

**JAMESTOWN PUBLIC SCHOOL
DISTRICT**

**FINANCIAL STATEMENTS
JUNE 30, 2024**

WITH INDEPENDENT AUDITOR'S REPORT

JAMESTOWN PUBLIC SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

School Board and Administration
Jamestown Public School District
Jamestown, North Dakota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the **Jamestown Public School District** (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **Jamestown Public School District**, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, 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 **Jamestown Public School 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 audit opinions.

Emphasis of Matter

As discussed in Note 11 to the financial statements, the 2023 financial statements have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Jamestown Public School District's management is responsible for the preparation and fair presentation of the 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 **Jamestown Public School 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 GAAS and GAS 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 GAAS and GAS, 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 **Jamestown Public School 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 **Jamestown Public School 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 Schedule of Employer's Share of Net Pension and OPEB Liability, Schedule of Employer Contributions for pensions and OPEB, Budgetary Comparison Schedule - General Fund, and Notes to the Required Supplementary Information, are listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2025 on our consideration of the **Jamestown Public School 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 School 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 Public School District's** internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "William Rouse". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
March 11, 2025

JAMESTOWN PUBLIC SCHOOL DISTRICT**STATEMENT OF NET POSITION****JUNE 30, 2024**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 13,701,617
Surrender value	285,627
Intergovernmental receivables	503,432
Taxes receivable	392,334
Capital assets, net of accumulated depreciation	
Land	2,375,379
Buildings	25,546,856
Equipment	<u>1,688,229</u>
Total assets	<u>44,493,474</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows relating to pensions and OPEB	<u>2,497,007</u>
Total assets and deferred outflows of resources	<u>\$ 46,990,481</u>
LIABILITIES	
Accounts payable	\$ 1,804,418
Accrued expenses	469,185
Interest payable	17,245
Current portion of long-term debt	262,940
Long-term liabilities	
Long-term debt, net of current portion	3,591,220
Compensated absences payable	177,663
Net pension and OPEB liability	<u>26,637,924</u>
Total liabilities	<u>32,960,595</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows relating to pensions and OPEB	<u>8,903,088</u>
NET POSITION	
Net investment in capital assets	25,739,059
Restricted for	
Debt services	262,800
Capital projects	1,142,501
Special reserve	407,341
Vocational education	1,388,507
Unrestricted	<u>(23,813,410)</u>
Total net position	<u>5,126,798</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 46,990,481</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net Revenue (Expense) and Change in Net Position Total
		Charges for Services	Operating Grants and Contributions	
	Expenses			
GOVERNMENTAL ACTIVITIES				
Regular programs	\$ 17,576,606	\$ 225,892	\$ -	\$ (17,350,714)
Federal programs	2,282,154	-	3,237,062	954,908
Special education	4,007,348	-	1,397,136	(2,610,212)
Tuition and assessments	1,800,611	-	-	(1,800,611)
Career and technical education	1,314,610	791,561	691,237	168,188
Administration	4,641,994	-	-	(4,641,994)
Student activities	1,788,127	714,527	-	(1,073,600)
Food services	2,391,790	681,645	825,379	(884,766)
Student transportation	1,308,993	47,329	-	(1,261,664)
Operations and maintenance	3,093,995	-	-	(3,093,995)
Debt service - interest	39,841	-	-	(39,841)
Total governmental activities	\$ <u>40,246,069</u>	\$ <u>2,460,954</u>	\$ <u>6,150,814</u>	<u>(31,634,301)</u>
GENERAL REVENUES				
Property taxes				8,441,414
Other taxes				449,540
Unrestricted state aid				19,753,044
Unrestricted investment earnings				240,784
Miscellaneous revenues				<u>518,975</u>
Total general revenues				<u>29,403,757</u>
Change in net position				<u>(2,230,544)</u>
Net position - beginning balance				<u>5,747,081</u>
Prior period adjustment				<u>1,610,261</u>
Net position - beginning balance, as restated				<u>7,357,342</u>
Net position - ending balance				\$ <u><u>5,126,798</u></u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	<u>General Fund</u>	<u>James Valley CTC</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 8,194,050	\$ 1,446,962	\$ 2,460,623	\$ 12,101,635
Surrender value	285,627	-	-	285,627
Intergovernmental receivables	400,715	61,241	41,476	503,432
Taxes receivable	<u>342,331</u>	<u>-</u>	<u>50,003</u>	<u>392,334</u>
Total assets	<u>\$ 9,222,723</u>	<u>\$ 1,508,203</u>	<u>\$ 2,552,102</u>	<u>\$ 13,283,028</u>
LIABILITIES				
Accounts payable	\$ 1,703,399	\$ 99,557	\$ 1,462	\$ 1,804,418
Accrued expenses	<u>361,635</u>	<u>20,139</u>	<u>-</u>	<u>381,774</u>
Total liabilities	<u>2,065,034</u>	<u>119,696</u>	<u>1,462</u>	<u>2,186,192</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred tax revenue	<u>342,331</u>	<u>-</u>	<u>50,003</u>	<u>392,334</u>
FUND BALANCES				
Assigned for				
Food service	-	-	259,953	259,953
Student activities	-	-	428,042	428,042
Restricted for				
Vocational education	-	1,388,507	-	1,388,507
Debt service	-	-	262,800	262,800
Special reserve	-	-	407,341	407,341
Capital projects	-	-	1,142,501	1,142,501
Unassigned	<u>6,815,358</u>	<u>-</u>	<u>-</u>	<u>6,815,358</u>
Total fund balances	<u>6,815,358</u>	<u>1,388,507</u>	<u>2,500,637</u>	<u>10,704,502</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,222,723</u>	<u>\$ 1,508,203</u>	<u>\$ 2,552,102</u>	<u>\$ 13,283,028</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total fund balances for governmental funds \$ 10,704,502

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 are not reported in the governmental funds

Cost of capital assets	60,186,479	
Less accumulated depreciation	<u>(30,576,015)</u>	
		29,610,464

An internal service fund is used by the school district to charge the cost of health insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.

1,512,571

Property taxes 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

392,334

Net pension and OPEB obligations are not due and payable in the current period, and therefore are not reported in the governmental funds.

(26,637,924)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Total deferred outflows of resources	2,497,007	
Total deferred inflows of resources	<u>(8,903,088)</u>	
		(6,406,081)

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Compensated absences payable	(177,663)	
Interest payable	(17,245)	
Long-term debt	<u>(3,854,160)</u>	
		<u>(4,049,068)</u>

Total net position of governmental activities \$ 5,126,798

JAMESTOWN PUBLIC SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	<u>General Fund</u>	<u>James Valley CTC</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local sources	\$ 8,702,643	\$ 813,139	\$ 2,515,835	\$ 12,031,617
County sources	12,015	-	-	12,015
State sources	20,637,576	1,199,616	6,979	21,844,171
Federal sources	<u>3,199,672</u>	<u>37,390</u>	<u>818,402</u>	<u>4,055,464</u>
Total revenues	<u>32,551,906</u>	<u>2,050,145</u>	<u>3,341,216</u>	<u>37,943,267</u>
EXPENDITURES				
General				
Regular programs	15,991,152	128,333	-	16,119,485
Federal programs	2,228,097	-	-	2,228,097
Special education	3,729,245	-	-	3,729,245
Tuition and assessments	1,733,301	-	-	1,733,301
Career and technical education	402,078	928,682	-	1,330,760
Administration	3,887,058	286,680	-	4,173,738
Student activities	630,726	36,335	1,145,841	1,812,902
Food services	-	-	1,776,631	1,776,631
Student transportation	1,029,007	-	197,571	1,226,578
Operation and maintenance	1,846,309	172,449	1,011,983	3,030,741
Debt service				
Principal	-	-	225,000	225,000
Interest and fees	<u>-</u>	<u>-</u>	<u>67,933</u>	<u>67,933</u>
Total expenditures	<u>31,476,973</u>	<u>1,552,479</u>	<u>4,424,959</u>	<u>37,454,411</u>
Excess (deficiency) of revenues over expenditures	<u>1,074,933</u>	<u>497,666</u>	<u>(1,083,743)</u>	<u>488,856</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	-	1,024,963	1,034,963
Refund of prior year expenditure	2,681	-	167	2,848
Transfers out	<u>(902,083)</u>	<u>-</u>	<u>(132,880)</u>	<u>(1,034,963)</u>
Total other financing sources (uses)	<u>(889,402)</u>	<u>-</u>	<u>892,250</u>	<u>2,848</u>
Net change in fund balances	<u>185,531</u>	<u>497,666</u>	<u>(191,493)</u>	<u>491,704</u>
FUND BALANCES - JULY 1	<u>6,509,673</u>	<u>-</u>	<u>2,692,130</u>	<u>9,201,803</u>
Prior year adjustments	<u>120,154</u>	<u>890,841</u>	<u>-</u>	<u>1,010,995</u>
FUND BALANCES - JULY 1, as restated	<u>6,629,827</u>	<u>890,841</u>	<u>2,692,130</u>	<u>10,212,798</u>
FUND BALANCES - JUNE 30	<u>\$ 6,815,358</u>	<u>\$ 1,388,507</u>	<u>\$ 2,500,637</u>	<u>\$ 10,704,502</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds \$ 491,704

Amount reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:

Current year capital outlay	42,268	
Depreciation expense	<u>(1,487,027)</u>	
		(1,444,759)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	265,293
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Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Net change in compensated absences	(43,711)
Net change in interest payable	20,737

The net pension and OPEB liability, and related deferred outflows and inflows of resources are reported in the government wide statements; however, activity related to these pension and OPEB items do not involve financial resources, and are not reported in the funds

Net change in net pension and OPEB liability	8,283,036	
Net change in deferred outflows of resources	(7,588,932)	
Net change in deferred inflows of resources	<u>(2,731,884)</u>	
		(2,037,780)

Some revenues reported in the statement of activities are not reported as revenues in the governmental funds since they do not represent available resources to pay current expenditures. This consists of the decrease in taxes receivable along with tuition for local education agencies.	69,412
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An internal service fund is used by the school district's management to charge the cost of health insurance to individual functions. The net operating income of certain activities of internal service funds is reported with governmental activities.

448,560

Change in net position of governmental activities \$ (2,230,544)

JAMESTOWN PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION – PROPRIETARY FUND
JUNE 30, 2024

	Governmental Activities - Internal Service Fund
ASSETS	
Cash and cash equivalents	\$ <u>1,599,982</u>
LIABILITIES	
IBNR payable	<u>87,411</u>
NET POSITION	
Unrestricted	<u>1,512,571</u>
Total liabilities and net position	\$ <u><u>1,599,982</u></u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENES, EXPENSES, AND CHANGES IN NET POSITION –
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 3,512,121
Miscellaneous	<u>134,328</u>
Total operating revenues	<u>3,646,449</u>
OPERATING EXPENSES	
Insurance claims and expenses	<u>3,218,242</u>
Operating income	<u>428,207</u>
NONOPERATING REVENUES	
Interest and investment income	<u>20,353</u>
Change in net position	<u>448,560</u>
NET POSITION - January 1	<u>1,064,011</u>
NET POSITION - December 31	\$ <u><u>1,512,571</u></u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 3,646,449
Cash paid to employees	<u>(3,448,666)</u>
Net cash provided by operating activities	<u>197,783</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Change in investments	130,000
Interest and investment income	<u>20,353</u>
Net cash provided by investing activities	<u>150,353</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>348,136</u>
CASH AND CASH EQUIVALENTS - July 1, 2023	<u>1,251,846</u>
CASH AND CASH EQUIVALENTS - June 30, 2024	\$ <u><u>1,599,982</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH	
Operating income	\$ 428,207
Change in assets and liabilities	
IBNR payable	(219,974)
Accounts payable	<u>(10,450)</u>
Net cash provided by operating activities	\$ <u><u>197,783</u></u>

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The financial statements of the Jamestown Public School District (“School District”), Jamestown, North Dakota, have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Government 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

The accompanying financial statements present the activities of the Jamestown Public School District. The School District has considered all potential component units for which the School District is financially accountable and other organizations for which the nature and significance of their relationships with the School District are such that exclusion would cause the School District’s financial statements to be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. Their criteria include appointing a voting majority of an organization’s governing board and (1) the ability of the School District to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to or imposed financial burdens on the School District.

Based on these criteria, there are no component units to be included within the School District as a reporting entity.

Basis of Presentation

Government-Wide Financial Statements: The statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government of the School District. Government 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 is offset by program revenues. School Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customer 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 program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Fund Financial Statements: The fund financial statements provide information about the School District’s funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary - are presented, when applicable. The emphasis of fund financial statements is on major governmental funds, displayed in a separate column. All remaining governmental funds are aggregate and reported as non-major funds.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Measurement Focus and Basis of Accounting

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus. These financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. All revenues are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All revenues are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenue items are considered to be measurable and available only when cash is received by the government.

The School District reports the following major governmental funds:

General Fund: This is the School District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CTC Fund: This fund accounts for financial resources dedicated to the James Valley Career and Technical Center.

Interfund Transactions

In the governmental fund statements, transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers. In the government-wide financial statements, interfund transactions have been eliminated.

Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits and money market accounts.

The investments of the School District consist of certificates of deposit stated at cost with maturities in excess of three months.

Surrender Value

Surrender value consists of the cash surrender value of a life insurance policy on a former employee.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Capital Assets

Capital assets include property, plant, and equipment. Assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of \$5,000 or more. Such assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 the assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Equipment	5 to 20 years

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent 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. See additional information regarding this item in Notes 8 and 9 to the financial statements.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School District has multiple items that qualify for reporting in this category. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The School District also reports deferred inflows of resources related to pensions and other post-employment benefits. See additional information regarding this item in Notes 8 and 9 to the financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums, discounts, and issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as assets and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Financial Statements

Government fund equity is classified as fund balance and may distinguish between “Restricted” and “Unrestricted” components. Fiduciary fund equity (except for Custodial Funds, which have no fund equity) is reported as net position held in trust for other purposes.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Restricted and Unrestricted Resources

It is the School District's policy to first use restricted net position, prior to the use of unrestricted net position, when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Balance and Classification Policies and Procedures

The School District classifies governmental fund balances as follows:

Nonspendable – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through board motion of the highest level of decision-making authority, school board, and does not lapse at year-end. A board motion is required to be taken to establish, modify, or rescind a fund balance commitment.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the Business Manager.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The School District uses *restricted/committed* amounts first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the School District would first use *committed*, then *assigned*, and lastly *unassigned* amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

Program Revenues

In the government-wide statement of activities, reported program revenues derive from the program itself or from parties other than the School District's taxpayers or citizenry, as a whole. Program revenues are classified into two categories, as follows:

Charges for services – these arise from charges to customers, applicants, or other who purchase, use, or directly benefit from the goods, services, or privileges provided, or are otherwise directly affected by the services.

Program-specific operating grants and contributions – these arise from mandatory and voluntary non-exchange transactions with other governments, organizations, or individuals that are restricted for use in a particular program.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Accounts Payable

Accounts payable consists of amounts owed for goods and services received prior to June 30 and chargeable to the appropriations for the year then ended but paid subsequent to that date.

Salaries and Benefits Payable

Salaries and benefits payable consists of salaries earned by employees but not paid until after year-end. It also consists of benefits owed to federal, state, and private agencies for amounts withheld from teacher's salaries as of June 30.

Compensated Absences

Compensated absences consist of annual leave which is compensated at termination of employment at the employee's daily pay rate. The liability for the portion of compensated absences related to annual leave is reported in the government-wide statement of Net Position.

Pensions

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

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information out 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 they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – CASH AND CASH EQUIVALENTS

In accordance with North Dakota Statutes, the School District maintains deposits at the 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 another financial institution 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 of 110% of the deposits not covered by insurance or bonds.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Authorized collateral includes bills, notes, or bonds issued by the United States government, its agencies or instrumentalities, all bonds and notes guaranteed by the United States government, Federal Land Bank bonds, bonds, notes, warrants, certificates of indebtedness, insured certificates of deposit, shares of investment companies registered under the Investment Companies Act of 1940, and all other forms of securities issued by the State of North Dakota, its boards, agencies or instrumentalities, or by any county, city, township, school district, park district, or other political subdivision of the state of North Dakota, whether payable from special revenues or supported by the full faith and credit of the issuing entity and bonds issued by any other state of the United States or such other securities approved by the banking board.

At year ended June 30, 2024, the School District's carrying amount of deposits was \$13,701,617 and the bank balances were \$14,069,430. Of the bank balance, \$3,348,265 was covered by Federal Depository Insurance. The remaining balance was collateralized with securities held by the pledging financial institution's agent in the government's name.

Interest Rate Risk

The School District does not have a formal investment policy that limits investments as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk

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

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an Act of Congress.
- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of Deposit fully insured by the Federal Deposit Insurance Corporation.
- d) Obligations of the state.

At June 30, 2024 the School District held certificates of deposit in the amount of \$4,000,000 which are all considered deposits and included in the above amount of total deposits.

Concentration of Credit Risk

The School District does not have a policy limiting the amount the School District may invest in any one issuer.

NOTE 3 – TAXES RECEIVABLE

Taxes receivable represents the past three years of uncollected current and delinquent taxes. No allowance has been established for uncollectible taxes receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material tax collections are distributed after the end of each month.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1 and may be paid in two installments. The first installment includes one-half of the real estate taxes and all the special assessments, and the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5.0% discount on property taxes is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent, and penalties are assessed.

Property owners generally choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the discount on the property taxes.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivables consist of reimbursements due for expenses in the operation of various school programs. These amounts consist of a mix of state and federal dollars.

NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets not being depreciated					
Land and improvements	\$ 2,375,379	\$ -	\$ -	\$ -	\$ 2,375,379
Construction in progress	<u>2,115,636</u>	<u>-</u>	<u>-</u>	<u>(2,115,636)</u>	<u>-</u>
Total capital assets, being depreciated	<u>4,491,015</u>	<u>-</u>	<u>-</u>	<u>(2,115,636)</u>	<u>2,375,379</u>
Capital assets, being depreciated					
Buildings	44,730,693	-	-	2,115,636	46,846,329
Equipment	<u>10,922,503</u>	<u>42,268</u>	<u>-</u>	<u>-</u>	<u>10,964,771</u>
Total capital assets, being depreciated	<u>55,653,196</u>	<u>42,268</u>	<u>-</u>	<u>2,115,636</u>	<u>57,811,100</u>
Less accumulated depreciation for					
Buildings	20,390,192	909,281	-	-	21,299,473
Equipment	<u>8,698,796</u>	<u>577,746</u>	<u>-</u>	<u>-</u>	<u>9,276,542</u>
Total accumulated depreciation	<u>29,088,988</u>	<u>1,487,027</u>	<u>-</u>	<u>-</u>	<u>30,576,015</u>
Total capital assets, being depreciated, net	<u>26,564,208</u>	<u>(1,444,759)</u>	<u>-</u>	<u>2,115,636</u>	<u>27,235,085</u>
Governmental activities capital assets, net	<u>\$ 31,055,223</u>	<u>\$ (1,444,759)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,610,464</u>

(Continued)

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Depreciation expense was charged to the following functions.

Regular programs	\$ 706,715
Federal programs	81,247
Special education	142,867
Tuition and assessments	65,228
Career and technical education	47,548
Administration	152,124
Student activities	64,207
Food service	60,056
Student transportation	46,875
Operations and maintenance	<u>120,160</u>
	<u>\$ 1,487,027</u>

NOTE 6 – LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended June 30, 2024, the following changes occurred in liabilities reported in the long-term liabilities:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Long-term debt	\$ 4,119,453	\$ -	\$ 265,293	\$ 3,854,160	\$ 262,940
Compensated absences*	132,914	44,749	-	177,663	-
Net pension liability*	34,629,214	-	8,177,942	26,451,272	-
Net OPEB liability*	<u>291,746</u>	<u>-</u>	<u>105,094</u>	<u>186,652</u>	<u>-</u>
Total	<u>\$ 39,173,327</u>	<u>\$ 44,749</u>	<u>\$ 8,548,329</u>	<u>\$ 30,669,747</u>	<u>\$ 262,940</u>

*The changes in compensated absences, net pension liability, and net OPEB liability are shown as a net change.

The compensated absences liability attributable to the governmental activities will be liquidated by the General Fund. The payments on the long-term debt will be made by the Debt Service Fund.

Debt service requirements on the general obligation bonds, including interest, at June 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 55,000	\$ 7,533	\$ 62,533
2026	55,000	6,075	61,075
2027	55,000	4,425	59,425
2028	60,000	2,700	62,700
2029	<u>60,000</u>	<u>900</u>	<u>60,900</u>
	<u>\$ 285,000</u>	<u>\$ 21,633</u>	<u>\$ 306,633</u>

(Continued)

JAMESTOWN PUBLIC SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

Debt service requirements on the certificate of indebtedness, including interest, at June 30, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 175,000	\$ 55,685	\$ 230,685
2026	180,000	52,135	232,135
2027	180,000	48,535	228,535
2028	185,000	44,885	229,885
2029	190,000	41,135	231,135
2030-2034	990,000	161,818	1,151,818
2035-2039	1,060,000	91,400	1,151,400
2040-2044	450,000	9,000	459,000
	<u>\$ 3,410,000</u>	<u>\$ 504,593</u>	<u>\$ 3,914,593</u>

Debt service requirements on the loans payable, at June 30, 2024 are as follows:

	<u>Principal</u>
2025	\$ 32,940
2026	32,940
2027	32,940
2028	2,745
	<u>\$ 101,565</u>

Debt service requirements on the bond premiums at June 30, 2024 are as follows:

	<u>Amortization</u>
2025	\$ 7,353
2026	7,353
2027	7,353
2028	7,353
2029	7,353
2030-2034	20,830
	<u>\$ 57,595</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 7 – TRANSFERS

The following is a reconciliation between transfers in and transfers out as reported in the basic financial statements for the year ended June 30, 2024.

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ 10,000	\$ 902,083
Building fund	-	122,880
Debt service fund	555,733	-
School lunch fund	-	10,000
Student activity	469,230	-
Total	\$ <u>1,034,963</u>	\$ <u>1,034,963</u>

NOTE 8 – PENSION PLANS

General Information about the TFFR Pension Plan

North Dakota Teacher's Fund for Retirement ("TFFR")

The following brief description of TFFR is provided for general information purposes only. Participants should refer to NDCC Chapter 15-39.1 for more complete information.

TFFR is a cost-sharing multiple-employer defined benefit pension plan covering all North Dakota public teachers and certain other teachers who meet various membership requirements. TFFR provides for pension, death and disability benefits. The cost to administer the TFFR plan is financed by investment income and contributions.

Responsibility for administration of the TFFR benefits program is assigned to a seven-member Board of Trustees (Board). The Board consists of the State Treasurer, the Superintendent of Public Instruction, and five members appointed by the Governor. The appointed members serve five-year terms which end on June 30 of alternate years. The appointed Board members must include two active teachers, one active school administrator, and two retired members. The TFFR Board submits any necessary or desirable changes in statutes relating to the administration of the fund, including benefit terms, to the Legislative Assembly for consideration. The Legislative Assembly has final authority for changes to benefit terms and contribution rates.

Pension Benefits

For purposes of determining pension benefits, members are classified within one of three categories. Tier 1 grandfathered and Tier 1 non-grandfathered members are those with service credit on file as of July 1, 2008. Tier 2 members are those newly employed and returning refunded members on or after July 1, 2008.

Tier 1 Grandfathered

A Tier 1 grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65, or the sum of age and years of service credit equals or exceeds 85. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 6.0% per year for every year the member's retirement age is less than 65 years or the date as of which age plus service equal 85. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.0% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 1 Non-grandfathered

A Tier 1 non-grandfathered member is entitled to receive unreduced benefits when three or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65 or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8.0% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the three highest annual salaries earned divided by 36 months and multiplied by 2.0% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Tier 2

A Tier 2 member is entitled to receive unreduced benefits when five or more years of credited service as a teacher in North Dakota have accumulated, the member is no longer employed as a teacher and the member has reached age 65 or has reached age 60 and the sum of age and years of service credit equals or exceeds 90. TFFR permits early retirement from ages 55 to 64, with benefits actuarially reduced by 8.0% per year from the earlier of age 60/Rule of 90 or age 65. In either case, benefits may not exceed the maximum benefits specified in Section 415 of the Internal Revenue Code.

Pension benefits paid by TFFR are determined by NDCC Section 15-39.1-10. Monthly benefits under TFFR are equal to the five highest annual salaries earned divided by 60 months and multiplied by 2.0% times the number of service credits earned. Retirees may elect payment of benefits in the form of a single life annuity, 100% or 50% joint and survivor annuity, ten or twenty-year term certain annuity, partial lump-sum option or level income with Social Security benefits. Members may also qualify for benefits calculated under other formulas.

Death and Disability Benefits

Death benefits may be paid to a member's designated beneficiary. If a member's death occurs before retirement, the benefit options available are determined by the member's vesting status prior to death. If a member's death occurs after retirement, the death benefit received by the beneficiary (if any) is based on the retirement plan the member selected at retirement.

An active member is eligible to receive disability benefits when: (a) a total disability lasting 12 months or more does not allow the continuation of teaching, (b) the member has accumulated five years of credited service in North Dakota, and (c) the Board of Trustees of TFFR has determined eligibility based upon medical evidence. The amount of the disability benefit is computed by the retirement formula in NDCC Section 15-39.1-10 without consideration of age and uses the member's actual years of credited service. There is no actuarial reduction for reason of disability retirement.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Member and Employer Contributions

Member and employer contributions paid to TFFR are set by NDCC Section 15-39.1-09. Every eligible teacher in the State of North Dakota is required to be a member of TFFR and is assessed at a rate of 11.75% of salary as defined by NDCC Section 15-39.1-04. Every governmental body employing a teacher must also pay into TFFR a sum equal to 12.75% of the teacher's salary. Member and employer contributions will be reduced to 7.75% each when the fund reaches 100% funded ratio on an actuarial basis.

A vested member who terminates covered employment may elect a refund of contributions paid plus 6.0% interest or defer payment until eligible for pension benefits. A non-vested member who terminates covered employment must claim a refund of contributions paid before age 70½. Refunded members forfeit all service credits under TFFR. These service credits may be repurchased upon return to covered employment under certain circumstances, as defined by the NDCC.

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

At June 30, 2024, the Employer reported a liability of \$21,347,901 for its proportionate share of the net pension liability. The net pension liability was measured as of July 1, 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 pension plan relative to the covered payroll of all participating TFFR employers. At July 1, 2023, the Employer's proportion was 1.521251 percent, which was an decrease of 0.26732887 from its proportion measured as of July 1, 2022.

For the year ended June 30, 2024, the Employer recognized pension expense of \$924,820. At June 30, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 79,545	\$ 1,133,145
Changes of assumptions	337,803	-
Net difference between projected and actual earnings on pension plan investments	1,302,947	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	4,549,717
Employer contributions subsequent to the measurement date	<u>2,062,463</u>	<u>-</u>
	\$ <u>3,782,758</u>	\$ <u>5,682,862</u>

\$2,062,463 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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 June 30:

2024	\$ (810,655)
2025	(1,048,574)
2026	582,904
2027	(733,321)
2028	(731,371)
Thereafter	(1,221,550)

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	2.30%
Salary increases	Composed of 3.80% wage inflations, plus step rate promotional increases for members with less than 30 years of service
Investment rate of return	7.25%, net of investment expenses, including inflation
Cost-of-living adjustments	None

For active and inactive members, mortality rates were based on the PubT-2010 Employee table, projected with generational improvement using Scale MP-2019. For healthy retirees, mortality rates were based on 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019. For disability retirees, mortality rates were based on the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019.

The actuarial assumptions used were based on the results of an actuarial experience study dated March 19, 2020. They are the same as the assumptions used in the July 1, 2023, funding actuarial valuation for TFFR.

The TFFR Board is responsible for establishing investment policy for the fund assets under NDCC 15-39.1-05.2. Benefit payments are projected to occur over a long period of time. This allows TFFR to adopt a long-term investment horizon and asset allocation policy for the management of fund assets. Asset allocation policy is critical because it defines the basic risk and return characteristics of the investment portfolio. Asset allocation targets are established using an asset-liability analysis designed to assist the Board in determining an acceptable volatility target for the fund and an optimal asset allocation policy mix. This asset-liability analysis considers both sides of the plan balance sheet, utilizing both quantitative and qualitative inputs, in order to estimate the potential impact of various asset class mixes on key measures of total plan risk, including the resulting estimated impact of funded status and contribution rates.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equities	55.00%	6.20%
Global fixed income	26.00%	3.00%
Global real assets	18.00%	4.40%
Cash equivalents	1.00%	0.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.25% percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at rates equal to those based on the July 1, 2023, Actuarial Valuation 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, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members as of July 1, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2023.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of net pension liability	\$ <u>29,722,288</u>	\$ <u>21,347,901</u>	\$ <u>14,398,539</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued TFFR financial report. TFFR's Comprehensive Annual Financial Report ("CAFR") is located at:
www.nd.gov/rio/sib/publications/cafr/default.htm.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

General Information about the NDPERS Pension Plan

North Dakota Public Employees Retirement System (Main System) ("NDPERS")

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 Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016, the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.0% 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 2.0% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

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

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

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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 7.0% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020, member contribution rates are 7.0% 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 June 30, 2024, the Employer reported a liability of \$5,103,371, 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 0.264663 percent, which was a decrease of 0.033474 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Employer recognized pension expense of \$180,257. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 166,132	\$ 28,145
Changes of assumptions	2,814,058	3,873,588

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	133,903	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,543	755,648
District contributions subsequent to the measurement date	<u>288,815</u>	<u>-</u>
	\$ <u>3,423,451</u>	\$ <u>4,657,381</u>

\$288,815 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

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

Year Ended June 30:	
2024	\$ (219,243)
2025	(827,429)
2026	(107,001)
2027	(369,072)
2028	-
Thereafter	-

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	3.50% 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.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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	31.00%	6.25%
International equity	20.00%	6.95%
Private equity	7.00%	9.45%
Domestic fixed income	23.00%	2.51%
Global real assets	19.00%	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%.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

Sensitivity of the District'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%)
District's proportionate share of net pension liability	\$ <u>7,036,322</u>	\$ <u>5,103,371</u>	\$ <u>3,499,837</u>

Pension Plan Fiduciary Net Position

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

NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (OPEB) – NDPERS

General Information about the OPEB Plan

North Dakota Public Employees Retirement System OPEB Plan

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.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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. 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 June 30, 2024, the Employer reported a liability of \$186,652 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 0.186698 percent, which was an increase of 0.056361 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Employer recognized OPEB expense of \$21,313. At June 30, 2024, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,512	\$ 2,136
Changes of assumptions	39,808	15,457

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	13,481	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,488	53,340
District contributions subsequent to the measurement date	<u>22,410</u>	<u>-</u>
	\$ <u>83,699</u>	\$ <u>70,933</u>

\$22,410 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025.

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

Year Ended June 30:	
2024	\$ (301)
2025	(4,615)
2026	4,843
2027	(9,571)
2028	-
Thereafter	-

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.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Domestic Equities	33.00%	6.10%
Small Cap Domestic Equities	6.00%	7.10%
Domestic Fixed Income	35.00%	2.59%
International Equities	26.00%	6.50%

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 plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the Plans as of June 30, 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:

	<u>1% Decrease (4.75%)</u>	<u>Current Discount Rate (5.75%)</u>	<u>1% Increase (6.75%)</u>
District's proportionate share of net pension liability	\$ <u>245,306</u>	\$ <u>186,652</u>	\$ <u>137,272</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 10 – RISK MANAGEMENT

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

In 1986, the state agencies and political subdivisions of the state of North Dakota joined together to form the North Dakota Insurance Reserve Fund (“NDIRF”), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The School District pays an annual premium to NDIRF for its general liability, automobile, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$5,000,000 per occurrence for general liability and automobile; and \$1,371,329 for public asset coverage.

The School District also participates in the North Dakota Fire and Tornado Fund and the State Bonding Fund. The School District pays an annual premium to the Fire and Tornado Fund to cover property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third-party insurance carrier for losses in excess of two million dollars per occurrence during a 12-month period. The State Bonding Fund currently provides the School District with blanket fidelity bond coverage in the amount of \$2,000,000 for its employees. The State Bonding Fund does not currently charge any premium for this coverage.

The School District has worker’s compensation with the Department of Workforce Safety and Insurance. The School District pays part of the health insurance premiums for their employees.

The School District provides health benefits to its employees under a self-funded health plan. The plan limits risk due to large claims through stop-gap loss coverage. Specific individual losses for claims were limited to \$75,000 per year. The School District has an accrued liability of \$87,411 for the expected claims that had been incurred but not paid as of June 30, 2024. As of June 30, 2024, management believed the plan was adequately funded.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

NOTE 11 – SUBSEQUENT EVENT

Subsequent to June 30, 2024, the District made the decision to retire the Washington Elementary School from active service at the end of fiscal year 2025, with no action on the assets associated with the school pending long- or short-range planning and without any reduction in workforce.

JAMESTOWN PUBLIC SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

NOTE 12 – ERROR CORRECTIONS

The 2024 beginning net position amount has been restated to adjust for accounts receivable errors and for the James Valley CTC being incorrectly classified as a discretely presented component unit. This resulted in an adjustment to the July 1, 2023, net position as follows:

	<u>Governmental Activities</u>
Beginning of year net position, as previously reported	\$ 5,747,081
Beginning net position, James Valley CTC	1,204,480
Beginning annuity payable balance	285,627
Beginning accounts receivable balance	<u>120,154</u>
Beginning of year net position, as restated	<u><u>\$ 7,357,342</u></u>

The 2024 beginning net position amount has been restated to adjust for accounts receivable errors and for the James Valley CTC being incorrectly classified as a discretely presented component unit. This resulted in an adjustment to the July 1, 2023, fund balance as follows:

	<u>General Fund</u>
Beginning of year fund balance, as previously reported	\$ 6,509,673
Beginning accounts receivable balance	<u>120,154</u>
Beginning of year fund balance, as restated	<u><u>\$ 6,629,827</u></u>

	<u>James Valley CTC</u>
Beginning of year fund balance, as previously reported	\$ -
Beginning accounts receivable balance	<u>890,841</u>
Beginning of year fund balance, as restated	<u><u>\$ 890,841</u></u>

**JAMESTOWN PUBLIC SCHOOL
DISTRICT NO. 1**

**REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024**

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF EMPLOYER' SHARE OF NET PENSION LIABILITY - PENSIONS
LAST 10 FISCAL YEARS

Schedule of Employer's Share of Net Pension Liability

Pension Plan	Measurement Date*	Employer's Proportion of the Net Pension Liability	Employer's Proportionate Share of the Net Pension Liability	Employer's Covered-Employee Payroll	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
ND TFFR	7/1/2023	1.521251%	\$ 21,347,901	\$ 12,206,707	174.89%	69.34%
ND TFFR	7/1/2022	1.788580%	\$ 26,042,670	\$ 14,074,558	185.03%	67.50%
ND TFFR	7/1/2021	1.842757%	\$ 19,416,308	\$ 14,202,120	136.71%	75.70%
ND TFFR	7/1/2020	1.888973%	\$ 28,910,805	\$ 13,783,091	209.76%	63.40%
ND TFFR	7/1/2019	1.927095%	\$ 26,540,970	\$ 13,519,117	196.32%	65.50%
ND TFFR	7/1/2018	1.969044%	\$ 26,244,575	\$ 13,385,750	196.06%	65.50%
ND TFFR	7/1/2017	1.996599%	\$ 27,423,798	\$ 13,476,470	203.49%	63.20%
ND TFFR	7/1/2016	2.012947%	\$ 29,490,845	\$ 13,078,614	225.49%	59.20%
ND TFFR	7/1/2015	2.088696%	\$ 27,317,119	\$ 12,847,669	212.62%	62.10%
ND TFFR	7/1/2014	2.170102%	\$ 22,738,822	\$ 12,587,748	180.64%	66.60%
ND PERS	6/30/2023	0.264663%	\$ 5,103,371	\$ 3,236,490	157.68%	65.31%
ND PERS	6/30/2022	0.298137%	\$ 8,586,544	\$ 3,460,886	248.10%	54.47%
ND PERS	6/30/2021	0.310764%	\$ 3,239,095	\$ 3,519,067	92.04%	78.26%
ND PERS	6/30/2020	0.319893%	\$ 10,063,902	\$ 3,528,802	285.19%	48.91%
ND PERS	6/30/2019	0.313131%	\$ 3,670,122	\$ 3,257,099	112.68%	71.66%
ND PERS	6/30/2018	0.324236%	\$ 5,471,836	\$ 3,330,930	164.27%	62.80%
ND PERS	6/30/2017	0.309901%	\$ 4,981,126	\$ 3,163,605	157.45%	61.98%
ND PERS	6/30/2016	0.332878%	\$ 3,244,221	\$ 3,354,623	96.71%	70.46%
ND PERS	6/30/2015	0.309690%	\$ 2,105,839	\$ 2,758,958	76.33%	77.15%
ND PERS	6/30/2014	0.323482%	\$ 2,053,209	\$ 2,724,949	75.35%	77.70%

*The measurement date of the actuarial report is one year prior to the balance sheet date.

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS

Schedule of Employer's Contributions						
Pension Plan	Measurement Date*	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
ND TFFR	7/1/2023	\$ 1,556,360	\$ (1,556,360)	\$ -	\$ 12,206,707	12.75%
ND TFFR	7/1/2022	\$ 1,556,355	\$ (1,556,355)	\$ -	\$ 14,074,558	11.06%
ND TFFR	7/1/2021	\$ 1,794,507	\$ (1,794,507)	\$ -	\$ 14,202,120	12.64%
ND TFFR	7/1/2020	\$ 1,810,772	\$ (1,810,772)	\$ -	\$ 13,783,091	13.14%
ND TFFR	7/1/2019	\$ 1,757,345	\$ (1,757,345)	\$ -	\$ 13,519,117	13.00%
ND TFFR	7/1/2018	\$ 1,723,668	\$ (1,723,668)	\$ -	\$ 13,385,750	12.88%
ND TFFR	7/1/2017	\$ 1,718,250	\$ (1,718,250)	\$ -	\$ 13,476,470	12.75%
ND TFFR	7/1/2016	\$ 1,667,524	\$ (1,667,524)	\$ -	\$ 13,078,614	12.75%
ND TFFR	7/1/2015	\$ 1,637,999	\$ (1,637,999)	\$ -	\$ 12,847,669	12.75%
ND TFFR	7/1/2014	\$ 1,353,170	\$ (1,353,170)	\$ -	\$ 12,587,748	10.75%
ND PERS	7/1/2023	\$ 244,842	\$ (240,243)	\$ 4,599	\$ 3,236,490	7.42%
ND PERS	7/1/2022	\$ 260,663	\$ (274,022)	\$ (13,359)	\$ 3,460,886	7.92%
ND PERS	7/1/2021	\$ 259,515	\$ (260,083)	\$ (568)	\$ 3,519,067	7.39%
ND PERS	7/1/2020	\$ 249,870	\$ (273,958)	\$ (24,088)	\$ 3,528,802	7.76%
ND PERS	7/1/2019	\$ 237,135	\$ (236,420)	\$ 715	\$ 3,257,099	7.26%
ND PERS	7/1/2018	\$ 245,337	\$ (234,304)	\$ 11,033	\$ 3,330,930	7.03%
ND PERS	7/1/2017	\$ 229,400	\$ (240,790)	\$ (11,390)	\$ 3,163,605	7.61%
ND PERS	7/1/2016	\$ 242,869	\$ (226,186)	\$ 16,683	\$ 3,354,623	6.74%
ND PERS	7/1/2015	\$ 209,565	\$ (211,422)	\$ (1,857)	\$ 2,758,958	7.66%
ND PERS	7/1/2014	\$ 194,016	\$ (194,016)	\$ -	\$ 2,724,949	7.12%

* The measurement date of the actuarial report is one year prior to the balance sheet date.

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF EMPLOYER'S SHARE OF NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

Schedule of Employer's Share of Net Pension Liability - OPEB

<u>Pension Plan</u>	<u>Measurement Date**</u>	<u>Employer's Proportion of the Net Pension Liability</u>	<u>Employer's Proportionate Share of the Net Pension Liability</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
NDPERS - OPEB	6/30/2023	0.186698%	\$ 186,652	\$ 1,876,654	9.95%	62.74%
NDPERS - OPEB	6/30/2022	0.243059%	\$ 291,746	\$ 2,509,349	11.63%	56.28%
NDPERS - OPEB	6/30/2021	0.265065%	\$ 147,422	\$ 2,889,887	5.10%	76.63%
NDPERS - OPEB	6/30/2020	0.302357%	\$ 254,342	\$ 3,446,782	7.38%	63.38%
NDPERS - OPEB	6/30/2019	0.298192%	\$ 234,444	\$ 3,257,099	7.20%	63.13%
NDPERS - OPEB	6/30/2018	0.304412%	\$ 239,745	\$ 3,330,930	7.20%	61.89%
NDPERS - OPEB	6/30/2017	0.292428%	\$ 231,314	\$ 3,163,605	7.31%	59.78%

*Complete data not available prior to 2017.

**The measurement date of the actuarial report is one year prior to the balance sheet date.

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
LAST 10 FISCAL YEARS*

Schedule of Employer's Contributions - OPEB

<u>Pension Plan</u>	<u>Measurement Date**</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered-Employee Payroll</u>	<u>Contributions as a Percentage of Covered-Employee Payroll</u>
NDPERS - OPEB	6/30/2023	\$ 22,660	\$ (22,660)	\$ -	\$ 1,876,654	1.21%
NDPERS - OPEB	6/30/2022	\$ 30,542	\$ (31,235)	\$ (693)	\$ 2,509,349	1.22%
NDPERS - OPEB	6/30/2021	\$ 34,752	\$ (35,403)	\$ (651)	\$ 2,889,887	1.20%
NDPERS - OPEB	6/30/2020	\$ 40,492	\$ (43,478)	\$ (2,986)	\$ 3,446,782	1.17%
NDPERS - OPEB	6/30/2019	\$ 37,880	\$ (37,854)	\$ 26	\$ 3,257,099	1.16%
NDPERS - OPEB	6/30/2018	\$ 39,070	\$ (37,515)	\$ 1,555	\$ 3,330,930	1.17%
NDPERS - OPEB	6/30/2017	\$ 36,775	\$ (38,553)	\$ (1,778)	\$ 3,163,605	1.16%

*Complete data not available prior to 2017.

**The measurement date of the actuarial report is one year prior to the balance sheet date.

JAMESTOWN PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
LAST 10 FISCAL YEARS*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
REVENUES				
Local sources	\$ 13,272,833	\$ 13,272,833	\$ 8,702,643	\$ (4,570,190)
County sources	12,000	12,000	12,015	15
State sources	22,245,301	22,233,901	20,637,576	(1,596,325)
Federal sources	<u>4,758,729</u>	<u>4,717,119</u>	<u>3,199,672</u>	<u>(1,517,447)</u>
Total revenues	<u>40,288,863</u>	<u>40,235,853</u>	<u>32,551,906</u>	<u>(7,683,947)</u>
EXPENDITURES				
Current				
Regular programs	17,191,817	17,250,600	15,991,152	(1,259,448)
Federal programs	1,787,552	3,351,631	2,228,097	(1,123,534)
Special education	3,805,731	3,654,256	3,729,245	74,989
Tuition and assessments	1,876,800	1,876,800	1,733,301	(143,499)
Career and technical education	1,121,151	1,120,801	402,078	(718,723)
Administration	3,578,561	3,603,729	3,887,058	283,329
Student activities	1,808,672	1,843,320	630,726	(1,212,594)
Student transportation	1,311,912	1,311,912	1,029,007	(282,905)
Operation and maintenance	<u>2,801,544</u>	<u>3,005,486</u>	<u>1,846,309</u>	<u>(1,159,177)</u>
Total expenditures	<u>35,283,740</u>	<u>37,018,535</u>	<u>31,476,973</u>	<u>(5,541,562)</u>
Excess (deficiency) of revenues over expenditures	<u>5,005,123</u>	<u>3,217,318</u>	<u>1,074,933</u>	<u>(2,142,385)</u>
Other financing sources and uses				
Transfers in	302,933	302,933	10,000	(292,933)
Refund of prior year expenditure	-	-	2,681	2,681
Transfers out	<u>(881,798)</u>	<u>(881,798)</u>	<u>(902,083)</u>	<u>(20,285)</u>
Total other financing sources and uses	<u>(578,865)</u>	<u>(578,865)</u>	<u>(889,402)</u>	<u>(310,537)</u>
Net change in fund balance	<u>4,426,258</u>	<u>2,638,453</u>	<u>185,531</u>	<u>(2,452,922)</u>
FUND BALANCE, July 1	<u>6,509,673</u>	<u>6,509,673</u>	<u>6,509,673</u>	<u>-</u>
Prior Year Adjustments	<u>120,154</u>	<u>120,154</u>	<u>120,154</u>	<u>-</u>
FUND BALANCE - July 1, as restated	<u>6,629,827</u>	<u>6,629,827</u>	<u>6,629,827</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 11,056,085</u>	<u>\$ 9,268,280</u>	<u>\$ 6,815,358</u>	<u>\$ (2,452,922)</u>

JAMESTOWN PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTE 1 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The Board of Education adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States for the general fund, special revenue funds, debt service funds, and capital project funds.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a) The annual budget must be prepared, and School District taxes must be levied on or before the fifteenth day of August of each year.
- b) The taxes levied must be certified to the county auditor by twenty-fifth of August.
- c) The operating budget includes proposed expenditures and means of financing them.
- d) Each budget is controlled by the business manager at the revenue and expenditure function/object level.
- e) The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared.
- f) All appropriations lapse at year-end.

NOTE 2 – CHANGES OF ASSUMPTIONS

North Dakota Teacher's Fund for Retirement

Amounts reported in 2021 and later reflect the following actuarial assumption changes based on the results of an actuarial experience study dated March 19, 2020.

- Investment return assumption lowered from 7.75% to 7.25%.
- Inflation assumption lowered from 2.75% to 2.30%.
- Individual salary increases were lowered.
- Rates of turnover, retirement and disability were changed to better reflect anticipated future experience.
- The post-retirement health mortality table was updated to 104% of the PubT-2010 Retiree table for retirees and to 95% of the PubT-2010 Contingent Survivor table for beneficiaries, both projected with generational improvement using Scale MP-2019.
- The disabled mortality was updated to the PubNS-2010 Non-Safety Disabled Mortality table projected with generational improvement using Scale MP-2019; and
- The pre-retirement mortality table was updated to the PubT-2010 Employee table projected with generational improvement using Scale MP-2019.

Amounts reported in 2016-2020 reflect the following actuarial assumption changes based on the results of an actuarial experience study dated April 30, 2015.

- Investment return assumption lowered from 8.0% to 7.75%.
- Inflation assumption lowered from 3.0% to 2.75%.
- Total salary scale rates lowered by 0.25% due to lower inflation.
- Added explicit administrative expense assumption, equal to prior year administrative expense plus inflation.
- Rates of turnover and retirement were changes to better reflect anticipated future experience.
- Updated mortality assumption to the RP-2014 mortality tables with generational improvement.

JAMESTOWN PUBLIC SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

North Dakota Public Employees 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.

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.

NOTE 3 – CHANGES OF BENEFITS TERMS

North Dakota Public Employees 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.

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.

NOTE 4 – BUDGET AMENDMENTS

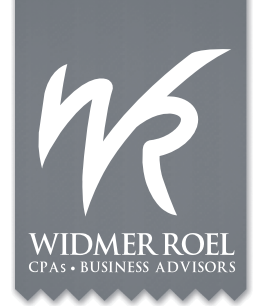
The School District amended the general fund budget for 2024 as follows:

	<u>Original Budget</u>	<u>Amendments</u>	<u>Final Budget</u>
Revenues	\$ 40,288,863	\$ (53,010)	\$ 40,235,853
Expenditures	\$ 35,283,740	\$ 1,734,795	\$ 37,018,535

**JAMESTOWN PUBLIC SCHOOL
DISTRICT NO. 1**

**SINGLE AUDIT REPORTS AND
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**

JUNE 30, 2024



4220 31st Avenue S.
Fargo, ND 58104-8725

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**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 School Board
Jamestown Public School 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, each major fund, and the aggregate remaining fund information of **Jamestown Public School District**, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise **Jamestown Public School District's** basic financial statements and have issued our report thereon dated March 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered **Jamestown Public School 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 Public School District's** internal control. Accordingly, we do not express an opinion on the effectiveness of the **Jamestown Public School District's** internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Jamestown Public School District's Response to Findings

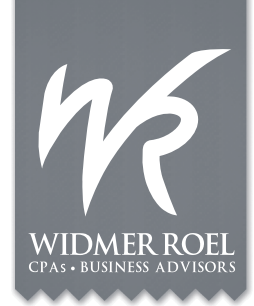
Government Auditing Standards requires the auditor to perform limited procedures on the **Jamestown Public School District's** response to the findings identified in our audit and described in the accompanying *Schedule of Findings and Questioned Costs*. **Jamestown Public School District's** response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink, appearing to read "William Rouse". The signature is fluid and cursive, with a large initial "W" and a stylized "R".

Fargo, North Dakota
March 11, 2025



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Jamestown Public School District
Jamestown, North Dakota

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Jamestown Public School District's** compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on **Jamestown Public School District's** major federal program for the year ended June 30, 2024. **Jamestown Public School District's** major federal program are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Jamestown Public School District** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Jamestown Public School District's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Jamestown Public School District's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **Jamestown Public School District's** internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Jamestown Public School District**, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise **Jamestown Public School District's** basic financial statements. We issued our report thereon dated March 11, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.



Fargo, North Dakota
March 11, 2025

JAMESTOWN PUBLIC SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Grantor's Number	Passed Through to Subrecipient	Total Federal Expenditures
U.S. Department of Agriculture passed through North Dakota Department of Public Instruction Child Nutrition Cluster				
School Breakfast Program	10.553	F10553	\$ -	\$ 105,358
National School Lunch Program	10.555	F10555	-	504,807
National School Lunch Program - commodities	10.555S	N/A	-	85,713
Summer Food Service Program for Children	10.559	F10559	-	41,476
Fresh Fruit and Vegetable Program	10.582	F10582	-	47,815
Total Child Nutrition Cluster			-	785,169
State Administrative Expenses for Child Nutrition	10.560	F10560	-	3,253
Subtotal Department of Agriculture			-	788,422
U.S. Department of Education passed through North Dakota Department of Public Instruction				
COVID-19 Education Stabilization Fund				
COVID-19 Education Stabilization Fund	84.425	F84425D	-	131,591
COVID-19 Education Stabilization Fund	84.425	F84425U	-	855,926
COVID-19 Education Stabilization Fund	84.425	F84425W	-	5,661
Total COVID-19 Education Stabilization Fund			-	993,178
Special Education Cluster				
Special Education Grants to States	84.027	F84027A	-	625,144
Special Education Grants to States	84.027	F84027X	-	35,593
Special Education Preschool Grants	84.173	F84173A	-	17,731
Total Special Education Cluster			-	678,468
Title I - Grants to Local Educational Agencies	84.010	F84010	-	869,560
Supporting Effective Instruction State Grants	84.367	F84367	-	306,582
Student Support and Academic Enrichment Program	84.424	F84424A	-	93,941
Comprehensive Literacy Development	84.371	F84371C2	-	262,029
State Board of Career and Technical Education Career and Technical Education - Basic Grants to States				
	84.048	N/A	-	65,277
Subtotal Department of Education			-	3,269,035
Total expenditures of federal awards			\$ -	\$ 4,057,457

JAMESTOWN PUBLIC SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Jamestown Public School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Jamestown Public School District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jamestown Public School District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Subpart E of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – NON-CASH AWARDS

The amount of commodities reported on the Schedule is the value of the supplemental food program distributed by the district during the year as priced by the North Dakota Department of Public Instruction.

NOTE 4 – PASS-THROUGH GRANT NUMBER

For Federal Pass-through programs marked as “N/A”, the Jamestown Public School District was unable to obtain a pass-through grant number.

NOTE 5 – INDIRECT COST RATE

Jamestown Public School District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unmodified		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u> yes	<u> </u> no	
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> reported	
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u> yes	<u> X </u> no	
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> reported	

Type of auditor’s report issued on compliance for major programs:	
Title I – Grants to Local Educational Agencies	Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)?	<u> </u> yes	<u> X </u> no
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Identification of major programs:

Assistance Listing Number	Name of Federal Program
84.010	Title I – Grants to Local Educational Agencies

Dollar threshold used to distinguish between type A and type B programs:	<u> \$750,000 </u>
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Auditee qualified as <u>low-risk</u> auditee?	<u> X </u> yes	<u> </u> no
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JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

2024-001 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

Condition

During the audit of the Jamestown Public School District, we proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements

Criteria

Jamestown Public School District is responsible for the presentation of its financial statements and related note disclosures to ensure it is reliable, accurate, free of material misstatement, and in accordance with GAAP.

Cause

Jamestown Public School District did not have procedures in place to reconcile financial statement and account balances to ensure the financial statements are complete and accurate.

Effect

There is an increased risk of material misstatement to the Jamestown Public School District's financial statements whether due to error or fraud.

Recommendation

We recommend the Jamestown Public School District review its procedures for reconciling the financial statements and account balances to ensure the financial statements are complete and accurate in accordance with GAAP.

Views of Responsible Officials

See corrective action plan.

JAMESTOWN PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

2024-002 (MATERIAL WEAKNESS) – UNRECONCILED CASH AND CASH EQUIVALENTS

Condition

During testing of the June 30, 2024, cash and cash equivalents, there was an unreconciled net difference of \$230,066, between the general ledger and the bank balances. After testing of amounts in cash and cash equivalents and transfers, and proposing audit adjustments to correct, the net difference was effectively resolved.

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) model defines internal control as a process designed to provide reasonable assurance of the achievement of objectives that involve the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. Pertaining to the bank reconciliations, management is responsible for the policies and procedures to ensure accurate and timely bank reconciliations.

Cause

Jamestown School District was not aware of how to correct the unreconciled net difference.

Effect

There is an increased risk of material misstatement to the Jamestown Public School District's financial statements whether due to error or fraud.

Recommendation

We recommend Jamestown Public School District review its current procedures and resolve its unreconciled net difference between the general ledger and bank balances.

Views of Responsible Officials

See corrective action plan.

SECTION III – MAJOR FEDERAL AWARD FINDINGS

NONE NOTED

JAMESTOWN PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

2023-001 (SIGNIFICANT DEFICIENCY) – FINANCIAL STATEMENT PREPARATION

Condition

Schauer & Associates P.C. assists the School District's management in preparing financial statements that are presented, including note disclosures in accordance with accounting principles generally accepted in the United States of America.

Recommendation

We recommend the School District consider the additional risk of having the auditors assist in the preparation of the financial statements and note disclosures and consider preparing them in the future. As a compensating control, the School 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.

Current Status

Widmer Roel will assist with the preparation of the School District's financial statements. However, Widmer Roel has deemed this to not being a finding for this audit.



ADAM GEHLHAR
Continuous Improvement Director

Jamestown Public School District #1

DR. ROBERT LECH, SUPERINTENDENT
207 Second Avenue Southeast
Jamestown, North Dakota 58401
(701) 252-1950 Fax (701) 251-2011



KRISTI GROUNDS
Business Manager

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

The Jamestown Public School District respectfully submits the following views of responsible officials and planned corrective action for the year ended June 30, 2024.

Name and address of independent public accounting firm:

Widmer Roel PC
4220 31st Avenue S
Fargo, ND 58104

Audit period: June 30, 2024

Contact person: Kristi Grounds, Business Manager

The findings from the June 30, 2024, Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FINANCIAL STATEMENT AUDIT

2024-001 (MATERIAL WEAKNESS) – AUDIT ADJUSTMENTS

Condition

During the audit of the Jamestown Public School District, we proposed material adjusting entries to the financial statements in accordance with generally accepted accounting principles (GAAP). The adjustments were approved by management and are reflected in the financial statements.

Views of Responsible Officials and Planned Corrective Action

Jamestown Public School District officials concur with the findings. Jamestown Public School District supports the practice of auditors preparing financial statements combining the James Valley Career and Technical Center with Jamestown Public School District. Additionally, the business manager has procedures in place to ensure funds claimed through the end of the fiscal year, but not yet received, are recorded as accounts receivable and revenue in the current fiscal year. Lastly, the business manager has also implemented monthly reconciliation procedures for all investments accounts to ensure accuracy and prevent discrepancies.

Anticipated Completion Date: These procedures were implemented in December 2024 and will continue.

2024-002 – (MATERIAL WEAKNESS) – UNRECONCILED CASH AND CASH EQUIVALENTS

Condition

During testing of the June 30, 2024 cash and cash equivalents, there was an initial unreconciled net difference of \$230,066, between the general ledger and the bank balances. After testing of amounts in cash and cash equivalents and transfers, and proposing audit adjustments to correct, the net difference was effectively resolved.

Views of Responsible Officials and Planned Corrective Action

Jamestown Public School District officials concur with the findings and that there is no material difference between the general ledger and bank balances. The business office will, moving forward, ensure all reconciliations are completed prior to the initiation of the audit.

Anticipated Completion Date: Implemented monthly savings reconciliation in December 2024 and will continue to monitor monthly going forward.

Sincerely yours,



Kristi L Grounds
Business Manager
Jamestown Public School District