JAMESTOWN PARKS AND RECREATION DISTRICT
JAMESTOWN, NORTH DAKOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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JAMESTOWN PARKS AND RECREATION DISTRICT
LIST OF OFFICIALS
DECEMBER 31, 2022

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

BradyMartz

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Jamestown Parks and Recreation District as of and for the year ended December 31, 2022, 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
Foundation 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, 2022, 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, Foundation 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, 2022, and the respective changes in financial position thereof 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.

Emphasis of Matters

As discussed in Note 2 to the financial statements, Jamestown Parks and Recreation District changed its method of accounting for leases in 2022 due to the adoption of GASB Statement No. 87, *Leases*, see note 6 to the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 16 to the financial statements, a prior period adjustment has been made to adjust the beginning net position. Our opinion is not modified in respect to this matter.

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 6, 2023, 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 6, 2023

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,116,296
Investments restricted for endowment	355,006
Taxes receivable	336,474
Pledges receivable	585,067
Other receivables	291,334
Total current assets	3,684,177
RESTRICTED ASSETS	
Cash and cash equivalents	1,500,930
CAPITAL AND LEASE ASSETS	
Right of use lease assets, net	80,980
Construction in progress	71,365
Land	871,700
Depreciable capital assets, net	31,961,350
Total capital and lease assets	32,985,395
Total assets	38,170,502
DEFERRED OUTFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	1,245,179
Cost-sharing defined benefit plan - OPEB	37,777
Total deferred outflows of resources	1,282,956
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	126,402
Accrued payroll	51,372
Accrued compensated absences	8,362
Accrued interest	315,583
Lease liability, current	23,616
Long term debt, current	2,737,783
Unearned revenue	327,119
Total current liabilities	3,590,237
NON-CURRENT LIABILITIES	
Accrued compensated absences	75,254
Net pension liability	1,772,163
Net OPEB liability	56,724
Lease liability, non-current	45,448
Long term debt, non-current	18,145,955
Total non-current liabilities	20,095,544
Total liabilities	23,685,781
DEFERRED INFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	830,193
Cost-sharing defined benefit plan - OPEB	9,230
Total deferred inflows of resources	839,423
NET POSITION	
Net investment in capital and lease assets	12,032,593
Restricted for:	
Debt service	1,476,681
Special assessments	66,918
Capital outlay	182,647
Foundation expendable endowments	355,006
Unrestricted	814,409
Total net position	$ 14,928,254

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Program Revenues		Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Park operations	$ 1,342,091	$ 2,081,555	$ 191,473	$ 930,937
Facilities / recreation	2,658,729	95,504	-	(2,563,225)
Foundation	104,503	-	1,060,628	956,125
Interest on long-term debt	658,915	-	-	(658,915)
Unallocated depreciation and amortization	1,157,991	-	-	(1,157,991)
Loss on disposal of capital assets	187,131	-	-	(187,131)
Total governmental activities	$ 6,109,360	$ 2,177,059	$ 1,252,101	(2,680,200)
General Revenues:				
Property taxes				4,863,700
Intergovernmental				356,531
Investment earnings (loss)				(36,641)
Miscellaneous				5,301
Total general revenues				5,188,891
Change in net position				2,508,691
Net position - beginning of year, originally stated				11,706,171
Prior period adjustment - see note 16				713,392
Net position - beginning of year, restated				12,419,563
Net position - end of year				$ 14,928,254

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
BALANCE SHEET
DECEMBER 31, 2022

	General Fund	Foundation Fund	Special Assessment Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1,589,759	$ 525,073	$ -	$ 1,464	$ -	$ 2,116,296
Investments restricted for endowment	-	355,006	-	-	-	355,006
Pledges receivable	-	585,067	-	-	-	585,067
Taxes receivable	275,570	-	19,123	41,781	-	336,474
Due from other funds	547,467	-	220,615	142,099	-	910,181
Other receivables	-	-	-	-	291,334	291,334
Total current assets	2,412,796	1,465,146	239,738	185,344	291,334	4,594,358
RESTRICTED ASSETS						
Cash and cash equivalents	-	-	-	-	1,500,930	1,500,930
Total assets	$ 2,412,796	$ 1,465,146	$ 239,738	$ 185,344	$ 1,792,264	$ 6,095,288
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	$ 126,402	$ -	$ -	$ -	$ -	$ 126,402
Accrued payroll	51,372	-	-	-	-	51,372
Unearned revenue	22,391	-	-	-	-	22,391
Due to other funds	738,550	-	171,631	-	-	910,181
Total current liabilities	938,715	-	171,631	-	-	1,110,346
DEFERRED INFLOWS OF RESOURCES						
Delinquent property taxes	17,728	-	1,189	2,697	-	21,614
FUND BALANCES						
Restricted for:						
Debt service	-	-	-	-	1,792,264	1,792,264
Special assessments	-	-	66,918	-	-	66,918
Capital outlay	-	-	-	182,647	-	182,647
Foundation expendable endowments	-	355,006	-	-	-	355,006
Assigned for:						
Foundation	-	1,110,140	-	-	-	1,110,140
Unassigned	1,456,353	-	-	-	-	1,456,353
Total fund balances	1,456,353	1,465,146	66,918	182,647	1,792,264	4,963,328
Total liabilities, deferred inflows of resources and fund balances	$ 2,412,796	$ 1,465,146	$ 239,738	$ 185,344	$ 1,792,264	$ 6,095,288

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, 2022

Total governmental funds balance		$ 4,963,328
Amounts reported for governmental activities in the statement of net position are different because:		
Capital and lease assets used in governmental activities are not financial resources and therefore not reported in the funds.		32,985,395
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.		21,614
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.		1,282,956
Long-term liabilities are not due and payable in the current period and therefore are not included in the funds.		
Accrued compensated absences	(83,616)	
Accrued interest	(315,583)	
Special assessments payable	(747,858)	
Lease liability	(69,064)	
Notes payable	(39,378)	
Revenue bonds payable	(20,096,502)	
Net pension liability	(1,772,163)	
Net OPEB liability	(56,724)	
Total		(23,180,888)
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.		(304,728)
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.		(839,423)
Net position of governmental activities		$ 14,928,254

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Foundation Fund	Special Assessments Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
Revenues:						
Taxes	$ 1,420,566	$ -	$ 94,609	$ 213,441	$ 3,189,991	$ 4,918,607
Intergovernmental	356,531	-	-	-	-	356,531
Charges for services	2,139,856	-	-	-	-	2,139,856
Grants	120,109	16,047	-	-	-	136,156
Rents	20,931	-	-	-	-	20,931
Donations	45,393	1,060,628	3,042	6,882	-	1,115,945
Investment earnings	1,959	1,223	311	-	22,832	26,325
Gain (loss) on investments	-	(62,966)	-	-	-	(62,966)
Miscellaneous	5,301	-	-	-	-	5,301
Total revenues	4,110,646	1,014,932	97,962	220,323	3,212,823	8,656,686
Expenditures:						
Current:						
General parks	1,021,930	-	-	39,161	-	1,061,091
Bunker	20,493	-	-	2,238	-	22,731
Jack Brown Stadium	84,864	-	-	-	-	84,864
McElroy Complex	39,981	-	-	-	-	39,981
General recreation	101,392	-	-	-	-	101,392
Soccer	10,815	-	-	-	-	10,815
Hillcrest proshop	409,285	-	-	5,767	-	415,052
Hillcrest maintenance	-	-	-	17,515	-	17,515
Wilson Arena	401,398	-	-	25,444	-	426,842
Two Rivers activity center	1,169,553	-	-	870	-	1,170,423
Two Rivers aquatics	175,605	-	-	-	-	175,605
Two Rivers learning center	245,343	-	-	-	-	245,343
Foundation	-	104,503	-	-	-	104,503
Capital outlay	118,337	-	-	37,474	-	155,811
Debt service:						
Principal retirement	167,105	-	94,843	19,242	2,435,000	2,716,190
Interest and fiscal charges	19,012	-	23,522	-	699,926	742,460
Total expenditures	3,985,113	104,503	118,365	147,711	3,134,926	7,490,618
Excess of revenues over (under) expenditures	125,533	910,429	(20,403)	72,612	77,897	1,166,068
Other financial sources (uses):						
Proceeds from issuance of leases	20,043	-	-	-	-	20,043
Net change in fund balances	145,576	910,429	(20,403)	72,612	77,897	1,186,111
Fund balance - beginning of year, as originally stated	893,255	-	59,352	46,758	1,714,367	2,713,732
Prior period adjustment - see note 16	417,522	554,717	27,969	63,277	-	1,063,485
Fund balance - beginning of year, restated	1,310,777	554,717	87,321	110,035	1,714,367	3,777,217
Fund balance - end of year	$ 1,456,353	$ 1,465,146	$ 66,918	$ 182,647	$ 1,792,264	$ 4,963,328

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, 2022

Net change in fund balance - governmental funds		$ 1,186,111
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	155,811	
Depreciation and amortization expense	(1,157,991)	
Total		(1,002,180)
In the statement of activities, only the gain(loss) on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net position differs from the change in fund balance in the book value of the assets sold.		(187,131)
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.		(38,636)
Some assets acquired this year were financed through leases. The amount financed is reported in the governmental funds as a source of financing. However, leases are reported as long-term liabilities in the statement of net position.		(20,043)
Changes in deferred outflows relating to cost-sharing defined benefit pension and OPEB liabilities.		261,332
Changes in deferred inflows relating to cost-sharing defined benefit pension and OPEB liabilities.		606,793
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:		
Lease payments	23,418	
Special assessment payments	94,843	
Note payments	37,929	
Bond principal retirement	2,560,000	
Total		2,716,190
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 change in accrued interest	34,510	
Net change in compensated absences	(12,922)	
Net change in post-retirement obligations	(25,171)	
Net change in net pension liability	(1,059,198)	
Total		(1,013,745)
Change in net position of governmental activities		$ 2,508,691

See Notes to the Financial Statements

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 Foundation Inc., (Foundation), a legal separate entity of the Jamestown Parks and Recreation District, meets the criteria and is included as a blended component unit.

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 *foundation fund* is used to account for and report financial resources that are restricted for the Jamestown Parks and Recreation Foundation Inc., (Foundation).

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.

Investments

North Dakota state statute authorizes government entities to invest their surplus funds in: a) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality's, or organizations created by an act of Congress, b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c) Certificates of Deposit fully insured by the Federal Deposit Insurance Corporation, d) Obligations of the state, and e) Commercial paper issued by a United States corporation rated in the highest quality category by at least two annually recognized rating agencies and matures in two hundred seventy days or less.

Investments are carried at fair value. Current restricted investments consist of investments subject to endowment spending requirements.

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, 2022, as management considers all receivables collectible.

Taxes Receivable

The taxes receivable consists of uncollected property taxes as of December 31, 2022 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 & Infrastructure	7 - 50
Vehicles & Machinery	5 - 50
Land & Land Improvements	Indefinite
Furniture & Equipment	5 - 30

Leases

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the District has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the District is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the District uses its incremental borrowing rate based on the information available at the lease commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury Tbill rate as of the lease commencement. The District accounts for lease agreements with lease and non-lease components together as a single lease component for all underlying classes of assets.

The District continues to record rent expense for short term leases on a straight-line basis over the lease term. Short term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the District are reasonably certain to exercise.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The District’s lease agreements do not include any material residual value guarantees or restrictive covenants.

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 8 and 9 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 8 and 9 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 and lease assets, consists of the remaining un-depreciated or un-amortized 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.

Change in Accounting Principle

The District implemented GASB Statement No. 87, *Leases* in the fiscal year ended December 31, 2022. GASB Statement No. 87 establishes a single model for lease accounting based on the foundation principle that leases are financings of the right to use an underlying asset.

The adoption of GASB 87 resulted in the recognition of a right to use leased asset and lease liability of $72,439 as of January 1, 2022. Results for periods prior to December 31, 2022 continue to be reported in accordance with the District's historical accounting treatment. See note 6 for expanded disclosures regarding the District's leases.

The District included the Foundation financial statements as a blended component unit in the District financial statements as of and for the year ended December 31, 2022. See note 15 for more information.

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, 2022, 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, 2022, $1,689,913 of the District's deposits were covered by securities pledged in the District's name.

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 INVESTMENTS

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of a debt security typically moves in the opposite direction of the change in interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates. None of the investments held by the Foundation are debt securities that would be subject to a change in interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The District does not have an investment policy that specifically addresses credit risk. None of the investments held by the Foundation are rated.

At December 31, 2022, the District's investments were as follows:

Investment Type	Total Fair Value	Less Than 1 Year	1-6 Years	6-10 Years	More than 10 Years
Mutual Funds	$ 194,951	$ 194,951	$ -	$ -	$ -
Exchange Traded & Closed End Funds	160,055	160,055	-	-	-
	$ 355,006	$ 355,006	$ -	$ -	$ -

Fair Value Measurements

In accordance with GASB Statement No. 72, investments are grouped at fair value in three levels, based on the markets in which the investments are traded, and the reliability of the assumptions used to determine fair value. These levels are:

Level 1: Valuation is based upon quoted prices in active markets for identical assets that the reporting entity has the ability to access at the measurement date.

Level 2: Valuation is based upon quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect estimates of assumptions that market participants would use in pricing the asset. Valuation techniques include use of option pricing models, discounted cash flow models and similar techniques.

The table below presents the balances of investments measured at fair value on a recurring basis as of December 31, 2022.

	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Singificant Unobservable Inputs (Level 3)
Mutual Funds	$ 194,951	$ 194,951	$ -	$ -
Exchange Traded & Closed End Funds	160,055	160,055	-	-
Total assets at fair value	$ 355,006	$ 355,006	$ -	$ -

NOTE 5 CAPITAL ASSETS

The following schedule is a summary of the capital asset activity for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Transfers	Balance 12/31/2022
Capital Assets Not Being Depreciated:					
Land	$ 871,700	$ -	$ -	$ -	$ 871,700
Construction in Progress	-	71,365	-	-	71,365
Total Capital Assets Not Being Depreciated	871,700	71,365	-	-	943,065
Capital Assets Being Depreciated					
Buildings and Improvements	37,371,921	227,315	-	-	37,599,236
Machinery and Equipment	3,002,466	17,074	(480,025)	-	2,539,515
Total Capital Assets Being Depreciated	40,374,387	244,389	(480,025)	-	40,138,751
Less Accumulated Depreciation:					
Buildings and Improvements	5,404,092	957,943	-	-	6,362,035
Machinery and Equipment	1,792,342	188,546	(165,522)	-	1,815,366
Total Accumulated Depreciation	7,196,434	1,146,489	(165,522)	-	8,177,401
Total Capital Assets Being Depreciated, Net	33,177,953	(902,100)	(314,503)	-	31,961,350
Governmental Capital Assets, Net	$ 34,049,653	$ (830,735)	$ (314,503)	$ -	$ 32,904,415

The District recognized unallocated depreciation expense of $1,146,489 for the year ended December 31, 2022.

NOTE 6 LEASES

The District leases copy machines and equipment. The term of the leases are for periods ranging from 44-60 months, commencing on January 1, 2022 and terminating August 2025 through December 2026 with an monthly rent payments ranging from $169 through $1,676.

Following is the total lease expense for the year ended December 31, 2022.

Amortization expense by class of underlying asset	
Copy Machine	$ 4,009
Equipment	7,493
Total amortization expense	11,502
Interest on lease liabilities	914
Total	$ 12,416

Following is a schedule of activity in leased assets and the lease liability for the year ended December 31, 2022.

Lease Assets	Beginning of Year	Additions	Subtractions	End of Year	Amounts Due Within One Year
Copy Machine	$ -	$ 20,043	$ -	$ 20,043	
Equipment	72,439	-	-	72,439	
	72,439	20,043	-	92,482	
Less: Accumulated Amortization					
Copy Machine	-	(4,009)	-	(4,009)	
Equipment	-	(7,493)	-	(7,493)	
	-	(11,502)	-	(11,502)	
Total Lease Assets, net	$ 72,439	$ 8,541	$ -	$ 80,980	
Lease Liabilities	$ 72,439	$ 20,043	$ (23,418)	$ 69,064	$ 23,616

Following is a schedule by years of future minimum rental payments required under the lease:

For the year ending December 31,	Principal	Interest	Total Payments
2023	$ 23,616	$ 672	$ 24,288
2024	23,878	410	24,288
2025	17,431	153	17,584
2026	4,139	36	4,175
Total Future Payments	$ 69,064	$ 1,271	$ 70,335

NOTE 7 LONG-TERM DEBT

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

	Outstanding 12/31/22
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.	$ 39,378
Special Assessments:	
The special assessments are dated 2005 through 2022. The maturity varies per issue but extends through 2050. Payments are to be made from the Special Assessments fund.	$ 747,858
Revenue Bonds Payable:	
$21,790,000, Series 2016A Sales Tax Revenue Bonds, issued May 25, 2016, principal due in annual installments ranging between $915,000 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.	$ 16,680,000
$8,000,000, Series 2016B Sales Tax Revenue Bonds, issued May 25, 2016, principal due in monthly installments ranging between $150,000 and $500,000, annual interest of 2.90%, beginning July 1, 2017 through July 1, 2023. Payments are made by the Debt Service fund.	1,495,000
$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.	1,235,000
Total Revenue Bonds Payable	$ 19,410,000

Changes in Long-Term Liabilities

During the year ended December 31, 2022, the following changes occurred in liabilities reported in the Statement of Net Position:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Compensated absences	$ 70,694	$ 12,922	$ -	$ 83,616	$ 8,362
Special assessments	662,716	179,985	(94,843)	747,858	89,369
Unamortized bond premium	735,538	-	(49,036)	686,502	49,036
Bonds and notes payable					
Notes payable	77,307	-	(37,929)	39,378	39,378
Revenue bonds payable	21,970,000	-	(2,560,000)	19,410,000	2,560,000
Total bonds and notes payable	22,047,307	-	(2,597,929)	19,449,378	2,599,378
Total long-term liabilities	$ 23,516,255	$ 192,907	$ (2,741,808)	$ 20,967,354	$ 2,746,145

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

Debt Service Requirements

Annual requirements to amortize outstanding debt at December 31, 2022, are as follows:

	Special Assessments		Notes Payable	
	Principal	Interest	Principal	Interest
2023	$ 89,369	$ 23,086	$ 39,378	$ 1,140
2024	86,240	22,407	-	-
2025	86,240	19,540	-	-
2026	69,021	16,672	-	-
2027	52,454	14,516	-	-
2028-2032	118,545	53,180	-	-
2033-2037	76,194	37,760	-	-
2038-2042	72,273	24,609	-	-
2043-2047	69,659	12,190	-	-
2048-2050	27,863	1,463	-	-
Total	$ 747,858	$ 225,423	$ 39,378	$ 1,140

	Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2023	$ 2,560,000	$ 635,740	$ 2,688,747	$ 659,966
2024	1,085,000	578,625	1,171,240	602,172
2025	1,100,000	558,545	1,186,240	578,085
2026	1,140,000	518,385	1,209,021	535,057
2027	1,185,000	476,445	1,237,454	490,961
2028-2032	6,625,000	1,685,588	6,743,545	1,738,768
2033-2037	5,715,000	405,100	5,791,194	442,860
2038-2042	18,175,000	-	18,247,273	24,609
2043-2047	-	4,778,755	69,659	4,790,945
2048-2050	-	-	27,863	1,463
Premium	686,502	(686,502)	686,502	(686,502)
Total	$ 38,271,502	$ 8,950,681	$ 39,058,738	$ 9,178,384

NOTE 8 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 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.

There were no contributions made to this plan during the year ended December 31, 2022.

NOTE 9 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. The Main Plan will be closed to new employees with the passage of House Bill 1040. The effective date is dependent upon NDPERS implementing the changes to set up a new defined contribution (DC) plan. If the DC plan is set up by December 31, 2023, then the effective date of the Main Plan closure will be January 1, 2024. If the changes cannot be accomplished by then, the effective date will be January 1, 2025.

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. Employer contribution rates increase by 1% beginning January 1, 2024.

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, 2022, the Employer reported a liability of $1,772,163 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the Employer's proportion was 0.061532 percent, which was a decrease of 0.006871 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Employer recognized pension expense of $281,262. At December 31, 2022, 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	$ 9,244	$ (33,851)
Changes of assumptions	1,059,779	(657,004)
Net difference between projected and actual earnings on pension plan investments	64,861	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	78,863	(139,338)
Employer contributions subsequent to the measurement date	32,432	-
Total	$ 1,245,179	$ (830,193)

$32,432 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, 2023.

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

Year ended December 31:		
2023	$	136,016
2024		129,367
2025		(31,500)
2026		148,671

Actuarial Assumptions

The total pension liability in the July 1, 2022 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	5.10%, 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%	5.75%
International Equity	21%	6.45%
Private Equity	7%	9.20%
Domestic Fixed Income	23%	0.34%
Global Real Assets	19%	4.35%

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 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

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 5.10 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 (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

	1% Decrease 4.10%	Current Discount Rate 5.10%	1% Increase 6.10%
Employer's proportionate share of the net pension liability	$ 2,339,133	$ 1,772,163	$ 1,306,700

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 10 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, 2022, the Employer reported a liability of $56,724 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2022 the Employer's proportion was 0.0473 percent, a decrease of 0.009474 from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Employer recognized OPEB expense of $6,427. At December 31, 2022, 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	$ 1,345	$ (488)
Changes of assumptions	14,288	-
Net difference between projected and actual earnings on OPEB plan investments	7,638	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,313	(8,742)
Employer contributions subsequent to the measurement date	5,193	-
Total	$ 37,777	$ (9,230)

$5,193 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, 2023.

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

Year ended December 31:		
2023	$	7,145
2024		6,802
2025		4,197
2026		5,210

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 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	5.75%, 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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Broad US Equities	39%	5.75%
International Equities	26%	6.00%
Core-Plus Fixed Income	35%	0.22%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.39%. 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, 2022, calculated using the discount rate of 5.39%, 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 (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease 4.39%	Current Discount Rate 5.39%	1% Increase 6.39%
Employer's proportionate share of the net OPEB liability	$ 72,405	$ 56,724	$ 43,561

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 11 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	$ 55,200
Bunker concessions	102
Adult and youth recreation programs	66,244
Soccer	75
Hillcrest Golf Course proshop	305,136
Wilson Arena	207,826
Two Rivers Activity Center membership	1,109,491
Two Rivers Activity Center aquatics	29,260
Two Rivers Activity Center learning center	366,522
Total charges for services	$ 2,139,856

NOTE 12 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, 2022, fees for JPS use of TRAC facilities were $10,995.

NOTE 13 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 14 ENDOWMENTS

Endowments received with donor restrictions are classified as restricted net position on the Statement of Net Position.

Spending Policy

An annual distribution is anticipated from the Endowment investment account to the Foundation's operating account. The distributions should not exceed 2-5% of the average fair market value of the assets for the twelve quarters immediately preceding the quarter in which the distribution is made, without board approval. At the board's discretion, additional distributions of corpus may be considered for special circumstances to support the mission and purpose of the Foundation. It is the Foundation's intention to spend endowment funds on TRAC related expenses.

NOTE 15 INTERFUND ACCOUNTS

Interfund balances at December 31, 2022, consist of the following:

Fund	Due From	Due To
General fund	$ 547,467	$ 738,550
Special assessments fund	220,615	171,631
Facilities fund	142,099	-
	$ 910,181	$ 910,181

These balances are for cash flow purposes.

NOTE 16 PRIOR PERIOD ADJUSTMENTS

Change in Accounting Method

The District included the Foundation financial statements as a blended component unit in the District financial statements as of and for the year ended December 31, 2022. This resulted in an increase to fund balance and net position of $554,717 as of December 31, 2021.

Correction of Error

The District recorded prior period adjustments to the December 31, 2021 financial statements to include taxes receivable for amounts earned in December, but not received until January. This resulted in an increase in taxes receivable and fund balance by $508,768 for the year ended December 31, 2021.

NOTE 17 NEW ACCOUNTING PRONOUNCEMENTS

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 18 SUBSEQUENT EVENTS

No significant events occurred subsequent to the District's year end. Subsequent events have been evaluated through October 6, 2023, 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, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 1,645,000	$ 1,420,566	$ (224,434)
Intergovernmental	292,598	356,531	63,933
Charges for services	1,940,595	2,137,747	197,152
Investment earnings	500	1,959	1,459
Grants	3,000	120,109	117,109
Leases	13,000	20,931	7,931
Donations	-	45,393	45,393
Miscellaneous	-	5,301	5,301
Total revenues	3,894,693	4,108,537	213,844
EXPENDITURES			
Park operations	1,109,009	1,021,930	87,079
Recreation	2,649,349	2,728,172	(78,823)
Debt service	136,335	186,117	(49,782)
Total expenditures	3,894,693	3,936,219	(41,526)
Excess revenue over (under) expenditures	-	172,318	172,318
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	20,043	20,043
Net change in fund balances	-	192,361	192,361
Fund balances - beginning of year	893,255	893,255	-
Fund balances - end of year	$ 893,255	$ 1,085,616	$ 192,361

See Notes to the Required Supplementary Information

JAMESTOWN PARKS AND RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE – SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 110,000	$ 94,609	$ (15,391)
Intergovernmental	-	-	-
Investment earnings	-	311	311
Total revenues	110,000	94,920	(15,080)
EXPENDITURES			
Debt service	110,000	118,365	(8,365)
Excess revenue over (under) expenditures	-	(23,445)	(23,445)
Fund balances - beginning of year	87,321	87,321	-
Fund balances - end of year	$ 87,321	$ 63,876	$ (23,445)

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-employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	0.06153%	$ 1,772,163	$ 822,697	215.41%	54.47%
2021	0.06840%	712,965	822,697	86.66%	78.26%
2020	0.07294%	2,294,677	804,605	285.19%	48.91%
2019	0.06336%	742,660	659,087	112.68%	71.66%
2018	0.05734%	613,284	589,088	104.11%	63.53%
2017	0.03402%	546,749	347,250	157.45%	61.98%
2016	0.01345%	91,458	119,821	76.33%	77.15%
2015	0.01074%	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-employee payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.047258%	$ 56,724	$ 850,586	6.67%	56.28%
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-employee payroll	Contributions as a percentage of covered-employee payroll
2022	$ 60,562	$ (60,562)	$ -	$ 850,586	7.12%
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-employee payroll	Contributions as a percentage of covered-employee payroll
2022	$ 9,697	$ (9,697)	$ -	$ 850,586	1.14%
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, with the exception of the Foundation fund. The Foundation fund is not legally required to adopt a budget. 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.	$ 4,108,537
Differences - budget to GAAP:	
Net effect of December 31, 2022 revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the budget statement until collected.	2,109
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 4,110,646

Uses / Outflows of Resources

Actual expenditures (budgetary basis) presented on the Budgetary Comparison Schedule	$ 3,936,219
Differences - budget to GAAP:	
Net effect of December 31, 2022 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.	48,894
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 3,985,113

NOTE 3 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2022, expenditures exceeded appropriations in the general fund by $41,527 and in the special assessments fund by $8,364.

NOTE 4 CHANGES OF BENEFIT TERMS

North Dakota Pension Retirement System Pension

The interest rate earned on member contributions will decrease from 6.50 percent to 6.00 percent effective January 1, 2023 (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

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

NDPERS Other Post Employment Benefits (OPEB)

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

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, 2022, 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 6, 2023. 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 2022-001 through 2022-003 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-004.

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 6, 2023

2022-001: 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.

2022-002: 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.

2022-003: 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.

2022-004: North Dakota Century Code Compliance – Significant Deficiency

Criteria
NDCC Chapter 21-04-13 requires that at its regular board meeting in January of each even-numbered year, a depository of public funds must be designated.

Condition
The park board did not designate a depository at its January 2022 meeting.

Cause
The District may not have been aware of this requirement.

Effect
The District is in violation of North Dakota Century Code.

Recommendation
We recommend the District designate a depository in accordance with NDCC.

Views of Responsible Officials and Planned Corrective Actions
We were unaware of this century code requirement and already have plans to include this on the January Agenda for the Board of Commissioners.