JAMESTOWN PARKS AND RECREATION DISTRICT
JAMESTOWN, NORTH DAKOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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JAMESTOWN PARKS AND RECREATION DISTRICT
LIST OF OFFICIALS
DECEMBER 31, 2021

Officials	Titles
Mindi Schmitz	Chairman
Mike Landscoot	Vice-Chairman
Ron Olson	Commissioner
Mike Soulis	Commissioner
Mark Ukestad	Commissioner
Amy Walters	Director
Bonnie Ukestad	Business Manager

BradyMartz

INDEPENDENT AUDITOR'S REPORT

To the Board of Park Commissioners
Jamestown Parks and Recreation District
Jamestown, North Dakota

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund, and the aggregate remaining fund information of the Jamestown Parks and Recreation District as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Jamestown Parks and Recreation District's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
General Fund	Unmodified
Special Assessment Fund	Unmodified
Facilities Fund	Unmodified
Debt Service Fund	Unmodified

Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the Governmental Activities of the Jamestown Parks and Recreation District, as of December 31, 2021, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on General Fund, Special Assessment Fund, Facilities Fund, and Debt Service Fund.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund, special assessment fund, facilities fund, and debt service fund information of the Jamestown Parks and Recreation District, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified and Unmodified Opinions

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

Matter Giving Rise to the Qualified Opinion on the Governmental Activities

Management has elected to not report the District's proportionate share of net pension liability and related deferred inflows / outflows for the Retirement Plan for Employees of the City of Jamestown as the actuarial valuation is not in compliance with GASB Statement 68, *Accounting and Financial Reporting for Pensions.*

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to

those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Jamestown Parks and Recreation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Jamestown Parks and Recreation District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Management has omitted the management's discussion and analysis. 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 opinions on the basic financial statements are not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2022, on our consideration of the Jamestown Parks and Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Jamestown Parks and Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jamestown Parks and Recreation District's internal control over financial reporting and compliance.

Brady Martz

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

October 4, 2022

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2021

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 1,131,020
Taxes receivable	76,521
Total current assets	1,207,541
RESTRICTED ASSETS	
Cash and cash equivalents	1,719,196
CAPITAL ASSETS	
Land	871,700
Depreciable capital assets, net	33,177,953
Total capital assets	34,049,653
Total assets	36,976,390
DEFERRED OUTFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	998,653
Cost-sharing defined benefit plan - OPEB	22,971
Total deferred outflows of resources	1,021,624
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	77,508
Accrued payroll	34,476
Accrued compensated absences	7,069
Long term debt, current	2,357,272
Unearned revenue	345,500
Total current liabilities	2,821,825
NON-CURRENT LIABILITIES	
Accrued compensated absences	63,625
Net pension liability	712,965
Net OPEB liability	31,553
Long term debt, non-current	21,215,659
Total non-current liabilities	22,023,802
Total liabilities	24,845,627
DEFERRED INFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	1,428,341
Cost-sharing defined benefit plan - OPEB	17,875
Total deferred inflows of resources	1,446,216
NET POSITION	
Net investment in capital assets	10,476,722
Restricted for:	
Debt service	1,719,196
Special assessments	59,352
Capital outlay	46,758
Unrestricted	(595,857)
Total net position	$ 11,706,171

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Park operations	$ 440,834	$ 1,890,202	$ 254,591	$ -	$ 1,703,959
Facilities / recreation	2,670,579	65,066	-	-	(2,605,513)
Interest on long-term debt	789,341	-	-	-	(789,341)
Unallocated depreciation	1,037,837	-	-	-	(1,037,837)
Total governmental activities	$ 4,938,591	$ 1,955,268	$ 254,591	$ -	(2,728,732)
General Revenues:					
Property taxes					4,768,583
Intergovernmental					424,117
Investment earnings (loss)					19,062
Lease					13,565
Miscellaneous					2,200
Total general revenues					5,227,527
Change in net position					2,498,795
Net position - beginning of year					9,207,376
Net position - end of year					$ 11,706,171

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
BALANCE SHEET
DECEMBER 31, 2021

	General Fund	Special Assessment Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 1,131,020	$ -	$ -	$ -	$ 1,131,020
Taxes receivable	69,119	2,297	5,105	-	76,521
Due from other funds	160,339	220,615	46,758	-	427,712
Total current assets	1,360,478	222,912	51,863	-	1,635,253
RESTRICTED ASSETS					
Cash and cash equivalents	4,829	-	-	1,714,367	1,719,196
Total assets	$ 1,365,307	$ 222,912	$ 51,863	$ 1,714,367	$ 3,354,449
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable	$ 77,508	$ -	$ -	$ -	$ 77,508
Accrued payroll	34,476	-	-	-	34,476
Unearned revenue	24,500	-	-	-	24,500
Due to other funds	266,449	161,263	-	-	427,712
Total current liabilities	402,933	161,263	-	-	564,196
DEFERRED INFLOWS OF RESOURCES					
Delinquent property taxes	69,119	2,297	5,105	-	76,521
FUND BALANCES					
Restricted for:					
Debt service	4,829	-	-	1,714,367	1,719,196
Special assessments	-	59,352	-	-	59,352
Capital outlay	-	-	46,758	-	46,758
Unassigned	888,426	-	-	-	888,426
Total fund balances	893,255	59,352	46,758	1,714,367	2,713,732
Total liabilities, deferred inflows of resources and fund balances	$ 1,365,307	$ 222,912	$ 51,863	$ 1,714,367	$ 3,354,449

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
DECEMBER 31, 2021

Total governmental funds balance		$ 2,713,732
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		34,049,653
Certain revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.		76,521
Deferred outflows relating to the cost sharing defined benefit pension and OPEB plans in the governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		1,021,624
Long-term liabilities are not due and payable in the current period and therefore are not included in the funds.		
Accrued compensated absences	(70,694)	
Special assessments payable	(662,715)	
Capital lease payable	(127,371)	
Notes payable	(77,307)	
Revenue bonds payable	(22,705,538)	
Net pension liability	(712,965)	
Net OPEB liability	(31,553)	
Total		(24,388,143)
Unearned revenues that will not be earned within 60 days after fiscal year end are not current financial resources, and therefore, are not reported in the governmental funds.		(321,000)
Deferred inflows relating to the cost sharing defined benefit pension and OPEB plans in the governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		(1,446,216)
Net position of governmental activities		$ 11,706,171

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

	General Fund	Special Assessments Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Taxes	$ 1,484,741	$ 99,030	$ 227,176	$ 2,961,391	$ 4,772,338
Intergovernmental	414,065	3,058	6,994	-	424,117
Charges for services	1,955,268	-	-	-	1,955,268
Investment earnings	1,682	122	-	17,258	19,062
Grants	16,303	-	-	-	16,303
Rents	13,565	-	-	-	13,565
Donations	238,288	-	-	-	238,288
Miscellaneous	2,200	-	-	-	2,200
Total revenues	4,126,112	102,210	234,170	2,978,649	7,441,141
Expenditures:					
Current:					
General parks	323,065	-	-	-	323,065
Bunker	19,753	-	-	-	19,753
Jack Brown Stadium	149,882	-	-	-	149,882
McElroy Complex	31,324	-	-	-	31,324
General recreation	42,728	-	-	-	42,728
Soccer	7,956	-	-	-	7,956
Hillcrest proshop	157,430	-	-	-	157,430
Hillcrest maintenance	235,551	-	-	-	235,551
Wilson Arena	434,326	-	-	-	434,326
Two Rivers activity center	1,167,247	-	-	-	1,167,247
Two Rivers aquatics	201,076	-	-	-	201,076
Two Rivers learning center	222,233	-	-	-	222,233
Two Rivers recreation programs	1,073	-	-	-	1,073
Capital outlay	670,159	-	128,412	-	798,571
Debt service:					
Principal retirement	145,821	78,590	95,094	2,660,000	2,979,505
Interest and fiscal charges	30,601	24,013	7,385	776,378	838,377
Total expenditures	3,840,225	102,603	230,891	3,436,378	7,610,097
Excess of revenues over (under) expenditures	285,887	(393)	3,279	(457,729)	(168,956)
Other financial sources (uses):					
Proceeds from capital leases	1,360,000	-	-	-	1,360,000
Bond refunding	(1,320,000)	-	-	-	(1,320,000)
Bond proceeds	(23,000)	-	-	-	(23,000)
Total other financing sources (uses)	17,000	-	-	-	17,000
Net change in fund balances	302,887	(393)	3,279	(457,729)	(151,956)
Fund balance - beginning of year	590,368	59,745	43,479	2,172,096	2,865,688
Fund balance - end of year	$ 893,255	$ 59,352	$ 46,758	$ 1,714,367	$ 2,713,732

JAMESTOWN PARKS AND RECREATION DISTRICT
RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

Net change in fund balance - governmental funds		$ (151,956)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the statement activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:		
Capital outlay	798,571	
Depreciation expense	(1,037,837)	
Total		(239,266)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds. This consists of delinquent property taxes.		33,841
Changes in deferred outflows relating to cost-sharing defined benefit pension and OPEB liabilities.		(627,919)
Changes in deferred inflows relating to cost-sharing defined benefit pension and OPEB liabilities.		(1,124,879)
Repayment of long-term debt is reported as an expenditure in governmental funds but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:		
Capital lease payments	114,607	
Special assessment payments	78,590	
Note payments	36,166	
Bond principal retirement	2,750,000	
Total		2,979,363
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Amortization of premium on bond issues	49,036	
Net increase in compensated absences	(27,227)	
Net increase in post-retirement obligations	26,090	
Net increase in net pension liability	1,581,712	
Total		1,629,611
Change in net position of governmental activities		$ 2,498,795

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

In accordance with the Governmental Accounting Standards Board, reporting entity's financial statements should include all component units over which that component unit (oversight unit) exercises oversight responsibility. Criteria used to determine a potential component unit include: is it legally separate, does it have separate corporate powers, who appoints the governing board, is there fiscal dependency, can the oversight unit impose its will, and is therefore a financial benefit/burden relationship. The Jamestown Parks and Recreation District has not identified any entities that should be included as component units of the District.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detail level of financial information.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus/Basis of Accounting

The government-wide financial statements are reported using the economic resources measurements focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *special assessment fund* is used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for District wide improvements.

The *facilities fund* is used to account for capital acquisitions and projects. This fund is not required to be shown as a major fund, but the Park District has elected to show as such as it is the only non-major governmental fund.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Governmental Fund Types

The general fund accounts for all governmental financial resources, except for those required to be accounted for in other funds.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition and construction of district facilities and other capital assets.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term certificates of deposit with a maturity date within three months of the date acquired by the government. Restricted cash and cash equivalents are restricted for debt service expenditures.

Accounts Receivable

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. A receivable is considered to be past due if any portion of the receivable is outstanding for more than 30 days. There is no allowance for doubtful accounts receivable as of December 31, 2021, as management considers all receivables collectible.

Taxes Receivable

The taxes receivable consists of uncollected property taxes as of December 31, 2021 for the prior three years.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	7 - 50
Machinery and equipment	5 - 50

Compensated Absences

All full-time employees of the District are covered by a compensated absences policy including annual leave and sick leave. Unused annual leave can be accumulated and carried over to a maximum of 240 hours to the next calendar year. Unused sick leave may be accumulated to a maximum of 960 hours. Upon termination of employment, employees receive 100 percent of their unused annual leave pay at their rate of pay on the date of termination. Accumulated sick leave is payable to employees upon resignation of retirement at the following rates: 5% of sick leave balance after 5 years, 10% of sick leave balance after 10 years, 15% of sick leave balance after 15 years, 20% of sick leave balance after 20 years, and 25% of sick leave balances after 25 years.

A vacation and sick leave package is available for temporary full-time employees. A temporary full-time employee will start accruing vacation and sick leave after one year of continuous employment at the same rates as full-time employees.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position. Bond issuance costs are expensed in the year of occurrence. Bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discount on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

Other Post-Employment Benefits (OPEB)

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

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 resources (expense/expenditure) until then. The District reports deferred outflows of resources for NDPERS' cost sharing defined pension and other post-retirement benefit plans. The deferred outflows represent actuarial differences within the NDPERS pension and retiree health insurance credit plans. See Notes 7 and 8 for further details.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section of 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 District has one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, delinquent property taxes (unavailable revenue), is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues, from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. On the statement of net position, the District reports deferred inflows of resources for NDPERS' cost sharing defined pension and other post-retirement benefit plans. The deferred inflows represent actuarial differences within the NDPERS pension and retiree health insurance credit plans. See Notes 7 and 8 for further details.

Net Position

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net investment in capital assets, consists of the remaining un-depreciated cost of the asset less the outstanding payables and debt associated with the purchase or construction of the related asset.

Net position is reported as restricted when external creditors, grantors, or other governmental organizations imposed specific restrictions on the District. External restrictions may be imposed through state or local laws, and grant or contract provisions.

Fund Balance Classifications

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form - inventories; or (b) legally or contractually required to be maintained intact. The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the park board-the District's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the park board removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes but are neither restricted nor committed. The park board and executive director have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as non-spendable and are neither restricted nor committed.

Unassigned – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, the District's preference is to first use restricted resources, then unrestricted resources—committed, assigned, and unassigned—in order as needed. The District does not have a minimum fund balance policy.

Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on the assessed property on January 1. A five percent reduction is allowed if paid by February 15. Penalty and interest are added March 15 if the first half of the taxes has not been paid. Additional penalties are added October 15, if not paid. Taxes are collected by the county and usually remitted monthly to the District.

Property tax revenue in the governmental funds is recognized in compliance with National Council of Government Accounting (NCGA) Interpretation 3, "Revenue Recognition – Property Taxes". This interpretation states that property tax revenue is recorded when it becomes available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Property tax revenue is recorded as revenue in the year the tax is levied in the government – wide financial statements. Property taxes are limited by state laws. All district tax levies are in compliance with state laws.

Grant Revenue Recognition

The governmental grants received by the District are recognized as revenue at the time eligible expenditures are incurred on the government wide statements. Governmental grants must be received within 60 days after year-end to be considered available and recognized as revenue within the funds. The grants are accounted for as exchange transactions due to the government's solicitation of proposals, approval of allowable expenditures and eligibility requirements. Grant funds received prior to expenditure are recorded as refundable advances on the statement of net position. These funds are to be repaid to the grantor if they are not used on eligible expenditures.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

NOTE 2 DEPOSITS

In accordance with North Dakota statutes, the District maintains deposits at depository banks designated by the governing board. All depositories are members of the Federal Reserve System.

Deposits must either be deposited with the Bank of North Dakota or in other financial institutions situated and doing business within the state. Deposits other than with the Bank of North Dakota must be fully insured or bonded. In lieu of a bond, a financial institution may provide a pledge of securities equal to 110% of the deposits not covered by insurance or bonds.

Custodial Credit Risk

This is the risk that, in the event a financial institution fails, a government is unable to recover the value of its deposits, investments, or collateralized securities in the possession of the institution.

The District maintains cash on deposit at various financial institutions. The amounts on deposit were insured by the FDIC up to $250,000. At December 31, 2021, none of the District’s deposits were exposed to custodial credit risk, as all deposits were covered by FDIC coverage and pledged collateral through local financial institutions. As of December 31, 2021, $734,182 of the District’s deposits were covered by securities pledged in the District’s name.

Credit Risk

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

(a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress
(b) Securities sold under agreement to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above
(c) Certificates of deposits fully insured by the federal deposit insurance corporation
(d) Obligations of the state
(e) Commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less.

As of December 31, 2021, the District did not have any investments.

Concentration of Credit Risk

The District does not have a limit on the amount the District may invest in any one issuer. The District has no formal investment policy.

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

General Fund

Restricted cash and cash equivalents consist of amounts legally set aside to meet debt service requirements.

Special Assessment Fund

The special assessment fund is used to account for the proceeds of certain specific revenue sources that are legally restricted to expenditures for District wide improvements.

Debt Service Fund

The 2016 Series, Sales Tax Revenue Bonds require all proceeds from the 1% sales tax to be used for the payment of the principal and interest of the bonds.

NOTE 4 CAPITAL ASSETS

The following schedule is a summary of the capital asset activity for the year ended December 31, 2021:

	Balance 1/1/2021	Additions	Deletions	Transfers	Balance 12/31/2021
Capital Assets Not Being Depreciated:					
Land	$ 871,700	$ -	$ -	$ -	$ 871,700
Construction in Progress	1,919,897	670,483	-	(2,590,380)	-
Total Capital Assets Not Being Depreciated	2,791,597	670,483	-	(2,590,380)	871,700
Capital Assets Being Depreciated					
Buildings and Improvements	34,739,962	57,755	(16,176)	2,590,380	37,371,921
Machinery and Equipment	2,937,836	70,333	(5,703)	-	3,002,466
Total Capital Assets Being Depreciated	37,677,798	128,088	(21,879)	2,590,380	40,374,387
Less Accumulated Depreciation:					
Buildings and Improvements	4,623,910	796,358	(16,176)	-	5,404,092
Machinery and Equipment	1,556,566	241,479	(5,703)	-	1,792,342
Total Accumulated Depreciation	6,180,476	1,037,837	(21,879)	-	7,196,434
Total Capital Assets Being Depreciated, Net	31,497,322	(909,749)	-	-	33,177,953
Governmental Capital Assets, Net	$ 34,288,919	$ (239,266)	$ -	$ -	$ 34,049,653

The District leases a Toro Groundmaster 4010-D, Foley Accumaster 653, Cushman Hauler 1200, and various golf carts under capital leases. The cost and accumulated amortization of the leased assets are as follows:

Capitalized equipment	$ 281,428
Less: accumulated depreciation	(76,727)
	$ 204,701

Depreciation expense on the leased capital assets for the year ended December 31, 2021 was $57,536.

The District recognized unallocated depreciation expense of $1,037,837 for the year ended December 31, 2021.

NOTE 5 LONG-TERM DEBT

The obligations under capital leases, notes payable, and revenue bonds payable are scheduled as follows:

		Outstanding 12/31/21
Capital Leases:		
Electric golf carts(25), issued February 10, 2020, principal and interest due annually beginning April 1, 2020 through October 1, 2022, interest at 3.75%. Payments are made by the General fund.	$	70,321
Demo Foley Accumaster 653 and Demo Foley AccuPro 672, issued February 13, 2020, principal and interest due annually beginning February 13, 2020 through February 13, 2022, interest at 4.85%. Payments are made by the Facilities fund.		16,704
Toro Groundmaster 4010-D and Toro Workman HDX 4WD, issued February 13, 2020, principal and interest due annually beginning February 13, 2020 through February 13, 2022, interest at 4.85%. Payments are made by the Facilities fund.		37,347
Cushman Hauler 1200, issued May 1, 2020, principal and interest due annually beginning May 1, 2020 through October 1, 2022, interest at 4.50%. Payments are made by the Facilities fund.		2,999
Total Capital Lease Payable	$	127,371
Note Payable:		
$183,000 certificate of indebtedness for pool demolition, issued January 15, 2019, principal due annually and interest due semi-annually beginning May 1, 2019 through November 1, 2023, interest at 4.75%. Payments are made by the General fund.	$	77,307
Special Assessments:		
The special assessments are dated 2005 through 2021. The maturity varies per issue but extends through 2049. Payments are to be made from the Special Assessments fund.	$	662,716

Revenue Bonds Payable:

$21,790,000, Series 2016A Sales Tax Revenue Bonds, issued May 25, 2016, principal due in annual installments ranging between $875,000 and $2,970,000, annual interest ranging from 2.00% to 4.00%, beginning July 1, 2017 through July 1, 2035. Payments are made by the Debt Service fund.	$ 17,595,000
$8,000,000, Series 2016B Sales Tax Revenue Bonds, issued May 25, 2016, principal due in lump sum on July 1, 2035, annual interest of 2.90%, beginning July 1, 2017 through July 1, 2035. Payments are made by the Debt Service fund.	3,015,000
$1,360,000, Series 2021 Gross Revenue Refunding Bonds, issued May 1, 2021, principal due in annual installments ranging between $120,000 and $130,000, semi-annual interest ranging from 0.45% to 1.50%, beginning May 1, 2022 through May 1, 2032. Payments are made by the General fund.	1,360,000
Total Revenue Bonds Payable	$ 21,970,000

Bond Refunding

The District issued $1,360,000 Revenue Bonds Series 2021 on May 1, 2021. The bonds were issued to advance refund the $1,165,000 and $155,000 Revenue Bonds Series 2015. The transaction resulted in an economic gain of $165,951 and a reduction of $192,880 in future debt service payments.

Changes in Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in liabilities reported in the Statement of Net Position:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Compensated absences	$ 97,921	$ -	$ (27,227)	$ 70,694	$ 7,069
Special assessments	726,405	14,900	(78,589)	662,716	77,630
Unamortized bond premium	784,574	-	(49,036)	735,538	49,036
Bonds and notes payable					
Capital lease	241,979	-	(114,608)	127,371	127,371
Notes payable	113,614	-	(36,307)	77,307	36,166
Revenue bonds payable	24,680,000	1,360,000	(4,070,000)	21,970,000	2,060,000
Total bonds and notes payable	25,035,593	1,360,000	(4,220,915)	22,174,678	2,223,537
Total long-term liabilities	$ 26,644,493	$ 1,374,900	$ (4,375,767)	$ 23,643,626	$ 2,357,272

Assets of the general fund are used to pay compensated absences.

Debt Service Requirements

Annual requirements to amortize outstanding debt at December 31, 2021, are as follows:

	Capital Leases		Notes Payable		Special Assessments	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 127,371	$ 10,431	$ 37,929	$ 3,289	$ 77,630	$ 22,607
2023	-	4,653	39,378	1,440	61,263	19,965
2024	-	-	-	-	58,134	17,910
2025	-	-	-	-	58,134	15,955
2026	-	-	-	-	40,914	14,000
2027-2031	-	-	-	-	92,005	57,126
2032-2036	-	-	-	-	84,573	42,141
2037-2041	-	-	-	-	78,608	27,445
2042-2046	-	-	-	-	69,659	14,628
2047-2049	-	-	-	-	41,796	2,926
Total	$ 127,371	$ 15,084	$ 77,307	$ 4,729	$ 662,716	$ 234,703

	Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2022	$ 2,060,000	$ 710,132	$ 2,302,930	$ 746,459
2023	1,065,000	667,568	1,165,641	695,475
2024	1,085,000	648,008	1,143,134	667,358
2025	1,100,000	627,928	1,158,134	643,883
2026	5,655,000	2,193,968	5,695,914	2,207,968
2027-2031	8,880,000	1,306,873	8,972,005	1,363,999
2032-2036	2,125,000	278,507	2,209,573	320,648
2037-2041	-	-	78,608	27,445
2042-2046	-	-	69,659	14,628
2047-2049	-	-	41,796	2,926
Premium	735,538	(735,538)	735,538	(735,538)
Total	$ 22,705,538	$ 5,697,446	$ 23,572,932	$ 5,955,251

NOTE 6 CITY OF JAMESTOWN EMPLOYEE PENSION PLAN (CEPP)

The District is a participant in the single employer pension plan of the City of Jamestown. The plan is a defined benefit plan with the pension system responsible for benefits. The District is responsible only for current contributions to the fund.

The actuarial report for the CEPP was conducted under GASB 5 and is not up to date with current accounting standards. Accordingly, the District has elected to exclude the pension liability, related deferred inflows and outflows of resources, and required footnote disclosures for this pension plan in its financial statements as complete and accurate information is unavailable to the District.

NOTE 7 NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM (NDPERS)

Plan Description

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. Members of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated 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 equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

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

Refunds of Member Account Balance

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

Member and Employer Contributions

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.33% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation

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

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

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

At December 31, 2021, the Employer reported a liability of $712,965 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2021, the Employer's proportion was 0.068403 percent, which was a decrease of 0.004536% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Employer recognized pension expense of $203,322. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 12,309	$ (72,768)
Changes of assumptions	789,114	(1,028,839)
Net difference between projected and actual earnings on pension plan investments	-	(264,427)
Changes in proportion and differences between employer contributions and proportionate share of contributions	169,318	(62,307)
Employer contributions subsequent to the measurement date	27,912	-
Total	$ 998,653	$ (1,428,341)

$27,912 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 ending December 31, 2022.

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

Year ending December 31:	
2022	$ (7,083)
2023	(88,545)
2024	(92,720)
2025	(269,252)

Actuarial Assumptions

The total pension liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
Global Real Assets	19%	4.77%

Discount Rate

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

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

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	$ 1,133,854	$ 712,965	$ 362,509

Pension Plan Fiduciary Net Position

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

NOTE 8 OTHER POST-RETIREMENT BENEFIT (OPEB) PLAN

North Dakota Public Employees Retirement System Plan Description

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. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

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

OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as *"prefunded credit applied"* on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

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

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to $5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

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

At December 31, 2021, the Employer reported a liability of $31,553 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2021 the Employer's proportion was 0.056732 percent, a decrease of 0.0011793 from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Employer recognized OPEB expense of $6,427. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,812	$ (865)
Changes of assumptions	4,886	-
Net difference between projected and actual earnings on OPEB plan investments	-	(10,811)
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,021	(6,199)
Employer contributions subsequent to the measurement date	3,252	-
Total	$ 22,971	$ (17,875)

$3,252 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2022.

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 ending December 31:	
2022	$ 1,461
2023	1,383
2024	960
2025	(1,789)
2026	(171)

Actuarial Assumptions

The total OPEB liability in the July 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable

Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

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

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
International Equities	26%	6.25%
Core-Plus Fixed Income	35%	0.50%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed statutory/Board approved employer contributions will be made at the statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current plan 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 actuarial assumptions, the OPEB plan's 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 OPEB plan 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, 2021, calculated using the discount rate of 6.50%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of the net OPEB liability	$ 46,797	$ 31,553	$ 18,654

Pension Plan Fiduciary Net position

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

NOTE 9 CHARGES FOR SERVICES

The District collects fees for the various programs and services it provides to the community. Charges for services revenue consists of the following programs:

Park rentals	$ 45,743
Adult and youth recreation programs	34,169
Hillcrest Golf Course proshop	315,709
Wilson Arena	188,186
Two Rivers Activity Center membership	1,001,118
Two Rivers Activity Center aquatics	30,897
Two Rivers Activity Center learning center	339,446
Total charges for services	$ 1,955,268

NOTE 10 JAMESTOWN PUBLIC SCHOOL DISTRICT NO. 1 FACILITY AGREEMENT

The District entered into a facility use agreement with Jamestown Public School District No. 1 (JPS) as of November 29, 2016. The parties agreed to exchange land ownership, resulting in a financial benefit to the District of approximately $350,000. The District agreed to provide JPS access to the District’s TRAC facility in an amount not to exceed $350,000 as compensation for the conveyance of real property.

The District recognizes charges for services revenue and a corresponding credit for JPS’ TRAC usage on the fund financial statements. On the government-wide financial statements, the District decreases unearned revenue liability for JPS’ usage each year. For the year ended December, 31, 2021, fees for JPS use of TRAC facilities were $10,995.

NOTE 11 FACILITY AGREEMENTS

The District has many agreements with various organizations for use of the District's facilities. Revenue terms differ by organization depending upon the organization's needs. Revenue is charged differently to the organizations as follows: fees paid are dependent upon the number of participants or the number of games, seasonal rental, monthly rental or rental based upon the organization's sales. The agreements terminate between August 2021 and February 2023. The estimated rental income to be received in future periods under those agreements that are fixed fees are as follows:

2022	$ 44,250
2023	2,500
Total	$ 46,750

NOTE 12 PUBLIC RISK POOL

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District participates in the North Dakota Insurance Reserve Fund (NDIRF), which provides liability coverage to the District.

The current policy has various deductibles. The NDIRF was established during 1986 to assist state agencies and political subdivisions within the State of North Dakota in obtaining liability insurance at reasonable rates. Each participating entity is entitled to one vote per $1,000 of annual fund contribution, provided that each entity receives at least one vote and all fractions are rounded to the nearest whole vote. The NDIRF is governed by a 9-member board of directors that is elected by the participants in such a manner to ensure a cross-section from the various types of participating entities. Currently there are approximately 2,000 participating entities. To establish the fund, each entity was required to purchase a surplus note. The note matured during 1991. The District receives conferment of benefits towards its insurance premiums as payment on the surplus note.

Also, when accumulated reserves exceed the actuarial estimated reserves, the excess may be distributed to the entities.

The District continues to carry commercial insurance for all other risks of loss, including workers compensation, auto insurance, employee health and accident insurance.

NOTE 13 INTERFUND ACCOUNTS

Interfund balances at December 31, 2021, consist of the following:

Fund	Due From	Due To
General fund	$ 160,339	$ 266,449
Special assessments fund	220,615	161,263
Facilities fund	46,758	-
	$ 427,712	$ 427,712

These balances are for cash flow purposes.

NOTE 14 NEW ACCOUNTING PRONOUNCEMENTS

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 June 15, 2021. 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, 2021. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information* Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities,* be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans,* or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans,* respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

GASB Statement No. 99, *Omnibus 2022,* provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.

- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62,* provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences,* provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

NOTE 15 SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 4, 2022, which is the date these financial statements were available to be issued.

JAMESTOWN PARKS AND RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 1,570,650	$ 1,484,741	$ (85,909)
Intergovernmental	262,000	414,065	152,065
Charges for services	1,928,920	1,960,435	31,515
Investment earnings	1,250	1,682	432
Grants	11,300	16,303	5,003
Leases	17,000	13,565	(3,435)
Donations	1,500	238,288	236,788
Miscellaneous	-	2,200	2,200
Total revenues	3,792,620	4,131,279	338,659
EXPENDITURES			
Park operations	1,068,225	993,224	75,001
Recreation	2,307,925	2,771,858	(463,933)
Debt service	164,510	176,422	(11,912)
Total expenditures	3,540,660	3,941,504	(400,844)
Excess revenue over (under) expenditures	251,960	189,775	(62,185)
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	1,360,000	1,360,000
Bond refunding		(1,320,000)	(1,320,000)
Bond proceeds		(23,000)	(23,000)
Total other financing sources (uses)	-	17,000	17,000
Net change in fund balances	251,960	206,775	(45,185)
Fund balances - beginning of year	590,368	590,368	-
Fund balances - end of year	$ 842,328	$ 797,143	$ (45,185)

See Notes to the Required Supplementary Information

JAMESTOWN PARKS AND RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE – SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 105,600	$ 99,030	$ (6,570)
Intergovernmental	-	3,058	3,058
Investment earnings	-	122	122
Total revenues	105,600	102,210	(3,390)
EXPENDITURES			
Debt service	105,600	102,603	2,997
Excess revenue over (under) expenditures	-	(393)	(393)
Fund balances - beginning of year	59,745	59,745	-
Fund balances - end of year	$ 59,745	$ 59,352	$ (393)

See Notes to the Required Supplementary Information

JAMESTOWN PARKS AND RECREATION DISTRICT
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
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 payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.068403%	$ 712,965	$822,697	86.66%	78.26%
2020	0.072939%	2,294,677	804,605	285.19%	48.91%
2019	0.063363%	742,660	659,087	112.68%	71.66%
2018	0.057342%	613,284	589,088	104.11%	63.53%
2017	0.034016%	546,749	347,250	157.45%	61.98%
2016	0.013450%	91,458	119,821	76.33%	77.15%
2015	0.010741%	68,175	90,472	75.35%	77.70%

*Complete data for these schedules is not available prior to 2015.

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
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 payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.056732%	$ 31,553	$ 761,612	4.14%	76.63%
2020	0.068525%	57,643	781,167	7.38%	63.38%
2019	0.059066%	47,441	659,087	7.20%	63.13%
2018	0.053836%	42,400	598,088	7.09%	61.89%
2017	3.209800%	25,486	347,250	7.34%	59.78%

*Complete data for these schedules is not available prior to 2017.

JAMESTOWN PARKS AND RECREATION DISTRICT
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2021	$ 57,437	$ (57,437)	$ -	$ 783,286	7.33%
2020	58,576	(58,576)	-	822,697	7.12%
2019	49,700	(49,700)	-	698,033	7.12%
2018	41,943	(41,943)	-	589,088	7.12%
2017	24,724	(24,724)	-	347,250	7.12%
2016	8,531	(8,531)	-	119,821	7.12%
2015	6,442	(6,442)	-	90,472	7.12%

*Complete data for these schedules is not available prior to 2015.

SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percentage of covered payroll
2021	$ 7,262	$ (7,262)	$ -	$ 637,014	1.14%
2020	8,682	(8,682)	-	761,612	1.14%
2019	7,958	(7,958)	-	698,033	1.14%
2018	6,716	(6,716)	-	589,088	1.14%
2017	3,959	(3,959)	-	347,250	1.14%

*Complete data for these schedules is not available prior to 2017.

NOTE 1 BUDGETS AND BUDGETARY ACCOUNTING

On or before September 30 of each year, a budget is prepared for the subsequent year. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next year. All annual appropriations lapse at fiscal year end.

Before October 1, the proposed budget is presented to the Park District's commissioners for review. The Park District holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available or the revenue estimates must be changed by an affirmative vote of a majority of the commissioners. The final budget is adopted by October 1, and a copy is submitted to the county auditor by October 10.

NOTE 2 BUDGETARY BASIS OF ACCOUNTING

To provide a meaningful comparison of the District's actual results compared to the budgeted results, the Budgetary Comparison Schedule – General Fund and Special Assessments Fund are prepared on the District's budgetary basis. Under the District's budgetary basis of accounting, revenues and expenses are budgeted on the cash basis of accounting.

The General Fund and special revenue funds adopt budgets before the start of each calendar year. No budgetary information is shown for non-major funds.

Budgeted Inflows and Outflows

Listed below is a reconciliation between the revenues and expenditures as presented in the District's Statement of Revenues, Expenditures, and Changes in Fund Balance and the budgetary inflows and outflows presented in the Budgetary Comparison Schedule for the General Fund. There were no reconciling items for the Special Assessments Fund.

Sources / Inflows of Resources	
Actual revenues (budgetary basis) presented on the Budgetary Comparison Schedule.	$ 4,131,279
Differences - budget to GAAP:	
Net effect of December 31, 2021 revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the budget statement until collected.	(5,167)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 4,126,112

Uses / Outflows of Resources

Actual expenditures (budgetary basis) presented on the Budgetary Comparison Schedule	$ 3,941,504
Differences - budget to GAAP:	
Net effect of December 31, 2021 liabilities that are paid from "available resources" and are recognized as an expenditure when the obligation is incurred on the revenue statement but not recorded on the budget statement until paid.	(101,279)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 3,840,225

NOTE 3 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2021, expenditures exceeded appropriations in the general fund by $400,844.

NOTE 4 CHANGES OF BENEFIT TERMS

North Dakota Pension Retirement System Pension

The interest rate earned on member contributions will decrease from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

NDPERS Other Post Employment Benefits (OPEB)

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

NOTE 5 CHANGES OF ASSUMPTIONS

North Dakota Pension Retirement System Pension

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

NDPERS Other Post Employment Benefits (OPEB)

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

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 Park Commissioners
Jamestown Parks and Recreation District
Jamestown, North Dakota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund, of Jamestown Parks and Recreation District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise Jamestown Parks and Recreation District's basic financial statements and have issued our report thereon dated October 4, 2022. We issued a qualified opinion on the governmental activities due to the District not including its pension information in the financial statements for one of the pension plans the District participates in.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 through 2021-004 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Jamestown Parks and Recreation District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Jamestown Parks and Recreation District's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Jamestown Parks and Recreation District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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

October 4, 2022

2021-001: Preparation of Financial Statements – Material Weakness

Criteria
An appropriate system of internal control requires the District to prepare financial statements in compliance with accounting principles generally accepted in the United States of America.

Condition
The District's personnel prepare periodic financial information for internal use that meets the needs of management and the board. However, the District currently does not prepare financial statements, including accompanying note disclosures, as required by accounting principles generally accepted in the United States of America. The District has elected to have the auditors assist in the preparation of the financial statements and notes.

Cause
The District elected to not allocate resources for the preparation of the basic financial statements.

Effect
There is an increased risk of material misstatement to the District's financial statements.

Recommendation
We recommend the District consider the additional risk of having the auditors assist in the preparation of the basic financial statements and note disclosures and to consider preparing them in the future. As a compensating control, the District should establish an internal control policy to document the annual review of the financial statements and schedules and to review a financial statement disclosure checklist.

Views of Responsible Official and Planned Corrective Actions
At this time, it would not be cost effective to bring on another employee to free up time for the accountant to complete these tasks. If growth continues and more of a need is presented, it will be reviewed again at that time.

2021-002: Proposition of Journal Entries – Material Weakness

Criteria
The District is required to maintain internal controls at a level where underlying support for general ledger accounts can be developed and a determination can be made that the general ledger accounts are properly reflected in accordance with GAAP.

Condition
During our audit, adjusting entries to the financial statements were proposed in order to properly reflect the financial statements in accordance with GAAP.

Cause
The District's internal controls have not been designed to address the specific training needs required of its personnel to identify the adjustments necessary to properly reflect the financial statements in accordance with GAAP.

Effect
The District's financial statements were materially misstated prior to adjustments detected as a result of audit procedures.

Recommendation
Accounting personnel will need to determine the proper balance in each general ledger account prior to the audit.

Views of Responsible Officials and Planned Corrective Actions
The business manager will review internal records and determine the proper balance in each general ledger account prior to audit fieldwork each year.

2021-003: Segregation of Duties – Material Weakness

Criteria
A proper system of internal control has the proper segregation of duties between authorization, custody, record keeping and reconciliation.

Condition
There is not a system in place for accounting duties to be properly segregated between authorization, custody, record keepings and reconciliation.

Cause
The District is subject to size and budget constraints limiting the number of personnel within the accounting department.

Effect
The design of internal control over financial reporting could adversely affect the ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements.

Recommendation
We recommend the District review their internal controls over the accounting functions to determine if additional procedures can be implemented that are cost effective. The board should constantly be aware of this condition. Compensating controls that mitigate the related risks could be (or are) provided through appropriate oversight of the performance of these functions and review of the financial reports by individuals with knowledge of current operations and accounting principles.

Views of Responsible Officials and Planned Corrective Actions
It is not cost effective to have multiple staff to segregate duties. All bills will be presented to the Board monthly for approval and all financial reports and General Fund cash balances will be reviewed at each meeting.

2021-004: Time Keeping Software Discrepancies– Material Weakness

Criteria
A proper time keeping software should consistently calculate employees' hours worked.

Condition
During payroll transactions testing, we noted 3 of 10 employees selected for testing had inconsistencies with the rounding of hours worked. It was discovered the District's time keeping software is not consistently rounding employees' hours worked, which resulted in a net underpayment of $4.97.

Cause
The District's time keeping software inconsistently rounds hours worked.

Effect
The sample tested resulted in a net underpayment to three employees of $4.97 for one pay period.

Recommendation
We are aware the District has purchased and implemented a new time keeping software in June of the current year under audit. We recommend District personnel ensure the new software is properly implemented and a correlating internal control system is adopted to detect and correct errors in pay calculations.

Views of Responsible Officials and Planned Corrective Actions
The District's new time management software was implemented mid-year 2021 with August 2021 being the first for all employees that clock in and out using the software. The software has a rounding policy to the nearest 15 minutes with Grace Period Before ClockIn 8 minutes, Grace Period After ClockIn 7 minutes, Grace Period Before ClockOut 8 minutes, Grace Period After ClockOut 7 minutes.