JAMESTOWN REGIONAL AIRPORT AUTHORITY
JAMESTOWN, NORTH DAKOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

JAMESTOWN REGIONAL AIRPORT AUTHORITY
BOARD OF DIRECTORS
AT DECEMBER 31, 2018

Trent Sletto	Chairman
Keith Veil	Vice-Chairman
Mark Urquhart	Director
Gary Staab	Director
David Steele	Director (City Council Rep)
Ramone Gumke	Director (County Commission Rep)
Craig Olin	Director

BradyMartz

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Jamestown Regional Airport Authority
Jamestown, North Dakota

Report on the Financial Statements

We have audited the accompanying financial statements of Jamestown Regional Airport Authority ("Authority"), Jamestown, North Dakota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Jamestown Regional Airport Authority, Jamestown, North Dakota, as of December 31, 2018, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As described in Note 13 to the financial statements, the 2017 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying Schedule of Passenger Facility Charges and Related Expenditures is presented for purposes of additional analysis as required as specified in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is also not a required part of the basic financial statements.

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

The board of commissioners listing has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2019 on our consideration of the Authority'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 Authority'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 the Authority's internal control over financial reporting and compliance.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

September 23, 2019

JAMESTOWN REGIONAL AIRPORT AUTHORITY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2018

ASSETS	
Current assets	
Cash and cash equivalents	$ 59,350
Cash - restricted	62,765
Accounts receivable, net	108,863
Taxes receivable	5,844
Due from other governments	12,240
Total current assets	249,062
Capital assets not depreciated:	
Land	317,471
Construction in progress	3,140,299
Capital assets being depreciated:	
Infrastructure, runways and improvements	12,905,359
Buildings	5,044,954
Equipment	1,694,449
Less: Accumulated depreciation	(9,671,404)
Total capital assets, net	13,431,128
TOTAL ASSETS	13,680,190
DEFERRED OUTFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	95,806
Cost-sharing defined benefit plan - OPEB	2,114
TOTAL DEFERRED OUTFLOWS OF RESOURCES	97,920
LIABILITIES	
Current liabilities:	
Accounts payable	150,784
Other liability	3,052
Current maturities on debt	663,551
Total current liabilities	817,387
Long-term liabilities:	
Debt, net of current maturities	895,648
Net pension liability	237,345
Net other post retirement benefit liability	10,399
Total long-term liabilities	1,143,392
TOTAL LIABILITIES	1,960,779
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow - pension	32,027
Deferred inflow - OPEB	462
TOTAL DEFERRED INFLOWS OF RESOURCES	32,489
NET POSITION	
Net investment in capital assets	11,871,929
Restricted for debt service	62,765
Unrestricted	(149,852)
TOTAL NET POSITION	$ 11,784,842

See Notes to the Financial Statements

JAMESTOWN REGIONAL AIRPORT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2018

Operating revenues:	
Airside rents	$ 210,795
Farm rents	110,645
Other rents	71,105
Total operating revenues	392,545
Operating expenses	
Personnel	351,759
General	29,162
Fuel	15,667
Facility	160,980
Equipment and vehicle	75,148
Insurance	16,331
Professional fees	36,713
Utilities	53,167
Depreciation and amortization	547,126
Total operating expenses	1,286,053
Operating gain (loss)	(893,508)
Non-operating revenues (expenses):	
Taxes	299,743
Project expenses	(27,470)
Other Income	4,231
Miscellaneous	(4,019)
Income (loss) before capital contributions	272,485
Capital Contributions	
Passenger facility charge	11,560
Federal and state grants	2,593,915
Total	2,605,475
Change in net position	1,984,452
Total net position - beginning of year	9,927,987
Prior period adjustment (see Note 13)	(127,597)
Net position - beginning of year, as restated	9,800,390
Net position - end of year	$ 11,784,842

See Notes to the Financial Statements

JAMESTOWN REGIONAL AIRPORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating cash receipts from customers	$ 353,716
Cash payments to suppliers	(417,652)
Cash payments to employees	(331,941)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(395,877)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from issuance of long-term debt	740,427
Principal payments on long-term debt	(51,751)
Payments for capital expenditures	(3,326,617)
Passenger facility charge receipts	8,189
Proceeds from government grants	2,607,527
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(22,225)
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:	
Tax revenue	299,743
Other receipts	4,231
Other disbursements	(31,489)
NET CASH PROVIDED (USED) BY NON-CAPITAL AND RELATED FINANCING ACTIVITIES	272,485
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(145,617)
CASH AND CASH EQUIVALENTS, Beginning of Period	267,732
CASH AND CASH EQUIVALENTS, End of Period	$ 122,115

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating Gain (Loss)	$ (893,508)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities	
Depreciation and amortization	547,126
Effects on Operating Cash Flows Due to Changes in:	
Receivables	(42,007)
Deferred outflows of resources	8,627
Accounts Payable	(30,358)
Other liability	3,052
Net pension obligation	13,653
Net other post employment benefits obligation	11
Deferred inflows of resources	(2,473)
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ (395,877)

See Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Jamestown Regional Airport Authority (Authority) was formed in 2007. It operates under the provisions of the North Dakota Century Code, Chapter 2.06. It is governed by a Board of seven commissioners, one of which is appointed by the Mayor of the City of Jamestown and confirmed by the City Council, and one of which are appointed by the Stutsman County Commission. The Authority's financial statements include only funds and departments over which the Authority officials exercise oversight responsibility. No other agencies, Boards, commissions or other organizations have been included in the Authority's financial statements.

Component units are legally separate organizations for which the 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 government. The Authority is a component unit of the City of Jamestown, North Dakota, and has been included in that oversight body's financial statements. The Authority has no component units.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis. The Authority reports as a business-type activity, as defined by the Government Accounting Standards Board (GASB). Business-type activities are those that are finance in whole or in part by fees charged to external parties for goods or services.

The Authority's activities are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred. Current assets include cash and amounts convertible to cash during the next normal operating cycle or one year. Current liabilities include those obligations to be liquidated with current assets.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally results from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues from airlines and rentals are reported as operating revenues. Capital, grants, financing or investing related transactions are reported as non-operating revenues. All expenses relating to operating the Authority are reported as operating expenses. Interest expense and financing costs are reported as non-operating.

Net Position

GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in accordance with Concepts Statement No. 4, *Elements of Financial Statements*.

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the Authority's financial statements. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted Net Position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted Net Position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position 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 resource (expense/expenditure) until then. The Authority has two types of item that qualifies for reporting in this category. Cost sharing defined benefit plan – pension and cost sharing defined benefit plan - OPEB are reported as a deferred outflow of resources in the Statement of Net Position, which represents actuarial differences within the NDPERS pension and OPEB plans.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Authority has two types of item that qualifies for reporting in this category. Cost sharing defined benefit plan – pension and cost sharing defined benefit plan - OPEB are reported as a deferred inflow of resources in the Statement of Net Position, which represents actuarial differences within the NDPERS pension and OPEB plans.

Budgeting Requirements

The Authority's annual budgeting process is a financial planning tool used to establish the estimated revenues and expenditures. The annual budget is developed after reviewing revenue forecasts, the impact of funding increases on landing fees, rental rates, and other rates and charges, prior year actual, current program levels, new operating requirements, and the overall economic climate of the region and airline industry. The budget to actual results are reviewed periodically throughout the year to ensure compliance with the provisions of the Authority's entity-wide annual budget, which is approved by the Board.

In keeping with the requirements of a proprietary fund, budget comparisons have not been included in this report.

Revenues Recognition

Rentals are generated from airlines, farm and other commercial tenants. Rental revenue is recognized over the life of the respective leases. Rental revenue is shown as operating revenues on the Statements of Revenues, Expenses and Changes in Net Position.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Authority considers all checking, savings and certificates of deposit, with an original maturity of three months or less, to be cash equivalents.

Accounts Receivable

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received. There is no allowance for doubtful accounts for the year ended December 31, 2018.

A trade receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days.

Capital Assets

Capital assets comprise of infrastructure (runways and improvements), buildings and equipment and are recorded at cost. All expenditures for equipment over $5,000 are capitalized. If actual cost cannot be determined, estimated historical cost is used. Donated capital assets are recorded at their acquisition on the date donated. Major improvements and replacements of property are capitalized. Maintenance, repairs, and minor improvements and replacements are expensed.

Provision for depreciation has been calculated using the straight-line method over the estimated useful lives of the assets using a $5,000 capitalization threshold as follows:

Infrastructure, runways and improvements	20-70 Years
Buildings	50-60 Years
Equipment	5-30 Years

Compensated Absences

The Authority 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. Vacation not taken is paid upon termination.

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 form 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.

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 expenses, 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.

Long-Term Obligations and Costs

Long-term obligations are reported at face value, net of applicable premiums and discounts. Premiums and discounts and gains or losses on advance refunding and defeasances are deferred and amortized over the life of the bonds. Bond issue costs are expensed in the period incurred.

Equity Classifications

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

- 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, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

- Restricted – Consists of net position for which constraints are placed thereon by external parties, such as lender, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities.

- Unrestricted net position – All other net position that do not meet the definitions of "net investment in capital assets" or "restricted."

Property Taxes

Property tax revenue is recorded as revenue in the year the tax is levied in the basic financial statements.

Property taxes are levied and certified no later than October 10 and 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 of Jamestown and, in turn, remitted to the Authority on a monthly basis.

State general and categorical aids and other entitlements are recognized as revenues in the period the Authority is entitled to the resources and the amounts are available. Expenditure-driven programs currently reimbursable are recognized when the qualifying expenditures have been incurred and the amounts are available.

Capital Contributions – Passenger Facility Charges (PFC's)

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act that authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFC's. PFC's may be used for airport projects that meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

The Authority was granted permission to begin collecting a $4.50 PFC effective June 1, 2018. The charges, less an administrative fee charged by the Airlines for processing, are collected by the Airlines and remitted on a monthly basis to the Authority. Due to their restricted use, PFC's are categorized as non-operating revenues and are accounted for on the cash basis.

Capital Contributions – Federal and State Grants

The Authority receives federal and state grants in support of its Capital Construction Program. The federal program provides funding for airport development, airport planning and noise compatibility programs. The State of North Dakota also provides discretionary funds for capital programs.

Grants for capital asset acquisition, facility development, rehabilitation of facilities and long-term planning are reported in the Statements of Revenues, Expenses and Changes in Net Position, after non-operating revenues and expense as capital contributions.

Use of 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 certain reported amounts and disclosures Accordingly, actual results could differ from those estimates.

NOTE 2 DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the Authority would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. According to North Dakota Century Code, the fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds.

The Authority maintains cash on deposit at one financial institution. The amount on deposit is insured by FDIC up to $250,000 per financial institution. As of December 31, 2018, the Authority's deposits were

Interest Rate Risk

The Authority 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

The 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, instrumentalities or organizations created by an act of Congress,
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 Authority has no investments other than fully insured and collateralized demand and time deposits.

NOTE 3 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2018:

	January 1, 2018 (Restated)	Additions	Deletions	December 31, 2018
Capital assets not being depreciated				
Land	$ 317,471	$ -	$ -	$ 317,471
Construction in progress	656,633	3,326,617	(842,951)	3,140,299
Total capital assets not being depreciated	974,104	3,326,617	(842,951)	3,457,770
Capital assets being depreciated:				
Buildings	5,044,954	-	-	5,044,954
Equipment	1,694,449	-	-	1,694,449
Infrastructure	12,062,408	842,951	-	12,905,359
Total capital assets being depreciated	18,801,811	842,951	-	19,644,762
Less accumulated depreciation	9,124,279	547,125	-	9,671,404
Total capital assets being depreciated, net	9,677,532	295,826	-	9,973,358
Net capital assets	$ 10,651,636	$ 3,622,443	$ (842,951)	$ 13,431,128

NOTE 4 LONG-TERM DEBT

Changes in long-term debt during the year ended December 31, 2018 was as follows:

	Balance 1/1/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
Net pension obligation	$ 223,692	$ 80,032	$ (66,379)	$ 237,345	$ -
Net OPEB liability	10,388	2,891	(2,880)	10,399	-
Long-term debt:					
Revenue bonds	-	730,473	-	730,473	54,500
Notes payables	870,523	9,954	(51,751)	828,726	609,051
Total long-term debt	870,523	740,427	(51,751)	1,559,199	663,551
Total long-term liabilities	$ 1,104,603	$ 823,350	$ (121,010)	$ 1,806,943	$ 663,551

The obligations under long-term debt are scheduled as follows:

Revenue Bonds Payable	
$604,596 loan dated July 1, 2018, due in annual principal payments of $30,000 on June 1 with a final balloon payment of $580,000 due June 1, 2023, and semi-annual interest payments on June 1 and December 1. Interest of 2.00% with maturity on June 1, 2023.	$ 604,596
$125,877 loan dated December 1, 2018, due in annual principal payments ranging from $24,500 to $26,000 on June 1, and semi-annual interest payments on June 1 and December 1. Interest of 2.00% with maturity on June 1, 2023.	125,877
Total revenue bonds payable	730,473
Notes Payable	
$41,650 loan dated August 24, 2012, due in semi annual payments of $10,674 on March 1 and September 1, beginning March 1, 2026, with maturity on September 1, 2027. Interest at a rate of 2% will accrue beginning September 1, 2025.**	28,614
$325,000 loan dated August 31, 2012, due in semi-annual payments of $17,912.12 on November 1 and May 1, with a maturity on May 1, 2025, interest of 6%, with a Flex PACE buy down through the Bank of North Dakota to 1%, secured by accounts receivable and assignment of leases and rents.	190,030
$43,000 loan dated January 20, 2015, due in semi annual payments of $11,020 on July 1 and January 1, beginning July 1, 2040, with maturity on July 1, 2041. Interest at a rate of 2% will accrue beginning January 1, 2020.**	25,682
$633,000 loan dated February 2, 2015, due in semi-annual payments of $21,439.30 on June 30 and December 31, with maturity on December 30, 2019, interest at 4.58%, with a Flex PACE buy-down through the Bank of North Dakota to 1% through December 31, 2019, secured by building and assignment of leases and rents for 8 unit t-hangers.	571,400
$65,000 loan dated September 17, 2015 with no interest payable in five annual payments of $13,000, unsecured.	13,000
Total notes payable	828,726
Total bonds and notes payable	1,559,199
Less current portion	(663,551)
Total long-term debt	$ 895,648

**These loans are for repayment of the community share in the Flex PACE loans through Bank of North Dakota. The amounts due for these loans accrue each year based on the interest paid by the community share until the date in which payments become due.

Annual requirements for payment of outstanding debt at December 31, 2018, as are follows:

	Bonds Payable		Notes Payable		Total
	Principal	Interest	Principal	Interest	Principal
2019	$ 54,500	$ 15,985	$ 609,051	$ 7,511	$ 663,551
2020	55,000	14,890	26,134	1,589	81,134
2021	55,000	13,790	27,776	1,324	82,776
2022	56,000	12,680	29,492	1,042	85,492
2023	509,973	6,060	31,313	742	541,286
2024-2028	-	-	76,347	511	76,347
2029-2033	-	-	-	-	-
2034-2038	-	-	-	-	-
2039-2042	-	-	28,613	-	28,613
	$ 730,473	$ 63,405	$ 828,726	$ 12,719	$ 1,559,199

NOTE 5 PENSION PLAN

North Dakota Public Employees Retirement System (Main System)

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

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

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board 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. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 will be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 55-64 with three or more years of service.

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

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

Refunds of Member Account Balance

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

Member and Employer Contributions

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

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

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, 2018, the Authority reported a liability of $237,345 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, 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 June 30, 2018 the Employer's proportion was 0.014064 percent, which was an increase of 0.000147 percent from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018, the Authority recognized pension expense of $31,360. At December 31, 2018, the Authority 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	$ 628	$ (8,075)
Changes of assumptions	85,677	(3,388)
Net difference between projected and actual earnings on pension plan investments	-	(1,155)
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,605	(19,410)
Employer contributions subsequent to the measurement date	5,896	-
Total	$ 95,806	$ (32,027)

$5,896 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, 2019.

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 June 30:	
2019	$ 16,633
2020	13,601
2021	16,524
2022	10,430
2023	695

Actuarial Assumptions

The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

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

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

Discount rate

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

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

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 5.32%	Current Discount Rate 6.32%	1% Increase 7.32%
Employer's proportionate share of the net pension liability	$ 322,508	$ 237,345	$ 166,280

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report. Requests to obtain or review this report should be addressed to the Executive Director – NDPERS, P.O. Box 1657, Bismarck, North Dakota 58502-1657.

NOTE 6 OTHER POST EMPLOYMENT BENEFITS

North Dakota Public Employees Retirement System

The following brief description of 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. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

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

OPEB Benefits

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

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

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

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

At December 31, 2018, the Authority reported a liability of $10,399 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net OPEB liability was based on the Authority's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At December 31, 2018, the Authority's proportion was 0.013204%, which was an increase of 0.000072% from its proportion measured as of June 30, 2017.

For the year ended December 31, 2018 the Authority recognized OPEB expense of $1,283. At December 31, 2018, the Authority 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	
Differences between expected and actual experience	$	311	$	(215)
Changes of assumptions		853		-
Net difference between projected and actual earnings on OPEB plan investments		-		(224)
Changes in proportion and differences between employer contributions and proportionate share of contributions		6		(23)
Employer contributions subsequent to the measurement date	$	944	$	-
Total	$	2,114	$	(462)

$944 reported as deferred outflows of resources related to OPEB resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2019.

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

Year ended June 30:		
2019	$	84
2020		84
2021		84
2022		183
2023		165
Thereafter		108

Actuarial Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	7.50%, net of investment expenses
Cost-of-living adjustments	None

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

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, 2017 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	37%	7.15%
Small Cap Domestic Equities	9%	14.42%
International Equities	14%	8.83%
Core Plus Fixed Income	40%	0.10%

Discount Rate

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

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Employer's proportionate share of the net OPEB liability	$ 13,157	$ 10,399	$ 8,035

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issues NDPERS financial report. Requests to obtain or review this report should be addressed to the Executive Director – NDPERS, P.O. Box 1657, Bismarck, North Dakota 58502-1657.

NOTE 7 LEASES

Lessee

The Authority has an operating lease entered in July of 2016 for a 2016 Chevrolet Silverado for a term of 60 months. Total rent expense in 2018 was $4,176. Future minimum lease payments as of December 31, 2018 are:

Year	Amount
2019	$ 4,176
2020	4,176
2021	2,088
	$ 10,440

Lessor

Substantially all airport facilities are leased or charged to users under various agreements. Facilities are charged to users under lease agreements, which provide for compensatory rental rates designed to cover costs incurred.

The following is a summary of future minimum rentals due under these agreements:

Year	Amount
2019	$ 392,818
2020	398,379
2021	394,514
2022	402,169
2023	411,266
	$ 1,999,146

NOTE 8 CONCENTRATIONS

The Authority operates in a regional market consisting primarily of central and eastern North Dakota.

NOTE 9 RISK MANAGEMENT

The Authority is exposed to various risks including but not limited to losses from workers' compensation, care of employee health and general liability/property.

The Authority participates in the medical self-insurance plan of the City of Jamestown, North Dakota. The plan provides health insurance coverage up to $20,000 for each employee. In addition, the City has purchased commercial insurance coverage for claims in excess of a predetermined amount. Additional information regarding the plan can be found in the primary government financial statements of the City of Jamestown, North Dakota.

The Authority participates in the North Dakota Insurance Reserve Fund (NDIRF) entity risk pool established by certain municipalities ("members") to provide liability coverage. The Authority's payments to the NDIRF are displayed on the financial statements as expenditures in the appropriate fund. 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 Authority does not exercise any control over the activities of the NDIRF.

The Authority's risk for workers' compensation is covered by premiums paid to the North Dakota Worker's Compensation Bureau. The Bureau was created by the Legislature of the State of North Dakota.

The Authority'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 risk. Settled claims from these risks have not exceeded commercial coverage for the past three years.

NOTE 10 COMMITMENTS

As of December 31, 2018, the Authority has signed commitments of approximately $55,000 for Runway 4-22 construction and $45,000 for parking lot rehabilitation.

NOTE 11 GRANT PROGRAMS

The Authority participates in numerous federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Authority has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2018, may be impaired.

In the opinion of the Authority, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

NOTE 12 NEW PRONOUNCEMENTS

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. It also establishes disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information relate to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 90, Majority Equity Interest, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement provides guidance for reporting when a government has majority equity interest in legally separate organizations. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resource is determinable. If government's holding of that equity interest meets the definition of an investment, as defined by GASB No. 72, the equity interest should be reported as an investment and measured using the equity method and not as a component unit of the government. If a government's holding of a majority interest in a legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 91, Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

Management has not yet determined the effect these statements will have on the Authority's financial statements.

NOTE 13 PRIOR PERIOD ADJUSTMENTS

The Authority recorded prior period adjustments to the December 31, 2017 financial statements for the following:

- Loan with Stutsman County was adjusted for prior two years payments that were netted with property tax revenue. This decreased the loan balance and increased net position $26,000 for the year ended December 31, 2017.

- Lease receivables were adjusted to include amounts not yet received from tenants. This increased accounts receivable and net position $50,763 for the year ended December 31, 2017.

- Property tax receivable was adjusted to include only amounts due in the current year. This decreased property tax receivable and net position $212,609 for the year ended December 31, 2017.

- Adjustment was made to write off unamortized loan costs in accordance with GASB 65. This decreased deferred outflows of resources and net position by $3,751 for the year ended December 31, 2017.

- Adjustment of $11,950 was made to reconcile overstated beginning cash. The adjustment decreased cash and net position for the year ended December 31, 2017.

- Adjustments were made for capital assets that had been disposed of in prior years and capital assets that were purchased in prior years, but not recorded by the Authority. This increased net capital assets and net position $23,950 for the year ended December 31, 2017.

The net effect of the prior period adjustments to net position is as follows:

Adjustment	Effect on Net Position
Notes payable	$ 26,000
Accounts receivable	50,763
Property tax receivable	(212,609)
Loan costs	(3,751)
Cash	(11,950)
Capital assets	23,950
Total adjustment	$(127,597)

NOTE 14 SUBSEQUENT EVENTS

No significant events occurred subsequent to the Authority's year end. Subsequent events have been evaluated through September 23, 2019, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.014064%	$ 237,345	$ 144,485	164.27%	62.80%
2017	0.013917%	223,692	142,066	157.46%	61.98%
2016	0.013349%	130,099	134,524	96.71%	70.46%
2015	0.015234%	129,572	135,713	95.48%	77.15%

*Complete data for this schedule Is not available prior to 2015

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S CONTIRBUTIONS
ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2018	$ 11,143	$ (11,143)	$ -	$ 156,506	7.12%
2017	10,302	(10,115)	187	142,066	7.12%
2016	9,739	(9,578)	161	134,524	7.12%
2015	10,309	(10,564)	(255)	135,713	7.78%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

Changes of Assumptions

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

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S SHARE NET OPEB LIABILITY
ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered-employee payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2018	0.013204%	$ 10,399	$ 144,485	7.20%	61.89%
2017	0.013132%	10,388	142,066	7.31%	59.78%

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

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS - OPEB
ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST 10 FISCAL YEARS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered-employee payroll	Contributions as a percentage of covered-employee payroll
2018	$ 1,784	$ (1,784)	$ -	$ 156,506	1.14%
2017	1,651	(1,620)	31	142,066	1.14%

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2018

Changes of Assumptions

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

BradyMartz

INDEPENDENT AUDITOR'S 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*

To the Board of Directors
Jamestown Regional Airport Authority
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 Jamestown Regional Airport Authority, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise Jamestown Regional Airport Authority's basic financial statements, and have issued our report thereon dated September 23, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jamestown Regional Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Jamestown Regional Airport Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a material weakness.

Compliance and Other Matters

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

Authority's Response to Finding

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority'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.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

September 23, 2019

BradyMartz

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

To the Board of Directors
Jamestown Regional Airport Authority
Jamestown, North Dakota

Report on Compliance for Each Major Federal Program

We have audited Jamestown Regional Airport Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Jamestown Regional Airport Authority's major federal program for the year ended December 31, 2018. The Jamestown Regional Airport Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis of our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jamestown Regional Airport Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Jamestown Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

September 23, 2019

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Federal CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION:		
Airport Improvement Program		
Project #3-38-0028-39	20.106	$ 10,800
Project #3-38-0028-41	20.106	22,185
Project #3-38-0028-42	20.106	149,230
Project #3-38-0028-43	20.106	54,351
Project #3-38-0028-45	20.106	2,218,875
Total Federal Expenditures		$ 2,455,441

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Jamestown Regional Airport Authority under programs of the federal government for the year ended December 31, 2018. 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 Jamestown Regional Airport Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Jamestown Regional Airport Authority.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 RECONCILIATION TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total Expenditures of Federal Awards	$ 2,455,441
State Grants	136,968
Airport Layout Plan	1,506
Federal and State Grants per Statement of Revenues, Expenses and Changes in Net Position	$ 2,593,915

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X yes	__ no
Significant deficiency(ies) identified not considered to be material weaknesses? reported	__ yes	X none
Non-compliance material to financial statements noted?	__ yes	X no

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	__ yes	X no
Significant deficiency(ies) identified not considered to be material weaknesses?	__ yes	X none reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	__ yes	X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	__ yes	X no

SECTION II - FINANCIAL STATEMENT FINDINGS

2018-001: Preparation of Financial Statements

Criteria
The Authority does not have the internal resources to identify all journal entries required to maintain a general ledger and prepare the full-disclosure financial statements in conformity with generally accepted accounting principles (GAAP).

Condition
The Authority's personnel prepare periodic financial information for internal use that meets the needs of management and the Board of Directors. However, the Authority does not have internal resources to identify all journal entries required to maintain a general ledger and prepare full-disclosure financial statements required by GAAP for external reporting. The Authority is aware of this deficiency, and obtains our assistance in the preparation of the Authority's annual financial statements.

Cause
The Authority does not have the internal resources needed to handle all aspects of the external financial reporting.

Effect
The Authority's management is aware of the deficiency and addresses it by reviewing and approving the completed statements prior to distribution to the end users.

Repeat Finding
Yes. Prior audit finding 2017-001.

Recommendation
For entities of the Authority's size, it generally is not practical to obtain the internal expertise needed to handle all aspects of the external financial reporting.

Views of Responsible Officials and Planned Corrective Actions
Management recognizes the deficiency and believes it is effectively handling the reporting responsibilities with the procedures described above.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings required to be reported under this section.

2014-001

Criteria
Auditors assist the Authority's management in preparing financial statements that are presented, including note disclosures in accordance with generally accepted accounting principles.

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

Cause
The Authority Board 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.

Status
Based upon our testing, this finding has been resolved in fiscal year 2018.

2017-001

Condition

Numerous expenditures were posted to income accounts in the various projects during the year resulting in understated income and expenses.

Criteria
As a matter of internal control, management should ensure that the general ledger is accurate in order to make decisions and conduct business.

Cause
The person coding the income and expense account did not have the same chart of accounts as the entity posting the transactions.

Effect
Understate income and expenses

Recommendation

We recommend that accounting procedures be in place so that transactions are posted to the correct account. The individuals coding the accounts and the entity posting transactions should have the most current chart of accounts. The general ledger activity should also be reviewed to detect any recording errors.

Status

A similar finding is repeated as #2018-001 this year.

JAMESTOWN REGIONAL AIRPORT
- ADMIRAL DON WEISS FIELD -
PO Box 1560, Jamestown, North Dakota 58402-1560
Phone: 701-252-6466 Fax: 701-252-2919
Website: www.flyjamestown.net

Corrective Action Plan – December 31, 2018

2018-001

Contact Person
Katie Hemmer, Airport Director

Corrective Action Plan
The Authority's management and Board of Directors have reviewed and discussed the responsibilities of the internal control structure. As a result of this review, management has considered the cost effectiveness of additional duties for compliance of the application of generally accepted accounting principles. The Authority will implement continuous training of its management on the current requirements of financial statements and disclosures in compliance with accounting principles generally accepted in the United States of America.

Completion Date
Jamestown Regional Airport Authority will implement the plan when it becomes cost effective.

BradyMartz

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO PASSENGER FACILITY CHARGES AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH PASSENGER FACILITY CHARGE GUIDE FOR PUBLIC AGENCIES

Board of Directors
Jamestown Regional Airport Authority
Jamestown, North Dakota

Report on Compliance for Passenger Facility Charges Program

We have audited the compliance of Jamestown Regional Airport Authority (the "Authority"), with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide") for its passenger facility charge program for the year ended December 31, 2018. The Authority's passenger facility program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the program. However, our audit does not provide a legal determination of the Authority's compliance with those requirements.

Opinion on Passenger Facility Charges Program

In our opinion, the Jamestown Regional Airport Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect to the passenger facility charge program for the year ended December 31, 2018.

Report on Internal Control Over Compliance

The management of the Jamestown Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations pertaining to the passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with the Guide.

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 the passenger facility program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility 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 the passenger facility program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *the Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration (the "Guide"). Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information of the Board of Directors, management, and the Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Brady Martz

BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA

September 23, 2019

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF PASSENGER FACILITY CHARGES AND RELATED EXPENDITURES
FOR THE YEAR ENDED AND EACH QUARTER FROM
JANUARY 2018 THROUGH DECEMBER 31, 2018

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
BALANCE, JANUARY 1, 2018	$ -	$ -	$ -	$ -	$ -
PASSENGER FACILITY CHARGES			-	8,189	8,189
INTEREST EARNINGS	-	-	-	-	-
DISBURSMENTS	-	-	-	(8,189)	(8,189)
BALANCE, DECEMBER 31, 2018	$ -	$ -	$ -	$ -	$ -

Passenger Facility Charges are presented above on the cash basis. Below is a reconciliation to the Statement of Revenues, Expenses and Changes in Net Position, which presents the Passenger Facility Charges on an accrual basis.

CASH BASIS (ABOVE)	$ 8,189
ACCOUNTS RECEIVABLE PY	-
ACCOUNTS RECEIVABLE CY	3,371
ACCRUAL BASIS	$ 11,560

JAMESTOWN REGIONAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS –
PASSENGER FACILITY CHARGE PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2018

I. Summary of Auditor's Results

i) An unmodified report was issued on the December 31, 2018 financial statements of the Jamestown Regional Airport Authority (the "Authority").

ii) No non-compliance, which is material to the financial statements, was disclosed by the audit.

iii) An unmodified opinion was issued on compliance for the passenger facility charge program.

II. There was one finding related to the financial statements, which is required to be reported in accordance with generally accepted *Government Auditing Standards* shown as 2018-001 on page 36.

III. There were no findings related to the *Passenger Facility Charge Audit Guide for Public Agencies,* which are required to be reported.