JAMESTOWN PARKS AND RECREATION DISTRICT
JAMESTOWN, NORTH DAKOTA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

JAMESTOWN PARKS AND RECREATION DISTRICT
LIST OF OFFICIALS
DECEMBER 31, 2023

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, 2023, 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, 2023, 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, foundation fund, special assessment fund, facilities fund, and debt service fund information of the Jamestown Parks and Recreation District, as of December 31, 2023, 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 1 to the financial statements, Jamestown Parks and Recreation District changed its method of accounting for subscription-based information technology arrangements in 2023 due to the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, see notes 5, 7, and 8 to the financial statements. Our opinion is not modified with respect to this matter.

As described in Note 16 to the financial statements, prior period adjustments have been made to adjust the beginning fund balance and 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 September 23, 2024, 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

September 23, 2024

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 2,450,086
Investments	750,000
Pledges receivable, net of discount	989,931
Taxes receivable	339,222
Other receivables	310,286
Total current assets	4,839,525
RESTRICTED ASSETS	
Cash and cash equivalents	3,794,083
Investments restricted for endowment	436,760
Total current assets	4,230,843
CAPITAL ASSETS	
Land	871,700
Construction in progress	119,998
Depreciable capital assets, net	32,174,980
Total capital assets	33,166,678
Total assets	42,237,046
DEFERRED OUTFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	1,316,583
Cost-sharing defined benefit plan - OPEB	22,091
Total deferred outflows of resources	1,338,674
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	149,886
Retainage payable	10,472
Accrued payroll	52,707
Unearned revenue	315,496
Accrued compensated absences	8,427
Accrued interest	282,969
Long term debt, current	1,331,670
Total current liabilities	2,151,627
NON-CURRENT LIABILITIES	
Accrued compensated absences	75,839
Net pension liability	1,545,591
Net OPEB liability	45,927
Long term debt, non-current	17,191,656
Total non-current liabilities	18,859,013
Total liabilities	21,010,640
DEFERRED INFLOWS OF RESOURCES	
Cost-sharing defined benefit plan - pension	1,278,123
Cost-sharing defined benefit plan - OPEB	11,034
Total deferred inflows of resources	1,289,157
NET POSITION	
Net investment in capital assets	14,632,880
Restricted for:	
Debt service	3,821,400
Special assessments	19,310
Capital outlay	43,573
Foundation	2,740,760
Unrestricted	18,000
Total net position	$ 21,275,923

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities				
Park operations	$ 1,407,005	$ 2,152,414	$ 599,185	$ 1,344,594
Facilities / recreation	2,930,742	90,258	-	(2,840,484)
Foundation	7,269	-	1,722,655	1,715,386
Interest on long-term debt	596,355	-	-	(596,355)
Unallocated depreciation and amortization	1,238,268	-	-	(1,238,268)
Total governmental activities	$ 6,179,639	$ 2,242,672	$ 2,321,840	(1,615,127)
General Revenues:				
Property taxes				5,635,221
Intergovernmental				416,669
Investment earnings (loss)				81,001
Gain on disposal of capital assets				30,050
Miscellaneous				53,109
Total general revenues				6,216,050
Change in net position				4,600,923
Net position - beginning of year, originally stated				14,928,254
Prior period adjustment - see note 16				1,746,746
Net position - beginning of year, restated				16,675,000
Net position - end of year				$ 21,275,923

See Notes to the Financial Statements

JAMESTOWN PARKS AND RECREATION DISTRICT
BALANCE SHEET
DECEMBER 31, 2023

	General Fund	Foundation Fund	Special Assessment Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1,884,553	$ 564,069	$ -	$ 1,464	$ -	$ 2,450,086
Investments	-	750,000	-	-	-	750,000
Pledges receivable, net of discount	-	989,931	-	-	-	989,931
Taxes receivable	277,803	-	19,310	42,109	-	339,222
Other receivables	-	-	-	-	310,286	310,286
Total current assets	2,162,356	2,304,000	19,310	43,573	310,286	4,839,525
RESTRICTED ASSETS						
Cash and cash equivalents	-	-	-	-	3,794,083	3,794,083
Investments restricted for endowment	-	436,760	-	-	-	436,760
Total current assets	-	436,760	-	-	3,794,083	4,230,843
Total assets	$ 2,162,356	$ 2,740,760	$ 19,310	$ 43,573	$ 4,104,369	$ 9,070,368
LIABILITIES						
CURRENT LIABILITIES						
Accounts payable	$ 149,886	$ -	$ -	$ -	$ -	$ 149,886
Retainage payable	10,472	-	-	-	-	10,472
Accrued payroll	52,707	-	-	-	-	52,707
Unearned revenue	8,694	-	-	-	-	8,694
Total current liabilities	221,759	-	-	-	-	221,759
DEFERRED INFLOWS OF RESOURCES						
Delinquent property taxes	19,961	-	1,376	3,025	-	24,362
Pledges receivable	-	1,027,941	-	-	-	1,027,941
Total current assets	19,961	1,027,941	1,376	3,025	-	1,052,303
FUND BALANCES						
Nonspendable	-	286,163	-	-	-	286,163
Restricted for:						
Debt service	-	-	-	-	4,104,369	4,104,369
Special assessments	-	-	17,934	-	-	17,934
Capital outlay	-	-	-	40,548	-	40,548
Two Rivers Activity Center	-	150,597	-	-	-	150,597
Assigned for:						
Foundation	-	1,276,059	-	-	-	1,276,059
Unassigned	1,920,636	-	-	-	-	1,920,636
Total fund balances	1,920,636	1,712,819	17,934	40,548	4,104,369	7,796,306
Total liabilities, deferred inflows of resources and fund balances	$ 2,162,356	$ 2,740,760	$ 19,310	$ 43,573	$ 4,104,369	$ 9,070,368

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, 2023

Total governmental funds balance		$ 7,796,306
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		33,166,678
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.		
Taxes	24,362	
Pledges receivable	1,027,941	
		1,052,303
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.		1,338,674
Long-term liabilities are not due and payable in the current period and therefore are not included in the funds.		
Accrued compensated absences	(84,266)	
Accrued interest	(282,969)	
Special assessments payable	(690,855)	
Lease liability	(324,805)	
SBITA liability	(20,200)	
Revenue bonds payable	(16,850,000)	
Bond premium	(637,466)	
Net pension liability	(1,545,591)	
Net OPEB liability	(45,927)	
Total		(20,482,079)
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.		(306,802)
Deferred inflows relating to the cost sharing defined benefit pension and OPEB plans in the governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		(1,289,157)
Net position of governmental activities		$ 21,275,923

JAMESTOWN PARKS AND RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023

	General Fund	Foundation Fund	Special Assessments Fund	Facilities Fund	Debt Service Fund	Total Governmental Funds
Revenues:						
Taxes	$ 1,670,482	$ -	$ 115,063	$ 250,589	$ 3,596,339	$ 5,632,473
Intergovernmental	416,669	-	-	-	-	416,669
Charges for services	2,210,727	-	-	-	-	2,210,727
Grants	599,185	-	-	-	-	599,185
Rents	34,018	-	-	-	-	34,018
Donations	-	1,254,229	-	-	-	1,254,229
Investment earnings	2,291	2,113	1,712	-	17,821	23,937
Gain (loss) on investments	-	57,064	-	-	-	57,064
Miscellaneous	14,860	16,195	-	22,054	-	53,109
Total revenues	4,948,232	1,329,601	116,775	272,643	3,614,160	10,281,411
Expenditures:						
Current:						
General parks	1,141,992	-	-	101,189	-	1,243,181
Bunker	25,607	-	-	-	-	25,607
Jack Brown Stadium	95,525	-	-	-	-	95,525
McElroy Complex	33,822	-	-	-	-	33,822
General recreation	190,447	-	-	-	-	190,447
Soccer	11,182	-	-	-	-	11,182
Hillcrest proshop	393,449	-	-	6,526	-	399,975
Wilson Arena	388,818	-	-	-	-	388,818
Two Rivers activity center	1,293,723	-	-	-	-	1,293,723
Two Rivers aquatics	199,750	-	-	-	-	199,750
Two Rivers learning center	298,419	-	-	-	-	298,419
Foundation	-	7,269	-	-	-	7,269
Capital outlay	1,317,970	-	32,366	29,246	-	1,379,582
Debt service:						
Principal retirement	236,786	-	89,369	18,711	2,440,000	2,784,866
Interest and fiscal charges	27,362	-	23,086	1,401	626,155	678,004
Total expenditures	5,654,852	7,269	144,821	157,073	3,066,155	9,030,170
Excess of revenues over (under) expenditures	(706,620)	1,322,332	(28,046)	115,570	548,005	1,251,241
Other financial sources (uses):						
Proceeds from issuance of leases	332,091	-	-	-	-	332,091
Proceeds from sale of capital assets	30,050	-	-	-	-	30,050
Proceeds from special assessments	-	-	32,366	-	-	32,366
Transfers in	1,296,300	205,500	-	5,830	-	1,507,630
Transfers out	(487,538)	(703,289)	(53,304)	(263,499)	-	(1,507,630)
Total other financing sources (uses)	1,170,903	(497,789)	(20,938)	(257,669)	-	394,507
Net change in fund balances	464,283	824,543	(48,984)	(142,099)	548,005	1,645,748
Fund balance - beginning of year, as originally stated	1,456,353	1,465,146	66,918	182,647	1,792,264	4,963,328
Prior period adjustment - see note 16	-	(576,870)	-	-	1,764,100	1,187,230
Fund balance - beginning of year, restated	1,456,353	888,276	66,918	182,647	3,556,364	6,150,558
Fund balance - end of year	$ 1,920,636	$ 1,712,819	$ 17,934	$ 40,548	$ 4,104,369	$ 7,796,306

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, 2023

Net change in fund balance - governmental funds		$ 1,645,748
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	1,379,582	
Depreciation and amortization expense	(1,238,268)	
Total		141,314
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Taxes receivable	2,748	
Pledges receivable	468,425	
		471,173
Some assets acquired this year were financed through leases and special assessments. The amount financed is reported in the governmental funds as a source of financing. However, leases and special assessments are reported as long-term liabilities in the statement of net position.		(364,457)
Changes in deferred outflows relating to cost-sharing defined benefit pension and OPEB liabilities.		55,718
Changes in deferred inflows relating to cost-sharing defined benefit pension and OPEB liabilities.		(449,734)
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	76,350	
SBITA payments	19,769	
Special assessment payments	89,369	
Note payments	39,378	
Bond principal retirement	2,560,000	
Total		2,784,866
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	32,614	
Net change in compensated absences	(650)	
Net change in post-retirement obligations	10,797	
Net change in net pension liability	226,572	
Net increase in unearned revenue	(2,074)	
Total		316,295
Change in net position of governmental activities		$ 4,600,923

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), a component unit of the Park District.

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 a 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, 2023, as management considers all receivables collectible.

Pledges Receivable

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises expected to be collected in future years are recorded at the present value of expected future cash flows. The cash flows are discounted at a discount rate commensurate with the risks involved at the date the promise was made. The rate used was 4.01% at year end. When considered necessary, an allowance is recorded based on management’s estimate of collectability including such factors as prior collection history, type of contribution, and the nature of fund-raising activity.

Taxes Receivable

The taxes receivable consists of uncollected property taxes as of December 31, 2023 for the prior three years.

Capital Assets

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

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

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

Assets	Years
Buildings and Improvements	25 - 100
Machinery and Equipment	5 - 30
Land	Indefinite

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.

Subscription-Based Information Technology Arrangements (SBITA)

Subscription-Based Information Technology Arrangements (SBITA) are contracts that conveys control of the right to use another party's 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.

The determination of whether a SBITA asset and liability are to be recorded in the financial statements is made at inception by evaluating the maximum possible term of the SBITA. SBITA contract with an initial term of more than 12 months, or that contain an option to extend the contract more than 12 months that is reasonably expected to be exercised by the District, are recognized based on the present value of subscription payments over the contract 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 SBITA contract commencement date. The District has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the SBITA contract commencement.

The District continues to recognize short-term SBITA subscription payments as outflows of resources (expenditure) based on the payment provision of the SBITA contract. Short-term SBITA contracts have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

The amortizable life of SBITA assets are limited to the shorter of the expected agreement term or the useful life of the underlying asset.

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 10 and 11 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 10 and 11 for further details.

Net Position

Net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources. Net investment in capital assets, consists of the remaining un-depreciated 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. 96, *Subscription Based Information Technology Arrangements (SBITA)* in the fiscal year ended December 31, 2023. GASB Statement No. 96 establishes a single model for SBITA accounting based on the foundation principle that SBITAs are financings of the right to use an underlying asset.

The adoption of GASB 96 resulted in the recognition of a SBITA asset and SBITA liability of $39,969 as of January 1, 2023. Results for periods prior to December 31, 2023 continue to be reported in accordance with the District's historical accounting treatment. See notes 5, 7, and 8 for expanded disclosures regarding the District's SBITAs.

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, 2023, 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, 2023, $1,747,589 of the District's deposits were covered by securities pledged in the District's name.

NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS

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, 2023, 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	$ 240,862	$ 240,862	$ -	$ -	$ -
Exchange Traded & Closed End Funds	195,898	195,898	-	-	-
	436,760	$ 436,760	$ -	$ -	$ -
Certificates of Deposit	750,000				
Total Investments	$ 1,186,760				

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, 2023.

	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	$ 240,862	$ 240,862	$ -	$ -
Exchange Traded & Closed End Funds	195,898	195,898	-	-
Total assets at fair value	436,760	$ 436,760	$ -	$ -
Certificates of Deposit	750,000			
Total Investments	$ 1,186,760			

NOTE 5 CAPITAL ASSETS

The following schedule is a summary of the capital asset activity for the year ended December 31, 2023:

	Balance 1/1/2023	Additions	Deletions	Transfers	Balance 12/31/2023
Capital Assets Not Being Depreciated:					
Land	$ 871,700	$ -	$ -	$ -	$ 871,700
Construction in Progress	71,365	226,612	-	(177,979)	119,998
Total Capital Assets Not Being Depreciated	943,065	226,612	-	(177,979)	991,698
Capital Assets Being Depreciated					
Buildings and Improvements	37,599,236	776,362	-	177,979	38,553,577
Machinery and Equipment	2,539,515	14,466	(86,360)	-	2,467,621
Right-of-Use Equipment	92,483	362,142	-	-	454,625
SBITA Assets	39,969	-	-	-	39,969
Total Capital Assets Being Depreciated	40,271,203	1,152,970	(86,360)	177,979	41,515,792
Less Accumulated Depreciation: or Amortization:					
Buildings and Improvements	6,362,035	953,914	-	-	7,315,949
Machinery and Equipment	1,815,366	179,996	(86,360)	-	1,909,002
Right-of-Use Equipment	11,503	89,824	-	-	101,327
SBITA Assets	-	14,534	-	-	14,534
Total Accumulated Depreciation or Amortization	8,188,904	1,238,268	(86,360)	-	9,340,812
Total Capital Assets Being Depreciated, Net	32,082,299	(85,298)	-	177,979	32,174,980
Governmental Capital Assets, Net	$ 33,025,364	$ 141,314	$ -	$ -	$ 33,166,678

The District recognized unallocated depreciation and amortization expense of $1,238,268 for the year ended December 31, 2023.

NOTE 6 LEASES

The District leases copy machines and equipment. The term of the leases are for periods ranging from 37-60 months, commencing on January 1, 2022 and terminating August 2025 through December 2026 with an monthly rent payments ranging from $169 through $3,241.

Following is the total lease expense for the year ended December 31, 2023.

Amortization expense by class of underlying asset	
Copy Machine	$ 4,009
Equipment	85,815
Total amortization expense	89,824
Interest on lease liabilities	13,789
Total	$ 103,613

NOTE 7 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The District entered into a subscription-based information technology arrangement (SBITA) with Tyler Technologies for the usage of accounting/payroll software. The SBITA contract commenced in January 2023 and terminates in September 2025, with an annual payment of $21,107.

Following is the total SBITA expense for the year ended December 31, 2023.

Amortization expense by class of underlying asset	
SBITA - GASB 96	$ 14,534
Total amortization expense	14,534
Interest on lease liabilities	1,562
Total	$ 16,096

NOTE 8 LONG-TERM DEBT

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

	Outstanding 12/31/23
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.	$ 690,855
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.	$ 15,735,000
$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.	1,115,000
Total Revenue Bonds Payable	$ 16,850,000

Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in liabilities reported in the Statement of Net Position:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Compensated absences	$ 83,616	$ 650	$ -	$ 84,266	$ 8,427
Special assessments	747,858	32,366	(89,369)	690,855	90,864
Leases	69,064	332,091	(76,350)	324,805	86,570
SBITAs	39,969	-	(19,769)	20,200	20,200
Unamortized bond premium	686,502	-	(49,036)	637,466	49,036
Bonds and notes payable					
Notes payable	39,378	-	(39,378)	-	-
Revenue bonds payable	19,410,000	-	(2,560,000)	16,850,000	1,085,000
Total bonds and notes payable	19,449,378	-	(2,599,378)	16,850,000	1,085,000
Total long-term liabilities	$ 21,076,387	$ 365,107	$ (2,833,902)	$ 18,607,592	$ 1,340,097

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

Debt Service Requirements

Annual requirements to amortize outstanding debt at December 31, 2023, are as follows:

	Special Assessments		Leases		SBITAs	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	$ 90,864	$ 23,007	$ 86,570	$ 14,971	$ 20,200	$ 907
2025	90,864	21,078	96,172	14,191	-	-
2026	73,644	17,954	142,063	7,951	-	-
2027	57,077	15,542	-	-	-	-
2028	49,645	13,785	-	-	-	-
2029-2033	98,010	49,731	-	-	-	-
2034-2038	76,194	35,139	-	-	-	-
2039-2043	70,966	22,034	-	-	-	-
2044-2048	69,659	9,752	-	-	-	-
2049-2050	13,932	490	-	-	-	-
Total	$ 690,855	$ 208,512	$ 324,805	$ 37,113	$ 20,200	$ 907

	Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2024	$ 1,085,000	$ 578,625	$ 1,282,634	$ 617,510
2025	1,100,000	558,545	1,287,036	594,594
2026	1,140,000	518,385	1,355,707	550,530
2027	1,185,000	476,445	1,242,077	499,938
2028	1,230,000	432,526	1,279,645	446,311
2029-2033	6,740,000	1,437,962	6,838,010	1,487,693
2034-2038	4,370,000	220,200	4,446,194	255,339
2039-2043	-	-	70,966	22,034
2044-2048	-	-	69,659	9,752
2049-2050	-	-	13,932	490
Premium	637,466	(637,466)	637,466	(637,466)
Total	$ 17,487,466	$ 3,585,222	$ 18,523,326	$ 3,846,725

NOTE 9 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, 2023.

NOTE 10 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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

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 closure of the plan will be effective on 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 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

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

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

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

At December 31, 2023, the Employer reported a liability of $1,545,591 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 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, 2023, the Employer's proportion was 0.080155 percent, which was an increase of 0.018623 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Employer recognized pension expense of $227,629. At December 31, 2023, 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	$ 50,314	$ (8,524)
Changes of assumptions	852,257	(1,173,142)
Net difference between projected and actual earnings on pension plan investments	40,554	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	335,217	(96,457)
Employer contributions subsequent to the measurement date	38,241	-
Total	$ 1,316,583	$ (1,278,123)

$38,241 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, 2024.

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:	
2024	$ 75,903
2025	(127,423)
2026	100,230
2027	(48,491)

Actuarial Assumptions

The total pension liability in the July 1, 2023 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	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the 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	31%	6.25%
International Equity	20%	6.95%
Private Equity	7%	9.45%
Domestic Fixed Income	23%	2.51%
Global Real Assets	19%	4.33%

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 3.86%; and the resulting Single Discount Rate is 6.50%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of the net pension liability	$ 2,130,998	$ 1,545,591	$ 1,059,950

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 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, 2023, the Employer reported a liability of $45,927 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023 the Employer's proportion was 0.045938 percent, a decrease of 0.001320 from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Employer recognized OPEB expense of $9,914. At December 31, 2023, 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	$	864	$	(526)
Changes of assumptions		9,795		(3,803)
Net difference between projected and actual earnings on OPEB plan investments		3,317		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		5,606		(6,705)
Employer contributions subsequent to the measurement date		2,509		-
Total	$	22,091	$	(11,034)

$2,509 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, 2024.

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:		
2024	$	4,687
2025		2,103
2026		3,072
2027		(1,314)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
S&P 500 Index	33%	5.50%
US Small Cap Equity	6%	7.65%
World Equity ex-US	26%	6.82%
US High Yield	3%	5.32%
Emerging Markets Debt	4%	6.25%
Core Fixed Income	28%	4.04%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. 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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Employer's proportionate share of the net OPEB liability	$ 60,359	$ 45,927	$ 33,776

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 12 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	$ 12,014
Bunker concessions	106
Adult and youth recreation programs	58,574
Soccer	230
Hillcrest Golf Course proshop	355,007
Wilson Arena	257,284
Two Rivers Activity Center membership	1,122,347
Two Rivers Activity Center aquatics	31,684
Two Rivers Activity Center learning center	373,481
Total charges for services	$ 2,210,727

NOTE 13 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, 2023, fees for JPS use of TRAC facilities were $7,844.

NOTE 14 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 15 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. Of the $436,760 endowment, $286,163 is nonexpendable.

NOTE 16 PRIOR PERIOD ADJUSTMENTS

Correction of Error

The District recorded prior period adjustments to the December 31, 2022 financial statements:

- A prior period adjustment was recorded to include certificate of deposit balances. This resulted in an increase in cash and fund balance (and net position) by $1,764,100 for the year ended December 31, 2022.

- A prior period adjustment was recorded to record deferred inflows on pledge receivable balances that were not received within 60 days of year end. This resulted in an increase in deferred inflows and a decrease in fund balance of $559,516 for the year ended December 31, 2022. This did not affect net position as of December 31, 2022.

- A prior period adjustment was recorded to properly reflect the discount on pledge receivables as of December 31, 2022. This resulted in a decrease in pledge receivables and fund balance / net position of $17,354.

NOTE 17 COMMITMENTS

The Park District signed a contract to perform Renovations of McElroy Field on August 11, 2023. The estimated cost of the project is $3.8 million and amounts paid as of December 31, 2023 are $119,998. The Park District also signed a contract to construct Pickle Ball Courts on February 13, 2023 for an estimated cost of $549,492. Amounts paid on the project as of December 31, 2023 are $513,133.

NOTE 18 TRANSFERS

Transferred amounts at December 31, 2023, consist of the following:

Fund	Transfer In	Transfer Out
General fund	$ 1,296,300	$ 487,538
Special assessments fund	-	53,304
Facilities fund	5,830	263,499
Foundation fund	205,500	703,289
	$ 1,507,630	$ 1,507,630

Transfers were made to transfer expenses related to debt payments and capital asset purchases on behalf of the foundation, as well as to transfer donation revenue to the general fund to use for capital asset related expenditures.

NOTE 19 NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62,* enhances the accounting and financial reporting requirements for accounting changes and error corrections. The statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences,* updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

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

NOTE 20 SUBSEQUENT EVENTS

On July 8, 2024, the District issued General Obligation Bonds in the amount of $2,355,000 to finance renovations at the McElroy Baseball Field. The bonds require annual principal payments in May each year and semi-annual interest payments until May 1, 2032. The interest rate on the bonds is 4%. Subsequent events have been evaluated through September 23, 2024, 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, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 1,721,310	$ 1,670,482	$ (50,828)
Intergovernmental	341,300	416,669	75,369
Charges for services	2,079,700	2,197,030	117,330
Investment earnings	1,675	2,291	616
Grants	30,100	599,185	569,085
Leases	17,000	34,018	17,018
Miscellaneous	-	14,860	14,860
Total revenues	4,191,085	4,934,535	743,450
EXPENDITURES			
Park operations	1,216,040	1,141,992	74,048
Recreation	2,849,000	4,225,228	(1,376,228)
Debt service	136,145	264,148	(128,003)
Total expenditures	4,201,185	5,631,368	(1,430,183)
Excess revenue over (under) expenditures	(10,100)	(696,833)	(686,733)
OTHER FINANCING SOURCES (USES)			
Proceeds from capital leases	-	332,091	332,091
Proceeds from sale of capital assets	-	30,050	30,050
Operating transfers in	-	1,296,300	1,296,300
Operating transfers out	-	(487,538)	(487,538)
Total other financing sources (uses)	-	1,170,903	1,170,903
Net change in fund balances	(10,100)	474,070	484,170
Fund balances - beginning of year	1,456,353	1,456,353	-
Fund balances - end of year	$ 1,446,253	$ 1,930,423	$ 484,170

See Notes to the Required Supplementary Information

JAMESTOWN PARKS AND RECREATION DISTRICT
BUDGETARY COMPARISON SCHEDULE – SPECIAL ASSESSMENTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original and Final Budget	Actual Amounts	Variance with Final Budget
REVENUES			
Taxes	$ 120,000	$ 115,063	$ (4,937)
Investment earnings	-	1,712	1,712
Total revenues	120,000	116,775	(3,225)
EXPENDITURES			
Capital outlay	-	32,366	(32,366)
Debt service	120,000	89,369	30,631
Interest and fiscal charges	-	23,086	(23,086)
Total expenditures	120,000	144,821	(24,821)
Excess revenue over (under) expenditures	-	(28,046)	21,596
Other financial sources (uses):			
Proceeds from special assessments	-	32,366	(32,366)
Transfers out	-	(53,304)	53,304
Total other financial sources (uses)	-	(20,938)	20,938
Net change in fund balance	-	(48,984)	42,534
Fund balances - beginning of year	66,918	66,918	-
Fund balances - end of year	$ 66,918	$ 17,934	$ 42,534

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
2023	0.08016%	$ 1,545,591	$ 980,187	157.68%	65.31%
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
2023	0.045938%	$ 45,927	$ 461,760	9.95%	62.74%
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
2023	$ 75,185	$ (75,185)	$ -	$ 975,340	7.71%
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
2023	$ 5,318	$ (5,318)	$ -	$ 466,528	1.14%
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.	$ 4,934,535
Differences - budget to GAAP:	
Net effect of December 31, 2023 revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the budget statement until collected.	13,697
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 4,948,232

Uses / Outflows of Resources

Actual expenditures (budgetary basis) presented on the Budgetary Comparison Schedule	$ 5,631,368
Differences - budget to GAAP:	
Net effect of December 31, 2023 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.	23,484
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - General Fund	$ 5,654,852

NOTE 3 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2023, expenditures exceeded appropriations in the general fund by $1,430,183.

NOTE 4 CHANGES OF BENEFIT TERMS

North Dakota Pension Retirement System Pension

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

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, 2022.

NOTE 5 CHANGES OF ASSUMPTIONS

North Dakota Pension Retirement System Pension

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

NDPERS Other Post Employment Benefits (OPEB)

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

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, 2023, 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 September 23, 2024. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control that we consider to be material weaknesses and a significant deficiency.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiency described in the accompany schedule of findings and responses as item 2023-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

Jamestown Parks and Recreation District's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brady Martz

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

September 23, 2024

2023-001: 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.

2023-002: 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.

2023-003: Segregation of Duties – Significant Deficiency

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.