------------|
| Total pension liability | \$ 8,318,446 |
| Plan fiduciary net position | 14,741,610 |
| Net pension liability (asset) | <u>\$ (6,423,164)</u> |

For the year ended December 31, 2021, the City recognized (\$585,315) in pension expense and 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 |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ | \$ 30,850 |
| Changes of assumptions | | 1,254 |
| Net difference between projected and actual earnings on investments | | 3,411,351 |
| Total | <u>\$</u> | <u>\$ 3,443,455</u> |

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

8. Pension Plan – continued

| <u>Year ended December 31:</u> | |
|--------------------------------|----------------|
| 2022 | \$ (1,138,063) |
| 2023 | (1,105,960) |
| 2024 | (690,093) |
| 2025 | (509,339) |

Actuarial assumptions.

The pension benefit obligation was computed as part of an actuarial valuation performed as of January 1, 2022. 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. Effective January 1, 2021, changed from Pub-2010 Mortality Table projected using Scale MP-2021.

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

| | <u>1% Decrease (6%)</u> | <u>Current Discount Rate (7%)</u> | <u>1% Increase (8%)</u> |
|-------------------------------|-----------------------------|---------------------------------------|-----------------------------|
| Total pension liability | \$ 9,070,847 | \$ 8,318,446 | \$ 7,665,765 |
| Plan fiduciary net position | 14,741,610 | 14,741,610 | 14,741,610 |
| Net pension liability (asset) | <u>\$ (5,670,763)</u> | <u>\$ (6,423,164)</u> | <u>\$(7,075,845)</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 2021, 2020 and 2019, available assets were sufficient to fund 177%, 143%, and 132%, respectively, of the pension benefit obligation. The Plan went from an overfunded plan of \$2,615,274 in 2019 to an overfunded plan of \$3,622,449 in 2020 and an overfunded plan of \$6,423,164 in 2021. The City did not make any contributions for the years ended 2021, 2020 and 2019.

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.

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

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 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.

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

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

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. 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, 2021, the City reported a liability of \$5,117,831 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 2021 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, 2021, the Employer's proportion was .491013%, which is an increase of .009383% from its proportion measured as of July 1, 2020.

For the year ended December 31, 2021, the Employer recognized pension expense of \$819,933. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 88,359 | \$ 522,345 |
| Changes of assumptions | 5,664,445 | 7,385,253 |
| Net difference between projected and actual earnings on pension plan investments | | 1,898,123 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 175,521 | 105,464 |
| Employer contributions subsequent to the measurement date | 207,057 | |
| | <u>\$ 6,135,382</u> | <u>\$ 9,911,185</u> |

\$207,057 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, 2022.

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:

| | |
|------|--------------|
| 2022 | \$ (581,704) |
| 2023 | (883,487) |
| 2024 | (698,886) |
| 2025 | (1,818,783) |

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 | 2.25% |
| Salary increases | 3.5% to 17.75% including inflation |
| Investment rate of return | 7.00%, net of investment expenses |
| Cost-of-living adjustments | None |

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

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:

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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% | 6.30% |
| International Equity | 21% | 6.85% |
| Private Equity | 7% | 9.75% |
| Domestic Fixed Income | 23% | 1.25% |
| International Fixed Income | 0% | 0.00% |
| Global Real Assets | 19% | 5.01% |
| 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 7.00%; the municipal bond rate is 2.45%; 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 | \$ 8,139,072 | \$ 5,117,831 | \$ 2,602,174 |

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
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

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

At December 31, 2021, the Employer reported a liability of \$248,828 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of July 1, 2021 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 .447393% which was a decrease of .002995% from its proportion measured as of July 1, 2020.

For the year ended December 31, 2021, the Employer recognized OPEB expense of \$30,249. At December 31, 2021, 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 | \$ 14,288 | \$ 6,820 |
| Change of assumptions | 38,534 | |
| Net difference between projected and actual earnings on OPEB plan investments | | 85,254 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 4,125 | 12,976 |
| Employer contributions subsequent to the measurement date | 29,080 | |
| | <u>\$ 86,027</u> | <u>\$ 105,050</u> |

\$29,080 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, 2022.

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:

| <u>Year ended December 31:</u> | |
|--------------------------------|------------|
| 2022 | \$ (8,903) |
| 2023 | (9,516) |
| 2024 | (13,213) |
| 2025 | (17,772) |
| 2026 | 1,301 |

Actuarial Assumptions. The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

| | |
|----------------------------|-----------------------------------|
| Inflation | 2.25% |
| Salary increases | Not applicable |
| Investment rate of return | 6.50%, net of investment expenses |
| Cost-of-living adjustments | None |

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality Table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

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, 2020 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Large Cap Domestic Equities | 33% | 6.10% |
| Small Cap Domestic Equities | 6% | 7.00% |
| Domestic Fixed Income | 40% | 1.15% |
| International Equities | 21% | 6.45% |

Discount rate. The discount rate used to measure the total OPEB liability was 6.50%. 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 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

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

| | 1% Decrease (5.50%) | Current Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|------------------------|----------------------------------|------------------------|
| Employer's proportionate share of the net pension liability | \$ 369,044 | \$ 248,828 | \$ 147,107 |

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, 2021 and 2020, is as follows:

| | 2021 | 2020 |
|-----------------------------|------------------|------------------|
| Claims payable, January 1 | \$ 74,202 | \$ 76,281 |
| Add: Claims incurred | 811,213 | 686,239 |
| Less: Claims paid | (790,002) | (688,318) |
| Claims payable, December 31 | <u>\$ 95,413</u> | <u>\$ 74,202</u> |

Claims payable are based on claims paid in January, February, March and April of 2022 for claims incurred in 2021.

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

12. Risk Management - continued

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

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

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

The City's risk for workers' compensation is covered by premiums paid to the North Dakota Workforce Safety and Insurance. It was created by the Legislature of the State of North Dakota. The City's risk for property coverage is covered by premiums paid to the North Dakota State Fire and Tornado fund. The Fund was established by the State of North Dakota to insure political subdivisions and certain other 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, 2021, 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 2021. 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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

13. Closure and Post-closure Care Costs - continued

4. Assets located in the United States amounting to at least four times the current cost estimates for closure or post-closure care, whichever is applicable.

The City is in compliance with the above requirements.

14. Litigation

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

15. Tax Abatements

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

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

15. Tax Abatements - continued

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 2021 is as follows:

| | |
|----------------------------------|-------------------|
| Single family residence/builders | \$ 3,536 |
| Tax increment finance | 91,748 |
| Renaissance zone | <u>15,758</u> |
| | <u>\$ 111,042</u> |

16. Subsequent Events

On April 4, 2022, the City Council awarded the bid for \$1,999,840 for 2022 seal coat, patching, construction and reconstruction.

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 10th Street NE, Jamestown, North Dakota.

18. City of Jamestown Sales Tax

During the year ended December 31, 2021, the City of Jamestown collected 2.5% City sales tax.

| | |
|---|---------------------|
| City Sales tax fund | |
| Sales tax | \$ 1,319,458 |
| Park District sales tax | 2,961,391 |
| Civic Center and Infrastructure | 1,480,695 |
| City Share special reserves | |
| Sales tax | 1,319,458 |
| Series Y – TIF District | |
| Menards sales tax | <u>322,475</u> |
| Total Collections | <u>7,403,477</u> |
| Passed thru to Jamestown Park & Recreation District | <u>2,961,391</u> |
| Total City Sales Tax | <u>\$ 4,442,086</u> |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

19. 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.

20. Deficit Fund Balances

The deficit of \$4,975 in the Forestry Grant Fund (special revenue fund), the \$58 in the North Dakota Highway Safety Fund (special revenue fund), and \$2,677 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 \$406,179 in the Series 2017 Definitive Improvement Warrant fund (16-43), \$604,727 in the Series 2020 Water Mains fund (19-61), \$110,782 in the Series AD Refunding Improvement, \$23,973 in the Series 2021B Water Mains, \$1,413,799 in the Series 2021A SH Water Mains, \$112,286 in the Series AE Refunding Improvement, \$1,702,361 in the Series 2021C Water Mains, \$178,949 in the Series 2020B Lift Station, and \$468,529 in the Series AF Refunding Improvement (all debt service funds) are due to timing differences for when the specials will be assessed or the bonds or warrants will be issued.

22. Net Position

Governmental activities net position reported on the Government Wide Statement of Net Position at December 31, 2021 include the following:

| | Governmental Activities | Business-type Activities |
|---|----------------------------|-----------------------------|
| Net investment in capital assets | | |
| Capital assets, net of accumulated depreciation | \$ 24,546,016 | \$ 57,264,934 |
| Less: related long-term debt | 23,560,729 | 27,711,397 |
| Net Investment in Capital Assets | 985,287 | 29,553,537 |
| Restricted | | |
| Capital projects | 4,815,357 | 6,759,551 |
| Debt service | 2,393,986 | 5,650,178 |
| Special revenue | 38,525 | 2,506,783 |
| Total Restricted | 7,247,868 | 14,916,512 |
| Unrestricted | 7,526,059 | 7,119,586 |
| Total Net Position | \$ 15,759,214 | \$ 51,589,635 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
NOTES TO FINANCIAL STATEMENTS - continued
Year Ended December 31, 2021

23. Governmental Fund Balances

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

| | General | Equipment Replacement | City Sales Tax | Special Assessment Deficiency | Construction | City Share Specials - Reserve | Other Governmental Funds | Total |
|-----------------------|---------------------|--------------------------|---------------------|-------------------------------------|-----------------------|-------------------------------------|--------------------------------|----------------------|
| Restricted: | | | | | | | | |
| Debt service | \$ | \$ | \$ | \$2,423,822 | \$ | \$ | \$ (18,740) | \$ 2,405,082 |
| Committed: | | | | | | | | |
| Visitors Promotion | | | | | | | | |
| Capital Construction | | | | | | | 38,525 | 38,525 |
| Assigned: | | | | | | | | |
| Equipment replacement | | 3,565,911 | | | | | | 3,565,911 |
| Economic development | | | | | | | | |
| / infrastructure | | | 7,556,718 | | | | | 7,556,718 |
| Public building site | | | | | | | 63,700 | 63,700 |
| American rescue plan | | | | | | | 1,184,157 | 1,184,157 |
| City share specials | | | | | | 726,490 | | 726,490 |
| Vector control | | | | | | | 375,885 | 375,885 |
| Visitor's promotion | | | | | | | 248,952 | 248,952 |
| Visitor's promotion | | | | | | | | |
| capital construction | | | | | | | 155,233 | 155,233 |
| City taxi | | | | | | | 859 | 859 |
| ND highway safety | | | | | | | (58) | (58) |
| Bulletproof vest | | | | | | | (2,677) | (2,677) |
| Homeland security | | | | | | | 455 | 455 |
| MCPL infrastructure | | | | | | | 1,961,444 | 1,961,444 |
| Forestry | | | | | | | (4,975) | (4,975) |
| DARE | | | | | | | 7,801 | 7,801 |
| Unassigned | 3,851,661 | | | | (1,985,643) | | | 1,866,018 |
| | <u>\$ 3,851,661</u> | <u>\$3,565,911</u> | <u>\$ 7,556,718</u> | <u>\$ 2,423,822</u> | <u>\$ (1,985,643)</u> | <u>\$ 726,490</u> | <u>\$ 4,010,561</u> | <u>\$ 20,149,520</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, 2021

| | Budgeted Amounts | | Actual Amounts, Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|---------------------|--|---|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 4,376,506 | \$ 4,376,506 | \$ 4,380,556 | \$ 4,050 |
| Sales and miscellaneous taxes | 87,205 | 87,205 | 84,304 | (2,901) |
| Fees and fines | 114,600 | 114,600 | 119,601 | 5,001 |
| Licenses and permits | 301,440 | 301,440 | 335,480 | 34,040 |
| Intergovernmental | 1,651,577 | 1,651,577 | 2,771,703 | 1,120,126 |
| Charges for services | 293,740 | 293,740 | 299,682 | 5,942 |
| Investment earnings | 12,000 | 12,000 | 40,160 | 28,160 |
| Miscellaneous | 155,850 | 155,850 | 199,454 | 43,604 |
| Total Revenues | <u>6,992,918</u> | <u>6,992,918</u> | <u>8,230,940</u> | <u>1,238,022</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 896,576 | 896,576 | 1,145,246 | (248,670) |
| Public safety | 4,013,465 | 4,013,465 | 3,954,589 | 58,876 |
| Public works | 2,227,556 | 2,227,556 | 2,034,997 | 192,559 |
| Health | 59,724 | 59,724 | 59,724 | |
| Civic center | 494,796 | 494,796 | 389,757 | 105,039 |
| Debt Service | | | | |
| Principal | 117,900 | 117,900 | 117,900 | |
| Interest | 39,543 | 39,543 | 39,543 | |
| Capital Outlay | 44,900 | 44,900 | 37,434 | 7,466 |
| Total Expenditures | <u>7,894,460</u> | <u>7,894,460</u> | <u>7,779,190</u> | <u>115,270</u> |
| Excess (deficiency) of revenues over expenditures | <u>(901,542)</u> | <u>(901,542)</u> | <u>451,750</u> | <u>1,353,292</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,363,000 | 1,363,000 | 1,704,533 | 341,533 |
| Transfers out | (265,044) | (265,044) | (1,370,627) | (1,105,583) |
| Total Other Financing Sources and (Uses) | <u>1,097,956</u> | <u>1,097,956</u> | <u>333,906</u> | <u>(764,050)</u> |
| Net change in fund balances | 196,414 | 196,414 | 785,656 | 589,242 |
| Fund Balances - Beginning | 3,489,122 | 3,489,122 | 3,489,122 | |
| Fund Balances - Ending | <u>\$ 3,685,536</u> | <u>\$ 3,685,536</u> | <u>\$ 4,274,778</u> | <u>\$ 589,242</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, 2021

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 | \$ 8,230,940 |
| Taxes receivable collected in first 60 days of the year are not considered revenues for budgetary purposes | (22,205) |
| Grants accrued at prior year are included for budgetary purposes | (213,731) |
| Grants accrued are not considered revenues for budgetary purposes | 2,387 |
| Engineering fees are treated as transfers for fund purposes | (188,525) |
| The net proceeds from the civic center are included in the budget | <u>135,097</u> |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances | <u><u>\$ 7,943,963</u></u> |

Uses/Outflows of Resources

| | |
|---|----------------------------|
| Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule | \$ 7,779,190 |
| Accounts payable at prior year end are included in the budget | (22,911) |
| Accounts payable at current year end are not included in the budget | 72,163 |
| The expenses from promotion, revolving and concession funds are not included in the budget | <u>86,888</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances | <u><u>\$ 7,915,330</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, 2021

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, 2021

| | City Sales Tax | | | Variance |
|---|-------------------------|---------------------|---------------------|-----------------------|
| | Budgeted Amounts | | Actual | with Final |
| | Original | Final | Amounts, | Budget - |
| | | | Budgetary | Positive |
| | | | Basis | (Negative) |
| REVENUES | | | | |
| Sales and miscellaneous taxes | \$ 2,380,000 | \$ 2,380,000 | \$ 2,800,153 | \$ 420,153 |
| Investment earnings | 13,000 | 13,000 | 25,062 | 12,062 |
| Miscellaneous | 120,650 | 120,650 | 669,104 | 548,454 |
| Total revenues | <u>2,513,650</u> | <u>2,513,650</u> | <u>3,494,319</u> | <u>980,669</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Business and industrial development | 1,387,000 | 1,387,000 | 2,257,034 | (870,034) |
| Capital Outlay | | | | |
| Total Expenditures | <u>1,387,000</u> | <u>1,387,000</u> | <u>2,257,034</u> | <u>(870,034)</u> |
| Excess (deficiency) of revenues over expenditures | <u>1,126,650</u> | <u>1,126,650</u> | <u>1,237,285</u> | <u>110,635</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Transfers out | | | (1,126,650) | (1,126,650) |
| Total other financing sources (uses) | | | <u>(1,126,650)</u> | <u>(1,126,650)</u> |
| Net change in fund balances | 1,126,650 | 1,126,650 | 110,635 | (1,016,015) |
| Fund balances - beginning | 7,446,083 | 7,446,083 | 7,446,083 | |
| Fund balances - ending | <u>\$ 8,572,733</u> | <u>\$ 8,572,733</u> | <u>\$ 7,556,718</u> | <u>\$ (1,016,015)</u> |

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, 2021

Note A - Excess of Expenditures Over Appropriations

Expenditures in the City Sales Tax Fund exceeded appropriations by \$870,034. Transfers out of \$1,126,650 were not appropriated. All expenditures were approved by the City Council. These expenditures were all funded by available fund balances.

CITY OF JAMESTOWN
Stutsman County, North Dakota
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended December 31, 2021

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

| Year | Net Assets Available for Benefits | Accumulated Pension Benefit Obligation | Percentage Funded | Assets in Excess of Pension Benefit Obligation | Annual Covered Payroll |
|------|--|---|----------------------|---|------------------------------|
| 2012 | \$ 6,239,168 | \$ 7,080,369 | 88% | \$ (841,201) | \$ 1,063,773 |
| 2013 | 7,593,591 | 7,268,583 | 104% | 325,008 | 1,068,364 |
| 2014 | 8,176,763 | 7,635,616 | 107% | 541,147 | N/A |
| 2015 | 7,935,683 | 7,618,177 | 104% | 317,506 | N/A |
| 2016 | 8,359,910 | 8,282,730 | 101% | 77,180 | N/A |
| 2017 | 9,695,014 | 8,281,851 | 117% | 1,413,163 | N/A |
| 2018 | 8,792,073 | 8,332,408 | 106% | 459,665 | N/A |
| 2019 | 10,913,516 | 8,298,242 | 132% | 2,615,274 | N/A |
| 2020 | 11,988,512 | 8,366,057 | 143% | 3,622,455 | N/A |
| 2021 | 14,741,610 | 8,318,446 | 177% | 6,423,164 | N/A |

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

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

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Employer's proportion of the net pension liability (asset) | 0.491013% | 0.481630% | 0.487475% | 0.480496% | 0.505996% | 0.497234% | 0.500908% |
| Employer's proportionate share of the net pension liability (asset) | \$ 5,117,831 | \$ 15,152,183 | \$ 5,713,560 | \$ 8,108,894 | \$ 8,133,016 | \$ 4,846,030 | \$ 3,406,089 |
| Employer's covered payroll | \$ 5,560,181 | \$ 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 | 92.04% | 285.19% | 112.68% | 164.27% | 157.45% | 96.71% | 76.33% |
| Plan fiduciary net position as a percentage of the total pension liability | 78.26% | 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*

| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 410,039 | \$ 376,204 | \$ 369,166 | \$ 363,574 | \$ 374,556 | \$ 362,784 | \$ 338,961 |
| Contributions in relation to the statutorily required contribution | \$ 411,182 | \$ 379,130 | \$ 373,010 | \$ 369,992 | \$ 369,566 | \$ 351,874 | \$ 333,948 |
| Contribution deficiency (excess) | \$ (1,143) | \$ (2,926) | \$ (3,844) | \$ (6,418) | \$ 4,990 | \$ 10,910 | \$ 5,013 |
| Employer's covered - employee payroll | \$ 5,560,181 | \$ 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 | 7.40% | 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, 2021

ND Public Employees Retirement System

Changes of benefit terms.

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (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, 2019.

Changes of assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020, valuation:

- The investment return assumption was lowered from 7.50% to 7.00%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020 valuation
- Mortality table updates were made for the July 1, 2020 valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

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*

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|--------------|--------------|--------------|--------------|--------------|
| Employer's proportion of the net OPEB liability | 0.447393% | 0.444398% | 0.454410% | 0.451119% | 0.477466% |
| Employer's proportionate share of the net OPEB liability | \$ 248,828 | \$ 373,827 | \$ 364,976 | \$ 355,287 | \$ 377,681 |
| Employer's covered payroll | \$ 4,877,742 | \$ 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 | 5.10% | 7.38% | 7.20% | 7.20% | 7.31% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 76.63% | 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*

| | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|--------------|--------------|--------------|--------------|--------------|
| Statutorily required contribution | \$ 58,656 | \$ 59,515 | \$ 58,971 | \$ 57,899 | \$ 60,044 |
| Contributions in relation to the statutorily required contribution | \$ 59,362 | \$ 60,126 | \$ 59,723 | \$ 59,241 | \$ 59,172 |
| Contribution deficiency (excess) | \$ (706) | \$ (611) | \$ (752) | \$ (1,342) | \$ 872 |
| Employer's covered - employee payroll | \$ 4,877,742 | \$ 5,066,010 | \$ 5,070,567 | \$ 4,936,222 | \$ 5,165,421 |
| Contributions as a percentage of covered-employee payroll | 1.22% | 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, 2021

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, 2019.

Changes of Assumptions

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020, valuation:

- The investment return assumption was lowered from 7.25% to 6.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

OTHER SUPPLEMENTARY INFORMATION

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Other Governmental Funds
December 31, 2021

| | Nonmajor Special Revenue | Nonmajor Capital Projects | Nonmajor Debt Service | Total Other Governmental Funds |
|---|---|--|----------------------------------|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Cash and cash equivalents | \$ 702,454 | \$ | \$ | \$ 702,454 |
| Certificates of deposit over three months | 300,000 | 600,000 | 4,036,000 | 4,936,000 |
| Taxes receivable, net | | 65,806 | 676,826 | 742,632 |
| Due from other funds | 1,864,336 | 1,184,157 | 2,414,231 | 5,462,724 |
| Receivable from other governments | 1,318 | | | 1,318 |
| Other receivables | 8,695 | | | 8,695 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 2,876,803</u> | <u>\$ 1,849,963</u> | <u>\$ 7,127,057</u> | <u>\$ 11,853,823</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 1,318 | \$ 44,319 | \$ | \$ 45,637 |
| Due to other funds | 94,041 | 493,734 | 6,487,933 | 7,075,708 |
| Total Liabilities | <u>95,359</u> | <u>538,053</u> | <u>6,487,933</u> | <u>7,121,345</u> |
| Deferred inflows of resources | | | | |
| Long - term receivables | | <u>64,053</u> | <u>657,864</u> | <u>721,917</u> |
| Fund Balances: | | | | |
| Restricted for: | | | | |
| Debt service | | | (18,740) | (18,740) |
| Committed | 38,525 | | | 38,525 |
| Assigned | 2,742,919 | 1,247,857 | | 3,990,776 |
| Total Fund Balances | <u>2,781,444</u> | <u>1,247,857</u> | <u>(18,740)</u> | <u>4,010,561</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 2,876,803</u> | <u>\$ 1,849,963</u> | <u>\$ 7,127,057</u> | <u>\$ 11,853,823</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, 2021

| | Nonmajor Special Revenues | Nonmajor Capital Projects | Nonmajor Debt Service | Total Other Governmental Funds |
|--|--|--|----------------------------------|---|
| REVENUES | | | | |
| Property taxes | \$ | \$ 224,335 | \$ 2,680,131 | \$ 2,904,466 |
| Sales and miscellaneous taxes | 589,973 | | | 589,973 |
| Menards sales tax & TIF | | | 588,179 | 588,179 |
| Intergovernmental | 18,411 | 1,184,157 | | 1,202,568 |
| Charges for services | 96,093 | | | 96,093 |
| Investment earnings | 1,588 | 4,765 | 24,726 | 31,079 |
| Miscellaneous | 348 | | | 348 |
| Total Revenues | <u>706,413</u> | <u>1,413,257</u> | <u>3,293,036</u> | <u>5,412,706</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 9,485 | | | 9,485 |
| Public works | 88,279 | 497,018 | | 585,297 |
| Visitor's promotion | 519,720 | | | 519,720 |
| Principal | | | 2,975,853 | 2,975,853 |
| Interest and other charges | | | 702,918 | 702,918 |
| Total Expenditures | <u>617,484</u> | <u>497,018</u> | <u>3,678,771</u> | <u>4,793,273</u> |
| Excess (deficiency) of revenues over expenditures | <u>88,929</u> | <u>916,239</u> | <u>(385,735)</u> | <u>619,433</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | 991,587 | 991,587 |
| Transfers out | <u>(541,356)</u> | | <u>(4,303,879)</u> | <u>(4,845,235)</u> |
| Total other financing sources (uses) | <u>(541,356)</u> | | <u>(3,312,292)</u> | <u>(3,853,648)</u> |
| Net change in fund balances | <u>(452,427)</u> | <u>916,239</u> | <u>(3,698,027)</u> | <u>(3,234,215)</u> |
| Fund balances - beginning | 3,233,871 | 331,618 | 3,679,287 | 7,244,776 |
| Fund balances - ending | <u>\$ 2,781,444</u> | <u>\$ 1,247,857</u> | <u>\$ (18,740)</u> | <u>\$ 4,010,561</u> |

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2021

| | Vector Control | Visitor's Promotion | Visitor's Capital Construction | Safe Shelter Grant | City Taxi | ND Highway Safety | Bulletproof Vest Grant | DES Homeland Security | MCPL Infrastructure | Forestry Grant | D.A.R.E. Program Fund | Total Nonmajor Special Revenue Funds |
|--|-------------------|------------------------|--------------------------------------|-----------------------|-----------|----------------------|---------------------------|--------------------------|------------------------|-------------------|-----------------------------|--|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | | |
| Cash and cash equivalents | \$253,521 | \$ 103,499 | \$ 100,000 | \$ | \$ | \$ | \$ | \$ | \$ 345,434 | \$ | \$ | \$ 702,454 |
| Certificate of deposit over three months | 200,000 | | | | | | | | | | | 300,000 |
| Taxes receivable | | | | | | | | | | | | |
| Due from other funds | | 145,453 | 93,758 | 1,318 | 859 | | | 455 | 1,616,010 | | 7,801 | 1,864,336 |
| Receivable from other governments | | | | | | | | | | | | 1,318 |
| Other receivables | 8,695 | | | | | | | | | | | 8,695 |
| Total Assets and Deferred Outflows of Resources | \$462,216 | \$ 248,952 | \$ 193,758 | \$ 1,318 | \$ 859 | \$ | \$ | \$ 455 | \$ 1,961,444 | \$ | \$ 7,801 | \$ 2,876,803 |

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCES**

| | | | | | | | | | | | | |
|---|-----------|------------|------------|----------|--------|------|---------|--------|--------------|---------|----------|--------------|
| Liabilities: | | | | | | | | | | | | |
| Accounts payable | \$ | \$ | \$ | \$ 1,318 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 1,318 |
| Due to other funds | 86,331 | | | | | 58 | 2,677 | | | 4,975 | | 94,041 |
| Total Liabilities | 86,331 | | | 1,318 | | 58 | 2,677 | | | 4,975 | | 95,359 |
| Deferred inflows of resources | | | | | | | | | | | | |
| Long - term receivables | | | | | | | | | | | | |
| Fund balances: | | | | | | | | | | | | |
| Committed | | | 38,525 | | | | | | | | | 38,525 |
| Assigned | 375,885 | 248,952 | 155,233 | | 859 | (58) | (2,677) | 455 | 1,961,444 | (4,975) | 7,801 | 2,742,919 |
| Total Fund Balances | 375,885 | 248,952 | 193,758 | | 859 | (58) | (2,677) | 455 | 1,961,444 | (4,975) | 7,801 | 2,781,444 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$462,216 | \$ 248,952 | \$ 193,758 | \$ 1,318 | \$ 859 | \$ | \$ | \$ 455 | \$ 1,961,444 | \$ | \$ 7,801 | \$ 2,876,803 |

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, 2021

| | Vector Control | Visitor's Promotion | Visitor's Promotion Capital Construction | Safe Shelter Grant | City Taxi | ND Highway Safety | Bulletproof Vest Grant | DES Homeland Security | MCPL Infrastructure | Forestry Grant | D.A.R.E. Program Fund | Total Nonmajor Special Revenue Funds |
|---|-------------------|------------------------|---|-----------------------|-----------|----------------------|---------------------------|--------------------------|------------------------|-------------------|--------------------------|--|
| | | | | | | | | | | | | |
| REVENUES | | | | | | | | | | | | |
| Sales and miscellaneous taxes | \$ | \$ 502,491 | \$ 87,482 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ 589,973 |
| Intergovernmental | | | | 4,875 | 10,000 | | | | | | 3,536 | 18,411 |
| Charges for services | 96,093 | | | | | | | | | | | 96,093 |
| Investment earnings | 645 | 434 | 509 | | | | | | | | | 1,588 |
| Miscellaneous | 186 | 162 | | | | | | | | | | 348 |
| Total Revenues | 96,924 | 503,087 | 87,991 | 4,875 | 10,000 | | | | | | 3,536 | 706,413 |
| EXPENDITURES | | | | | | | | | | | | |
| Current: | | | | | | | | | | | | |
| General Government | | | | | | | | | | | | |
| Public safety | | | | | | | | | | | | |
| Public works | 78,269 | | | 4,875 | 10,010 | 58 | 2,130 | | | | 2,422 | 9,485 |
| Visitor's promotion | | 468,422 | 51,298 | | | | | | | | | 88,279 |
| Total Expenditures | 78,269 | 468,422 | 51,298 | 4,875 | 10,010 | 58 | 2,130 | | | | 2,422 | 519,720 |
| Excess (deficiency) of revenues over expenditures | 18,655 | 34,665 | 36,693 | | (10) | (58) | (2,130) | | | | 1,114 | 88,929 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | |
| Transfers in | | | | | | | | | | | | |
| Transfers out | (2,800) | | | | | | | | (538,556) | | | (541,356) |
| Total other financing sources (uses) | (2,800) | | | | | | | | (538,556) | | | (541,356) |
| Net change in fund balances | 15,855 | 34,665 | 36,693 | | (10) | (58) | (2,130) | | (538,556) | | 1,114 | (452,427) |
| Fund balances - beginning | 360,030 | 214,287 | 157,065 | | 869 | | (547) | 455 | 2,500,000 | | | 3,233,871 |
| Fund balances - ending | \$ 375,885 | \$ 248,952 | \$ 193,758 | \$ | \$ 859 | \$ (58) | \$ (2,677) | \$ 455 | \$ 1,961,444 | \$ (4,975) | \$ 6,687 | \$ 2,781,444 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2021

| | Public Building Site | American Rescue Plan | Total Nonmajor Capital Projects Funds |
|---|-------------------------------------|---------------------------------|--|
| ASSETS AND DEFERRED | | | |
| OUTFLOWS OF RESOURCES | | | |
| Certificates of deposit over three months | \$ 600,000 | \$ | \$ 600,000 |
| Taxes receivable, net | 65,806 | | 65,806 |
| Due from other funds | | 1,184,157 | 1,184,157 |
| Total Assets and Deferred | | | |
| Outflows of Resources | <u>\$ 665,806</u> | <u>\$ 1,184,157</u> | <u>\$ 1,849,963</u> |
| LIABILITIES, DEFERRED | | | |
| INFLOWS OF RESOURCES | | | |
| AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 44,319 | \$ | \$ 44,319 |
| Due to other funds | 493,734 | | 493,734 |
| Total Liabilities | <u>538,053</u> | | <u>538,053</u> |
| Deferred inflows of resources | | | |
| Long - term receivables | <u>64,053</u> | | <u>64,053</u> |
| Fund balances: | | | |
| Assigned | 63,700 | 1,184,157 | 1,247,857 |
| Total Fund Balances | <u>63,700</u> | <u>1,184,157</u> | <u>1,247,857</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 665,806</u> | <u>\$ 1,184,157</u> | <u>\$ 1,849,963</u> |

CITY OF JAMESTOWN
Stutsman County, North Dakota
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended December 31, 2021

| | Public Building Site | American Rescue Plan | Total Nonmajor Capital Projects Funds |
|---|---------------------------------|---------------------------------|--|
| REVENUES | | | |
| Property taxes | \$ 224,335 | \$ | \$ 224,335 |
| Intergovernmental | | 1,184,157 | 1,184,157 |
| Investment earnings | 4,765 | | 4,765 |
| Total Revenues | <u>229,100</u> | <u>1,184,157</u> | <u>1,413,257</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public works | <u>497,018</u> | | <u>497,018</u> |
| Total Expenditures | <u>497,018</u> | | <u>497,018</u> |
| Excess (deficiency) of revenues over expenditures | <u>(267,918)</u> | <u>1,184,157</u> | <u>916,239</u> |
| Net change in fund balances | (267,918) | 1,184,157 | 916,239 |
| Fund balances - beginning | 331,618 | | 331,618 |
| Fund balances - ending | <u>\$ 63,700</u> | <u>\$ 1,184,157</u> | <u>\$ 1,247,857</u> |

CITY OF JAMESTOWN
 Stutsman County, North Dakota
 Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2021

| | 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) | Series AB Refunding Improvement |
|---|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|--------------------------------------|--------------------------------------|---------------------------------------|--|---|---|---------------------------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | | | | | | |
| Certificates of deposit over three months | \$ 500,000 | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ 40,000 | \$ 99,000 | \$ 100,000 | \$ 500,000 | \$ 219,000 | \$ 419,000 | \$ 24,000 | \$ 30,000 | \$ 50,000 | \$ 155,000 |
| Taxes receivable, net | 53,314 | 18,876 | 3,161 | 18,876 | 21,953 | | 16,156 | | 44,084 | 118,020 | 12,753 | 17,286 | | 45,929 |
| Due from other funds | 150,995 | 60,358 | 85,371 | | 153,080 | | 88,551 | 347,042 | 25,023 | | 50,855 | 69,506 | | 4,540 |
| Total Assets and Deferred Outflows of Resources | \$ 704,309 | \$ 179,234 | \$ 188,532 | \$ 188,532 | \$ 215,033 | \$ 99,000 | \$ 204,707 | \$ 847,042 | \$ 288,107 | \$ 537,020 | \$ 87,608 | \$ 116,792 | \$ 50,000 | \$ 205,469 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | | | | | | | | | | |
| Liabilities: | \$ | \$ | \$ | \$ | \$ | \$ 92,532 | \$ | \$ | \$ | \$ 116,512 | \$ | \$ | \$ 456,179 | \$ |
| Due to other funds | | | | | | 92,532 | | | | 116,512 | | | 456,179 | |
| Total Liabilities | | | | | | | | | | | | | | |
| Deferred inflows of resources | | | | | | | | | | | | | | |
| Long - term receivables | 53,314 | 18,467 | 1,400 | 1,400 | 20,481 | | 16,156 | | 43,354 | 112,197 | 12,753 | 17,286 | | 45,711 |
| Fund balances: | | | | | | | | | | | | | | |
| Restricted for: | | | | | | | | | | | | | | |
| Debt service | 650,995 | 367,549 | 160,767 | 187,132 | 194,552 | 6,468 | 188,551 | 847,042 | 244,753 | 308,311 | 74,855 | 99,506 | (406,179) | 159,758 |
| Total Fund Balances | 650,995 | 367,549 | 160,767 | 187,132 | 194,552 | 6,468 | 188,551 | 847,042 | 244,753 | 308,311 | 74,855 | 99,506 | (406,179) | 159,758 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 704,309 | \$ 367,549 | \$ 179,234 | \$ 188,532 | \$ 215,033 | \$ 99,000 | \$ 204,707 | \$ 847,042 | \$ 288,107 | \$ 537,020 | \$ 87,608 | \$ 116,792 | \$ 50,000 | \$ 205,469 |

| Series AC Refunding Improvement | Series C NW Watermain | Series 2020 Water Mains (19-61) | Series AD Refunding Improvement | Series 2021 BND (SEPA) | Series 2021B Water Mains | Series 2021A SH Water Mains | Series AE Refunding Improvement | Series 2021C Water Mains | Series 2020B Lift Station | Series AF Refunding Improvement | Series WWTA Refunding Improvement | Series O Refunding Improvement | Series 2007B SW Sewer | Series S Refunding Improvement | Total Nonmajor Debt Service Funds |
|---------------------------------------|--------------------------|---------------------------------------|---------------------------------------|---------------------------|-----------------------------|-----------------------------------|---------------------------------------|-----------------------------|------------------------------|---------------------------------------|---|--------------------------------------|--------------------------|--------------------------------------|---|
| \$ 200,000 54,255 411,772 | \$ 200,000 17,615 | \$ 200,000 36,789 | \$ 200,000 94,223 | \$ 200,000 | \$ 200,000 33,475 | \$ 200,000 | \$ 100,000 57,574 | | | | 23,218 230,777 | 258 | 6,636 366,299 | \$ 100,000 1,251 102,513 | 4,036,000 676,826 2,414,231 |
| \$ 666,027 | \$ 217,615 | \$ 236,789 | \$ 294,223 | \$ 200,000 | \$ 233,475 | \$ 200,000 | \$ 157,574 | \$ | \$ | \$ | \$ 253,995 | \$ 258 | \$ 372,935 | \$ 203,764 | \$ 7,127,057 |
| | \$ 107,304 107,304 | \$ 804,727 804,727 | \$ 310,782 310,782 | \$ 200,000 200,000 | \$ 223,973 223,973 | \$ 1,613,799 1,613,799 | \$ 212,286 212,286 | \$ 1,702,361 1,702,361 | \$ 178,949 178,949 | \$ 468,529 468,529 | \$ | \$ | \$ | | 6,487,933 6,487,933 |
| 50,961 | 17,538 | 36,789 | 94,223 | | 33,475 | | 57,574 | | | | 18,361 | 182 | 6,391 | 1,251 | 657,864 |
| 615,066 615,066 | 92,773 92,773 | (604,727) (604,727) | (110,782) (110,782) | | (23,973) (23,973) | (1,413,799) (1,413,799) | (112,286) (112,286) | (1,702,361) (1,702,361) | (178,949) (178,949) | (468,529) (468,529) | 235,634 235,634 | 76 76 | 366,544 366,544 | 202,513 202,513 | (18,740) (18,740) |
| \$ 666,027 | \$ 217,615 | \$ 236,789 | \$ 294,223 | \$ 200,000 | \$ 233,475 | \$ 200,000 | \$ 157,574 | \$ | \$ | \$ | \$ 253,995 | \$ 258 | \$ 372,935 | \$ 203,764 | \$ 7,127,057 |

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, 2021

| | 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) | Series AB Refunding Improvement |
|---|-----------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|--------------------------------|---------------------------------|------------------------------------|--------------------------------------|--------------------------------------|---------------------------------|
| REVENUES | | | | | | | | | | | | | | |
| Property taxes | \$ 45,859 | \$ | \$ 74,194 | \$ 14,727 | \$ 78,858 | \$ 77,120 | \$ 67,973 | \$ 511,059 | \$ 202,701 | \$ 451,001 | \$ 72,252 | \$ 412,618 | \$ 10,573 | \$ 290,819 |
| Menards sales tax & TIF | 2,682 | | | | 149 | 496 | 200 | 442 | 772 | 2,605 | 325 | 174 | 290 | 1,514 |
| Investment earnings | 48,541 | | 74,194 | 14,727 | 79,007 | 77,616 | 68,173 | 511,501 | 203,473 | 453,606 | 72,577 | 412,792 | 10,863 | 292,333 |
| Total Revenues | | | | | | | | | | | | | | |
| EXPENDITURES | | | | | | | | | | | | | | |
| Principal | | 80,000 | 95,000 | 15,000 | 305,000 | 60,000 | 19,000 | 135,000 | 270,000 | 575,000 | 50,000 | 74,984 | 62,869 | 300,000 |
| Interest and other charges | | 15,580 | 3,336 | 4,677 | 69,766 | 17,120 | 19,000 | 154,605 | 9,120 | 39,870 | 23,500 | 51,087 | 48,520 | 48,520 |
| Total Expenditures | | 95,580 | 98,336 | 19,677 | 374,766 | 77,120 | 19,000 | 289,605 | 279,120 | 614,870 | 73,500 | 126,071 | 105,702 | 348,520 |
| Excess (deficiency) of revenues over expenditures | 48,541 | (95,580) | (24,142) | (4,950) | (295,759) | 496 | 49,173 | 221,896 | (75,647) | (161,264) | (923) | 286,721 | (94,839) | (56,187) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | | | | | |
| Transfers in | 8,521 | | 33,824 | | 199,386 | | 21,713 | | 86,852 | 185,904 | 23,369 | 54,819 | 41,022 | 77,959 |
| Transfers out | (16,966) | | | | | | (45,000) | (9,674) | | | | (1,544) | | |
| Total other financing sources (uses) | (8,445) | | 33,824 | | 199,386 | | (23,287) | (9,674) | 86,852 | 185,904 | 23,369 | 53,275 | 41,022 | 77,959 |
| Net change in fund balances | 40,096 | (95,580) | 9,682 | (4,950) | (96,373) | 496 | 25,886 | 212,222 | 11,205 | 24,640 | 22,446 | 339,996 | (53,817) | 21,772 |
| Fund balances - beginning | 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) | 137,986 |
| Fund balances - ending | \$ 650,995 | \$ 367,549 | \$ 160,767 | \$ 187,132 | \$ 194,552 | \$ 6,468 | \$ 188,551 | \$ 847,042 | \$ 244,753 | \$ 308,311 | \$ 74,855 | \$ 99,506 | \$ (406,179) | \$ 159,758 |

| Series AC Refunding Improvement | Series C NW Watermain | Series 2020 Water Mains (19-61) | Series AD Refunding Improvement | Series 2021 BND (SEPA) | Series 2021B Water Mains | Series 2021A SH Water Mains | Series AE Refunding Improvement | Series 2021C Water Mains | Series 2020B Lift Station | Series AF Refunding Improvement | Series WWT A Refunding Improvement | Series O Refunding Improvement | Series 2007B SW Sewer | Series S Refunding Improvement | Total Nonmajor Debt Service Funds |
|---------------------------------------|--------------------------|---------------------------------------|---------------------------------------|------------------------------|-----------------------------|-----------------------------------|---------------------------------------|-----------------------------|------------------------------|---------------------------------------|--|--------------------------------------|--------------------------|--------------------------------------|--|
| \$ 379,301 | \$ 85,628 | \$ | \$ 314,657 | \$ | \$ | \$ | \$ 3,219 | \$ | \$ | \$ | \$ 85,669 | \$ 7,811 | \$ 56,330 | \$ 25,941 | \$ 2,680,131 |
| 489 | 489 | 489 | 314,657 | | | | 13,505 | | | | 105 | 7,811 | 56,330 | 25,941 | 588,179 |
| <u>379,790</u> | <u>86,117</u> | <u>489</u> | <u>314,657</u> | | | | <u>16,724</u> | | | | <u>85,774</u> | | | | <u>24,726</u> |
| | | | | | | | | | | | | | | | <u>3,293,036</u> |
| 375,000 | | | 385,000 | | | | | | | | 80,000 | 10,000 | 78,000 | 25,000 | 2,975,853 |
| 69,745 | 26,300 | 32,834 | 45,945 | | | | 600 | | | | 9,700 | 925 | 13,875 | 3,980 | 702,918 |
| <u>444,745</u> | <u>26,300</u> | <u>32,834</u> | <u>430,945</u> | | | | <u>600</u> | | | | <u>89,700</u> | <u>10,925</u> | <u>91,875</u> | <u>28,980</u> | <u>3,678,771</u> |
| | | | | | | | | | | | | | | | |
| (64,955) | 59,817 | (32,345) | (116,288) | | | | 16,124 | | | | (3,926) | (3,114) | (35,545) | (3,039) | (385,735) |
| | | | | | | | | | | | | | | | |
| 103,589 | 57,109 | (139,554) | (19,250) | | (23,973) | (1,413,799) | 75,308 | (1,702,361) | (178,949) | (468,529) | 1,545 | 3,344 | 14,029 | 3,294 | 991,587 |
| | <u>(60,000)</u> | | | | | | <u>(203,718)</u> | | | | | <u>(20,562)</u> | | | <u>(4,303,879)</u> |
| | | | | | | | | | | | | | | | |
| 103,589 | (2,891) | (139,554) | (19,250) | | (23,973) | (1,413,799) | (128,410) | (1,702,361) | (178,949) | (468,529) | 1,545 | (17,218) | 14,029 | 3,294 | (3,312,292) |
| | | | | | | | | | | | | | | | |
| 38,634 | 56,926 | (171,899) | (135,538) | | (23,973) | (1,413,799) | (112,286) | (1,702,361) | (178,949) | (468,529) | (2,381) | (20,332) | (21,516) | 255 | (3,698,027) |
| 576,432 | 35,847 | (432,828) | 24,756 | | | | 238,015 | | | | 238,015 | 20,408 | 388,060 | 202,258 | 3,679,287 |
| <u>\$ 615,066</u> | <u>\$ 92,773</u> | <u>\$ (604,727)</u> | <u>\$ (110,782)</u> | <u>\$</u> | <u>(23,973)</u> | <u>\$ (1,413,799)</u> | <u>\$ (112,286)</u> | <u>\$ (1,702,361)</u> | <u>\$ (178,949)</u> | <u>\$ (468,529)</u> | <u>\$ 235,634</u> | <u>\$ 76</u> | <u>\$ 366,544</u> | <u>\$ 202,513</u> | <u>\$ (18,740)</u> |

CITY OF JAMESTOWN
Stutsman County, North Dakota
OTHER SUPPLEMENTARY INFORMATION - continued
Year Ended December 31, 2021

LIST OF CITY OFFICIALS

| | |
|--------------------|-----------------|
| Mayor | Dwaine Heinrich |
| Council | David Steele |
| | Dan Buchanan |
| | Brian Kamlitz |
| | David Schloegel |
| City Administrator | Sarah Hellekson |



Schauer & Associates, P.C.

Certified Public Accountants

**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, 2021, 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 28, 2022.

CITY OF JAMESTOWN, NORTH DAKOTA's basic financial statements include the operations of the Jamestown Regional Airport Authority, which received \$2,623,724 in federal awards that are not included in the schedule of Expenditures of federal awards for the year ended December 31, 2021. Our audit described below, did not include the operations of the Jamestown Regional Airport Authority because the component unit has separately issued financial statements prepared and presented in accordance with the Uniform Guidance.

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

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

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 deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2021- 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.

Schauwer & Associates, P.C.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants

Jamestown, North Dakota
September 28, 2022



Schauer & Associates, P.C.

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT 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

Opinion on 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, 2021. **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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **CITY OF JAMESTOWN, NORTH DAKOTA** and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **CITY OF JAMESTOWN, NORTH DAKOTA**'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to **CITY OF JAMESTOWN, NORTH DAKOTA**'s federal programs.

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on **CITY OF JAMESTOWN, NORTH DAKOTA's** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **CITY OF JAMESTOWN, NORTH DAKOTA's** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **CITY OF JAMESTOWN, NORTH DAKOTA's** compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **CITY OF JAMESTOWN, NORTH DAKOTA's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 **CITY OF JAMESTOWN, NORTH DAKOTA's** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control may exist that were not 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.

SCHAUER & ASSOCIATES, P.C.
Certified Public Accountants
Jamestown, North Dakota
September 28, 2022

CITY OF JAMESTOWN
Stutsman County, North Dakota
SUPPLEMENTARY INFORMATION
Year Ended December 31, 2021

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 Justice | | | |
| Passed Through ND Attorney General's Office | | | |
| Edward Byrne Memorial Justice Assistance | 16.738 | 2020-DJ-BX-0027 | 4,875 |
| Total U. S. Department of Justice | | | 4,875 |
| U. S. Department of Transportation | | | |
| Passed Through ND Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Distracted driving | 20.600 | PHSPDD2111-02-07 | 651 |
| Occupant protection enforcement | 20.600 | PHSPOP2105-05-08 | 4,313 |
| Speed enforcement | 20.600 | PHSPSC2107-04-07 | 2,251 |
| Impaired driving enforcement | 20.616 | PHSPID2010-02-08 | 1,085 |
| Occupant protection enforcement | 20.600 | PHSPOP2205-05-10 | 1,953 |
| Underage drinking law enforcement | 20.616 | PHSPID2210-12-05 | 434 |
| Highway Safety Cluster | | | 10,687 |
| Total U. S. Department of Transportation | | | |
| U.S. Department of Treasury | | | |
| Passed Through ND Office of State Treasury | | | |
| Coronavirus state and local fiscal recovery funds (1) | 21.027 | N/A | 1,184,157 |
| Total U.S. Department of Treasury | | | 1,184,157 |
| U.S. Environmental Protection Agency | | | |
| Passed Through ND Department of Health | | | |
| Capitalization Grants for Clean Water | | | |
| State Revolving Funds (1) (2) | 66.458 | 380808-10 | 1,498,034 |
| Clean Water State Revolving Fund Cluster | | | 1,498,034 |
| Capitalization Grants for Drinking Water | | | |
| State Revolving Funds (1) (2) | 66.468 | 4700498-09 | 422,189 |
| State Revolving Funds (1) (2) | 66.468 | 4700498-10 | 1,808,000 |
| Drinking Water State Revolving Fund Cluster | | | 2,230,189 |
| Total U. S. Environmental Protection Agency | | | 3,728,223 |
| U. S. Department of Homeland Security | | | |
| Passed Through ND Department of Emergency Services | | | |
| Disaster Grants – public assistance | 97.036 | DR4453 | 41,595 |
| COVID 19 Disaster Grants – public assistance | 97.036 | DR 4509 | 6,265 |
| Building resilient infrastructure and communities | 97.047 | DR2018 | 643,442 |
| Total U. S. Department of Homeland Security | | | 691,302 |
| Total City of Jamestown | | | \$ 5,619,244 |
| (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, 2021

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, 2021. 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 | \$ 250,000 |
| 2005 Water Treatment Revenue Bonds | 605,000 |
| 2005B Master Lift Station Revenue Bonds | 443,000 |
| 2007B Improvement Bonds Replace Sanitary Sewer Mains | 391,000 |
| 2007 Water Treatment Revenue Bonds | 640,000 |
| 2010 Waste Treatment Revenue Bonds | 1,425,000 |
| 2010B Waste Treatment Revenue Bonds | 1,145,000 |
| 2011 Wastewater Treatment Revenue Bonds | 595,000 |
| 2013 Clean Water (Wastewater Inlet Piping) Revenue Bonds | 540,000 |
| 2013 Wastewater Treatment Assessment Warrant | 715,000 |
| 2013D Wastewater Treatment Revenue Bonds | 7,110,000 |
| 2014 Water Tower Revenue Bonds | 2,435,000 |
| 2014 Drinking Water Revenue Bonds | 550,000 |
| 2016 Solid Waste Treatment Revenue Bonds | 420,000 |
| 2016C Water Treatment Revenue Bonds | 375,000 |
| 2016B Water Treatment Assessment warrant | 890,000 |
| 2017 Solid Waste Disposal revenues bonds | 2,343,683 |
| 2017B Wastewater treatment revenue bonds | 515,000 |
| 2017C Water treatment assessment warrant | 1,255,000 |
| 2019 Water main rehab series 2020 | 1,870,000 |
| 2020B Wastewater treatment revenue bonds | 1,498,034 |
| 2021B Water treatment assessment warrant | 1,808,000 |

CITY OF JAMESTOWN
Stutsman County, North Dakota
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

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

21.027 Coronavirus state and local fiscal recovery
66.458 Capitalization Grants for Clean Water
66.468 Capitalization Grants for Drinking Water

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.

2021-001 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, 2021

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, 2021

Finding Number: 2021-001

Finding Title: Financial Statement Preparation

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

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



SARAH HELLEKSON
CITY ADMINISTRATOR/CITY AUDITOR
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JAMESTOWN, ND 58401

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

CORRECTIVE ACTION PLAN

Year Ended December 31, 2021

Finding Number: 2021-001

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 City Council will continue to request that Schauer & Associates, P.C. assist with the preparation of financial statements and will instruct city administration to provide all requested schedules.

Anticipated Completion Date: Not Applicable